



Sustainability Report 2021



Angelini
Industries

Sustainability Report 2021



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Letter to stakeholders

This second Sustainability Report underlines our commitment to reporting all aspects of our Group's businesses to our stakeholders. Although they may be intangible, these elements have positive effects on how we do business and help create value over time. Angelini Industries' current repositioning goal, that of creating a diversified industrial group that can establish itself internationally through the quality of its products and its ability to take care of people and families in their everyday lives, can only be pursued by taking due consideration of the impacts of its operations on the environment, people and the community. This Report refers to fiscal year 2021, not only characterized by the global climate and pandemic crises but also the energy crisis and, more generally, the crisis related to the supply of raw materials, further complicating both the Italian and global road to economic recovery, to which businesses are called upon to contribute.

These events, together with the spread of ESG issues and the rapid evolution of European sustainability regulations, have further called into question our global priorities and highlighted the need to pursue sustainable development with ever-greater commitment and responsibility with the aim of guaranteeing opportunities and growth for the future generations. Despite this climate of uncertainty and critical events, over the past year Angelini Industries has continued along its growth path, focusing on the factors that have always been a priority for the Group: investment in innovation, development of intellectual capital, protection and preservation of natural capital, quality of processes and products, building positive relationships with all stakeholders, business diversification and international expansion. The ESG performance illustrated in this second edition of the Report, which has been enriched

Letter to stakeholders

by extending the reporting scope to include the Foreign Companies, gives a more accurate picture of a Group with an industrial vocation and a strong presence on both the domestic and international markets. As a result of its business diversification and internationalization process, in 2021 the Angelini Industries Group reported consolidated revenues of 1,725 million euros, a slight increase compared to the previous year, which ended with revenues of 1,699 million euros and an EBITDA of 193 million euros. The added value distributed to stakeholders amounted to 1,630.5 million euros. As in 2020, we once again chose to engage our internal stakeholders this year, including those at our international sites, with the intention of consolidating the reporting process, refining the materiality map and improving the quality of content. Among other things, this allowed

us to further emphasize Angelini Industries' contribution to the Sustainable Development Goals of the 2030 Agenda. This contribution took form in 2021 through various initiatives undertaken by the Operating Companies and the Parent Company in the area of sustainability, such as the adoption of a Group Code of Ethics, training and organizational development activities, value chain oversight, and the verification of social and environmental requirements and respect for human rights in the supply chain, as well as numerous collaborations and measures to support local associations and entities. In particular: the Angelini Foundation's creation of Casale Angelini, the first Care House in Italy, in collaboration with Ospedali Riuniti of Ancona, to host people undergoing treatment at the hospital's oncology clinic; Angelini Real Estate's attainment of LEED Platinum certification for Casa Angelini, the Angelini Industries

Letter to stakeholders

headquarters; the carbon footprint initiative in the Consumer Goods sector; and the Angelini Academy community empowerment initiative. Lastly, a major rebranding project was launched in 2021 and concluded in early 2022. We adopted a new name for the Group, Angelini Industries, which conveys our diversification and industrial vocation, and a new “welcoming” and “enveloping” logo which, replacing the historic triangular A, establishes a new visual language in keeping with our purpose and values.

Sergio Marullo di Condojanni
Chief Executive Officer

Thea Paola Angelini
Executive Vice Chairman

The rebranding project not only expresses and represents the Group’s new visual identity but also the Angelini business approach, an Angelini Way that we hope will help increasingly place our Company, in its renewed multi-industry and multinational positioning, at the service of people and reaffirm our commitment to creating value for all individuals and the communities in which we operate.

Methodological note

This Sustainability Report is Angelini Industries’ second non-financial statement and relates to 2021 (January 1, 2021 to December 31, 2021). The document is widely disseminated to all stakeholders in Angelini Industries and its Operating Companies through its publication on the corporate website of Angelini Industries and its distribution and presentation to all the people in the Group. In addition to the results and objectives achieved in the area of ESG, the Sustainability Report outlines the principles that shape the actions, future objectives and current initiatives of the Group. Particular emphasis has been given to long-standing initiatives and new projects in the pipeline in the various business sectors, reflecting the Operating Companies’ commitment and contribution to sustainability and value creation.

REPORTING SCOPE

Continuing and improving the process begun last year, Angelini Industries decided to prepare a document that is more representative of the Group’s business, including the foreign offices of the Operating Companies in this year’s reporting scope. Compared to the scope examined in 2020, which consisted of the Companies operating in Italy, all the Italian and Foreign Companies that met the following inclusion criteria were included in this 2021 Report: 100% controlled by Angelini Holding S.p.A.¹, line-by-line consolidation method, presence of production sites, excess of a threshold based on the value of sales and EBITDA and the value of assets. In this respect, with regard to economic capital (economic and financial data) and human capital (workforce and composition of human resources), the qualitative data and information refer to the entire scope of Angelini Industries.

¹ With the exception of Fater S.p.A., a 50% subsidiary of Angelini Holding S.p.A., and Fameccanica Data S.p.A., a wholly-owned subsidiary of Fater S.p.A. until June 1, 2022.

Methodological note

Compared to this overall scope, a reporting scope was subsequently defined for the qualitative and quantitative information in this Report.

The 27 Italian and Foreign Companies included in the reporting scope are listed below:

• Holding Companies

1. Angelini Holding S.p.A. (Headquarters Casa Angelini)(Italy)
2. Angelini Real Estate S.p.A. (Italy)

• Pharmaceutical

3. Angelini Pharma S.p.A. (Italy)
4. Angelini ILAC SAN. VE TIC. A.S. (Turkey)
5. Angelini Pharma Polska SP. Z.O.O. (Poland)
6. Angelini Pharma Česká republika s.r.o. (Czech Republic)
7. S.C. Angelini Pharmaceuticals Romania S.r.l. (Romania)
8. Angelini Pharma España S.L.U. (Spain)
9. Angelini Pharma Bulgaria E.O.O.D. (Bulgaria)
10. Angelini Pharma RUS L.L.C. (Russia)

11. Angelini Pharma Österreich G.m.b.H. (Austria)
12. Angelmed S.A. (Portugal)
13. Angelini Pharma Hellas S.A. (Greece)
14. Angelini Pharma Inc. (United States)
15. Angelini Pharma Deutschland G.m.b.H. (Germany)

• Consumer Goods

16. Fater S.p.A. (Italy)
17. Fater Portugal Unipessoal Lda. (Portugal)
18. Fater Central Europe S.r.l. (Romania)
19. Fater Eastern Europe o.o.o. (Russia)
20. Fater Temizlik Urunleri Limited Sirketi (Turkey)

• Industrial Technology

21. Fameccanica.Data S.p.A. (Italy)
22. Fameccanica Machinery (Shanghai) CO. Ltd.
23. Fameccanica North America Inc. (United States)

• Perfumery and Dermocosmetics

24. Angelini Beauty S.p.A. (Italy)

Methodological note

25. Angelini Beauty S.A. (Spain)
26. Angelini Beauty G.m.b.H. (Germany)

• Wine

27. Angelini Wines & Estates Società Agricola a r.l. (formerly Bertani Domains Soc. Agr. a r.l.)(Italy)

Please note that the following exceptions apply to some quantitative information, and in particular:

- for the Pharmaceutical sector, the energy and water consumption and waste data refer to the Angelini Pharma S.p.A., Angelini Pharma España S.L.U., Angelini Pharma Inc. production plants;
- for the Consumer Goods sector, the data on training, energy and water consumption, materials and waste data refer to the Fater S.p.A., Fater Portugal Unipessoal Lda., Fater Temizlik Urunleri Limited Sirketi production plants;
- for Angelini Real Estate S.p.A., included under the Holding Company umbrella, the available data cover training, injuries, energy and water consumption, and waste.

Other exceptions to the scope are reported in a number of the detailed tables in this Report. Similarly, with regard to natural capital (materials and fuel consumption), the data and qualitative information refer to the entire scope of Angelini Industries, with the exception of Fater S.p.A. and Angelini Pharma S.p.A., for which the data refer to the Italian and foreign sites that house the production plants, where greater impacts are noted compared with the commercial sites.

Methodological note

REPORTING STANDARDS

For this Sustainability Report, Angelini Industries adopted the following technical-methodological references:

- GRI Universal Standards published on October 5, 2021 by the Global Reporting Initiative (GRI), according to the "with reference to the GRI Standards" option;
- guiding principles and content of the International Integrated Reporting Framework (hereinafter also "IIRF" or "IR Framework") issued by the International Integrated Reporting Council (IIRC) and updated in January 2021;
- "Standard GBS 2013 - Principles for Sustainability Reporting" issued by Gruppo di Studio per il Bilancio sociale (GBS), for the preparation of the statement of determination and distribution of added value.

REPORT STRUCTURE

The Report is divided into the following six main chapters: 1. Identity, 2. Governance, 3. Economic capital, 4. Human capital, 5. Social and relational capital and 6. Natural capital. These chapters are preceded by the Letter to stakeholders, this Methodological note, and the following sections: Highlights, Significant events during the period, A new brand identity. The GRI content index can be found in the Appendix.

REPORTING PROCESS

The collection and consolidation of the information and data in this Report was carried out through the use of data and qualitative information collection forms, appropriately

Methodological note

extended to include the Foreign Companies. The process of collecting data and information for the year 2021 involved the contact persons of the Group's Italian Operating Companies, who in turn coordinated the data collection process for their respective Foreign Companies. The social and environmental sustainability objectives reported in the respective areas were defined with reference to the planning and control tools used by Angelini Industries and the Group Operating Companies. The organization and supervision of the work, the approval of the improvement objectives and the document were carried out by Angelini Industries.

GROUP STAKEHOLDERS AND MATERIALITY ANALYSIS

The stakeholder map, presented in the section "Stakeholder map and engagement methods", was reviewed on the basis of the Group's Code of Ethics, listing the subjects that interact with Angelini Industries. Each identified category has particular interests and expectations, and is listened to through specific dialogue and engagement initiatives organized by Angelini Industries and the Group Operating Companies. The extra-financial reporting was preceded by the analysis and identification of material topics for the stakeholders and for Angelini Industries, which led to the identification of topics according to the (positive and negative) impacts they generate and the impact they may have on stakeholder decisions. Compared to last year, the materiality analysis was further refined and expanded following the engagement of 45 internal stakeholders from all Group Companies, both Italian and Foreign, in the first quarter of 2022.

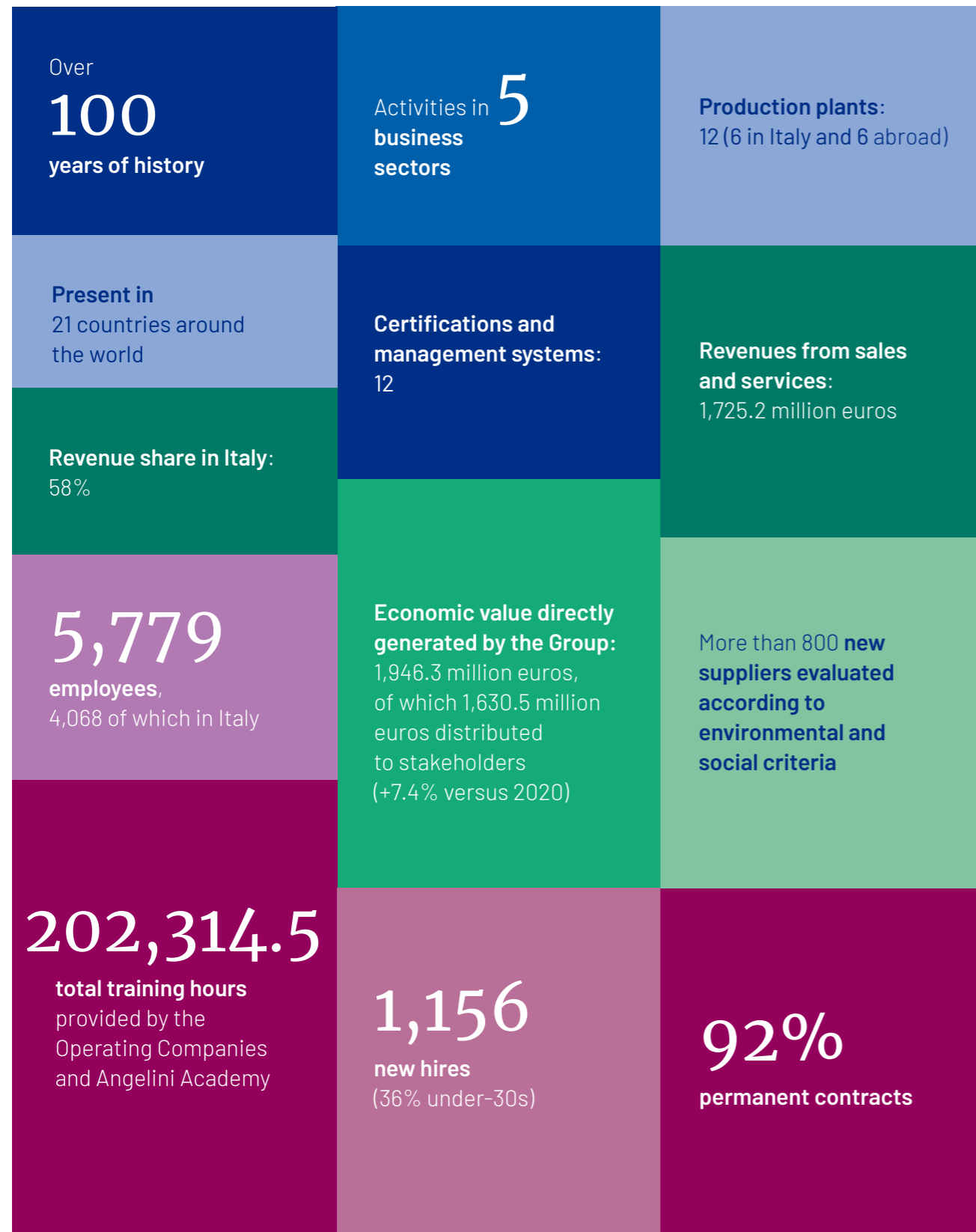
Methodological note

The engagement events stimulated reflection on the issues that matter to Angelini Industries and the concrete contribution of the Group Operating Companies to the Sustainable Development Goals (SDGs). An Angelini Industries materiality map was subsequently produced to represent those topics deemed as material, with these broken down into the following five areas: governance, people, product, environment and community. The materiality map can be found in the "Focus on sustainability" chapter of the "The issues that matter" section.

For further information visit the company website www.angeliniindustries.com.



Highlights 2021

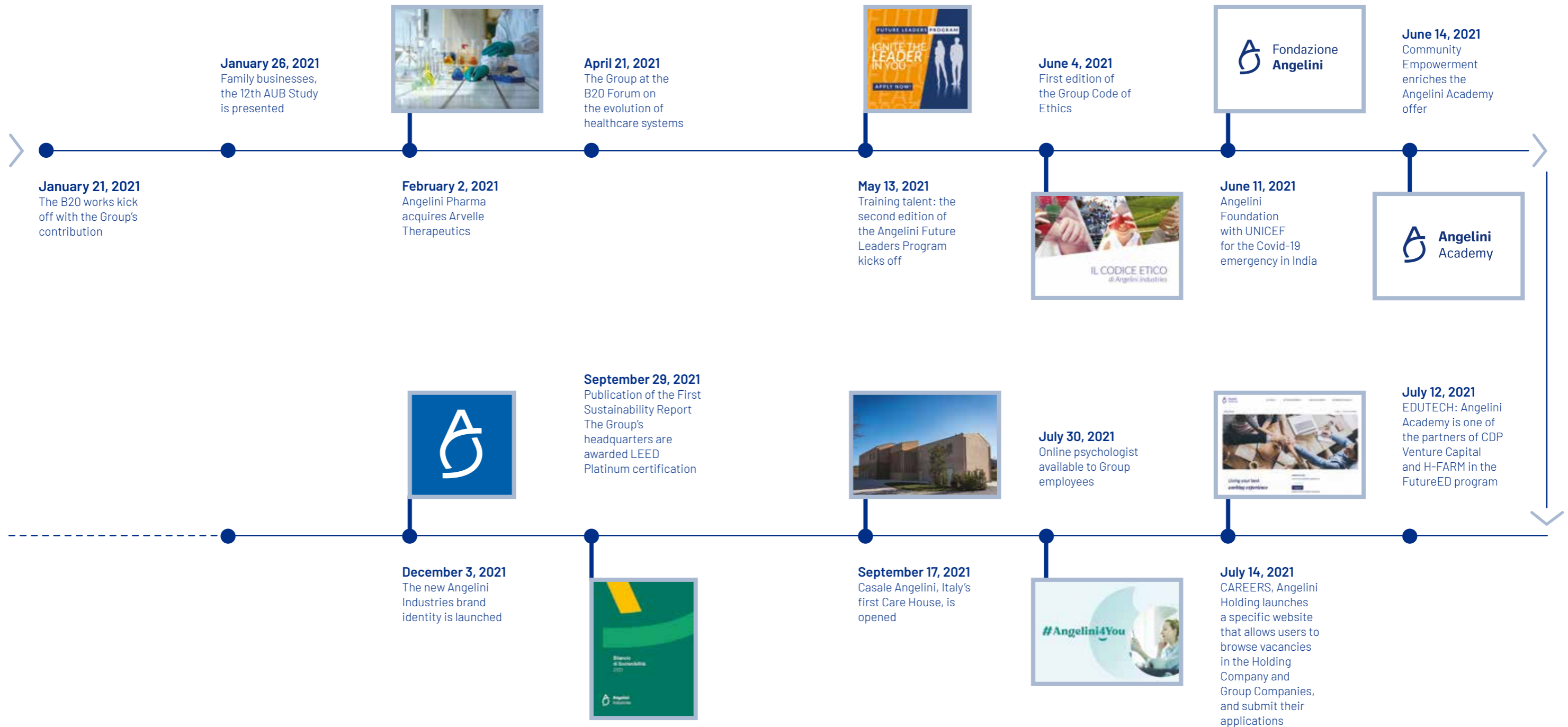


Highlights 2021



Significant events during the period

The most significant events of 2021 are listed below, reflecting Angelini Industries' commitment to sustainability issues.



Significant events during the period

A new brand identity



In order to adapt the Group's visual language to its multi-sector and multinational positioning and represent its universe of values, a rebranding project was developed in 2021 involving both the Parent Company and the Operating Companies. The project is based on the values and purposes that inspire Angelini's daily activities: taking care of people and families in their everyday lives, looking to the future and building a better world.

An open, inclusive and iconic new logo was therefore adopted to replace the historic triangular A and a new name was chosen, Angelini Industries, to identify both the Parent Company and the Group as a whole, reflecting its long history as a family-run business, its industrial nature, its diversification and internationalization.

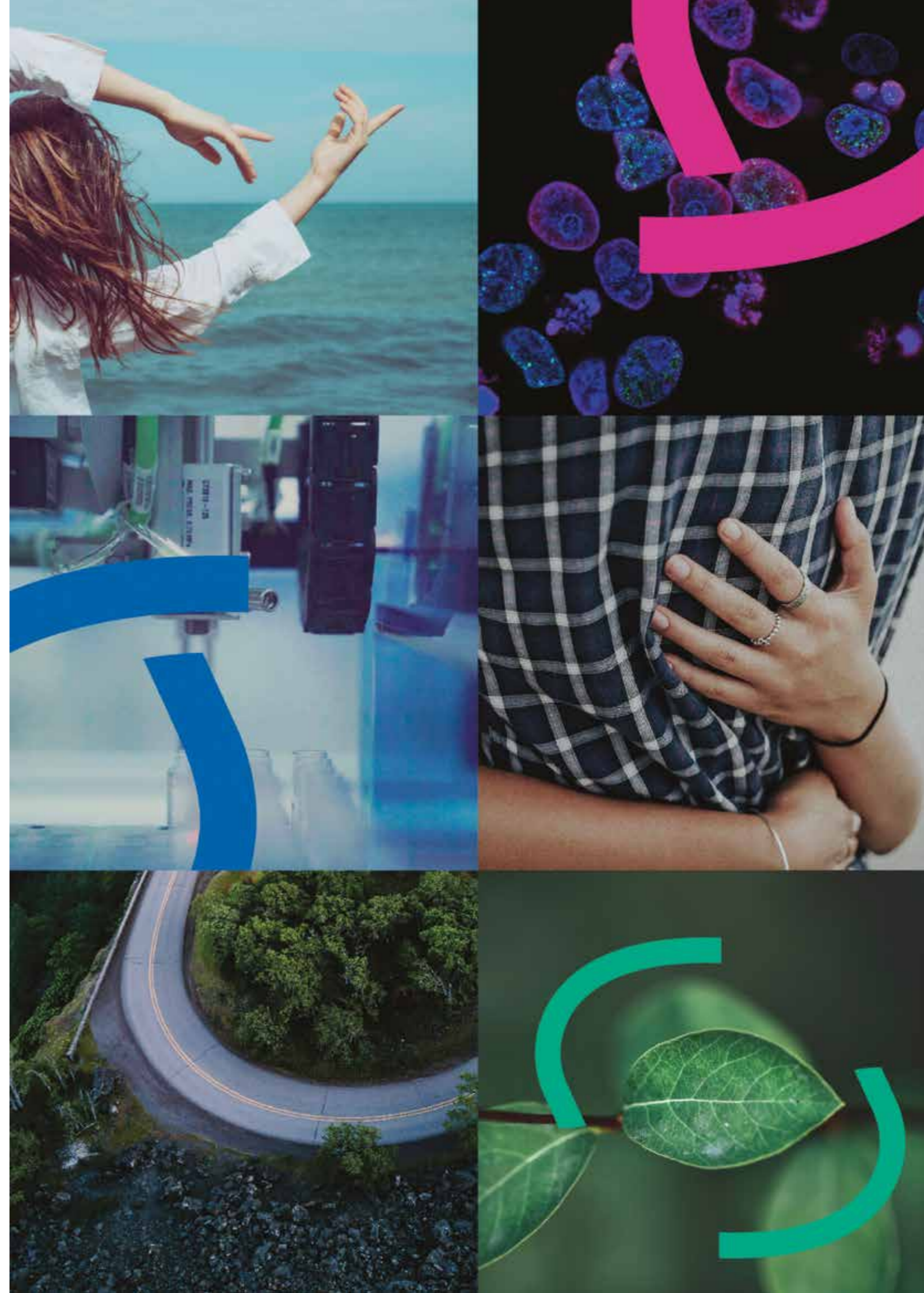
LOGO

A letter "A", the first letter of the brand name Angelini, with a circle that is open at the top and bottom. The diagonal lines create movement and evoke an embrace, representing a world – the Angelini world – that is always open, inclusive and welcoming.

PAYOFF: INDUSTRY OF CARE

Industry of Care is the payoff chosen to accompany the logo, summarizing the Group's purpose.

A powerful phrase that immediately conveys the mission of Angelini Industries, giving an emotional dimension to a semantically cold word like Industry.



A new brand identity

BRAND ARCHITECTURE

Adopting the same vision, values and purpose also means presenting ourselves to the world in a cohesive and consistent way, representing all the Companies of the Industrial Group as part of a single world. The identity architecture reflects this principle and requires each entity to use the logo, the Angelini brand name and a descriptor related to its field of activity. This, beginning with the master brand Angelini Industries, which represents both the Parent Company, Angelini Holding, and the Industrial Group as a whole.



- | | |
|------------------------------------|--------------------------------------|
| Angelini
Pharma | Angelini
Real Estate |
| Angelini
Consumer | Angelini
Investments |
| Angelini
Technologies | Angelini
Academy |
| Angelini
Beauty | Fondazione
Angelini |
| Angelini
Wines & Estates | Casa
Angelini |

**Always by your side.
Angelini Industries' first
corporate campaign**



“Always by your side, like a strong embrace” is the slogan of Angelini Industries’ first corporate campaign, with which the Group’s new visual identity was presented to the general public. Running from March to April 2022, the campaign featured some of the most iconic products in Angelini Industries’ 100+ years of history. From Tachipirina to Lines and Amuchina to Pampers, without forgetting ACE, ThermaCare, perfumes, Bertani wines and the industrial technology of Fameccanica, the common thread that binds Angelini’s diversified universe together is the **desire to take care of people and families in their everyday lives.** In the campaign, this can be seen in scenes of domestic life in which taking care of others often takes the form of a simple gesture such as a caress, a shared glance, a smile, a kiss, or a hug.

Identity

01

100

More than **100**
years of history

5

Activities in **5**
business sectors

12

Production plants: 12
(6 in Italy and 6 abroad)

12

Certifications and management systems: 12

21

Present in 21
countries around
the world

Identity

Angelini Industries: Industry of Care

Led by Angelini Holding, Angelini Industries is a multinational Group that was founded by Francesco Angelini in Ancona in 1919. Today Angelini Industries is a robust, well-structured industrial business with around 5,800 employees that operates directly in 21 countries generating annual revenues of around 1.7 billion euros. Angelini Industries operates in the business sectors shown in the figure. For over 100 years, the Angelini family has guided the evolution of the Group with an entrepreneurial style typical of Italian family businesses. Its growth-oriented investment strategy, constant commitment to research and development, and deep knowledge of markets and business sectors make Angelini Industries an Italian leader in the sectors in which it operates.

Identity

ANGELINI INDUSTRIES



Pharmaceutical

Research, development and marketing of therapeutic solutions for brain health, rare diseases and consumer healthcare in over 70 countries.



Consumer Goods

Products and services for the wellbeing of families from birth to old age, including through partnerships with P&G (Fater) and Hero (MadreNatura).



Industrial Technology

Technologies, robotics and services for the industrial production of Consumer Goods, sustainable packaging, automated handling and recognition for logistics, and digital services dedicated to process optimization.



Perfumery and Dermocosmetics

Selective perfumery and dermocosmetics (skincare & suncare), both through license agreements and proprietary brands.



Wine

Production and marketing of fine wines with respect for tradition and the land.



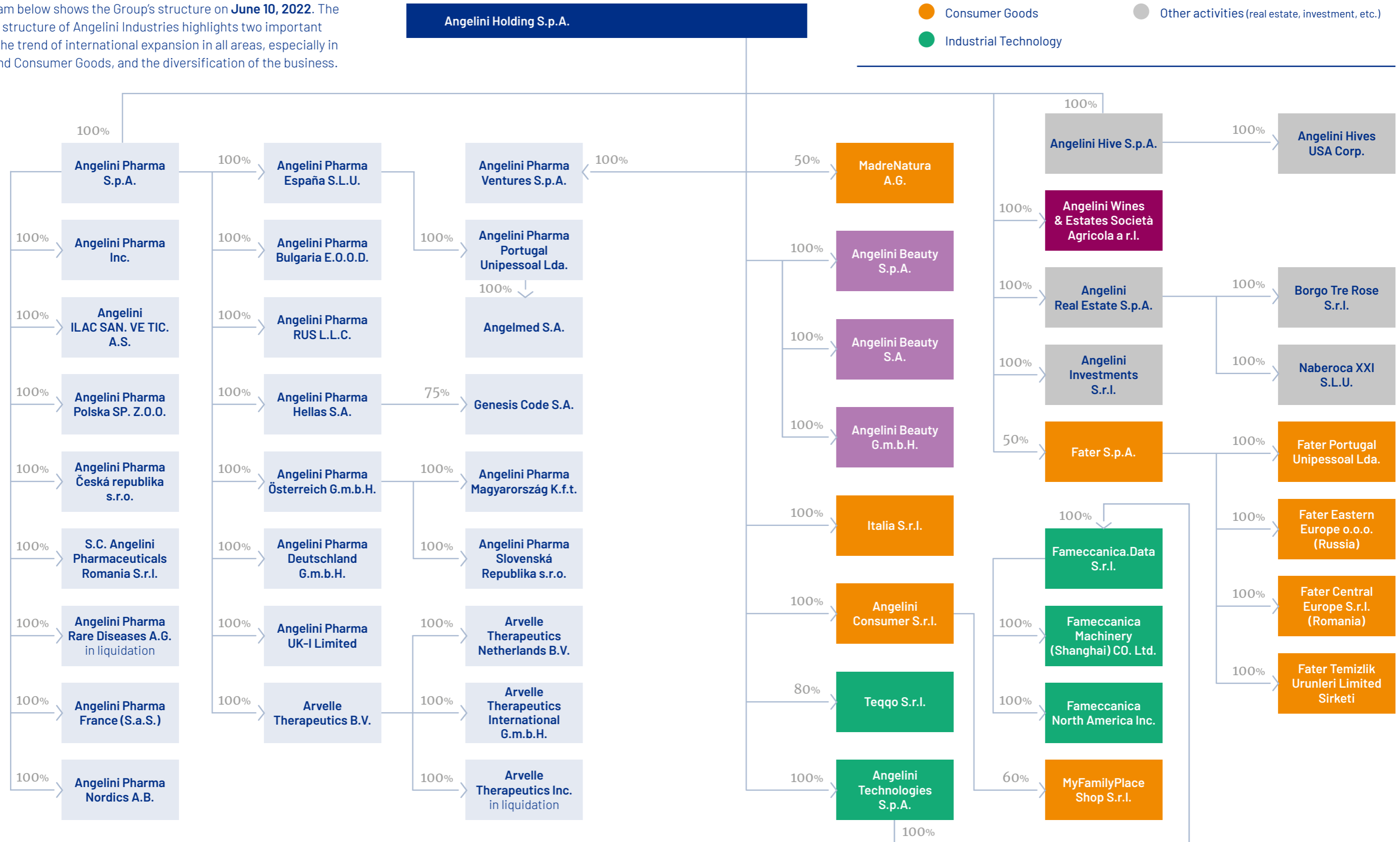
Real Estate and Investments

Management of non-capital property belonging to Angelini Industries (Angelini Real Estate) and asset enhancement in the medium and long term (Angelini Investments).

Corporate structure

The diagram below shows the Group's structure on **June 10, 2022**. The organized structure of Angelini Industries highlights two important aspects: the trend of international expansion in all areas, especially in Pharma and Consumer Goods, and the diversification of the business.


- Corporate and Services
- Perfumery and Dermocosmetics
- Pharmaceutical
- Wine
- Consumer Goods
- Other activities (real estate, investment, etc.)
- Industrial Technology



Identity

Business sectors and Operating Companies

PHARMACEUTICAL

 **Angelini Pharma** Angelini Industries operates in the Pharmaceutical sector through **Angelini Pharma**, an international group that **researches, develops and markets health solutions** focusing primarily on **Brain Health**, which includes mental health and epilepsy, **Rare Diseases** and **Consumer Healthcare**. It operates in **20 countries** and employs around **3,000 people**. An integrated company with extensive and recognized **research and development programs** and **world-class production plants**, Angelini Pharma is active in the **international marketing of leading active ingredients and pharmaceuticals** in many sectors of the market. Over the years the **Research Department** has identified major active ingredients such as trazodone and benzidaminen, and programs are currently taking place to develop new treatments to better tailor therapy to the specific needs of different patients. The company has public-private partnerships

with universities and centers of excellence at national and international level, recognizing the significant contribution made to innovation by scientific partnerships. The five Angelini Pharma **production plants** are at the cutting-edge of technology and industry standards, as well as environmental protection, thanks to the use and integration of renewable sources. They are located in Italy - Ancona (Finished Products), Aprilia, Latina (Raw Materials) and Casella, Genoa (Amuchina branded products), in Spain - Barcelona (dietary supplements such as Pastillas Juanola) and in the USA - Albany, Georgia (ThermaCare Heatwrap products). Angelini Pharma has a direct presence in **Italy, Spain, Portugal, Austria, Poland, the Czech Republic, Slovakia, Hungary, Germany, Romania, Bulgaria, Greece, Turkey, France, UK, Sweden, Holland, Switzerland, Russia and the USA**. **Strategic alliances with leading global pharmaceutical groups** now enable Angelini Pharma pharmaceuticals to be distributed in over 70 countries.

Identity

These include Trittico (trazodone, antidepressant), Latuda (lurasidone hydrochloride, antipsychotic), Tantum (benzidamine, anti-inflammatory), Aulin (nimesulide, anti-inflammatory analgesic), Vellofent (fentanyl, analgesic) and Xydalba (dalbavancin, antibiotic).

CONSUMER GOODS

Consumer Goods is the second biggest source of revenue for the Angelini Industries Group. Coverage of this sector is ensured by three companies: Fater, Angelini Consumer and MadreNatura.


 **Fater**, founded in 1958 by the Angelini family, has been a **50-50 joint venture between Angelini Industries and Procter & Gamble** since 1992. Fater is a leader in the Italian personal care products market with the brands Lines, Lines Specialist and Pampers, and a key player in

the European homecare products market with the brands ACE, Neoblanc and Comet, which it markets in 38 countries worldwide. In Italy, three out of four households have at least one Fater product. Innovation has guided the company's development since it was founded: it was the first in Italy, in the early 1960s, to develop the market for baby diapers and female sanitary pads. Over the decades Fater expanded into new areas, such as incontinence sanitary pads (1979) and ultra-thin sanitary pads (1992), before redesigning the entire range, to meet all home and fabric cleaning needs, following the acquisition of ACE, Neoblanc and Comet (2013). From an environmental perspective, Fater's development is guided by three commitments: the 50% reduction of virgin plastic by 2025; the design of less impactful products; and the analysis of its environmental footprint throughout the value chain. Each of the company's brands has developed its own social purpose that addresses, with specific projects, issues related to the different categories in which it operates.

Identity

Fater invests about 4% of its annual sales in innovation and has 1,600 employees (Italy and abroad). Its headquarters are in **Spoltore (Pescara)** and it has production facilities in Italy, in **Pescara** and **Campochiaro (Campobasso)**, in Portugal, in **Porto**, and in Turkey, in **Gebze**.

 **Angelini Consumer** is the Angelini Industries company **dedicated to the creation and development of new consumer-oriented businesses**. A genuine laboratory that operates under the banner of economic, social and environmental sustainability with the goal of bringing quality products and services to communities and families, taking care of everyone **from infants through to the elderly**.

 **MadreNatura**, founded in 2019 and headquartered in Lenzburg, Switzerland, is a **50/50 joint venture between Angelini**

Industries and Hero Group. It brings together the knowledge of the two companies to offer moms and dads a healthy, balanced food path for their children. The brand under which MadreNatura presents itself to consumers is **HERO Solo 100% Organic**.

MadreNatura aims to be close to families with small children, thanks to the know-how of both business groups. With the mission **"Giving children the best start in life"**, MadreNatura's goal is to ensure the healthy growth of every home where there is a child through a natural diet based on fruit and vegetables.

The HERO Solo product line includes baby food, pureed fruit, grains, baby pasta and snacks. These are all 100% organic, natural foods for infants made with simple ingredients and nothing more.

INDUSTRIAL TECHNOLOGY

Fameccanica is the Angelini Industries Group company that **designs and develops**

Identity



Technologies, Robotics and Services for the industrial production of Consumer Goods, sustainable packaging, automated handling and recognition for logistics and digital services dedicated to process optimization, with a constant focus on sustainability and continuous innovation.

Founded in 1975, historically specialized in the design and creation of production lines for consumer goods and a leader in the disposable hygiene products sector, it has constantly innovated over the years, developing new high-productivity technologies and high value-added digital services to become 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 patent applications submitted**. Today, with **more than 1,200 machines delivered worldwide, more than 750 patents under its belt, and about 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 that improve automation and production processes for a wide range of products such as: disposable absorbent products for personal hygiene, personal and household care products, single-dose pods and detergents, disposable first aid devices and products (e.g. plasters), liquid bottling, sustainable packaging and robotics for automated package handling and recognition (e-commerce logistics).

 **Angelini Technologies** is the main company of **Angelini Technologies**, the industrial technology division of Angelini Industries. Its goal is to bring together an **ecosystem of companies dedicated to the design and development of technologies, products and services aimed at improving manufacturing and industrial processes**.

Identity

In keeping with the aims of Angelini Industries, the mission of Angelini Technologies is to improve the daily lives of people, whether they are the direct users of this technology or the end users of the products it develops.

PERFUMERY AND DERMOCOSMETICS

 **Angelini Beauty** is the business unit of Angelini Industries, based in Milan, which operates in the **selective perfumery** and **dermocosmetics (skincare and sun care)** sectors.

It is responsible for the creation, development and international distribution of the perfume lines of Trussardi, Laura Biagiotti, Chiara Ferragni, Angel Schlesser, Blumarine, Mandarin Duck and Armand Basi and the skincare & sun care lines of Anne Möller. Angelini Beauty is present in strategic markets such as Italy, Germany, Austria, Switzerland, Spain and Portugal with a team

of 200 employees who embody and convey the **excellence of "Made in Italy"**. Making the dreams of consumers come true through the magic and uniqueness of its products while developing a sustainable, responsible business model is the mission pursued by Angelini Beauty which, with unwavering respect for the identity and uniqueness of each brand, creates fragrances and skincare and protection products while paying close attention to design and communication, collaborating with the industry's foremost international talents.

WINE

 **Angelini Wines & Estates** In the wine sector, **Angelini Wines & Estates**, formerly Bertani Domains, operates by combining tradition and innovation. Today it consists of six wineries of a total area of 1,700 hectares, 460 of which cultivated as vineyards, and produces around four million bottles a year. At its three historic Tuscan wineries, it

Identity

produces fine wines in three different appellations of origin: Brunello di Montalcino in Val di Suga, Vino Nobile di Montepulciano at Tenuta Trerose and Chianti Classico in San Leonino.

In the Marche region, the Fazi Battaglia winery, a historic Italian wine label, is renowned for the production of Verdicchio dei Castelli di Jesi Classico.

Cantina Puiatti in Romans d'Isonzo (Gorizia) is dedicated to the production of the great white wines of Friuli, whereas Bertani is known for the production of Amarone della Valpolicella Classico and Valpantena.

In 2018 it became a "Società Agricola" (farming company), thus tying its wine production exclusively to its own vineyards. A courageous choice, much more than a simple organizational change, which explains the Group's commitment to investing and promoting its wine heritage. Angelini Wines & Estates has always been closely focused on sustainable production: this calling enabled it to obtain organic certification for Tenuta Trerose in Montepulciano.

OTHER HOLDING COMPANY ACTIVITIES

 **Angelini Real Estate** **Angelini Real Estate** manages non-capital property belonging to

Angelini Industries and focuses on development and investments in the real estate sector. It provides services in this field to all Group companies. The company's portfolio is concentrated in Italy and Spain, where it operates with a local branch.

 **Angelini Investments** **Angelini Investments** is the Angelini Industries company that aims to enhance the value of its assets over the medium and long term, operating in the financial markets through the acquisition and management of minority interests in Italian and Foreign Companies, taking advantage of the various investment opportunities offered by the market.

Identity

Values, vision and purpose

VALUES

There are **four founding values** at the heart of the Angelini Industries Group identity and culture that inspire and guide all of the daily choices, actions and interactions resulting from the work of its employees and the trust created and renewed with its customers. Ethics, innovation, results and engagement are the foundations on which the Group was created, stands and is projected into the future. These values are the basic premise that inspires the company business activities.



Identity

Ethics and Responsibility



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

Performance



Each of us is responsible for achieving our own goals and those of the team. We are determined to make things happen and do our best in every circumstance, with speed, rigor and transparency. We pursue excellence, constantly striving to achieve ambitious goals. We face up to problems with determination and resilience.

Innovation



We encourage the development and testing of new effective and practical solutions. We challenge the status quo. We manage the complexity and demands of an ever-changing world. We take responsibility for making bold 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 those of our people.

Identity

VISION

The vision is the “dream” of the entrepreneur and the shareholders: what they would like to achieve looking forward. It is the pinnacle when defining the path of the enterprise. It is the future that shareholders want to shape through their actions. The vision guides development and, together with the values, forms the company culture. The Angelini Industries Group’s vision is to build a better future. We aim to achieve sustainable growth for everyone, with the objective of creating value for the next generations.



Identity

PURPOSE

The purpose is the *raison d'être* of an enterprise, the mark it would like to leave on the world; the rationale for all its business and organizational decisions. The purpose shapes business choices, products and services, the benefits that the daily actions of the company bring to all its stakeholders and society in general. The focus of the purpose is on others and the commitment the Group has made to them. We are an Italian business group with an international vocation. Taking care of people and families in everyday life is the purpose that has always guided us and inspired the quality and attention to detail of our products. We listen to the needs and desires of the community and do our best to identify new and sustainable solutions and opportunities that benefit communities, our employees and our shareholders.

Identity

More than 100 years of history

1919-1940 ORIGINS: In 1919, 32-year-old pharmacist Francesco Angelini from the Marche region, together with two partners, establishes a company for the production and sale of medicines in Ancona, where his pharmacy is located. In 1922, the company adopts the name ANFERA and distinguishes itself for its development of a network for the direct delivery of medicines to pharmacies in central and southern Italy, becoming the first Italian distributor in the sector in 1939. In 1941 the company is dissolved and Francesco Angelini founds ACRAF - Aziende Chimiche Riunite Angelini Francesco.



1950

BUSINESS DEVELOPMENT: The post-war years are characterized by the business development of the Company led by Angelini. The drug Dobetin is its first commercial success, a response to the serious spread of pernicious anemia among the starving Italian population during the war. The 1950s marks three fundamental stages in the expansion of the Company: the decision to move the management offices to Rome, the marketing of Tachipirina, still one of the best-selling drugs in Italy, and the acquisition of Fater, a company producing consumer goods.

1960

RESEARCH, DEVELOPMENT AND INNOVATION: Angelini invests in pharmaceutical research and begins producing its first original and patented molecules: oxolamine (cough suppressant), benzydamine (anti-inflammatory), trazodone (antidepressant), and dapiprazole (anti-glaucoma). During the same decade, Fater enters the homes of Italian families with the Lines brand and revolutionizes the sanitary market in our country with the first disposable baby diapers and feminine sanitary napkins.



1970

NEW MARKETS AND TERRITORIES: In 1972, Tantum Verde, based on benzydamine, and Trittico, based on trazodone, are marketed. In 1975, Fameccanica, specialized in the production of industrial machines, is founded in Abruzzo. During this period, Angelini goes beyond its national borders: in 1979 it acquires the Lepori Pharmaceutical Group of Barcelona, beginning a process of international expansion starting in Spain and Portugal.

1980

ON THE FRONT LINE OF COMMUNICATIONS WITH MOMENT: In 1985 Angelini realizes the potential of the analgesic ibuprofen in Italy and launches a self-medication drug specifically for headaches, Moment, the first example of marketing applied to pharmaceutical products.

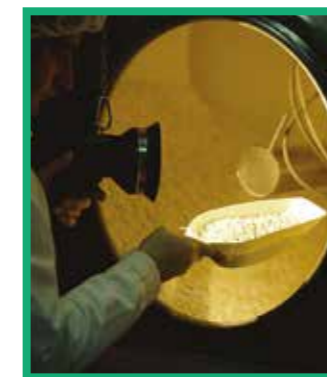


1990

A STRUCTURED INDUSTRIAL GROUP: In 1992, Angelini further consolidates its position in the hygiene-sanitary sector by setting up a 50-50 joint venture with Procter & Gamble to manage Fater and Fameccanica. In 1994 it enters the wine sector with the acquisition of the three Tuscan wineries Trerose, Val di Suga and San Leonino, and the fragrance sector, with the acquisition of Spanish company Idesa Parfums.

2000

INCREASINGLY GLOBAL: In 2000, Angelini acquires Amuchina, a company known for its disinfectant and sanitizing products. Fameccanica expands into China and North America. In the wine sector, the Puiatti winery in Friuli and the Bertani winery in Valpolicella, known as one of the most prestigious producers of Amarone, are acquired.



2010

A LEADING GROUP: In the pharmaceutical sector, Angelini focuses its efforts on the therapeutic areas of pain and inflammatory disorders, diseases and disorders of the nervous system, and pediatrics. The launch of the antipsychotic medication Latuda, for which Angelini is Marketing Authorization Holder, testifies to its commitment to the field of mental health. The wine business is reorganized as Bertani Domains, which is completed with the acquisition of Fazi Battaglia, historic wine-making company from the Marche region and producer of Verdicchio dei Castelli di Jesi Classico.



Identity

2019

100TH ANNIVERSARY: Angelini celebrates its 100th anniversary by looking to the future with new verve, as expressed by Francesco Angelini: "We are preparing to celebrate the 100th anniversary of our Group with great excitement. We look to the future with deep respect for our founding principles and for a business philosophy that we renew today, also thanks to the commitment of the new generation, and in particular my daughter Thea Paola and her husband Sergio. I would like to thank the people who work at Angelini, our customers, partners and stakeholders who have put their trust in our Company for 100 years".



2020



A NEW ERA: 2020 begins with the definition of a new Group governance model, which combines an industrial-style holding company with the independence and accountability of operating companies. The concept of taking care of people is identified as the underlying theme of Angelini's activities in all of the sectors in which it operates. From this focus on the needs of consumers - one of the pillars of the future development of the Group - comes Angelini Consumer, a division dedicated to the development of new opportunities in the consumer sector; in the baby food sector, MadreNatura is created as part of a joint venture with Hero Group. In the pharmaceutical sector, there is growth in the areas of internationalization and innovation, as confirmed by the acquisition of the ThermoCare brand and biotech company Arvelle Therapeutics (2021), which give Angelini an increasingly multinational dimension.

2021

A NEW BRAND FOR THE GROUP: In 2021 a new brand identity consistent with the Group's development path is unveiled: the Angelini Group becomes Angelini Industries, with a new logo and a new name to represent a multinational and proudly industrial group creating value and growing in multiple business sectors.



2022

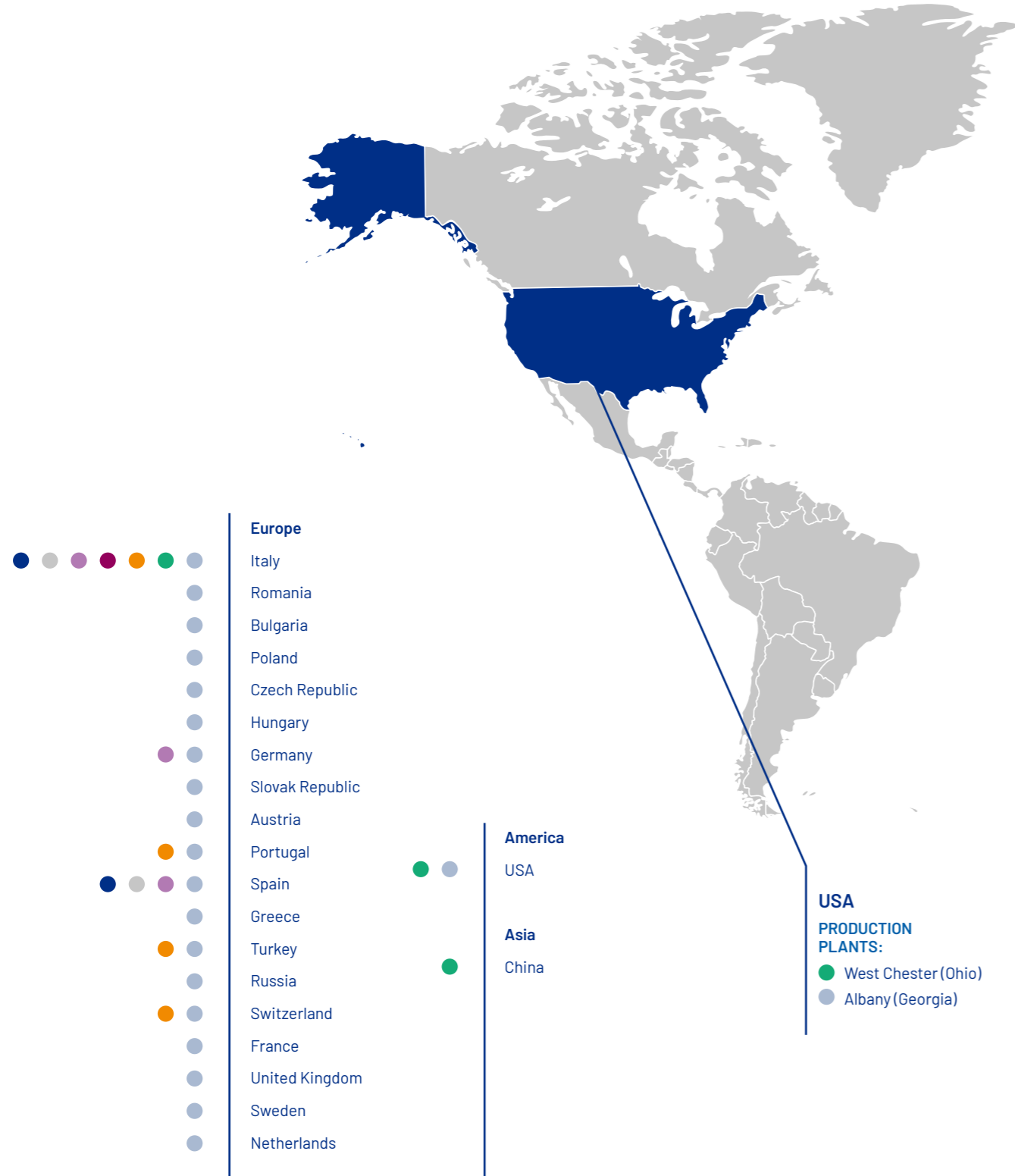


In 2022, Angelini Industries acquires the remaining 50% of Fameccanica, until this point an equal joint venture with P&G, to own 100% of the international company specializing in automation and robotics for the consumer goods industry.

Identity

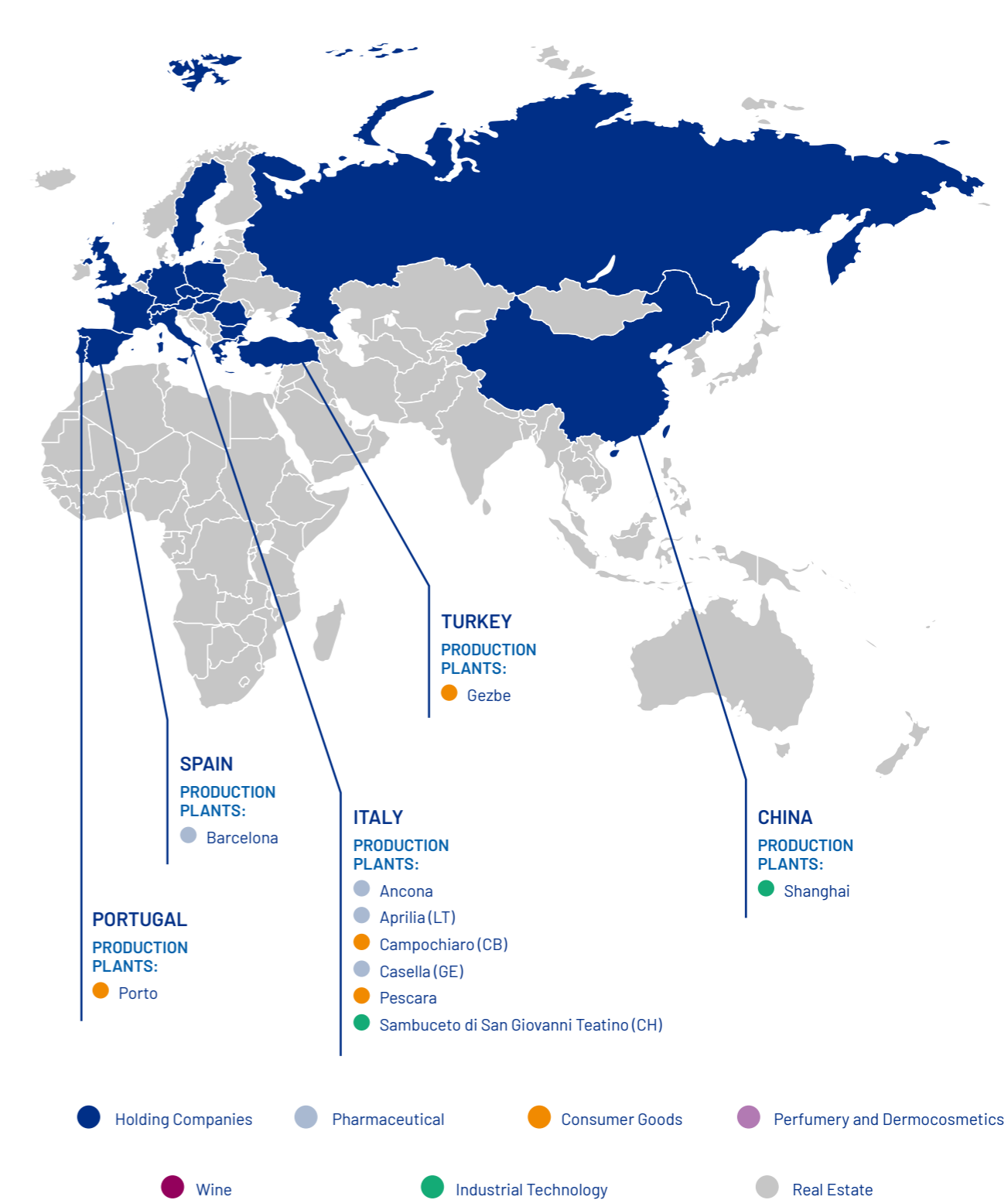


ANGELINI INDUSTRIES IN THE WORLD:
DIRECT PRESENCE AND PRODUCTION PLANTS



Identity

The Angelini Industries Group operates 12 production plants, 6 of which located in Italy.



Identity

Casa Angelini



Casa Angelini is the headquarters of the Angelini Industries Group. It is located in the heart of the Appio-Tuscolano district of Rome at 70 Viale Amelia, and is the result of an important urban redevelopment project with a focus on sustainability. It houses the headquarters of Angelini Holding, Angelini Pharma, Angelini Consumer and Angelini Real Estate. The multi-purpose complex covers an area of 25,000 m² and contains diversified spaces: offices, an auditorium, a business restaurant, training rooms, basement areas and, in the future, a preschool.

The design and construction of Casa Angelini was carried out by Angelini Real Estate and involved the use of innovative technologies and compliance with all the requirements for obtaining LEED (Leadership in Energy and Environmental Design) Platinum level international certification, which it was awarded in July 2021.

Casa Angelini represents a technologically innovative and eco-sustainable architectural solution that favors employees, the Company and the community, all of which benefit from the reduction in harmful emissions and the renewal of the neighborhood's image thanks to the increase in green areas.






From design to construction, the Casa Angelini project has meticulously followed precise and rigorous environmental and sustainable criteria (use of recycled materials, recycling of the waste produced by the construction site, limiting water consumption by using rainwater collected for irrigation and the operation of sanitary systems, use of certified 100% green energy).

Identity

Business sectors and brands

Angelini Industries is a multi-industry, multinational group. As analyzed above, it operates in the following business sectors: Pharmaceutical, Consumer Goods, Industrial Technology, Perfumery and Dermocosmetics, Wine. The figure summarizes the major brands associated with each business sector.

BUSINESS SECTORS AND BRANDS

 <p>PHARMACEUTICAL Acutil, Amuchina, Aulin, Daparox, Dobetin, Infasil, Latuda, Momendol, Moment, Moment Act, Ontozry, Tachidol, Tachipirina, Tantum, Tantum Natura, ThermaCare, Trittico, Vellofent, Xydalba.</p>	 <p>CONSUMER GOODS Pampers, Lines, Lines Specialist, Tampax, ACE, Neoblanc, Comet, HERO Solo.</p>	 <p>INDUSTRIAL TECHNOLOGY Design and development of technologies, robotics and services for the industrial manufacturing of Consumer Goods products, sustainable packaging, automated handling and recognition for logistics, and digital services dedicated to process optimization.</p>	 <p>PERFUMERY AND DERMOCOSMETICS Creation, development and international distribution of the perfume lines Trussardi, Laura Biagiotti, Chiara Ferragni, Blumarine, Mandarina Duck, Angel Schlessler, Armand Basi and the skincare & suncare lines of Anne Möller.</p>	 <p>WINE Bertani (Veneto), Puiatti (Friuli Venezia Giulia), Val di Suga, Trerose, San Leonino (Tuscany), Fazi Battaglia (Marche) wineries.</p>
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Identity

Strategy and business models

The Angelini Industries Group's long-term strategic objective is to **support growth, internationalization and the creation of value by its business portfolio through its range of innovative, functional products focused on caring for individuals and families in their everyday lives.** Angelini Industries has ambitions to become a European champion, recognized for its strength and ability to innovate in its businesses.

This ambition is achievable by clearly defining its business strategy and identifying key enabling factors. The distinctive elements of the Group's business strategy and the enabling factors, shown in the figures below, represent the key success factors on which the Operating Companies are constantly working.

Identity

BUSINESS STRATEGY



1

BRAND RECOGNITION

Strengthening the notoriety and image of the Angelini brand



2

INTERNATIONAL EXPANSION

International growth and expansion in all business areas, with a focus on strategic countries



3

PARTNERSHIPS AND ACQUISITIONS

Consolidation of partnerships with public and private entities, new acquisitions



4

INTEGRATION AND EXECUTION

Close coordination between Marketing, Sales, Research and Development, and Operations



5

INNOVATION

Focus on product innovation, functional R&D in core areas and new models for businesses already in the portfolio



6

DIVERSIFICATION

Growth based on new businesses, new products and new markets

Identity

ENABLING FACTORS



1 Governance

Angelini Industries has designed a governance model that allows it to have a Board of Directors with diversified yet vertical expertise on each of the businesses in its portfolio, in addition to a process of continuous information sharing between the Holding Company and Operating Companies to foster the development of strategies that are always consistent with the Group's objectives



2 People

The Group aims to attract and internally develop top talent by offering numerous training opportunities, customized career paths and rotation programs within different functions/businesses



3 New brand identity

Angelini Industries aims to provide a consolidated view of its business portfolio, offering the end consumer a clear vision of the Group's products, centered on the concept of "care"

Governance

02

5

5 of the 7 members of the Angelini Holding Board of Directors are independent

Code of Ethics

Adoption of the Angelini Industries Group Code of Ethics (1st edition)

231 Model

231 Model approved by the Boards of Directors of all Operating Companies

0

Zero episodes of corruption

Privacy

Adoption of a Group-wide Privacy Governance Model and Privacy Policy

LEED Platinum

LEED Platinum level certification for Casa Angelini

Governance

Angelini Industries has adopted a **modern Corporate Governance System inspired by the highest standards of transparency and correctness** in the management of the company and in its dealings with stakeholders. Inspired by market best practices, the Board of Directors of the Parent Company consists of **seven members, five of whom independent**.

Angelini Industries' governance and organizational model is based on the accountability of managers, which translates into a sense of responsibility in exercising their management and guidance role, and their ability to assume ownership of their results.

"We believe that effective corporate governance is an essential tool for achieving our goals. On the one hand, our Corporate Governance choices reflect the long-term perspective typical of a family business; on the other, they are inspired by the best international practices adopted by listed companies." (Sergio Marullo di Condojanni - CEO, Angelini Industries).

In addition to being an essential tool for ensuring the effective management and control of activities within the company, this Corporate Governance System is oriented toward the creation of value for shareholders, the quality of customer services, corporate risk control and transparency towards the market.

Governance

Corporate bodies

In its role as the industrial holding company of the Angelini Industries Group, Angelini Holding S.p.A. manages the industrial holdings in the businesses in which the Group operates.

In particular, the Holding Company is involved in the strategic guidance and coordination of the subsidiaries and also provides various types of services such as IT, financial, administrative, management, insurance, legal and corporate services.

The Company is governed by a Board of Directors, composed as shown in the table below.

BOARD OF DIRECTORS²

CHAIRMAN	Franco Masera
VICE CHAIRMAN	Thea Paola Angelini
EXECUTIVE VICE CHAIRMAN ³	Thea Paola Angelini
VICE CHAIRMAN	Sergio Marullo di Condojanni
CEO/LR ⁴	Sergio Marullo di Condojanni
DIRECTORS	Giovanni Ciserani Stefano Proverbio Lorenzo Tallarigo Attilio Zimatore

² Appointed on 06.28.2021, in office until the Shareholders' Meeting called to approve the Financial Statements of 12.31.2023.

³ Delegation of powers to the Executive Vice Chairman (Thea Paola Angelini) appointed on 07.07.2021, in office until the Shareholders' Meeting called to approve the Financial Statements of 12.31.2023.

⁴ CEO/LR (Sergio Marullo di Condojanni) appointed on 07.07.2021, in office until the Shareholders' Meeting called to approve the Financial Statements of 12.31.2023.

Governance

The Board of Directors is supported by a Board of Statutory Auditors and a Supervisory Body. The institutional task of the Board of Statutory Auditors, in accordance with the law and the Articles of Association, is to ensure compliance with legal and statutory provisions and to safeguard the integrity of the Company's Shareholders' Equity as a guarantee to shareholders and third parties, interacting with the Directors, shareholders, Independent Auditors, Supervisory Body and control functions.

BOARD OF STATUTORY AUDITORS⁵

CHAIRMAN	Fabrizio Marchetti
STATUTORY AUDITORS	Riccardo Tiscini Lorenzo Barbone
ALTERNATE AUDITORS	Gianluca Leone Giuseppe Marciano

⁵ Appointed on 06.28.2021, in office until the approval of the Financial Statements of 12.31.2023.

Governance

The Supervisory Body has the task of regularly monitoring and verifying the effectiveness of the Company's Organization, Management and Control Model, updating the Model itself following regulatory or organizational changes.

SUPERVISORY BODY⁶

CHAIRMAN	Fulvia Astolfi
STANDING MEMBERS	Antonio Miani Daniele Del Monaco

INDEPENDENT AUDITORS

E&Y S.p.A.

⁶ Appointed on 07.07.2021, in office until the approval of the Financial Statements of 12.31.2023.

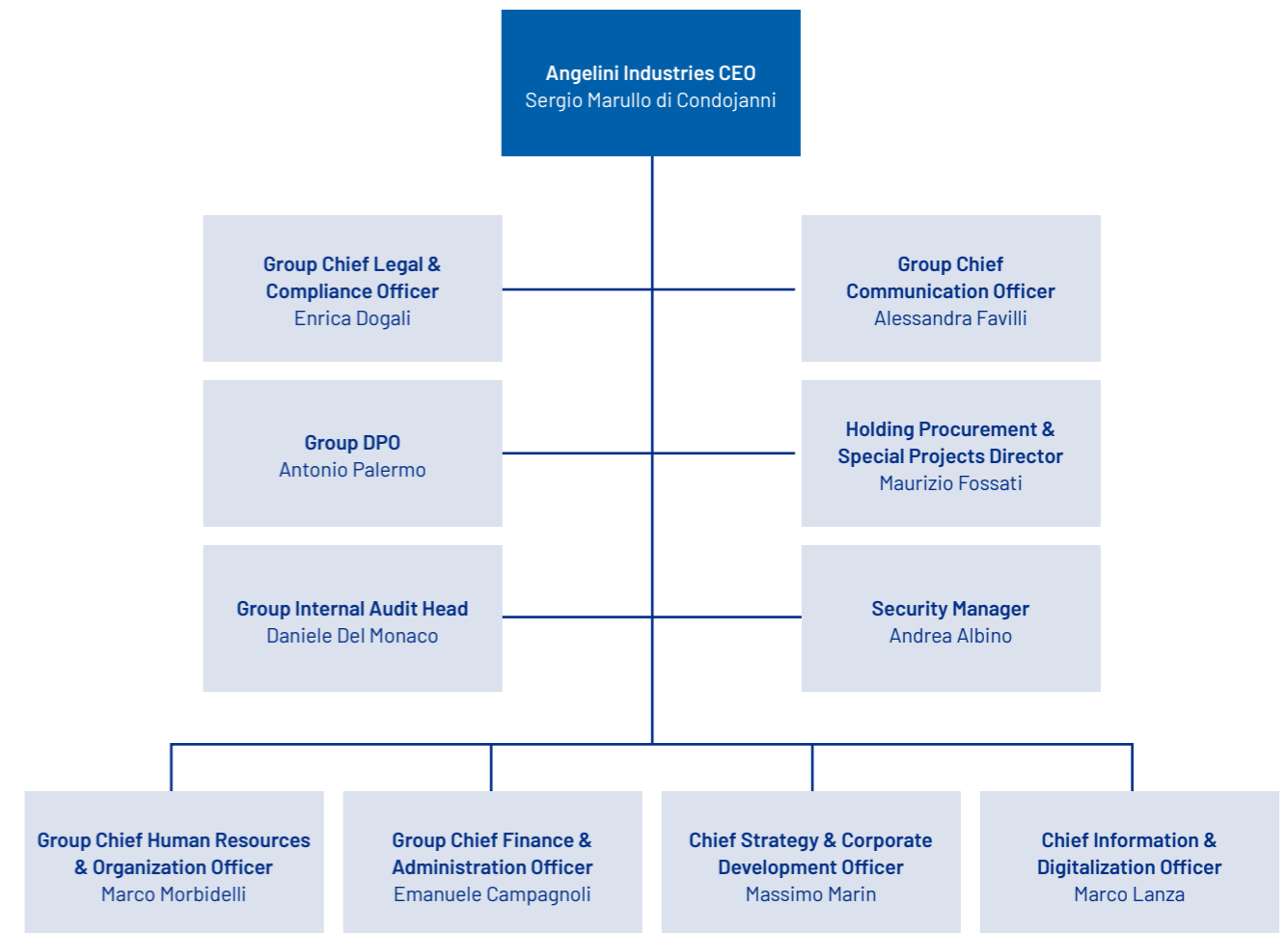
Governance

The following table shows the breakdown by gender of the persons that form part of the corporate bodies previously described, for 2020 and 2021.

COMPOSITION OF CORPORATE BODIES BY QUALIFICATION	2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
BOARD OF DIRECTORS	1	6	7	1	6	7
BOARD OF STATUTORY AUDITORS		5	5		5	5
SUPERVISORY BODY		3	3	1	2	3

Governance

Leadership team



The governance of Angelini Industries combines the presence of a strategic industrial holding company - Angelini Holding S.p.A. - with the independence and accountability of the Operating Companies. The current organizational structure of the Parent Company consists of a series of strategic guidance, coordination and control

functions and some staff and service areas for the Group's Operating Companies. In particular, the Holding Company departments play a functional coordination role, also guaranteeing the development of professional families of expertise and promoting initiatives and programs of strategic relevance and impact for the entire Angelini Industries ecosystem.

Governance

Internal control systems and compliance

The Internal Control and Risk Management System (hereinafter also referred to as "ICRMS") is a salient and essential element of Angelini Industries' Corporate Governance system. This is defined as the **set of rules, procedures and organizational structures** designed to enable the identification, measurement, management and monitoring of the main business risks. An effective ICRMS encourages informed decision-making and helps ensure the safeguarding and protection of shareholders' investments and the Company's assets, the efficiency and effectiveness of corporate processes and operations, as well as the reliability of financial reporting, compliance with relevant laws, rules and regulations, the Articles of Association and internal regulatory instruments. The ICRMS therefore plays a central role in the organization of the Company, contributing to the adoption of decisions consistent with the risk appetite, as well as to the dissemination of correct information on risks, legality and company values. Internal Audit is responsible for third-level

control activities and is therefore recognized as a relevant position in the ICRMS. As a third-level control function, it is tasked with providing independent assurance on the ICRMS with the aim of improving the effectiveness and efficiency of the organization. Internal Audit is responsible for verifying that the ICRMS is **functioning and appropriate for the size and operations of the Company and the Group**, verifying, in particular, that Management has identified the main risks, that these have been assessed in a consistent manner and that appropriate mitigation actions have been defined and implemented.

CODE OF ETHICS AND 231 MODEL

As Parent Company, Angelini Holding recently adopted the **first edition of the Angelini Industries Group Code of Ethics**, the natural continuation of its process of consolidating its identity. The aim of the new Code of Ethics is to clearly confirm, and in some cases update,

Governance

the set of ethical business principles that guide the activities of all those who work in or with the Group, taking into account the importance of roles, the complexity of functions and the responsibilities entrusted to every one for the pursuit of the Group's objectives. Standing out among the six ethical principles is the one related to anti-corruption, through which all internal and external stakeholders are informed that: "Angelini Industries is committed to implementing all necessary measures to prevent and avoid corruption. Corruption shall not be permitted as a means of conducting business. The bribery, or attempted bribery, of holders of elective public offices, public officials, public service officers or private individuals is forbidden in all circumstances". The Holding Company and Italian subsidiaries have adopted a 231 Model approved by the Board of Directors of each company, which is periodically updated and widely distributed and communicated to all employees. The Model is based on a structured 231 Compliance Program, whose main "elements" are:

- risk assessment at least once a year in order to take account of regulatory and/or organizational updates that have occurred since the previous risk assessment was carried out;
 - definition of external powers of attorney and internal delegation of functions;
 - introduction of a system of penalties and disciplinary measures that clearly and fully correlates possible 231 violations with the type of penalty applied to the employee and manager;
 - implementation of 231 Protocols in most "at risk" areas;
 - mandatory and tracked ongoing training on information and learning systems for the entire company population and specific face-to-face training sessions for the most sensitive Key Officers;
 - monitoring of the SB and internal audits carried out on 231 at-risk areas.
- Each Angelini Industries Group Company, including the Holding Company, has implemented an **internal reporting**

Governance

Management Process. The adoption of the Code of Ethics⁷, 231 Model and the related Protocols and Procedures within the 231 framework is communicated to all employees that work for the Holding Company and for each Operating Company, in Italy and abroad. The communication and dissemination of the above documents takes place using the Company's Internal Communication tools, which generally involve the following steps:

1. publication of a newsletter for all employees by Group Risk & Compliance with a link to download and view the document/Code, Model, Protocol, Global Policy, etc.;
2. publication of the document on the Company portal in the dedicated "Ethics and Compliance" section and on the Company website in the "Ethics and Compliance" section (with the exception of 231 Procedures and Protocols, which are only published on the Company's internal portal);
3. training (compulsory and with final test) for all employees via e-learning, through the Group's

Learning Management System platform (Success Factors);

4. monitoring, by the HR Department of the individual Companies, of the actual provision of training by employees, with periodic reporting on the results of monitoring to the Group Legal & Compliance Department.

In order to strengthen the prevention and combating of corruption, in line with the contents of the Code of Ethics, each Company, including the Holding Company, has implemented an internal reporting Management Process designed to:

- ensure the confidentiality of the personal data of the reporter and the person responsible for the violation;
- guarantee at least one specific, independent and autonomous reporting channel in addition to the traditional channels in the Company;
- involve different functions in the management of the report by defining clear and shared roles and responsibilities.

⁷ N.B. the Code of Ethics applies in full to the Operating Companies, with the exception of the joint ventures, which will implement its contents in their respective Codes of Ethics.

Governance

The entire process is managed through **specific platforms that ensure a high degree of transparency and clarity** for the reporter and the utmost confidentiality of the content of the reports and the data of the reporter. Mandatory training on the process of managing reports and existing platforms has been provided to the entire workforce via e-learning. In 2021 there were no certified cases of corruption.

PERSONAL DATA PROTECTION

Angelini Industries considers the internal dissemination of a data protection culture and awareness as the first step toward regulatory compliance. For this reason strong emphasis has been placed on the accountability of all organizational roles, Departments and functions which contribute, each according to their own specific competencies, to the definition and/or maintenance of the Privacy Governance Model. In order to ensure and demonstrate that data processing is carried out in a manner that complies with the provisions of current regulations and in accordance with the principles applicable to data processing, Angelini Industries has adopted a Group-wide **Privacy Governance Model** and **Privacy Policy** which define the roles and responsibilities of the players involved in processing personal data.

Governance

BUSINESS CONTINUITY

As part of the Group-wide integrated risk management model for overseeing business risks, a specific in-depth analysis of **business continuity** risk was carried out in 2021, leading to the following two initiatives:

- **Business Continuity Maturity Assessment**, which consisted of assessing the maturity level of each Group Company's business continuity management compared to the reference standards (ISO 22301) and adopting remedial actions/recommendations to address any identified shortcomings;
- **preliminary business continuity risk assessment** through a survey and preliminary assessment of the main risks that could lead to a disruption in the business continuity of critical processes.

The Business Continuity Risk Assessment was carried out with the objective of obtaining

a high-level assessment of the Company's exposure to business continuity risk and identifying useful elements for mitigating the risks associated with business continuity.

Governance

Certification and quality management systems

At present, the Operating Companies in the Pharmaceutical (Angelini Pharma), Industrial Technologies (Fameccanica) and Consumer Goods (Fater) sectors have a Quality Management System (**ISO 9001:2015**) and an Occupational Health and Safety Management System (**ISO 45001** and **OHSAS 18001**).

The same companies also have an Environmental Management Policy (**ISO 14001**). For the Pharmaceutical sector, **ISO 45001:2018** is applied in all three Italian production facilities (Ancona, Aprilia, Casella). For the Industrial Technologies sector (Fameccanica), **ISO 14001** and **ISO 50001** are applicable in the production plant in Chieti; lastly, for the Consumer Goods sector (Fater), **ISO 50001** is applicable in the production plant in Pescara.

Angelini Pharma and Fater have adopted **ISO 13485:2016**, the Quality Management System for medical devices, dietary supplements, cosmetics and medical-surgical devices.

Fameccanica and Fater also have an Energy Management System (**ISO 50001**). Finally, Angelini Holding and Fater have also acquired **ISO 27001:2013** certification for their Information Security Management System.

Governance



OTHER CERTIFICATION

Angelini Real Estate has completed its LEED (Leadership in Energy and Environmental Design) certification process, obtaining Platinum level for the design and construction of Casa Angelini from the U.S. Green Building Council. The various levels of certification are: Certificate, Silver, Gold and Platinum. The certification process evaluates the following aspects: site sustainability requirements, water management, energy use and atmosphere, material and resource management, internal environmental quality and design innovation.

Governance

	ISO 9001	OHSAS 18001	ISO 45001	ISO 14001	ISO 50001	ISO 13485	ISO 27001
Holding							X
Pharmaceutical	X	X	X	X		X	
Industrial Technologies	X	X	X	X	X		
Consumer Goods	X	X	X	X	X	X	X

Fater also has PEFC ST 2002:2013 Chain of Custody of Forest Based Products certification and SA-8000:2014 certification for its social responsibility management system. Lastly, Angelini Pharma has attained Top Employers Italy and Top Employers Europe certification. This certification is awarded by the Top Employers Institute and, through an HR Best Practices Survey, examines 600 practices and is based on ten topics covering key HR issues.



Governance

Focus on sustainability

For Angelini Industries, **sustainability first and foremost represents the organization's ability to express itself, to share this path with its stakeholders and communicate how the organization pursues its business objectives sustainably and inclusively in an increasingly uncertain and complex competitive environment.** All of this in keeping with the Group's goal of "taking care of people and families", which identifies long-term value creation as the key objective for formulating the corporate vision and executing sustainable strategies.

Sustainability also means taking responsibility for the impacts of our activities on the context in which we operate. This is why Angelini Industries has embarked on a path which, starting with the publication of the first Group Sustainability Report, aims to spread the culture within the Industries and pool the experiences and projects undertaken by the Operating Companies.

However, it is necessary to adopt an integrated approach that takes account of shared priorities at Group level as well as the multiple different business contexts developed in the Industries.

The focus on sustainability issues must also translate into the implementation of concrete initiatives that produce positive effects on people, the environment and the community. Not only that, sustainability is also closely related to the Group's innovation needs, as it enriches business strategies with content and fuels their development. Lastly, it represents an opportunity to constantly improve the quality of products and services, guarantee the responsible sourcing of raw materials throughout the supply chain, ensure respect for human rights and the living conditions of the people involved, and finally promote sustainable practices to protect natural resources. Angelini Industries faces many challenges and can play an important role in a vast number of

Governance

them. It is therefore crucial that we focus on **our priorities and concentrate our energies in order to effectively achieve our ambitions.** And this second Sustainability Report is one more incentive to do so.

Governance

STAKEHOLDERS AND ENGAGEMENT METHODS

Maintaining positive and constructive relationships over time with all its stakeholders, whether directly or indirectly involved in its activities, is an indispensable element of great value for Angelini Industries, as it helps develop trust, improve decision-making processes and reduce conflict. This approach firstly translates into the **identification and engagement of all stakeholders with whom Angelini Industries interacts**, and subsequently into understanding the interests and issues relevant to each one. The diagram illustrated in the figure shows the **map of macro-categories of stakeholders in Angelini Industries**. Entities that interact with the Group's industrial ecosystem have been identified within each macro-category. The map highlights the structure and complexity of the everyday relationships that

the Group has with a large number of internal and external stakeholders, who have legitimate expectations and interests in the Angelini Industries Group and, at the same time, can influence the operations of the Industries.

Governance

STAKEHOLDER MAP

ANGELINI INDUSTRIES



1

PEOPLE

All those who, regardless of their contractual status or legal relationship, have a working relationship with the Group aimed at achieving the Company's goals and objectives



2

EMPLOYEES

All employees who work daily in the Holding and Operating Companies of Angelini Industries, and who are committed to achieving the Group's business objectives and their own personal satisfaction



3

SOCIETY

Includes all stakeholders who, in various ways, play a key role with respect to the smooth operation, reputation and development of the Group and who, in addition to maximum product quality, expect the creation of sustainable growth and value.

- Customers
- Institutions
- Media
- Academic world
- Political parties and trade unions



4

MARKET

The series of third parties who, individually or as part of a value chain, provide the resources needed to carry out activities and deliver services, sharing the 360° sustainability approach and contributing to the achievement of common goals.

This category also includes associations with whom constructive relationships are entertained in the course of business. We also include competitors within the market, as a constant element of comparison and incentive for continuous improvement.

- Business partners
- Competitors
- Trade associations



5

SHAREHOLDERS

Those who hold the shares in the Group, guide it and direct its operations



6

TERRITORY AND COMMUNITY

Neither a physical or geographical space, nor a sociological expression; these are the places where we come from, where we live and work, where our children will live and grow up. Places where we must achieve sustainable growth for all and opportunities for the next generations

Governance

The issues that matter

The events of the past two years, the spread of ESG issues and the rapid evolution of European sustainability regulations have caused us to reconsider our global priorities. Angelini Industries therefore decided to reflect on the sustainability issues that matter most for the present and the future and, like last year, did this together with its people.

In April 2022 two **stakeholder engagement** events were organized involving **45 employees**, 35 from the Italian sites and 10 from the other European sites, from all Group Companies. The decision to once again engage with our internal stakeholders stemmed from a need to consolidate the Sustainability Report drafting process as well as refine the materiality map and improve the quality of content, but also represented an opportunity to involve colleagues from the Foreign Companies. Following on from the first stakeholder engagement event of the previous year, the two workshops encouraged reflection on the topics that matter to Angelini Industries

and the concrete contribution of the Group's Operating Companies towards the Sustainable Development Goals (SDGs).

Drawing inspiration from the most widely used global non-financial reporting standards and aggregating the results of the workshops, the map of material topics for the entire Group, together with their connection to the SDGs, was then redefined.

Starting from a broader consideration of the contribution the Group can make to achieving the 2030 Agenda Goals, Angelini Industries identified a total of **26 potentially material topics**. More specifically, the **following six additional topics were added** to the 20 already identified in 2021: **1. talent attraction, 2. patient advocacy, 3. work-life balance, 4. innovation, research and development, 5. brand identity, and 6. digital transformation.**

The **participatory engagement of both Italian and foreign internal stakeholders** enabled them, through proactive and direct communication, to increase their knowledge






Governance

of sustainability issues and acquire a greater awareness of what can be achieved, consistent with the demands that social and environmental issues place on us.

The diagram in the figure shows the **materiality map of Angelini Industries**, depicting the 26 material topics deemed as material. These are broken down into the following **five areas: governance, people, product, environment and community**. The six new topics are highlighted in light blue and are also considered to be key success factors for Angelini Industries.

Governance

ANGELINI INDUSTRIES
MATERIALITY MAP

<p>1</p>  <p>GOVERNANCE</p> <ul style="list-style-type: none"> • Responsible governance • Business integrity and ethics • Economic growth and financial strength • Brand identity 	<p>2</p>  <p>PEOPLE</p> <ul style="list-style-type: none"> • Development and enhancement of human capital • Gender equality and diversity • Health and safety at work • Welfare • Talent attraction • Work-life balance • Patient advocacy 	<p>3</p>  <p>PRODUCT</p> <ul style="list-style-type: none"> • Value chain • Green procurement and vendor rating • Product quality and reliability • Eco-design • Consumer relations • Patient health and safety • Innovation, research and development • Digital transformation 	<p>4</p>  <p>ENVIRONMENT</p> <ul style="list-style-type: none"> • Energy efficiency and development of renewable sources • Carbon footprint • Circular economy • Waste management • Use of natural resources 	<p>5</p>  <p>COMMUNITY</p> <ul style="list-style-type: none"> • Partnerships with research institutes and the academic world • Community investments
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Governance

Broad participation **also made it possible to focus on concrete initiatives and the projects implemented**, which were associated with the material topics and the SDGs, thus stimulating awareness of how many and what concrete actions are implemented within the Group's various business sectors.

The table below shows, for each of the 12 SDGs⁸ considered significant for Angelini Industries, the material topics and actions taken in terms of initiatives and projects implemented during the two-year period 2020-2021, some of which are currently taking place in 2022.

⁸ The 12 SDGs had already been identified as significant for the Group during the stakeholder engagement event held in 2021.

Governance

TABLE OF SDGs, MATERIAL TOPICS AND ACTIONS TAKEN

SDGs	DESCRIPTION	MATERIAL TOPICS	ACTIONS TAKEN
	GOOD HEALTH AND WELLBEING	<ul style="list-style-type: none"> Health and safety at work Welfare Patient health and safety Patient advocacy Work-life balance 	<ul style="list-style-type: none"> ISO 45001 Occupational Health and Safety Management Systems (Pharma, Fameccanica, Fater) Patient Advocacy and Support Program (Angelini Pharma) Clinical studies and Consumer Health Projects (Angelini Pharma) Free psychological consultations, in Italian, English and Spanish, for all employees (Angelini4You) Welfare (Angelini Holding) Donations to the Bambino Gesù and Gemelli hospitals in Rome (Angelini Foundation) "Casale Angelini", Italy's first Care House, in Ancona⁹
	QUALITY EDUCATION	<ul style="list-style-type: none"> Development and enhancement of human capital Partnerships with research institutes and the academic world Talent attraction 	<ul style="list-style-type: none"> Angelini Academy programs (Holding) Continuous training activities (Industries) Remote working education to promote work-life balance Second edition Angelini Future Leaders Program, for the training and development of future leaders of Angelini Industries (Angelini Academy-Holding) Development of soft management skills (Angelini Academy) Ahead and DNA Programs (Angelini Pharma) Hack4Change (Industries, Academy, Fameccanica) Augmented reality for production and training activities Partnership with MIT (Massachusetts Institute of Technology)
	GENDER EQUALITY	<ul style="list-style-type: none"> Enhancement of human capital Gender equality and diversity 	<ul style="list-style-type: none"> Helping Hands (Angelini Pharma) Educational gender equality program in schools (Fater Lines) Salary review in 2022 to narrow the gender gap (Angelini Pharma, ongoing) New Group policy against domestic violence (Angelini Holding, ongoing)
	CLEAN WATER AND SANITATION	<ul style="list-style-type: none"> Use of natural resources 	<ul style="list-style-type: none"> Start of feasibility study for water consumption optimization (Angelini Pharma) Production of drinking water using well water (Fater) LEED Platinum certification Casa Angelini (Angelini Real Estate)
	AFFORDABLE AND CLEAN ENERGY	<ul style="list-style-type: none"> Use of natural resources Energy efficiency and development of renewable sources 	<ul style="list-style-type: none"> ISO 5001 Energy Management System (Fameccanica, Fater) LEED Platinum (Casa Angelini) Photovoltaic systems (Pharma, Fameccanica, Fater) New green products (ACE Green and Linea Natura) (Fater) Office lighting efficiency (Fater, Angelini Beauty, Angelini Wines & Estates)
	DECENT WORK AND ECONOMIC GROWTH	<ul style="list-style-type: none"> Economic growth and financial strength Value chain Responsible governance 	<ul style="list-style-type: none"> Determination of value added generated and distributed to stakeholders Positive employment turnover rate Top Employer Italy/Europe Certification (Pharma) CAREERS site for job openings (Holding) Support for the AUB Study Report for the survey of Italian family-owned businesses (Angelini Foundation) SA 8000 Certification (Fater)

SDGs	DESCRIPTION	MATERIAL TOPICS	ACTIONS TAKEN
	INDUSTRY, INNOVATION AND INFRASTRUCTURE	<ul style="list-style-type: none"> Innovation, research and development Brand identity Digital transformation Value chain Use of natural resources Circular economy Eco-design 	<ul style="list-style-type: none"> Further developments for Casa Angelini Launch of Angelini Industries' new brand identity Innovation engine for collecting new ideas (Fater/Fameccanica) Fater Linea Natura/ACE Green FaterSMART Medical device certification Mask project (Fameccanica)¹⁰ Digital transformation competition (Hack4Change) aimed at 400 students from polytechnics and engineering faculties New innovative patents (Fameccanica)
	SUSTAINABLE CITIES AND COMMUNITIES	<ul style="list-style-type: none"> Waste management Eco-design 	<ul style="list-style-type: none"> LEED Platinum certification for Casa Angelini (Headquarters of Angelini Industries) Further developments for Casa Angelini Urban redevelopment initiatives
	RESPONSIBLE CONSUMPTION AND PRODUCTION	<ul style="list-style-type: none"> Product quality and reliability Green procurement and vendor rating Circular economy Carbon footprint Waste management Consumer relations Use of natural resources 	<ul style="list-style-type: none"> GLUELESS and LIFE ALL IN Projects (Fameccanica)¹¹ Reduction of packaging sizes and optimization of logistics (Angelini Pharma) Initiatives for the management of expired drugs (Angelini Pharma) Reduction of virgin plastic used in packaging (Fater) FaterSMART PEFC Certification (Fater)
	CLIMATE ACTION	<ul style="list-style-type: none"> Circular economy Waste management Carbon footprint 	<ul style="list-style-type: none"> ISO 14001 Environmental Management System (Pharma, Fameccanica, Fater) Carbon footprint (Fater) LEED Platinum certification Casa Angelini (Angelini Real Estate) LCA (Angelini Beauty) Plastic Free process (Angelini Industries) Glass/paper/plastic recycling (Angelini Beauty, Fater, Angelini Wines & Estates)
	LIFE ON LAND	<ul style="list-style-type: none"> Use of natural resources Waste management Circular economy Carbon footprint 	<ul style="list-style-type: none"> Treedom project (Fameccanica) Carbon footprint (Fater) Equalitas certification (Angelini Wines & Estates)¹² PEFC-ST Forest Custody certification (Fater)
	PARTNERSHIPS FOR THE GOALS	<ul style="list-style-type: none"> Community investments Green procurement and vendor rating Partnerships with research institutes and the academic world 	<ul style="list-style-type: none"> Participation in research and dissemination activities to support the spread of best practices nationally and internationally EDUTECH: Academy Partnership with CDP Venture Capital and H-FARM in the FutureED Program Angelini Holding's participation in the B20 Forum on the evolution of healthcare systems¹³ Community Empowerment (Angelini Academy) Restart project for financial support to micro-enterprises (Angelini Foundation)¹⁴ Social campaign (tour) in Italy to improve waste management in cities

⁹ BIn collaboration with the Ospedali Riuniti di Ancona, Casale Angelini is used to host people undergoing treatment at the hospital's Oncology Clinic.

¹⁰ Creation of a model FPM-E Fameccanica Protective Mask machine for the production of surgical masks with elastic bands that extend behind the ears.

¹¹ GLUELESS Project: innovative thermo-mechanical and ultrasonic welding solution applied to the diaper product consisting of the replacement of glue on hygienic products; LIFE ALL IN Project: eco-friendly integrated process which, for the first time, combines on the same machine the production process of absorbent hygiene products with processes for the in-line processing of raw materials normally produced off-line, in addition to raw material transformation processes.

¹² Italian wine sustainability standard, based on considerations related to biodiversity, carbon footprint and water footprint, and the following indicators: good processing practices, good economic practices, good social practices and good communication practices.






¹³ Event organized by the B20 Health & Life Science Task Force.

¹⁴ Launch in 2022 of the Angelini Foundation initiative to support SMEs in the Marche region.

Governance

During the two stakeholder engagement workshops, consideration was also given to the other five SDGs: SDG 1 (No poverty), SDG 2 (Zero hunger), SDG 10 (Reduce inequality), SDG 14 (Life below water), SDG 16 (Peace, justice and strong institutions). This made it possible to identify additional initiatives undertaken by the Operating Companies and the Holding Company which make Angelini Industries' value contribution to the Agenda 2030 goals even more significant.

Angelini Industries' contribution to the other five SDGs mentioned above is shown in the table below.

SDGs	DESCRIPTION	MATERIAL TOPICS	ACTIONS TAKEN
	NO POVERTY	<ul style="list-style-type: none"> Community investments 	<ul style="list-style-type: none"> Pharmaceutical bank (Angelini Pharma Spain) Donations (Angelini Beauty, Angelini Pharma, Fater) Angelini Foundation activities UNHCR Crowdfunding (Industries) Restart project for financial support for micro-enterprises (Angelini Foundation)
	ZERO HUNGER	<ul style="list-style-type: none"> Community investments 	<ul style="list-style-type: none"> Donations (Angelini Beauty, Angelini Pharma, Fater) Christmas Market (Fater) Angelini Foundation activities MadreNatura collaboration with Food Bank
	REDUCED INEQUALITIES	<ul style="list-style-type: none"> Economic growth and financial strength 	<ul style="list-style-type: none"> Collaboration with NGOs (Fater, Beauty) Community Empowerment (Angelini Academy)
	LIFE BELOW WATER	<ul style="list-style-type: none"> Circular economy Waste management Carbon footprint 	<ul style="list-style-type: none"> Carbon footprint (Fater) New green products (ACE Green and Linea Natura)(Fater)
	PEACE, JUSTICE AND STRONG INSTITUTIONS	<ul style="list-style-type: none"> Integrity and business ethics Responsible governance 	<ul style="list-style-type: none"> Fundraising and donations for Ukraine (Angelini Industries) New Angelini Industries Group Code of Ethics 231 Model

Governance

Stakeholder engagement methods

In general, Angelini Industries maintains regular dialogue and contact with its stakeholders. This dialogue takes place in various ways and with different frequencies depending on the categories involved.

There are three types of stakeholder engagement methods:

- initiatives organized specifically for the preparation of the Sustainability Report;
- meetings forming part of the regular discussion and interaction process, regardless of the reporting activity;
- initiatives planned as part of a structured listening process, with the direct involvement of stakeholders in developing scenarios and solutions.

Every opportunity to engage its internal and external stakeholders is a chance for Angelini Industries to make important additions to its sustainability strategy, obtain interesting insights and valuable content, and receive

strong impetus to achieve its increasingly ambitious business goals, enabling its people and, more broadly, all the Group's stakeholders to contribute to a more sustainable world.

Economic capital

03

1,725.2

58%

1,946.3

800

Revenues from sales and services:
1,725.2 million euros

Revenue share in Italy: 58%

Economic value directly generated by the Group: 1,946.3 million euros, of which 1,630.5 million euros distributed to stakeholders (+7.4% vs 2020)

More than 800 **new suppliers evaluated according to environmental and social criteria**

Economic capital

Economic performance

In 2021 Angelini Industries recorded total revenues, as per its consolidated income statement, of 1,725,224 thousand euros, of which 996,911 thousand euros in Italy, corresponding to approximately 58%.

The following tables show the distribution of revenues by business area and geographical area:

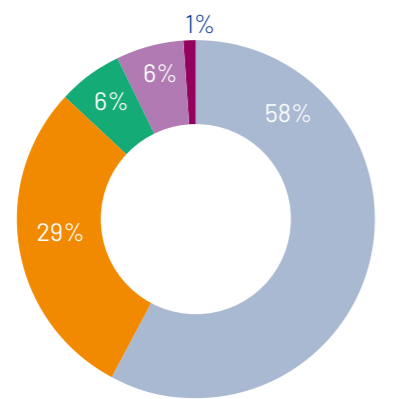
REVENUES BY BUSINESS AREA <i>(thousands of euros)</i>	12.31.2021	12.31.2020	VARIATION 2021-2020
Pharmaceutical	998,749	1,005,637	(6,888)
Consumer Goods	498,885	498,289	596
Industrial Technology	100,950	94,786	6,164
Perfumery and Dermocosmetics	94,867	74,207	20,660
Wine	25,100	19,046	6,054
Holding Activities	6,673	7,506	(833)
TOTAL	1,725,224	1,699,471	25,753

Economic capital

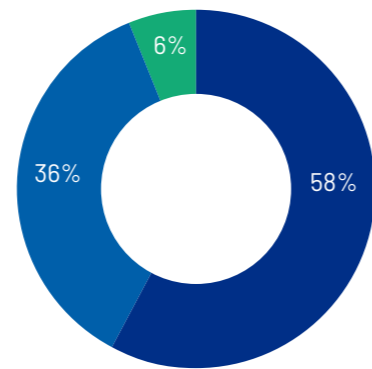
REVENUES BY GEOGRAPHICAL AREA <i>(thousands of euros)</i>	12.31.2021	12.31.2020	VARIATION 2021-2020
Italy	996,911	1,139,678	(142,767)
Europe	619,809	490,206	129,603
Rest of the world	108,504	69,587	38,917
TOTAL	1,725,224	1,699,471	25,753

Economic capital

The graphs below show the % values of 2021 revenues by business sector and geographical area:



- Pharmaceutical
- Consumer Goods
- Industrial Technology
- Perfumery and Dermocosmetics
- Wine



- Italy
- Europe
- Rest of the world

Economic capital

Economic value generated and distributed

The distribution of added value represents the point of contact between the economic and social profiles of Angelini Industries management and makes it possible to analyze how the wealth created is distributed for the benefit of the entire system with which it interacts.

ECONOMIC VALUE GENERATED AND DISTRIBUTED¹⁵ <i>(thousands of euros)</i>	2021	2020
Revenues	1,721,337	1,710,410
Other income	64,969	49,024
Financial income	159,992	69,743
Total economic value generated	1,946,298	1,829,177
Operating costs	1,215,923	1,154,646
Employee remuneration	377,086	345,506
Remuneration of Public Administration	30,570	14,079
Shareholder remuneration	-	-
Lender remuneration	6,915	3,315
Investments in the community ^{15 bis}	-	-
Total economic value distributed	1,630,494	1,517,546
Depreciation, write-downs and adjustments	179,148	134,578
Provisions for risks and other provisions	12,695	13,356
Value adjustments to financial assets and liabilities	35,277	11,372
Operating income allocated to reserves	95,062	145,827
Foreign exchange gains and losses	(6,378)	6,498
Economic value retained	315,804	311,631

¹⁵ The table of the economic value generated and distributed was prepared by reclassifying the statutory income statement according to the GRI 201-1 standard.
^{15 bis} Investments in the community are managed by the Angelini Foundation.

Economic capital

The economic value distributed, amounting to 1,630,494 thousand euros, represents around 83.8% of the economic value generated. The latter, in addition to covering operating costs incurred during the year, is used to remunerate the socio-economic system with which Angelini Industries interacts, in particular:

- employee remuneration: an item that includes the direct remuneration (wages, salaries and severance pay) and indirect remuneration (social security charges) of all employees;
- lender remuneration: this item includes interest expenses and foreign exchange losses;
- investor remuneration: this item includes dividends distributed;
- Public Administration remuneration: an item that includes all taxes paid, including deferred taxes;
- remuneration to the community: includes all donations (in cash and in kind) and sponsorships.

Finally, the economic value retained, calculated as the difference between the economic value generated and the economic value distributed, represents the set of financial resources dedicated to the economic growth and financial stability of the business system.

In the coming years, the Group intends to focus on implementing the strategic guidelines provided by the shareholder, developing the necessary actions to achieve its objectives and ensure increasingly satisfactory consolidated results.

With regard to financial management, Angelini Industries will continue to pay attention to the process of optimizing the use of liquidity with the objective of supporting the business development of the organization in the long term.

Economic capital

Supply chain management

The sustainability of a product not only depends on the impact of its production and disposal but begins with a **conscious choice of the materials and raw materials** with which it is made. For this reason, the procurement process and the responsible use of natural resources, materials and raw materials is one of the pillars of the sustainability strategy that the Angelini Industries Group diligently pursues. Operating in diversified sectors with a global geographical presence, the Group's Industries work with a very wide range of purchasing categories and have an extensive and widespread network of business partners inside and outside Europe, as well as nationally and locally. Over time the Operating Companies have built clear relationships with their suppliers and partners which are able to create value not only in the short term, but also in the long term. All of the Group's Industries operate mainly with Italian, European and non-European suppliers, which guarantee the application of the highest standards of quality and reliability and at the

same time pay close attention to the issues of respect for human rights, health and safety, the fight against corruption and respect for the environment.

The procedures that guide the selection of new suppliers by the various Industries involve the **careful analysis of a series of qualitative and quantitative parameters** in order to guarantee both an economic advantage for the Company and compliance with the ethical principles and values expressed in the Group Code of Ethics. During supplier onboarding into Angelini Industries' e-procurement systems, a rigorous verification of certain prerequisites is carried out, including the collection of detailed corporate information. This involves a request for self-certification relating to the absence of pending ethical, legal and privacy issues. The supplier's certifications, including ISO 9001 for quality management systems or ISO 14001 for environmental management systems, are then checked.

Economic capital

At the tender stage, the supplier is asked to complete a technical-qualitative questionnaire that increases the depth of the analysis and verification process compared with the previous point, expanding, based on the nature of the good or service to be purchased, the collection of additional information on how the service is to be provided and related technical and quality aspects.

Particular focus is placed on the issue of environmental sustainability with regard to both the purchase of goods or raw materials (e.g. the use of recycled raw materials or materials with reduced environmental impact, the type of logistics carriers used, etc.) and the purchase of services (e.g. attention to waste in company catering services, CO₂ emission levels of rental cars, etc.)

Supplier performance is monitored throughout the duration of the supply contract. This phase involves constant verification of the activities

carried out by the supplier, with particular reference to service levels and the quality specifications listed above. The monitoring process results in quarterly or annual reports on agreed KPIs and qualitative questionnaires sent to users of the purchased goods or services.

Economic capital

SUPPLY CHAIN RISKS

- 1 Physical risk**
Associated with dynamics related to the lack of compliance with regulatory requirements or the degradation of some processes in terms of quality
- 2 Procurement risk**
Related to an interruption in the availability of products/materials in one of the next steps of the value chain
- 3 Corporate risk**
Related to financial or management factors that make it impossible for the supplier to meet its commitments
- 4 Environmental risk**
Due to external geographical and climate factors

The supply chain, in relation to its complex dynamics and the periodic and systematic fluctuations that characterize it, presents risk factors that can have a significant impact on the production chain and on the company's ability to meet its business objectives in a given timeframe. The risk areas identified by Angelini Industries are shown and briefly described in the figure.

Economic capital



SUPPLY CHAIN RISKS: PHARMACEUTICAL AND PERFUMERY AND DERMOCOSMETICS

The following is a summary description of the Risk Management Systems adopted in the Pharmaceutical and Perfumery and Dermocosmetics sectors.

In relation to the risks that can potentially impact its supply chain, Angelini Pharma has adopted a Risk Management System aimed at preventing the occurrence of such risks or mitigating the possibility of their occurrence, where possible. This analysis system involves a classification according to two variables: probability of occurrence and potential impact. The matrix intersection of the two variables makes it possible to place specific assets within risk clusters that can be subdivided as follows:

- acceptable risk;
- limited risk;
- relevant risk;
- critical risk;

- unacceptable risk.

The precise and numerical determination of the two variables in question is linked to a calculation system that considers specific evaluation indexes such as the economic importance of the product in question, the product's belonging to ethical drug classes¹⁶, the presence of alternative production sites for the product in question, the presence of procurement alternatives for each material or component of the product BOM, the average reaction time for the specific class of material or component on the product BOM, etc. Each evaluation index has its own specific weight which makes it possible to obtain a summary evaluation index that takes all the specific indexes into account.

The recent **screening of 195 products** within the Prescription Medicine cluster, an integral part of Angelini Pharma's product portfolio, found that 85% of them are in the risk under control cluster, 11% in the critical risk cluster and 4% in the unacceptable risk cluster.

¹⁶ An ethical drug is one that can be purchased (or sold) only with a prescription. The packages of these drugs are therefore mandatorily printed with a notice such as "Prescription only medicine". Within the universe of ethical drugs there are both Class A drugs, essential and chronic disease medicines that are partially or totally free of charge, and Class C drugs, the cost of which are borne entirely by citizens.

Economic capital

The risk assessment phase is followed by a second executive phase for the treatment of the risk itself within which certain actions are implemented, for example the qualification of alternative suppliers for specific materials, the resizing of stocks of critical materials, etc., at the end of which the coefficient is re-evaluated with the aim of bringing it back to the manageable risk and risk under control clusters. With regard to the Perfumery and Dermocosmetics sector (Angelini Beauty), risks arise mainly from possible **shortages of certain raw materials**. The exceptional increase in commodity prices due to the geopolitical consequences of the pandemic has made the risk of inadequate services from suppliers more realistic and consequently had a significant impact on consumer prices. In relation to managing longer lead times, the timings of MRP (Material Requirements Planning) launches and the subsequent issuing of orders were revised, while the coverage of fast-moving items was increased to ensure an efficient service to distribution.

During product development, unless technical design constraints necessitate the use of a specific supplier, the R&D and Purchase Departments define a purchasing strategy that takes account of product properties, expected purchase quantities, and supplier characteristics. Next, a technical briefing is issued, with which the suppliers involved (at least two) carry out the technical feasibility study and arrange for the issuance of an initial bid.

With regard to fragrances, the olfactory brief is transmitted directly from the Marketing Department to various fragrance houses, and Marketing itself assigns the project to the fragrance house that best fits the brief and demonstrates the best level of creativity. Based on the results, the Purchase Department communicates the assignment of the project and initiates the negotiation phase.



Economic capital

Supply chain profile of the Industries

PHARMACEUTICAL SECTOR

Angelini Pharma's supply chain, which is particularly complex due to the varied nature of the materials and services purchased and the fact that it is part of a highly regulated market that makes quality and compliance its main cornerstones, is based on values and principles that tend to guarantee compliance with market requirements, economic competitiveness and future sustainability in support of the company's strategy, in accordance with the Group's mission. The supply base operates on a global scale with a supplier base of 6,818 companies. The purchasing clusters are primarily divided into:

- **Direct Materials:** all materials purchased for the plants and necessary for the transformation process;
- **Finished Products:** all products purchased from third parties and subsequently marketed (own brand or under license);
- **Indirect Services:** all services to support regular production and marketing activities,

whether industrial (Logistics, Capex, Spare Parts, Maintenance, etc.) or support (Marketing, IT, R&D, Consultancy, etc.).

In order to perform its role, Corporate Procurement has equipped itself with **procedures, rules and tools to ensure that its operations are carried out** in a functional, effective and ethical manner. In particular, the process of selecting and qualifying the various suppliers respects established and standardized logic that ensures respect for maximum compliance. The **selection and qualification** of all suppliers is based on an initial scouting process in which it is possible to collect technical, economic and financial information. This ends with the potential assignment of business only and exclusively after the normal flow of analysis, competition and validation (RFI, RFP, RFQ) in compliance with the reference approval flows. For **Direct Materials**, qualification is more stringent and technical (in terms of both product and process) with suppliers and their products subject to a qualification process aimed at **certifying**,

Economic capital

verifying and validating their compliance with reference standards (GMP/GMD - Good Manufacturing Practices & Distribution) according to current policies in the field of quality and regulation.

In order to standardize the supplier selection process, in 2019 Angelini Pharma equipped itself with a specific e-Procurement system (**Procunity**) for the complete management of supply flows. Through this portal, suppliers have the opportunity to present themselves by filling in a series of questionnaires with their main personal, financial and general information. Subsequently, and in relation to the product category in which they operate, the supplier fills out a category-specific questionnaire answering technical, regulatory and health, safety and environmental questions. Once the qualification phase is completed, the Procunity system enables the management of all negotiation, tender, business assignment and related contract management processes.

In addition to the qualification process, suppliers are systematically assessed during their day-to-day operations; one of the key assets for ensuring the systematic control of the value chain is the **implementation of systematic audit and monitoring plans**, particularly for direct materials. In accordance with current procedures, all suppliers, especially those of raw materials, packaging materials and finished products, are subject to regular checks according to a risk assessment on the particular material/component/service supplied.

In 2021, for the entire scope of the Pharmaceutical sector, the **total number of suppliers** was **4,494**¹⁷, 1,494 of which managed in Italy. In the same year, the **total value of supplies** managed in Italy was **736,095,411.62** euros.

In 2021, the total number of suppliers managed by Angelini Pharma S.p.A. (Italy) was 1,494. The incidence of Italian suppliers (1,228) was 82%.

NUMBER OF ANGELINI PHARMA S.P.A. SUPPLIERS BY GEOGRAPHICAL AREA	2019		2020		2021	
	NO.	% OF TOTAL	NO.	% OF TOTAL	NO.	% OF TOTAL
Italy	2,544	82%	1,482	82%	1,228	82%
Europe	434	14%	253	14%	207	14%
America	93	3%	54	3%	55	3.7%
Asia	16	0.5%	9	0.5%	4	0.3%
Rest of the world	16	0.5%	9	0.5%	-	-
TOTAL	3,103	100%	1,807	100%	1,494	100%

¹⁷ Supplier extrapolation performed by the Control Tower system.

Economic capital

In 2021, the total value of supplies was 332,966,702 euros, a value referring to global direct purchases and indirect purchases.

VALUE OF ANGELINI PHARMA ITALIA SUPPLIES BY GEOGRAPHICAL AREA (Euros)	2019		2020		2021	
	EURO	% OF TOTAL	EURO	% OF TOTAL	EURO	% OF TOTAL
Italy	373,696,645	96%	388,844,334	96%	273,683,474	82.2%
Europe	11,678,020	3%	12,151,385	3%	46,133,941	13.9%
America	1,946,337	0.5%	2,025,231	0.5%	12,257,810	3.7%
Asia	1,946,337	0.5%	2,025,231	0.5%	891,477	0.3%
Rest of the world						
TOTAL	389,267,338	100%	405,046,182	100%	332,966,702	100%

Economic capital

In 2021, the number of new suppliers that underwent ESG evaluation was 225, 3.3% of the total number of suppliers. In addition, 86 of the 225 suppliers (1.3%) were subjected to environmental evaluation criteria, while the remaining 139 (2%) were evaluated according to social criteria.

NUMBER AND % OF NEW ANGELINI PHARMA ITALIA SUPPLIERS EVALUATED ACCORDING TO ENVIRONMENTAL AND SOCIAL CRITERIA	2019		2020		2021	
	NO.	% OF TOTAL	NO.	% OF TOTAL	NO.	% OF TOTAL
Total suppliers	3,103		1,807		1,494	
Suppliers evaluated according to environmental criteria			86	1.1%	86	1.3%
Suppliers evaluated according to social criteria			139	1.8%	139	2.0%
TOTAL SUPPLIERS			225	3%	225	3.3%

Economic capital

The table below reports the total expenditure of Angelini Pharma S.p.A. by type of material. The first three items (finished goods, raw materials and materials) refer to global direct purchases, while "Other" includes indirect purchases:

TYPE OF GOODS/MATERIALS/RM/SEMI-FINISHED GOODS/ COMPONENTS PURCHASED (Euros)	2019			2020			2021		
	NO.	% OF TOTAL	NO.	% OF TOTAL	NO.	% OF TOTAL	NO.	% OF TOTAL	
Finished products	117,228,089		161,139,052		108,649,192				
Raw materials	45,107,803		46,967,027		56,099,376				
Materials	25,302,802		25,166,177		23,461,383				
Equipment/Office									
Services									
Other (indirect)	201,628,644		171,773,926		144,756,749.96				
TOTAL	389,267,338		405,046,182		332,966,702				

Economic capital

As for the global scope of the Pharma sector¹⁸, Italian suppliers accounted for 27% of the total in 2021.

NUMBER OF SUPPLIERS PHARMA GLOBAL ¹⁹	2019		2020		2021	
	NO.	% OF TOTAL	NO.	% OF TOTAL	NO.	% OF TOTAL
Italy	5,216	97.6%	5,684	75%	1,211	27%
Europe	128	2.4%	1,098	14%	2,722	61%
America			360	5%	173	4%
Asia			150	2%	122	3%
Rest of the world			302	4%	266	6%
TOTAL	5,344	100%	7,592	100%	1,271	100%

¹⁸ The data refer to the remaining portion of purchases managed locally by subsidiaries and currently merged on the Proximity platform.

¹⁹ Unlike the two-year period 2019-2020, the data for 2021 were extrapolated from the new Control Tower system.

Economic capital

In 2021, the total value of Pharma sector supplies came to 736,095,411.62 euros.

VALUE OF SUPPLIES OF FOREIGN (2019-2020) AND GLOBAL (2021) PHARMA COMPANIES BY GEOGRAPHICAL AREA (Euros)	2019		2020		2021 ²⁰	
	EURO	% OF TOTAL	EURO	% OF TOTAL	EURO	% OF TOTAL
Local supplies	39,993,959	22.6%	36,702,615	22.4%		
Italy	60,075,943	34.0%	55,757,884	34.0%	340,190,141.96	46%
Europe	76,489,031	43.2%	71,049,358	43.3%	328,430,391.83	45%
America	289,767	0.2%	479,627	0.3%	46,287,411.66	6%
Asia	9,390	0.0%	9,331	0.0%	5,639,418.87	1%
Rest of the world	-	0.0%	-	0.0%	15,548,047.30	2%
TOTAL	176,858,090	100%	163,998,816	100%	736,095,411.62	100%

²⁰ In 2021, a new management system was integrated which made it possible to obtain a global figure. There is therefore a significant variation in the data reported in 2021.

Economic capital

The following table shows the value of supplies by type:

TYPE OF GOODS/MATERIALS/RM/SEMI-FINISHED GOODS/COMPONENTS PURCHASED BY FOREIGN (2019-2020) AND GLOBAL (2021) PHARMA COMPANIES BY GEOGRAPHICAL AREA ²¹ (Euros)	2019	2020	2021 ²²
Finished products	135,878,205	126,125,170	509,624,474.07
Raw materials	3,835,096	3,055,919	12,748,247.74
Materials	409,517	397,189	1,350,423.66
Equipment/Office	11,249,742	11,602,271	50,026,226.70
Services	2,914,504	2,715,618	10,078,110.83
Other	22,571,025	20,102,651	152,267,933.03
TOTAL	176,858,090	163,998,818	736,095,412

²¹ The values for the subsidiaries in Poland, Turkey, Romania, the US, Germany and Austria are not included.

²² In 2021, a new management system was integrated which made it possible to obtain a global figure. There is therefore a significant variation in the data reported in 2021.

Economic capital

In 2021, 51 new suppliers underwent evaluation according to ESG criteria. The latter figure refers to the subsidiaries in Greece and Russia, which manage 356 local suppliers.

As far as downstream logistics processes are concerned, Angelini Pharma Italia owns and uses the finished products (distribution) warehouse in Ancona to store, prepare and distribute pharmaceutical products to both national pharmaceutical distribution channels (wholesalers, pharmacies, OTC medicine retailers and hospitals) and international pharmaceutical distribution channels (affiliates and foreign customers). The surface area of the Ancona warehouse is 24,745 square meters and its storage capacity is about 18,000 pallets, half of which are stored at temperatures below 25° C. The warehouse complies with industry-specific regulations, such as:

- Wholesale Distributor Authorization (WDA) according to national regulations;
- Good Distribution Practices (GDP) Certificate as per Guidelines 2013/C 343/01;

- Wholesale Distribution Authorizations (WDA) for narcotic products according to national regulations;
- Health Authorization for the distribution of dietary supplements according to EC Regulation 852/2004.

The warehouse is connected daily with all major carriers authorized to transport pharmaceutical products.

Angelini Pharma also uses national 3PL Logistic Outsourcing warehouses to distribute non-pharmaceutical products and to increase its storage and distribution capacity in the event, for example, of seasonal peaks in distribution and sales. At international level, the Company has several warehouses and Distribution Centers directly managed by the associated companies (Spain, Portugal, Greece, Turkey, Bulgaria, Romania, Austria, Czech Republic, Germany, Poland, Russia and the USA) and a logistics hub in Austria, all supplied by the HQ warehouse in Ancona or by the suppliers of Finished Products.

Economic capital

CONSUMER GOODS

For more than 10 years Fater has been making conscious choices in the selection of suppliers from third countries, prioritizing **intermodality, carriers with a strong environmental vocation and the use of fleets with alternative fuels** and reduced environmental impact.

The strategy of green logistics, now widespread at global level, sees Fater active in the search and attainment of environmental certifications, recognized nationally and internationally, to ensure an improvement in the procurement processes of raw materials in order to reduce harmful emissions.

The process of supplying essential components to Fater begins with the selection, evaluation and qualification of new suppliers. The effort put into the selection and evaluation process depends on the importance of the same, expressed in terms of business volumes and goods or services purchased.

The main selection criteria respond to business needs in terms of product innovation, quality, costs and service. In addition to these aspects, Fater also considers certain environmental indicators, in compliance with the Code of Ethics and quality system procedures. In this regard, a couple of significant examples are worthy of mention: the first concerns the procurement of cellulose (key material for the Company's core business), for which Fater only uses PEFC-certified suppliers²³; the second regards the purchase of high-quality post-consumer recycled plastic, which Fater uses for its products.

In 2021, there were 212 total suppliers for the entire Consumer Goods sector (Fater), 160 of which managed in Italy and 52 managed by the Foreign Companies. In the same year, the total value of supplies amounted to 235,290,569 euros, of which 218,211,398.4 euros relating to Italy and 17,079,171 to the foreign perimeter.

²³ The "Programme for the Endorsement of Forest Certification schemes" is a certification organization for sustainable forest management.

Economic capital

In 2021, Fater S.p.A. managed a total of 160 suppliers, 60% of which Italian (96) and the remaining 40.4% from other geographical regions.

NUMBER OF FATER S.P.A. SUPPLIERS (ITALY) BY GEOGRAPHICAL AREA	2019		2020		2021	
	NO.	% OF TOTAL	NO.	% OF TOTAL	NO.	% OF TOTAL
	Italy	88	55.0%	104	59.4%	96
Europe	57	35.6%	53	30.3%	42	26.1%
America	1	0.6%	3	1.7%	3	1.9%
Asia	11	6.9%	14	8.0%	10	6.2%
Rest of the world	3	1.9%	1	0.6%	9	6.2%
TOTAL SUPPLIERS	160	100%	175	100%	160	100%

Economic capital

In 2021, the total value of Fater S.p.A. supplies was **218,211,398.4** euros, 43.2% of which from Italy.

VALUE OF FATER S.P.A. SUPPLIES (ITALY) BY GEOGRAPHICAL AREA (Euros)	2019		2020		2021	
	EURO	% OF TOTAL	EURO	% OF TOTAL	EURO	% OF TOTAL
Italy	72,673,245	35.7%	78,011,323	43.2%	94,224,838	43.2%
Europe	99,224,123	48.8%	74,161,359	41.0%	93,481,509.18	42.8%
America	12,130,167	6.0%	9,075,409	5.0%	5,779,755	2.6%
Asia	18,577,768	9.1%	19,465,848	10.8%	11,452,802	5.3%
Rest of the world	847,196	0.4%	35,738	0.0%	225,701	6.1%
TOTAL VALUE OF SUPPLIES	203,452,499	100%	180,749,677	100%	218,211,398.4	100%

Economic capital

The breakdown of total expenditure by type of material is shown below:

TYPE OF GOODS/MATERIALS/RM/SEMI-FINISHED GOODS/COMPONENTS PURCHASED (ITALY) ²⁴ (Euros)	2021
Chemicals	43,816,602
Plastic/Fluff	155,972,902
Labels/Coupons	4,666,759
Cartons/Boxes	13,730,435
Finished product	24,700
TOTAL PURCHASES	218,211,398

²⁴ The data for the two-year period 2019-2020 are not available.

Economic capital

In 2021, 103 new suppliers were subjected to ESG evaluation criteria, corresponding to 54.5% of the total number of suppliers.

NUMBER OF NEW FATER SUPPLIERS BY EVALUATION CRITERIA ²⁵	2021	
	NO.	% OF TOTAL
Total suppliers	189	
Suppliers evaluated according to environmental criteria		
Suppliers evaluated according to social criteria	103	54.5%
TOTAL SUPPLIERS	103	

²⁵ The data for the two-year period 2019-2020 are not available.

Economic capital

The following table shows the number of suppliers managed locally by Fater's foreign subsidiaries, broken down by geographical area. In 2021, the **total number of local suppliers was 52**, in line with the 2020 figure of 59.

NUMBER OF SUPPLIERS LOCALLY MANAGED BY FATER'S FOREIGN COMPANIES, BY GEOGRAPHICAL AREA	2019		2020		2021	
	NO.	% OF TOTAL	NO.	% OF TOTAL	NO.	% OF TOTAL
Italy	13	24.5%	19	32.2%	15	28.8%
Europe	25	47.2%	21	35.6%	20	38.5%
America	-	0.0%	-	0.0%	-	0.0%
Asia	15	28.3%	18	30.5%	16	30.8%
Rest of the world	-	0.0%	1	1.7%	1	1.9%
TOTAL SUPPLIERS	53	100%	59	100%	52	100%

Economic capital

In 2021, the total value of the supplies procured by Fater's Foreign Companies was 17,079,171 euros, in line with the expenses registered in 2020 (16,621,618 euros). A large share of total spending (63.8%) took place in Asia.

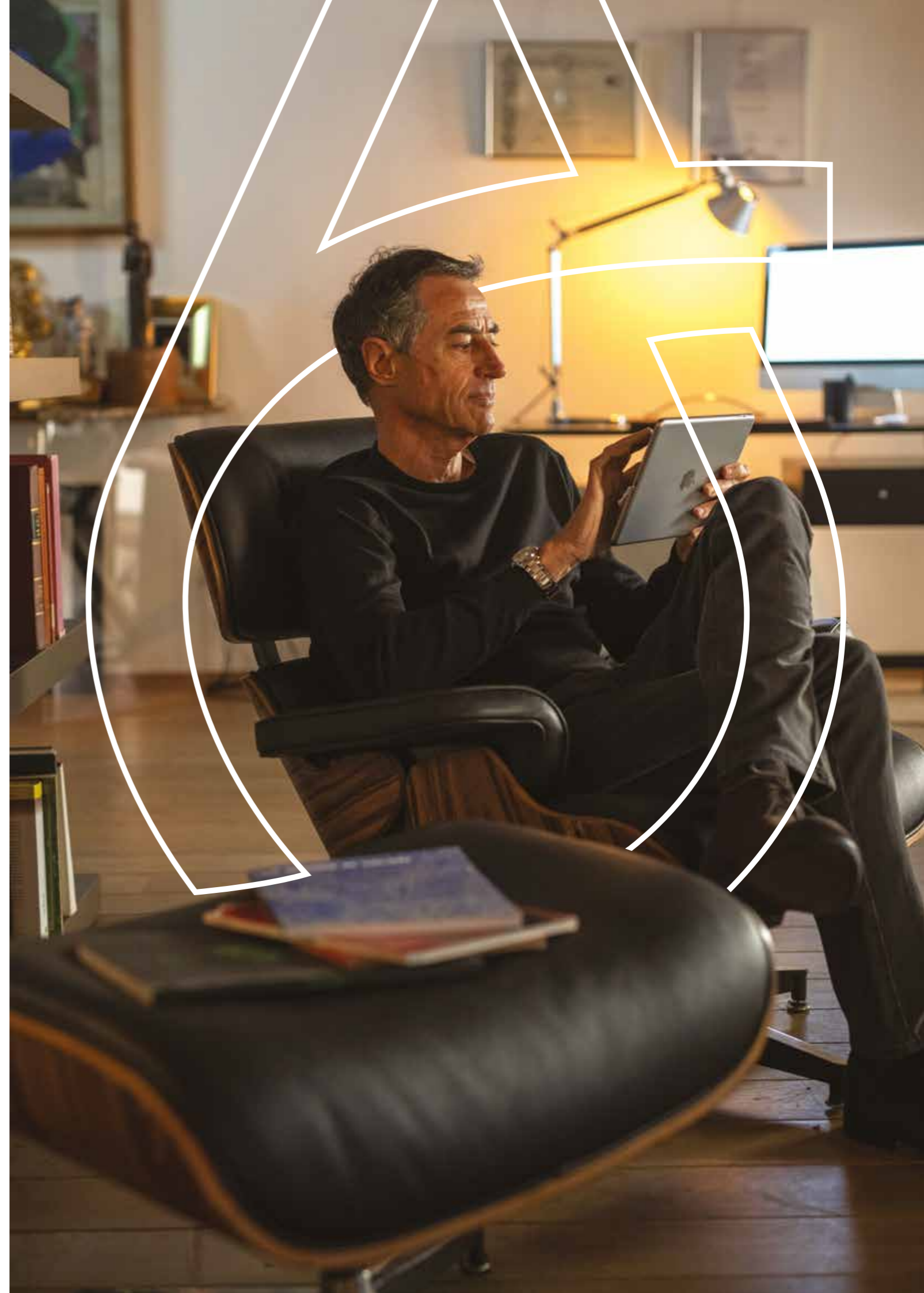
VALUE OF SUPPLIES OF FOREIGN COMPANIES BY GEOGRAPHICAL AREA (Euros)	2019		2020		2021	
	EURO	% OF TOTAL	EURO	% OF TOTAL	EURO	% OF TOTAL
Italy	479,521	3.0%	853,685	5.1%	804,723	4.7%
Europe	5,111,692	32.2%	4,168,532	25.1%	3,469,940	20.3%
America	-	0.0%	-	0.0%	-	0.0%
Asia	10,306,781	64.8%	10,509,638	63.2%	10,894,094	63.8%
Rest of the world	-	0.0%	1,089,763	6.6%	1,910,414	11.2%
TOTAL VALUE OF SUPPLIES	15,897,994	100%	16,621,618	100%	17,079,171	100%

Economic capital

The breakdown of total expenditure by type of material is shown below:

TYPE OF GOODS/MATERIALS/RM/SEMI-FINISHED GOODS/ COMPONENTS PURCHASED (FOREIGN COMPANIES) (Euros)	2019	2020	2021
Chemicals	5,386,712	6,360,167	5,163,308
Plastic/Fluff	7,374,303	7,154,436	8,205,042
Labels/Coupons	866,884	864,554	903,800
Cartons/Boxes	2,270,095	2,223,212	2,807,022
Finished product	-	19,249	-
TOTAL PURCHASES	15,897,994	16,621,618	17,079,172

To date, no environmental or social assessment criteria are applied to suppliers managed locally by Foreign Companies in the Personal and Home Care sector.



Economic capital

INDUSTRIAL TECHNOLOGY

Fameccanica designs, installs and tests its own products, equipment and technologies with high productivity and high value-added digital services, including through the support of the supply chain developed over the years and capable of meeting business needs in various areas.

Fameccanica and its suppliers have always cared about sustainability, adopting practices that combine growth and economic performance, social and environmental sustainability.

For Fameccanica, in fact, a good supplier is able to meet demand efficiently, operate in accordance with specific standards and keep its information up to date, always striving to improve by learning from audit results and demonstrating that innovation is its main goal. Availability, reliability, promptness and customer service, together with a proactive attitude, are all key factors in meeting supply

needs and increasing competitiveness.

The supply chain is defined according to the bill of materials (BOM) designed for the machines, which defines the list of parts of which the machine is composed. The purchase of raw materials is followed by the phases of reception, storage, preparation for production, parts assembly and final testing of the machine, before delivery to the final customer.

The process involving Fameccanica's supply chain begins with the issuing, by the design department, of the bill of materials of the machine to be manufactured. Once the make or buy has been completed, the management system, downstream of the checks on stock availability, issues the purchase requests for the materials needed to assemble the line. Issued purchase requests are turned into purchase orders. In accordance with cost, time and quality criteria, only part of the supply chain is involved in making the parts for purchase. Once the production process is completed, the suppliers, in accordance with the terms

Economic capital

of delivery defined in the purchase order, will ship the goods or notify the Company of the completion of its activities.

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

- acceptance and checking of goods in accordance with the issued purchase orders;
- storage of checked materials;
- preparation of production orders;
- delivery of production orders to production areas.

The organizational unit that manages the supply chain is Purchasing. On the basis of the machine bills of materials issued by the Design Department, the machine parts are acquired via tenders from suppliers qualified from a sales and technical perspective and also in terms of quality. In addition to the supply of parts related to the manufacturing of machines, the Company also acquires additional services to the various business functions (technical and sales consultancy as well as ancillary services

such as canteen, cleaning, maintenance). In addition, for the technical supply chain related to machine building, given the highly specific nature of machine design and the related bill of materials which sometimes has restrictions related to customer choices and/or technical necessities, the criteria are mainly related to technical and cost/quality requirements. For suppliers of manufactured materials, meanwhile, practicality is preferred, with potential suppliers chosen in geographically adjacent areas due to management requirements connected with engineering changes and quality control. In 2021, the management of the Fameccanica warehouse, located near the production site, was internalized in order to improve the relative process.

The biggest concentration, in terms of numbers of suppliers and turnover, is in Italy, in particular near the Fameccanica operating headquarters in San Giovanni Teatino (Chieti), in Abruzzo. Local suppliers from Abruzzo make up 25% of

Economic capital

the total and account for 41% of the total annual expense.

Suppliers are evaluated according to their classification (assembly, design, transportation, packaging, and warehousing). The main evaluation techniques are related to **measuring their performance in terms of quality, on-time delivery and economic competitiveness**. Key suppliers are evaluated monthly.

The medium and long-term objective is to maintain, through the continuous scouting of new suppliers, a professionally and technologically updated supply chain that is able to meet the increasingly challenging needs of the Company. Cost, time and quality are essential drivers of the selection process, but these are joined by **evaluation criteria related to digitization, management integration capacity, the specialist expertise of the supplier, services offered and flexibility in adapting to constant market changes**. In the long run, the supply chain will evolve in accordance with the Company's strategic plans,

which are increasingly focused on exploring new business areas.

In 2021, for the entire scope of the Industrial Technologies sector (Fameccanica), the **total number of suppliers** came to **1,425**, of which 860 are managed in Italy (with 214 local suppliers) and 565 managed by the Foreign Companies (234 in China and 331 in the USA). In the same year, the **total value of supplies** amounted to **150,203,530** euros, of which 119,163,973 euros related to the Italian scope and 31,039,558 euros to the foreign scope (8,392,434 euros in China and 22,647,123 euros in the USA).

Economic capital

In 2021, the total number of suppliers managed by Fameccanica Data S.p.A. was 860, in line with the 2020 figure (871). The incidence of Italian suppliers is 79.8%.

NUMBER OF FAMECCANICA DATA S.P.A. SUPPLIERS (ITALY) BY GEOGRAPHICAL AREA	2019		2020		2021	
	NO.	% OF TOTAL	NO.	% OF TOTAL	NO.	% OF TOTAL
Italy	608	79.5%	679	78.0%	686	79.8%
Europe	90	11.8%	116	13.3%	114	13.3%
America	45	5.9%	52	6.0%	51	5.9%
Asia	6	0.8%	6	0.7%	5	0.6%
Rest of the world	3	0.4%	3	0.3%	4	0.5%
TOTAL SUPPLIERS	765	100%	871	100%	860	100%

Economic capital

In 2021, the total value of Fameccanica's supplies was 119,163,973 euros (41.5% of which local supplies), with 86% of supplies from Italy.

VALUE OF FAMECCANICA DATA S.P.A. SUPPLIES (ITALY) BY GEOGRAPHICAL AREA (Euros)	2019		2020		2021	
	EURO	% OF TOTAL	EURO	% OF TOTAL	EURO	% OF TOTAL
Italy	112,555,255	85.1%	101,251,400	83.9%	102,436,922	86.0%
Europe	13,636,783	10.3%	14,456,708	12.0%	10,249,555	8.6%
America	4,118,778	3.1%	2,800,066	2.3%	4,582,029	3.8%
Asia	1,569,536	1.2%	1,312,123	1.1%	1,756,594	1.5%
Rest of the world	19,992	0.0%	16,400	0.0%	138,874	0.1%
TOTAL VALUE OF SUPPLIES	132,202,816	100%	120,730,772	100%	119,163,973	100%

Economic capital

With regard to the application of ESG criteria in the evaluation of suppliers, Fameccanica requires all its suppliers to comply with regulatory principles as well as with the Code of Ethics. For suppliers with contracts (about 100 contractors), particularly those with access to the plant, the qualification process includes verification of compliance with social requirements, with particular attention to occupational health and safety aspects.

Economic capital

As for the foreign scope, consisting of the two subsidiaries Fameccanica Machinery Shanghai (China) and Fameccanica North America (US), in 2021 the total number of suppliers managed was 565 (77.7% of which local suppliers), 234 of which connected with the company operating in China and 331 of which managed by the US company.

NUMBER OF SUPPLIERS OF FAMECCANICA'S FOREIGN COMPANIES, BY GEOGRAPHICAL AREA ²⁶	2021	
	NO.	% OF TOTAL
Italy	68	12.0%
Europe	36	6.4%
America	295	52.2%
Asia	166	29.4%
Rest of the world	-	-
TOTAL SUPPLIERS²⁷	565	100%

²⁶ The data for the two-year period 2019-2020 are not available.

²⁷ Total suppliers do not include the number of local suppliers.

Economic capital

The total value of supplies managed in 2021 by the Foreign Companies was 31,039,558 euros, 60.8% of which local supplies.

VALUE OF SUPPLIES OF FAMECCANICA'S FOREIGN COMPANIES, BY GEOGRAPHICAL AREA ²⁸ (Euros)	2021	
	EURO	% OF TOTAL
Italy	9,748,204	31.4%
Europe	739,331	2.4%
America	13,202,308	42.5%
Asia	7,349,714	23.7%
Rest of the world	-	0%
TOTAL VALUE OF SUPPLIES²⁹	31,039,558	100%

²⁸ The data for the two-year period 2019-2020 are not available.

²⁹ The total does not include the value of local supplies.

Economic capital

PERFUMERY AND DERMOCOSMETICS

In 2021, Angelini Beauty S.p.A. had 116 active suppliers, divided into the following categories: primary packaging, secondary packaging, raw materials and fragrances, subcontractors for finished product, and POP (point of purchase) suppliers.

The supplier selection process is based on the following specific KPIs: price, quality level, OTIF (On Time In Full), flexibility and problem solving, level of innovation also related to product type, and finally supplier sensitivity to ESG aspects. The Company has created a **register for supplier compliance** in order to measure any anomalies that occurred during the year. This is currently an uncoded assessment, but an analysis of the activity flow and required access characteristics (supplier gate) is underway. At the end of this analysis it will be possible to produce a diagram of the selection, qualification and periodic evaluation process with a standardized scoring system.

In 2021, despite the pandemic crisis the **supply chain streamlining process** was consolidated through the transfer of production lines from foreign suppliers to Italian suppliers (e.g. the Anne Möller Stimulage line from Barcelona to Parma, and the MD Donna bottle from France/Spain to Italy). Regarding the transfer of the latter, the benefits in terms of the reduction in CO₂ emissions due to the reduced distance between the component production plant and the subcontractor's production site are being quantified. For the entire scope of the Perfumery and Dermocosmetics sector (Angelini Beauty), the **total number of suppliers** was **219** in 2021, 116 of which are managed in Italy and 103 managed by the Foreign Companies (17 in Spain and 86 in Germany). In the same year, the **total value of supplies** amounted to **55,286,388 euros**, of which 28,437,181 euros related to the Italian scope and 26,849,207 euros to the foreign scope (12,489,207 euros in Spain and 14,360,000 euros in Germany).

Economic capital

NUMBER OF ANGELINI BEAUTY S.P.A. SUPPLIERS (ITALY) BY GEOGRAPHICAL AREA	2019		2020		2021	
	NO.	% OF TOTAL	NO.	% OF TOTAL	NO.	% OF TOTAL
Italy	84	60.4%	70	60.9%	71	61.2%
Europe	55	39.6%	45	39.1%	45	38.8%
America						
Asia						
Rest of the world						
TOTAL SUPPLIERS	139	100%	115	100%	116	100%

In 2021, the total value of supplies managed in Italy by Angelini Beauty S.p.A. was 28,437,181 euros, 54.9% of which from Italian suppliers and the remaining 45.1% from European suppliers. It should be underlined that the value of supplies refers to supplies ranging from components to finished products, all centrally managed from Italy.

VALUE OF ANGELINI BEAUTY S.P.A. SUPPLIES (ITALY) BY GEOGRAPHICAL AREA (Euros)	2019		2020		2021	
	EURO	% OF TOTAL	EURO	% OF TOTAL	EURO	% OF TOTAL
Italy	32,857,057	70.6%	12,402,694	72.2%	15,604,678	54.9%
Europe	13,679,610	29.4%	4,772,521	27.8%	12,832,503	45.1%
America						
Asia						
Rest of the world						
TOTAL VALUE OF SUPPLIES	46,536,667	100%	17,175,215	100%	28,437,181	100%

Economic capital

The following table shows the breakdown of total expenditure by type of material.

TYPE OF GOODS/MATERIALS/RM/SEMI-FINISHED GOODS/COMPONENTS PURCHASED (ITALY) (Euros)	2019	2020	2021
Paper	7,204,045.15	2,719,341.74	3,421,390
Glass	11,726,423.29	4,426,423.17	5,569,186
Plastic	13,926,588.15	5,256,928.81	6,614,102
Filling services	8,528,101	2,975,271	8,000,000
Metal caps, ferrules, etc.	2,238,627	781,009	2,100,000
Other	2,912,883	1,016,242	2,732,503
TOTAL PURCHASES	46,536,667	17,175,215	28,437,181

Social and environmental criteria are not currently applied in the supplier evaluation process.

Economic capital

As for the Foreign Companies, in 2021 the total number of suppliers was 103, 17 of which connected with Angelini Beauty S.A. (Spain) and 86 with Angelini Beauty G.m.b.H. (Germany). The incidence of local supplies is 90.3%.

NUMBER OF SUPPLIERS OF FOREIGN COMPANIES BY GEOGRAPHICAL AREA	2019		2020		2021	
	NO.	% OF TOTAL	NO.	% OF TOTAL	NO.	% OF TOTAL
Number of local suppliers	134	91.8%	106	91.4%	93	90.3%
Italy	2	1.4%	2	1.7%	1	1.0%
Europe	10	6.8%	8	6.9%	9	8.7%
America	-	0.0%	-	0.0%	-	0.0%
Asia	-	0.0%	-	0.0%	-	0.0%
Rest of the world	-	0.0%	-	0.0%	-	0.0%
TOTAL SUPPLIERS	146	100%	116	100%	103	100%

Economic capital

In 2021, the total value of the Foreign Companies' supplies, referring to finished products, was 26,849,207 euros, 12,489,207 euros of which relating to Angelini Beauty S.A. (Spain) and 14,360,000 euros to Angelini Beauty G.m.b.H. (Germany).

VALUE OF SUPPLIES OF FOREIGN COMPANIES BY GEOGRAPHICAL AREA (Euros)	2019		2020		2021	
	EURO	% OF TOTAL	EURO	% OF TOTAL	EURO	% OF TOTAL
Number of local suppliers						
Italy	16,560,243.00	41.5%	7,237,112	30.9%	7,544,719	28.1%
Europe	23,321,034.00	58.5%	16,162,219	69.1%	19,304,488	71.9%
America	-	0.0%	-	0.0%	-	0.0%
Asia	-	0.0%	-	0.0%	-	0.0%
Rest of the world	-	0.0%	-	0.0%	-	0.0%
TOTAL SUPPLIER SPENDING	39,881,277	100%	23,399,331	100%	26,849,207	100%

Economic capital

Angelini Beauty has the following goals for 2022:

- to implement the supplier evaluation and qualification procedure to ensure the increasingly high quality and sustainability of products, reflecting a sense of responsibility to consumers and respect for the future generations;
- to implement a method for calculating the impact of reducing distances between the factories and warehouses involved in the supply chain in order to reduce greenhouse gas (GHG) impact;
- to monitor the characteristics of the business continuity plan at supplier premises and, in cases of noncompliance, receive information on related risk mitigation actions.

Economic capital

WINE SECTOR

The selection of suppliers for Angelini Wines & Estates is guided by the direct needs of the functional areas involved. Meanwhile, purchases related to indirect services are managed centrally by Angelini Holding.

The procurement of products and services related to expenditure specifications for real estate investments (including maintenance) and procurement contracts complies with the Angelini Industries Group Code of Ethics.

In 2021, Angelini Wines & Estates managed 1,226 suppliers, 455 (37.1%) of which Italian.

NUMBER OF ANGELINI WINES & ESTATES SUPPLIERS BY GEOGRAPHICAL AREA	2019		2020		2021	
	NO.	% OF TOTAL	NO.	% OF TOTAL	NO.	% OF TOTAL
Number of local suppliers	842	61.5%	713	59.0%	702	57.3%
Italy	435	31.8%	426	35.3%	455	37.1%
Europe	61	4.5%	44	3.6%	43	3.5%
America	14	1.0%	12	1.0%	15	1.2%
Asia	5	0.4%	3	0.2%	10	0.8%
Rest of the world	13	0.9%	10	0.8%	1	0.1%
TOTAL SUPPLIERS	1,370	100%	1,208	100%	1,226	100%

Economic capital

In 2021, the total value of supplies was 18,753,671 euros, 17,600,251 euros (93.9%) of which from Italy and the local area.

VALUE OF ANGELINI WINES & ESTATES SUPPLIES BY GEOGRAPHICAL AREA (Euros)	2019		2020		2021	
	EURO	% OF TOTAL	EURO	% OF TOTAL	EURO	% OF TOTAL
Value of local supplies	9,903,202	55.7%	8,599,314	55.1%	9,825,452	52.4%
Italy	7,021,733	39.5%	6,174,742	39.5%	7,775,069	41.5%
Europe	452,945	2.5%	307,940	2.0%	464,982	2.5%
America	311,743	1.8%	471,789	3.0%	439,434	2.3%
Asia	23,912	0.1%	24,129	0.2%	238,796	1.3%
Rest of the world	56,785	0.3%	37,991	0.2%	9,938	0.1%
TOTAL VALUE OF SUPPLIES	17,770,321	100%	15,615,906	100%	18,753,671	100%

Economic capital

The following table shows the breakdown of the value of supplies by type. The purchase value of raw materials and services and operating expenses account for 41.2% and 40% respectively, while investment expenses account for 11.2%.

TYPE OF GOODS/MATERIALS/RM/SEMI-FINISHED GOODS/ COMPONENTS PURCHASED (Euros)			
	2019	2020	2021
Purchase of raw materials	6,977,171	5,611,299	7,727,533
Service/operating expenses	7,350,798	6,553,277	7,499,385
Purchase of materials (maintenance, advertising, etc.)	845,826	590,652	999,200
Costs for leased assets	348,570	352,272	433,396
Investment expenses	2,247,957	2,508,405	2,094,157
TOTAL PURCHASES	17,770,321	15,615,906	18,753,671

Economic capital

As for the application of environmental and social assessment criteria, in 2021 there were 267 suppliers undergoing such verification, corresponding to 21.8%.

NUMBER OF NEW ANGELINI WINES & ESTATES SUPPLIERS BY EVALUATION CRITERIA	2019		2020		2021	
	NO.	% OF TOTAL	NO.	% OF TOTAL	NO.	% OF TOTAL
Total suppliers	1,370		1,208		1,226	
Suppliers evaluated according to environmental criteria	307	22.4%	239	19.8%	267	21.8%
Suppliers evaluated according to social criteria	307	22.4%	239	19.8%	267	21.8%

Human capital

04

5,779

5,779 employees,
of which 4,068 in
Italy

1,156

1,156 new hires
(36% under-30s)

92%

**92% permanent
contracts**

0

Zero serious
injuries in all
Group companies

Angelini Academy
**Community
Empowerment
Initiatives**

**Group benefit
and welfare
system**

202,314.5

**202,314.5 total
training hours**
provided by
the Operating
Companies and
Angelini Academy

Strategic approach to human capital management

For the Angelini Industries Group, human capital is a strategic asset that can have a decisive impact on the entire value chain, leveraging on skills and people who, with their passion, enable the Company to face increasingly competitive markets.

The people who work within the organization represent a key stakeholder that Angelini Industries is committed to protecting, involving and developing in a way that dynamically promotes operations, the constant exchange of information and know-how, as well as the development of relationships within the Group.

Over the past three years, in particular, Angelini Industries has confirmed its focus on the growth and empowerment of its resources through the development of initiatives and processes aimed at the engagement, wellbeing and development of its people, with a focus on merit, welfare and inclusiveness. This approach has seen the Group redefine its "Culture" and translate it into an employee value proposition

(EVP) that describes the work experience perceived by employees within the Group and is embodied by the principles "A change to drive. A purpose to embrace. A place to belong", which represent every Angelini Industries Company. The last three-year period was characterized by a significant organizational transformation and evolution process, involving both Angelini Holding and the Operating Companies, which culminated in:

- a modern governance model inspired by the highest standards of transparency and fairness in corporate management and towards stakeholders;
- the consolidation of the organizational structure introduced by the Group in 2020, the leadership positions in which are held by independent and accountable managers in their respective roles, developed internally or selected from the market on the basis of highly meritocratic criteria;
- a reformulation of the relationships between the Holding Company and the Operating

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Companies, aimed at facilitating operations in the various business areas, in keeping with the strategies and founding values of Angelini Industries.

In this context and in line with the commitments defined in 2021, Angelini Industries has focused its efforts in particular:

- on talent management, through the launch of specific initiatives and programs aimed at attracting new **talent** from the market and enhancing and retaining the talent already in the Group (Future Leaders Program, Talent Management, Succession and career planning, etc.);
- on the measurement and development of Group **engagement** levels, starting with the implementation of an engagement survey for the entire scope of Angelini Industries, through the thorough analysis of the findings and follow-up on the common Group needs highlighted by the survey. In particular, the survey achieved excellent participation results, providing valuable insights into well-outlined focus areas;

- on the growth and improvement of the employee experience, through the development of dedicated solutions in the areas of **agile working, welfare and well-being** (psychological support line, domestic violence support policy, etc.), with the support of digital solutions in the HR Information System specifically selected or designed for purpose (digital onboarding, new travel platform, etc.).

The commitment of Angelini Industries and its Parent Company to human capital management will continue in the coming year on some macro-lines for which dedicated and highly innovative solutions and projects are already being studied:

- process development and guidelines applicable to all Group companies in the area of talent management, in order to plan and implement paths of intergroup mobility and cross-fertilization;
- further expansion of the scope and solutions of the Group Academy by establishing new partnerships and collaborations with leading

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national and international universities and research centers;

- development of engagement levels through initiatives targeting the main Group needs highlighted by the engagement survey but also capable of taking account of the peculiarities of the target populations in the different corporate organizations (and locations).

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Staff policies

The Angelini Industries Group adopts a staff management model based on three key elements:



POSITION

Each organizational position is evaluated according to an international job evaluation methodology that measures its complexity and determines its relative weight. Depending on the weight, the position is then associated with a band which corresponds with minimum and maximum salary references. These are updated every year on the basis of market data and therefore divided into salary bands. While band attribution is determined by position weight, band assignment is determined by performance. In this way, it is possible to guarantee remuneration policies in line with the market and diversified on the basis of people's contributions, ensuring the right degree of meritocracy.



PERFORMANCE

Employee performance is measured through the evaluation of two elements: individual objectives (assigned at the beginning of the year); behaviors (organizational behavior), derived from the Group's values. In 2020, this process was revised to include important changes:

- the assessment of goals for the entire corporate population;
- greater focus on the analysis of organizational behaviors that determine how goals are achieved;

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- greater involvement of employees through the self-assessment of both elements (goals and behaviors). Each employee is also given the opportunity to formalize their areas of interest and openness to mobility;
- greater responsibility on the part of managers who, in addition to assessing performance, are required to clearly outline development and training plans and to express an opinion on the growth potential of their staff.

In particular, the Group's approach to performance management in 2021 was refined, guaranteeing even greater rigor in the application of the defined meritocratic evaluation criteria, ensuring the highest possible degree of cross-company alignment. Major changes include the refinement of evaluation guidelines and the introduction of a qualitative calibration mechanism for managerial positions. On this basis and thanks to the feedback gathered during the last evaluation cycle, further refinement of the working methods is planned for 2022 together with a review of the Group behavior declarations, in line with market best practices on similar systems.

This review represents a final foundational step for the Group ahead of a comprehensive review of the approach planned for 2023.

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POTENTIAL

The aim of the potential assessment process is to measure and support the identification of areas of strength and improvement and to guide the training, growth and development choices of the people of Angelini Industries. Potential is understood as the set of attitudes, knowledge and skills, motivational factors, even if not fully expressed, but which, if evaluated and measured, can be used to predict future successful behaviors.

Angelini Industries staff management is based on the awareness that nurturing the talent and cultivating the potential of its employees through skills development and reskilling helps foster business growth, allowing the Group to be competitive in a world where changes take place extremely quickly. To date, this intent is achievable through the **Angelini Academy**, which is dedicated to promoting and delivering leadership development, management training and talent enhancement programs through the continuous development of a network and partnerships with the most influential and established Italian and international universities, institutes and research centers.

Likewise, Angelini Industries pays great attention to taking care of its employees. In this sense, over the past two years it has promoted and activated pathways and initiatives aimed at safeguarding and promoting the **well-being and health of its people** (for example the #Angelini4you initiative, through which the Group offers psychological support to the corporate population nationally and internationally) and **safety in the workplace** (including with initiatives specifically focused on managing risks related to the Covid-19 pandemic).

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The many initiatives undertaken in the area of **agile working** should also be interpreted in this light: in fact, the Group has launched a series of activities aimed at fostering the adoption of agile working methods with shared practices for the Group, but applied according to the specific characteristics of foreign countries or groups with specific personal conditions (maternity/disability/caregivers). Demonstrating that the Group's care for its resources is constant, a **Group policy on domestic violence issues** is already being defined and will soon be published to support resources directly or indirectly affected (employees and their children and parents) by such incidents, whether physical or psychological. To this end, a specific and preferential channel has been activated within the psychological support services already in place.

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Workforce and equal opportunities

As of December 31, 2021, the Group's total workforce consisted of **5,779 employees**, 4,068 of whom in Italy (70.4% of the total population, stable compared to 2019).

In fact, the Group's population **has grown by about 4.3% compared to 2019 while remaining broadly stable overall compared to 2020**, despite the negative impacts of the pandemic on the international macroeconomic climate. For the three-year period under consideration, this growth was slightly more pronounced in Italy (+4.5% over 2019 versus +3.5% in the international arena). In line with its corporate values and the Group Code of Ethics, Angelini Industries is committed to spreading a culture of merit, promoting collaboration and inclusion, and enhancing and renewing its skills. To this end, **the inclusion of young people** in the company context is one of the most effective and relevant levers. In fact, **out of 1,156 new hires globally, 36% consisted of young people under 30**.

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NUMBER OF EMPLOYEES BY BUSINESS UNIT	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
GROUP TOTAL	1,989	3,554	5,543	2,039	3,727	5,766	2,097	3,682	5,779
Angelini Beauty	136	45	181	139	46	185	133	41	174
Angelini Consumer	-	-	-	7	12	19	16	20	36
Angelini Holding	64	78	142	53	65	118	62	80	142
Angelini Real Estate	4	10	14	5	14	19	6	14	20
Angelini Pharma	1,351	1,385	2,736	1,407	1,518	2,925	1,419	1,450	2,869
Angelini Wines & Estates	52	76	128	45	68	113	38	67	105
Fameccanica	74	688	762	43	593	636	52	601	653
Fater	308	1,272	1,580	340	1,411	1,751	371	1,409	1,780

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NUMBER OF EMPLOYEES BY GEOGRAPHICAL AREA (ITALY)	2019		2020		2021	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Italy	1,112	2,778	1,139	2,866	1,181	2,887
	3,890		4,005		4,068	

NUMBER OF EMPLOYEES BY GEOGRAPHICAL AREA (FOREIGN COMPANIES)	2019		2020		2021	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Foreign Companies	877	776	900	861	916	795
	1,653		1,716		1,711	

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Equal treatment and the promotion of diversity are founding values of Angelini Industries, which makes concrete efforts to ensure equal opportunities for all staff and guarantee maximum inclusion in the individual companies. In fact, all human capital promotion projects undertaken respect and promote diversity and equal opportunities within the Group. Internal mobility paths, as well as the development of intragroup projects, exploit the opportunities that arise in a multi-faceted workforce, leveraging on diversity in terms of industry, geographical area, gender, seniority and professional role.

Considering the white-collar and managerial population, **the female population appears to be growing both in absolute terms** (45.4% of the Group's total population, +0.6% compared to 2020) **and in comparative terms** (+4.5% compared to 2019 and +3.1% compared to 2020), amounting to **1,954** (2,097, also considering the blue-collar population). Abroad, this population constitutes 58% of the total (+1.9% versus 2020), while in Italy it accounts for 38.7% of the company population, up slightly in the last 12 months.

Specifically in Italy, the Group's managerial population numbers 48 female Executives and 286 female Managers, numbers which have grown compared to both 2020 (+16% overall) and 2019 (+22%).

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NUMBER OF EMPLOYEES BY ROLE (ITALY)	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Executives	32	167	199	35	172	207	48	179	227
Managers	241	365	606	253	383	636	286	393	679
Employees	726	1,087	1,813	726	1,084	1,810	723	1,122	1,845
Sales operators	4	-	4	4	-	4	4	-	4
Workers	109	1,159	1,268	121	1,227	1,348	120	1,193	1,313
TOTAL	1,112	2,778	3,890	1,139	2,866	4,005	1,181	2,887	4,068

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NUMBER OF EMPLOYEES BY ROLE (FOREIGN COMPANIES) ³⁰	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
White collar	867	669	1,536	877	688	1,565	893	648	1,541
Blue collar	10	107	117	25	171	196	23	147	170
TOTAL	877	776	1,653	902	859	1,761	916	795	1,711

This commitment is also confirmed with regard to workers belonging to the **protected categories** defined by current regulations, to whom the Group offers concrete opportunities for stable employment in Italy (183 in Italy in 2021, stable compared to 2020).

³⁰ The term "blue collar" refers to manual laborers, while the term "white collar" identifies Employees, Managers and Executives.

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NUMBER OF EMPLOYEES BELONGING TO PROTECTED CATEGORIES (ITALY)	2019			2020 ³¹			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Executives	-	1	1	-	1	1	-	-	-
Directors	12	18	30	11	15	26	10	14	24
Employees	20	62	82	19	55	74	21	57	78
Workers	7	68	75	7	63	70	6	61	67
Sales operators	-	-	-	-	-	-	-	-	-
Managers	6	6	12	6	7	13	8	6	14
TOTAL	45	155	200	43	141	184	45	138	183

Ensuring ongoing employment for its employees is a fundamental aspect of staff management in the Angelini Industries Group. In line with the previous year, **92% of workers are employed with permanent contracts, while about 96.3% (+1.3% compared to 2020) have full-time contracts.**

³¹ Following a thorough data check, the table shows the corrected figure for the number of employees belonging to protected categories in 2020, which differs from the figure included in the 2020 Sustainability Report.

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NUMBER OF EMPLOYEES BY CONTRACT TYPE	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Fixed term	142	264	406	139	329	468	146	307	453
Permanent	1,847	3,290	5,137	1,900	3,398	5,298	1,951	3,375	5,326
TOTAL	1,989	3,554	5,543	2,039	3,727	5,766	2,097	3,682	5,779
Full time	1,884	3,438	5,322	1,941	3,592	5,533	2,002	3,562	5,564
Part time	105	116	221	98	135	233	95	120	215
TOTAL	1,989	3,554	5,543	2,039	3,727	5,766	2,097	3,682	5,779

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NUMBER OF EMPLOYEES
BY CONTRACT TYPE
BROKEN DOWN BY COUNTRY
IN 2021

	FIXED TERM	PERMANENT	TOTAL	FULL TIME	PART TIME	TOTAL
Italy	333	3,735	4,068	3,886	182	4,068
Turkey	14	173	187	187	-	187
Bulgaria	-	59	59	59	-	59
Czech Republic	8	80	88	88	-	88
Hungary	1	22	23	23	-	23
Austria	1	44	45	44	1	45
Poland	36	166	202	201	1	202
Romania	9	81	90	90	-	90
Slovakia	14	26	40	40	-	40
Germany	3	103	106	98	8	106
Spain	7	244	251	234	17	251
France	-	8	8	8	-	8
Greece	-	35	35	35	-	35
USA	-	200	200	196	4	200
Sweden	-	12	12	12	-	12
Portugal	19	115	134	134	-	134
Russia	6	142	148	148	-	148
UK	-	21	21	19	2	21
Switzerland	-	5	5	5	-	5
Holland	1	4	5	5	-	5
China	-	53	53	53	-	53

Human capital

As regards just Italy, in the last year Angelini Industries' business activities have been supported by the employment of **335 external collaborators**, of whom **36% were reps, 34% temporary workers** and **27% interns**.

It should be noted that the data for FY2021 differ significantly from the previous two years due to the more structured reporting process and data management and control activities carried out.

NUMBER OF EXTERNAL COLLABORATORS (ITALY) ³²	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Reps		41	41	2	43	45	10	112	122
Temps	68	69	194	85	125	246	24	91	115
Interns/Trainees	9	28	118	17	62	201	39	50	89
International area managers	-	-	-	2	2	4	2	4	6
Other (consultants, various contracts)			92			90		3	3
TOTAL	77	138	445	106	232	586	75	260	335

³² Because of the more structured reporting process and data management and control activities, the data for FY2021 differ from the previous two years. In addition, the data on external collaborators for foreign countries cannot currently be consolidated and will be available in around 2023.

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In terms of **turnover**, during the last financial year the Angelini Group hired **1,156 new employees**, 33% of whom women and 36% under the age of 30. The termination rate in 2021 was 19.8% while the employment rate was 20%.

INCOMING AND OUTGOING AS OF 12.31.2019 ³³	WOMEN	MEN	TOTAL	<30 YEARS	30-50 YEARS	>50 YEARS
Employees as of 12.31.2019	1,989	3,554	5,543	487	3,556	1,500
New hires	343	681	1,024	402	538	91
Dismissed	363	514	877	196	500	183
New hire rate	17.2%	19.2%	18.5%	82.5%	15.1%	6.1%
Termination rate	18.3%	14.5%	15.8%	40.2%	14.1%	12.2%

INCOMING AND OUTGOING AS OF 12.31.2020 ³⁴	WOMEN	MEN	TOTAL	<30 YEARS	30-50 YEARS	>50 YEARS
Employees as of 12.31.2020	2,039	3,727	5,766	644	3,643	1,479
New hires	416	908	1,324	528	698	156
Dismissed	366	735	1,101	335	614	206
New hire rate	20.4%	24.4%	23.0%	82.0%	19.2%	10.5%
Termination rate	17.9%	19.7%	19.1%	52.0%	16.9%	13.9%

INCOMING AND OUTGOING AS OF 12.31.2021 ³⁵	WOMEN	MEN	TOTAL	<30 YEARS	30-50 YEARS	>50 YEARS
Employees as of 12.31.2021	2,097	3,682	5,779	563	3,524	1,692
New hires ³⁶	388	768	1,156	420	629	107
Dismissed ³⁷	330	813	1,143	330	639	174
New hire rate	18.5%	20.9%	20.0%	74.6%	17.8%	6.3%
Termination rate	15.7%	22.1%	19.8%	58.6%	18.1%	10.3%

³³ The employee termination and new hire rate was calculated as the ratio of the number of dismissed/hired staff to the number of employees. For example: Women hire rate = no. women hired/no. women employees as of 12.31; Total dismissal rate = no. total dismissals/no. total employees as of 12.31.

³⁴ See footnote 33.

³⁵ See footnote 33.

³⁶ The figure for new hires is affected by the number of external/seasonal employees employed in some Operating Companies.

³⁷ See footnote 36.

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EMPLOYEE RECRUITMENT

People are the driving force behind the growth of the Angelini Industries Group, which has always invested in the recruiting process. There are several channels for the recruitment of new talent, such as: collaborations with universities and schools, participation in career guidance open days, direct searches or partnerships with the best headhunters on the market.

The flagship project of the Group's talent acquisition strategy is the **Future Leaders Program**, an integrated training and professional development plan aimed at reinforcing some of the managerial roles identified by the Companies as relevant to Angelini Industries' growth. The project was launched in November 2021 by Angelini Academy, in collaboration with Angelini Holding's Recruitment Department. The program represents an innovative way of recruiting and bedding new talents into the Group, providing them with the stimulating opportunity of an **accelerated, targeted and**

functional learning path.

The Future Leaders Program includes five training modules in English, four of which are held at SDA Bocconi in Milan, and two project works in the various Group Company locations, which encourage the practical application of the skills and knowledge developed during the management training, for a total of 18 months of training. The program is aimed at young people of different nationalities with previous professional experience. Access is subject to the passing of a series of admission tests and is managed by an international recruiting company, while the individual's permanence on the program is dependent on their ability to pass the exams at SDA Bocconi and achieve the performance indicators established with the Angelini Operating Companies. Selected by the HR managers in collaboration with the line managers of the businesses, young people who have already been hired by Angelini Industries may also participate in the program but they will still be subject to the selection process of the external recruiter.

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The second edition of the program began with 13 open positions (compared to nine in the first edition) in the different Group Companies (Angelini Holding, Angelini Pharma, Angelini Consumer, Fater and Fameccanica). 46% of these positions are held by women and 54% by men; 23% of participants are not Italian. The talent acquisition strategy is supported by a structured and comprehensive **Employer Branding** activity. The Employer Branding approach is based on making the community in general, and potential candidates in particular, aware of the Group's values through success stories, witnessed directly by the protagonists, and the sharing of the development initiatives made available to employees, such as the Angelini Academy programs. To achieve this goal, Angelini Industries is present with dedicated channels on Instagram and Facebook and develops *ad hoc* content for the editorial plan of its institutional profile on LinkedIn. As with the other key areas for Angelini Industries' people strategy, the recruiting process is supported for all the Operating Companies by

HR systems developed in line with the Group's objectives (80% of Group sourcing needs are covered by a shared platform; this coverage is being further extended).

Searching for talent outside the organization is as important as enhancing the value of internal resources: for this reason Angelini has developed an **internal job posting** process, which involves publishing the required profile on the company Intranet to give all Group employees the opportunity to apply and be assessed.

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Training and development



ANGELINI ACADEMY

The role of **Angelini Academy** in Angelini Industries is to set a virtuous example that produces benefits for people interested in their continuous growth and development. The Academy integrates and complements the training activities implemented by the Operating Companies, with a medium- to long-term perspective.

The centrally delivered and continuously evolving training offer includes **leadership development, advanced management training and talent development programs**. The in-house academy is supported by Angelini Holding and includes all the Angelini Industries Companies in its educational courses. Meanwhile, technical and management training that responds to specific business needs is the responsibility of the Operating Companies. **Angelini Academy** collaborates with leading international business schools and innovation hubs, keeping its eye on the skills of the future. This forward-looking approach adopted by the

Department that manages centralized training is viewed as an effective way of supporting the Operating Companies as it helps introduce new skills within the business lines that push people outside their comfort zone to experience different ways of doing things.

The rich and diversified educational method is designed to involve not only employees but also their families and the local communities in which the Group operates in order to broaden participation and dialogue and strengthen the link with the local area.

The Angelini Academy operates in accordance with four essential principles:

- Innovation;
- Academic excellence;
- International partnerships;
- Continuous improvement through the measurement of learning.

18 months after its launch, it was possible to measure two important correlations that emerged from the HR data analysis.

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1. There is a 25% recurrence among those participating in the Academy courses. More than half of the Angelini Industries population has participated in the training activities offered by Angelini Academy at least once. Of these, one in four people have participated in all proposed training opportunities.

2. There is a correlation between performance and learning attitude. 89% of people who participate in the training courses offered by the Academy record good to outstanding performances.

The various activities offered by the Academy include:

- **Leadership talks:** discussions with international experts to stimulate out of the box thinking on the scenarios that await the leaders of the future;
- **Intercompany leadership programs at business schools** to support top and senior managers;
- **Mastery Program:** *ad hoc* training programs to support role changes and Group talent;

- **Bootcamp in design thinking:** visualization and collaboration technique for managing complexity and finding solutions under uncertain conditions;
- **Intercompany mentoring:** transfer of experience and knowledge from senior managers to younger managers to support their career paths, role changes, or succession plans;
- **Future Leaders Program:** career accelerator for high-potential young people from inside and outside the organization who decide to leave their comfort zone and invest in a growth path consisting of a study and field experience, which will see them land a managerial position in one of the Group's Companies after 18 months.

As shown in the tables below, in 2021 Angelini Academy **provided over 10,000 hours of training** to Group employees, doubling the number of hours provided in 2020, demonstrating the Company's commitment to providing ongoing professional training activities, an essential

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lever for the implementation of its business strategies. The focus of Angelini Academy is on the entire corporate population, with well-defined access criteria that guarantee resources at all levels of the Group organization participation in development programs: in this sense, a good level of balance can be found in the hours provided at the different levels (26% at Senior/Top Management levels, 35% Middle Management, the remaining 39% distributed among junior managers, white and blue collar workers). It is also worth noting that of the total hours provided in 2021, 41% involved the female population, while the hours provided to the foreign workforce amounted to 15% of the total (+4% compared to 2020).

TRAINING HOURS PROVIDED (ANGELINI ACADEMY) ³⁸	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Executives	-	-	-	94.7	341.5	436.2	1,095.3	1,506.5	2,601.8
Managers	392	1,000	1,392	445.0	993.5	1,438.5	1,563.2	2,021.7	3,584.9
Employees	640	320	960	1,568.0	909.8	2,477.8	1,448.3	2,376.2	3,824.5
TOTAL	1,032	1,320	2,352	2,107.7	2,244.7	4,352.4	4,106.7	5,904.4	10,011.1

³⁸ Given the more structured reporting process, the training hours provided by Angelini Academy were recalculated considering only the programs actually conducted during the reporting period.

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In addition to supporting staff growth and learning, Angelini Academy **also provides training opportunities for families and children of employees.**

In 2021, **20 guidance sessions were provided for more than 200 employee children that had recently graduated from high school and/or university**, during which they learned how to write a CV and cover letter, and simulated a job interview.

The digital skills training activities for children also continued, focusing on robotics and coding workshops.

The training courses provided by the Angelini Academy during the last fiscal year are shown below.

TRAINING HOURS PROVIDED BY TYPE OF TRAINING COURSE (ANGELINI ACADEMY)	2021
Leading Change and Organizational Renewal - HBS	40.0
Master in Leadership and Business Transformation	58.0
Financial Analysis for Non-Financial Managers	30.0
Organizational Design	36.0
People Management	48.0
Leading Change: Change Management Strategies	84.0
Decision Making Strategies for Leaders	40.0
Essentials of Leadership	40.0
Leading Change	40.0
Leading Organizations in Disruptive Times	30.0
MBA Bocconi	591.0
The Business of AI	40.0
Steering Complex Projects	40.0
Real estate finance & investment	84.0
Management development program edition 77	45.0
Sustainability Leadership and Corporate Responsibility	30.0
Leading with Psychological Intelligence	32.0
Omnichannel Marketing	32.0
One2one training	15.0

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Digital strategies Roundtable	24.0
Management development program edition 74	105.0
LIUCC organizational change as a necessity and responsibility webinar	155.3
Making change happen in your organization Columbia Business School webinar	69.5
Agile decision making IMD webinar	120.4
Leadership talk: Leading Networks and Simplify Complexity	259.5
Angelini Mentoring program	336.0
Angelini Mastery Program 2020-2021 Module 2	264.0
Angelini Mastery Program 2020-2021 Module 3	264.0
Angelini Mastery Program 2020-2021 Module 4	264.0
Managing measuring reporting for social impact	192.0
#Angelininextgeneration 2021 Module 1	390.0
#Angelininextgeneration 2021 Module 2	390.0
#Angelininextgeneration 2021 Module 3	390.0
#Angelininextgeneration 2021 Module 4	390.0
Leading Networks and Simplifying Complexity Snippets	78.0
Including Diversity Recorded webinar	64.5
Personal Branding: building and managing your personal brand	960.0
Leadership talk: D&I	330.0
Leading Networks and Simplifying Complexity Live Employee webinar	424.5
Leading Networks and Simplifying Complexity Recorded Employee webinar	67.5
Personal Branding: building and managing your personal branding	510.0
Future Leaders Program 2019 -2021 Module 5	560.0
Future Leaders Program 2021 -2023 Module 1	880.0
Future Leaders Program 2021 -2023 Module 2	880.0
Angelini Mastery program 2021-2022 Module 1	288.0
TOTAL	10,011.1

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Looking to the future, Angelini Academy ensures that its training program is always new, updating it every two to three years in general to keep up with changes in the markets, the profiles requested and learning methods. The programs were redesigned in multimedia mode in 2021, assigning specific and diversifying elements to each moment, in the classroom or synchronous and asynchronous online, and taking into account the different access methods. For example, young people love working “live” (synchronous mode) in small groups on the platforms, with final gamification as a learning reinforcement, but they also appreciate independent “asynchronous” learning. They love hackathons (design challenge competitions), which the Academy organizes for both employer branding and talent attraction purposes and to engage the company population on special experimental projects. Senior colleagues, on the other hand, like online training especially if there are authoritative testimonials to draw inspiration from and to interact with via live chats.

TRAINING PROVIDED BY THE OPERATING COMPANIES

The professional training offered by the Angelini Academy is complemented by training activities conducted independently by the various Operating Companies, which aim to enhance and improve the technical and managerial skills of their employees working in distinct and specific sectors.

All Operating Companies adopt the guidelines defined by Angelini Industries relating to policies for recruitment, selection, training and the analysis of employee potential. These policies are then translated into plans to enhance the skills and professional development of staff while meeting the needs of the business. The strengths of these policies are represented by the following pillars:

Human capital



Identification of critical positions and management of related growth plans



Identification of high-potential resources and configuration of growth paths



Search for training courses offered by business schools and training companies in order to attract new talent and implement staff development processes



Collaboration with Angelini Academy for the design of management training programs



Creation of courses and activities for the technical-specialist training of staff, necessary for the correct and more efficient performance of entrusted tasks

Human capital

The following is a breakdown of the training hours provided by the Operating Companies, including the foreign sites, for the three-year reporting period.

TOTAL TRAINING HOURS PROVIDED ³⁹	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Executives	4,064.00	7,574.22	11,638.22	1,135.68	4,069.59	5,205.27	2,750.23	6,599.66	9,349.90
Managers	8,270.65	14,777.13	23,047.78	6,686.59	10,742.45	17,429.04	14,530.72	17,511.46	32,042.18
Employees	13,118.89	32,131.59	45,250.48	16,320.05	39,672.75	55,992.80	53,543.51	61,536.32	115,079.83
Workers	7,186.56	32,462.66	39,649.22	2,637.39	32,020.24	34,657.63	4,181.54	31,520.66	35,702.20
TOTAL	32,640.10	86,945.60	119,585.70	26,779.71	86,505.03	113,284.74	75,006.00	117,168.10	192,174.10

³⁹ The main omissions and exceptions regarding the data represented in the table are reported below:

- Angelini Beauty: the training hours provided by the Italian site for 2019 and the training hours provided by the Spanish site in 2021 were not included because no training was conducted during the periods indicated;
- Angelini Pharma: with regard to the foreign countries, only data concerning health and safety training are reported for 2019-2020. With regard to health and safety training data, the Portugal site only reported training data for 2021.

Human capital

For the sake of data completeness, it was also deemed appropriate to report the hours of health and safety training provided by Fater's Pescara plant in 2019-2020 and by Angelini Pharma Österreich G.m.b.H. (Austria) for the three-year reporting period, for which only the total values are available.

TOTAL TRAINING PROVIDED ⁴⁰	2019	2020	2021
Angelini Pharma Österreich G.m.b.H. (Austria)	85.75	69.75	129.25
Fater - Pescara plant (health and safety training)	10,088	10,982	-

In 2021, the Operating Companies provided a total of **192,303.4 hours** of training, of which **59% were provided in Italy** and **41% abroad**.

TRAINING PROVIDED IN 2021

ITALY	OVERSEAS	TOTAL
112,889.3	79,414.1	192,303.4
59%	41%	100%

⁴⁰ Due to a lack of data, the total health and safety training hours provided by Fater's Pescara plant for 2019-2020 and by Angelini Pharma Österreich G.m.b.H. (Austria) for the three-year reporting period are reported in the table.

Human capital

In Italy, the average training hours per person, calculated as the ratio of total hours provided over total employees, was **27.75** in the last fiscal year. **Women received 31.34 hours** while men received an average of **26.28** training hours.

In fact, due to the inability to classify the employees of the foreign sites of the Operating Companies according to contract type, it was not possible to calculate average hours *per capita* for the international scope.

AVERAGE HOURS OF ANNUAL TRAINING PER EMPLOYEE (ITALY) ⁴¹	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Executives	36.44	22.12	24.42	26.05	21.47	22.24	45.47	30.04	33.30
Managers	30.41	38.88	35.51	24.37	26.73	25.79	39.45	27.77	32.69
Employees	15.53	26.18	21.90	20.51	27.00	24.39	27.97	27.14	27.47
Workers	58.95	23.79	26.82	15.78	18.95	18.67	26.79	24.42	24.64
TOTAL	23.61	26.61	28.34	21.03	23.19	25.32	31.34	26.28	27.75

⁴¹ Due to the impossibility of classifying the employees of the foreign sites of the Operating Companies according to contract type, the average number of training hours per capita was calculated only for Italy. When calculating average training hours, the "sales operators" category was included in "employees".



Human capital

ANGELINI HOLDING AND REAL ESTATE

Angelini Holding continued to offer technical-professional and language training activities to its employees in 2021. In fact, **1,729.5 hours** of training was provided, about **46%** more than in 2020. The Holding Company also manages the training of Angelini Real Estate, which provided **23 hours of English language training** during the same period.

TYPE OF TRAINING COURSES PROVIDED IN 2021 (ANGELINI HOLDING)

English courses

Technical and professional training

TYPE OF TRAINING COURSES PROVIDED IN 2021 (ANGELINI REAL ESTATE)

English courses

Human capital

PHARMACEUTICAL SECTOR

In the last fiscal year, Angelini Pharma provided **136,941.5 hours⁴² of training** to its employees. In detail:

TYPE OF TRAINING COURSES PROVIDED IN 2021 (ANGELINI PHARMA)

Technical-specialist courses (e.g. safety, regulatory compliance, R&D, product launches, product training, IMS network onboarding)

Themed professional training activities

Management training

Technical-specialist courses, including health and safety courses, made up 72% of the total hours provided by both the Italian and Foreign Companies (nearly 99,000 hours), about half of which involving the technical training of sales representatives aimed at improving their negotiation techniques and strengthening their scientific product skills.

Alongside well-established technical, management, quality and compliance training activities, the Company developed two initiatives in 2021 that involved all geographical locations:

- a platform with freely available training content for all employees ("Of course me");
- a platform to develop English language proficiency ("Speex").

⁴² The figure includes the hours of health and safety training provided by Angelini Pharma's foreign sites.

Human capital

2021 also saw the creation of the “**My development Garden**” pathway, which will see numerous initiatives throughout 2022 and 2023 aimed at supporting the development of key managerial abilities and skills, in line with the path of change that the Company is facing.

CONSUMER GOODS

Fater aims to create a work climate in which employees can express their potential and grow professionally through teamwork, valuing diversity and listening to each other. To this end, the **People First** initiative was created in 2020. Starting by listening to the needs of employees, the Company has been able to develop projects and services aimed at creating a work environment in which it is possible to establish relationships and moments of mentoring and sharing. This has led to an investment in the development of various skills aimed at improving both people management

and teamwork skills. The main activities of this initiative include:

- **Listening coffees:** short informal meetings with the Leadership Team to talk about the internal climate and how to continuously improve it;
- **Periodic surveys and focus groups;**
- **Talent review:** each employee can establish a conversation with their boss about their potential and possible future career opportunities;
- **Uxel Academy:** online meetings with opinion leaders covering topics such as women’s leadership, sustainability and innovation.

Alongside this initiative, the Company has also established the **People Manager Academy**, an academy designed to help all people managers develop their skills through the provision of a learning pathway of over 40 hours.

Human capital

In 2021, Fater provided **31,709 hours of training** to its employees, which covered the following training courses:

TYPES OF TRAINING COURSES PROVIDED IN 2021

7 Habits

Agile Working

Business Model Canvas

Design Thinking

Discover the Power of Coaching and Mentoring

Performance Review

Sa 8000

Self Situational Leadership

Situational Leadership II

Workshop for People Managers

Health and Safety

Human capital

INDUSTRIAL TECHNOLOGY

The Fameccanica Human Resources management policy aims to promote training and practical experiences which on the one hand support the growth and personal fulfillment of employees and, on the other, contribute to the Company's results. The training process is known as **Lifelong-Continuous Learning**, as it aims to provide a permanent and continuous learning journey. The training courses provided aim to develop technical skills (e.g. PLC programming, axis motors, CAD, etc.), digital skills (digital tools and digital skills) and language skills (e.g. English, German, etc.), and train employees on key topics such as quality, safety, the environment, energy and sustainability. In this regard, an *ad hoc* course, also available in English and Chinese, on sustainable development issues, with reference to the 2030 Agenda as well, was launched for the entire Fameccanica Group population (including subsidiaries) during

2021 with the aim of increasing and spreading relative corporate awareness. At the same time, an initiative was launched to design and plan **Advanced Sustainability training** for the Sustainability Team, with the participation of staff from multiple business departments, in order to improve the management of ESG (Environmental, Social, Governance) issues and address risks by seizing related opportunities.

Human capital

In 2021, Fameccanica provided **20,418 hours of training** to its employees at all its plants.

TYPES OF TRAINING COURSES PROVIDED IN 2021

PPE Course

Teamcenter Course

Onboard Training

Language courses (English, German)

Technical courses (robotics, automation, vision systems, cutting units, etc.)

Lean Six Sigma (Green belt, Yellow belt, from Leader to Coach, Executive training, etc.)

IT tools and IT security (MS tools, procunity, etc.)

Laws, Regulations, Procedures (231, GDPR, Incoterms, Export procedures, etc.)

Environment, Safety, Energy (environment and energy efficiency, safety equipment, etc.)

Human capital

PERFUMERY AND DERMOCOSMETICS

Angelini Beauty is facing major challenges in the immediate future, which make it necessary to optimize and increase the organization's expertise in order to achieve its goals. The Company considers training an indispensable tool for enabling organizational growth, achieving its pre-established goals and developing its workers' skills.

The guidelines defined by Angelini Industries in relation to recruitment, selection, training, skills development systems and potential analysis policies are adopted within the Company to attract and retain resources suited to the needs of the business and guarantee high levels of motivation. These policies are translated into operational plans. In particular:

- **Talent management:** assessment, analysis of potential and definition of growth and development paths;
- **Training plans:** depending on the training

requirement, the following are organized in partnership with Angelini Academy:

- courses at business schools to strengthen professional development paths;
- management training courses with topics ranging from technical and role expertise to managerial and leadership skills;
- courses on technical skills.

Specifically, a course on **Corporate Social Responsibility** was identified for 2021 and is still ongoing in 2022. Due to the Covid-19 emergency, all classes are held online. The "Of course me" e-learning platform has proven to be an effective tool for corporate training.

Human capital

In the last fiscal year, the **156 hours of training provided** by Angelini Beauty included:

TYPES OF TRAINING COURSES PROVIDED IN 2021

Corporate Social Responsibility

Organizational development and teamwork for team leaders

Positive communication

Negotiation

Budget Analysis

Leading to motivate

International sales

Human capital

WINE SECTOR

In line with the business philosophy of Angelini Wines & Estates, training is placed at the center of business development, fostering the personal and professional growth of resources and the achievement of business objectives at the same time. In 2021, the Company provided **1,360 hours of training** focused on health and safety.

TYPES OF TRAINING COURSES PROVIDED IN 2021

Health and safety

Human capital

Health and safety

Because of its activities that characterize it, the Angelini Industries Group has always considered the issues of health and safety in the workplace, and the prevention of accidents and occupational diseases, to be fundamental aspects of its work. In fact, the Group's vision for worker well-being and safety includes:

- compliance with applicable safety legislation and agreements;
- the assertion that responsibility for managing safety in the workplace concerns the entire company organization;
- continued commitment to the improvement and prevention of injuries and accidents;
- training and updating of employees on health and safety issues, so that workers are made aware and trained to perform their duties safely and to assume their responsibilities;
- a commitment to periodically review the policy itself and the management system implemented;
- the definition and dissemination, within the Group, of workplace safety objectives and relative implementation programs.

The ultimate goal remains that of **improving safety conditions within the work environment through a thorough analysis of processes and activities**, with the ultimate aim of reducing injuries in the workplace and protecting employees.

For this reason, the strengthening of the Company's internal health and safety culture at all organizational levels and the constant striving for continuous improvement of the systems in place represent essential objectives for the Group. This vision is reflected in the actions of the individual Operating Companies, which pay great attention to the health and safety of their workers. Operating in different sectors, each Operating Company adopts a specific management system appropriate to the scope of its business.

With reference to the **Covid-19 pandemic**, Angelini Industries has been working since the beginning of the emergency to promote appropriate behaviors to ensure the highest level of safety for its people. The HR&O Function, in particular, has opened a **constant**

Human capital

channel of communication by defining and updating the methods for performing work activities and the behaviors to be observed when on-site.

This work has continued uninterrupted for more than two years and the various initiatives have included (with different methods and forms based on the specific needs of the Operating Companies and categories of employees): a constant effort in terms of updating on regulatory developments related to the management of health emergencies (including through participation in dedicated tables at national level); the establishment of company/site committees for the definition of prevention, safety and monitoring activities (in concert with other competent departments); the definition of suitable safety protocols; the management of remote work as an exception and related activities (communication, training, administrative management, technical instrumentation, etc.).

PHARMACEUTICAL SECTOR

Placing the safety and well-being of employees at the center of its management policies, Angelini Pharma has a **certified Health and Safety Management system in accordance with the voluntary UNI ISO 45001:2018 standard**. The system makes it possible to monitor:

- the Frequency Index calculated on the basis of the number of injuries in relation to the number of hours worked;
- the Severity Index calculated on the basis of the number of days lost due to injury in relation to hours worked;
- the number of injuries;
- the number of incidents/near-misses/malfunctions;
- the number of worker reports;
- the Behavioral Observation System (BOS) % compliance;
- the BOS, no. of observations made compared to those planned in the month.

Control systems, training and performance evaluations are also constantly updated and

Human capital

improved so that potential risks are never underestimated. An example of this is the health and safety training that is provided in Angelini Pharma's foreign sites, in compliance with national laws. The worker safety training courses aim to provide the essentials in terms of prevention and protection at work in order to limit and prevent the occurrence of accidents. Over the past year, the overseas countries have provided **9,467.75** hours of training, about three times as much as in 2020, a testament to Angelini Pharma's commitment to diligently monitoring this issue.

HOURS OF HEALTH AND SAFETY TRAINING PROVIDED BY FOREIGN SITES ⁴³	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Executives	2,777	3,692.5	6,469.5	144	198	342	347.5	481.5	829
Managers	414	309.50	723.5	360	304	664	1,546	1,191.5	2,737.5
Employees	863	1,941	2,804	1,072.5	617.5	1,690	3,969	1,429.5	5,398.5
Workers	-	31	31	-	8	8	215.5	158	373.5
TOTAL	4,054	5,974	10,114	1,576.5	1,127.5	2,773.75	6,078	3,260.5	9,467.75

⁴³ The Austria site only provided the total number of hours for the three years, while the Portugal site provided data on health and safety training only for 2021.

Human capital

In 2021, the Company recorded **18 injuries**, including 12 non-serious and six commuting injuries, out of a total of **3,159,568.18** hours worked.

INJURIES AND OCCUPATIONAL DISEASES ⁴⁴	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Fatal accidents at work	-	-	-	-	-	-	-	-	-
Injuries at work with serious consequences	-	-	-	1	-	1	-	-	-
Non-serious injuries at work	3	7	10	-	6	6	7	5	12
Injuries commuting	1	1	2	-	1	1	2	4	6
Cases of occupational disease	-	-	-	-	-	-	-	-	-
Deaths due to occupational disease	-	-	-	-	-	-	-	-	-
Number of hours worked	1,029,282.77	1,698,972.90	3,003,151.67	1,388,961.76	1,743,512.14	3,416,729.90	1,331,725.69	1,626,650.49	3,159,568.18

⁴⁴ Please note the following omissions/exceptions regarding the table on injuries:

- the number of hours worked in the three years at the Austria, Czech Republic, Portugal, Greece and Bulgaria sites is not present;
- for the Russia site, only the hours worked by women are reported for 2020;
- for the Turkey site, only the total number of hours worked is reported without any distinction between gender for the three years;
- for the German site, only the data for 2021 are available.

Human capital

INJURY RATES ⁴⁵	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Death rate ⁴⁶	-	-	-	-	-	-	-	-	-
Rate of injuries with serious consequences ⁴⁷	-	-	-	0.72	-	0.29	-	-	-
Rate of non-serious injuries ⁴⁸	2.91	4.12	3.33	-	3.44	1.76	5.26	3.07	3.80

All hazards that may constitute a source of risk to the health and safety of workers are defined and assessed through constantly updated **risk assessment documents** (DVR). Major occupational hazards include:

- risks associated with work environments and places;
- exposure to chemical, biological, physical agents;
- radiation and carcinogens and mutagens;
- manual handling of loads;
- thermal, electrical and mechanical hazards;
- fire risk.

⁴⁵ The calculation of injury rates takes into account the limitations to scope highlighted in footnote 44.

⁴⁶ (Number of deaths resulting from work-related injuries/Number of hours worked)*1,000,000.

⁴⁷ (Number of injuries at work with serious consequences (excluding deaths)/Number of hours worked)*1,000,000.

⁴⁸ (Number of non-serious injuries at work/Number of hours worked)*1,000,000.

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All employees are also given the opportunity to report unsafe acts and/or dangerous conditions, which are promptly handled by the Company. In order to limit these dangers and constantly guarantee the safety of its employees, Angelini Pharma undertakes to:

- **promote** safe behaviors and report dangerous behaviors in order to continually improve injury rates and accident prevention;
- **maintain** an open dialogue with contractors and suppliers, demanding that they implement or maintain behaviors consistent with the adopted policy;
- **guarantee** the suitable level of healthiness of the work environment by ensuring that the levels of occupational exposure of workers are always appropriate in relation to the level of risk of the substances handled.

CONSUMER GOODS

Fater's goal is to ensure the effective protection of the health and safety of its workers in the workplace and simultaneously improve the supervision and coordination of those responsible for overseeing compliance with preventive regulations. To this end, the Company is committed to implementing a series of measures and policies in order to achieve the following objectives:

- take and support all actions necessary to prevent pollution of the environment and protect the health and safety of its employees;
- identify, evaluate and classify risks to worker health and safety, the environment and product quality;
- minimize the chance of accidents, injuries and occupational diseases occurring;

Human capital

- train and inform internal staff to make them aware of and able to maintain correct behavior in the field of health and safety, environment and quality protection;
- inform outside firms and visitors of the proper conduct to be maintained within the plant;
- establish annual goals for continuous improvement in health, safety, environment and quality.

For the plants in Campochiaro (Campobasso) and Pescara, Fater has a specific HSE policy certified according to the ISO 45001-14001-9001 standards which the plants possess, and safety system audits are conducted annually through internal and external audits. As for the foreign production sites, at present only the Porto site is ISO 45001-14001 certified.

The main hazards and risks that workers may encounter while performing their jobs can

generally be summarized into three categories:

- health risks from exposure to chemicals or physical agents;
- safety risk arising from traumatic contact with a tool or moving structure present in the Company (mechanical hazards, hot surfaces, etc.);
- transversal or organizational risks (risk of work-related stress).

Human capital

In 2021, Fater recorded a total of **24 injuries** (36% fewer than in 2020), including 20 non-serious and four commuting accidents.

INJURIES AND OCCUPATIONAL DISEASES ⁴⁹	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Fatal accidents at work	-	-	-	-	-	-	-	-	-
Injuries at work with serious consequences	-	-	-	-	-	-	-	-	-
Non-serious injuries at work	1	29	30	1	35	36	1	19	20
Injuries commuting	1	4	5	-	2	2	-	4	4
Cases of occupational disease	-	-	-	-	-	-	-	-	-
Deaths due to occupational disease	-	-	-	-	-	-	-	-	-
Number of hours worked	203,259.27	1,071,964.07	1,275,223.34	237,500.71	1,270,577.05	1,508,077.76	286,080	2,113,483	2,399,563

49 The table does not show the number of hours worked by female employees at the Porto and Gezbe foreign sites.

Human capital

INJURY RATES ⁵⁰	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Death rate ⁵¹	-	-	-	-	-	-	-	-	-
Rate of injuries with serious consequences ⁵²	-	-	-	-	-	-	-	-	-
Rate of non-serious injuries ⁵³	4.92	27.05	23.53	4.21	27.55	23.87	3.50	8.99	8.33

50 The calculation of injury rates takes into account the limitations to scope highlighted in footnote 49.

51 See footnote 46.

52 See footnote 47.

53 See footnote 48.

Human capital

INDUSTRIAL TECHNOLOGY

Fameccanica pays special attention to workplace health and safety issues so that risks can be reduced or eliminated, protecting the people who work in the Company and gravitate around the organization.

Inspired by its Health, Safety and Environment Policy, Fameccanica is strongly committed to:

- operating safely in all parts of the world;
- intervening in the relevant context to identify and mitigate activity-related environmental risks;
- periodically analyzing the environmental aspects related to the activities it performs;
- preventing injuries, occupational diseases and pollution in order to continuously improve and develop its Management System and related performance in workplace health and safety and environmental protection;
- identifying and implementing applicable legislation, regulations and authorization requirements regarding health, workplace safety and the environment while complying

with Group standards where applicable;

- ensuring adequate levels of staff information, education and training;
- developing targeted procedures related to health, safety and the environment in order to establish appropriate and correct preventive/protection measures to ensure a safe working environment;
- designing, constructing and installing plants and equipment in accordance with relevant regulations;
- using and maintaining work equipment at design conditions;
- making appropriate resources available.

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 connected to the 231 Organization, Management and Control Model, which calls for the creation of a periodic and formalized information flow on the most relevant HS&E aspects.

Human capital

To support the Management System, Fameccanica has a specific **Policy that describes the top management's concrete commitment to workplace health and safety issues**. With reference to the activities carried out, the products manufactured and the services offered, the Executive Committee established and authorized this Policy while considering the nature and size of the Company, the context in which it operates, the factors impacting on the health of workers, the safety of workers, the environment with its relative risks, and the type of labor contracts. As part of the Health, Safety and Environment Management System, there is also an **annual audit program** that is carried out by the HS&E area.

During 2021, some factors referring to the observation and measurement of workers' behaviors were updated and improved through the use of the **BOS - Behavioral Observation System** - flanked and supported by specific supervisory processes and contractor monitoring. The main objectives of these systems and processes include:

- identifying unsafe behaviors and determining preventive actions;
 - implementing performance measurement indexes;
 - fulfilling the indications of health and safety regulations and standards in a timely manner.
- In relation to the foreign sites in the United States and China, an improvement process has been launched for the management of workplace health and safety aspects. The first initiative developed concerns the **direct involvement of the foreign sites on Health and Safety issues** through a number of dedicated departments that deal with the general coordination and implementation of specific management systems dedicated to health and safety. The goal is to increase awareness through risk management and compliance pathways, in addition to compliance with current local regulations, for example by introducing management and reporting guidelines to standardize the approach at corporate level and take advantage of all related synergies.

Human capital

In order to ensure safer workplaces and adequate personal well-being, Fameccanica is constantly investing in the implementation of new projects related to the health and safety of its employees.

One such example is the activation of a special **IT portal**, Vittoria Risk Management System⁵⁴, developed with the aim of ensuring the increasingly structured management of health and safety aspects, as well as environmental, energy and quality issues, in order to perform the timely analysis of monitored data. Another important investment, subject of ongoing implementation, is the **seismic upgrade and improvement of existing facilities** in order to ensure maximum safety for company staff and relative human capital, also with a view to having more resilient facilities in case of adverse events. At the same time as these structural interventions, Fameccanica has begun work on the design of the **new headquarters and plant in Italy**. This project is being developed in two phases. The first involves the location of offices in a single

structure and the conversion of the parking lot for use by external trucks, including a hospitality office, restrooms and refreshment facilities for drivers. The second phase, still at the planning stage, involves the installation of photovoltaic panels in the parking lot and the construction of new buildings to replace outdated structures, including the creation of a preschool, gym, Angelini Academy (Training), internal green areas and an outdoor water feature. There were no workplace injuries in the Italian and Chinese plants in 2021 with regard to internal personnel, while in the US plant there were **four non-serious injuries**.

⁵⁴ <https://www.vittoriarms.com/en/management-control-software.html>.

Human capital

INJURIES AND OCCUPATIONAL DISEASES ⁵⁵	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Fatal accidents at work	-	-	-	-	-	-	-	-	-
Injuries at work with serious consequences	-	-	-	-	-	-	-	-	-
Non-serious injuries at work	-	3	3	-	2	2	-	4	4
Injuries commuting	-	1	1	-	2	2	-	-	-
Cases of occupational disease	-	1	1	-	-	-	-	-	-
Deaths due to occupational disease	-	-	-	-	-	-	-	-	-
Number of hours worked	60,200	1,056,759	1,257,654	52,618	968,429	1,094,229	50,612	903,159	1,097,291

55 For the United States of America, only the total data on the number of hours worked are reported.

Human capital

INJURY RATES ⁵⁶	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Death rate ⁵⁷	-	-	-	-	-	-	-	-	-
Rate of injuries with serious consequences ⁵⁸	-	-	-	-	-	-	-	-	-
Rate of non-serious injuries ⁵⁹	-	2.84	2.39	-	2.07	1.83	-	4.43	3.65

56 The calculation of injury rates takes into account the limitations to scope highlighted in footnote 55.

57 See footnote 46.

58 See footnote 47.

59 See footnote 48.

Human capital

The major hazards connected with the sector in which the Company operates mainly concern:

- risk from biological, chemical, burning agents;
- fumes, vapors, and dust;
- lifting equipment and risks from falling materials; fire and explosion risk;
- risks associated with the use and operation of plants and equipment;
- risks from common physical agents (noise, vibration, artificial optical radiation, electromagnetic fields).

Each company operates in compliance with the regulations prescribed in each country based on the territorial principle and relevant preventive, protective and organizational measures.

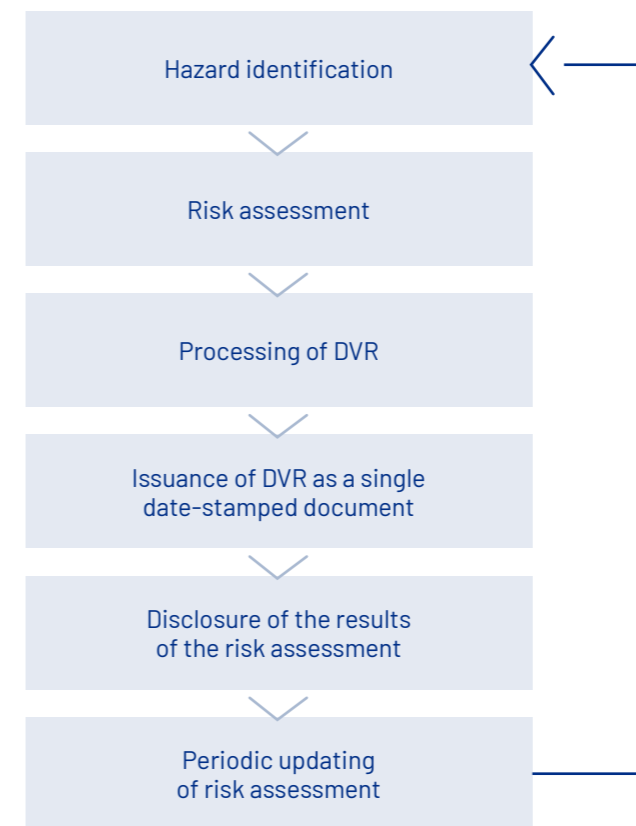
For example, the Chinese plant observes the **GB/T33000-2016 Guideline of China Occupational Safety and Health Management System** and achieved Level II Certification during the last audit.

As for the Italian plant, in order to limit and prevent the occurrence of such risks, the

Company uses a "Risk Assessment" document (*Documento di Valutazione dei Rischi - DVR*) which sets out the **procedures for identifying hazards and assessing all risks to worker health and safety**. The DVR is issued as a single date-stamped document, adopting the methods stipulated by Italian Legislative Decree 81/08. The risk assessment methodology follows a specific process:

- **hazard identification:** a careful review is conducted of each stage of the company's work process, including all equipment, machines and plants used in each department, and this is augmented by interviews with Managers, Supervisors and Workers' Safety Representatives;
- **risk assessment:** identification of all health and safety risks to be assessed and the inspections to carry out on workplaces, equipment, machines and plants;
- **drafting of the DVR - Risk Assessment Document -** containing the result of the

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assessment on the risks to the health and safety of staff; prevention and protection measures (technical, organizational and procedural) in order to eliminate or reduce the related risks; the plan for the education, information and training of workers; the program for improving safety levels; issuance of the DVR as a single date-stamped document, adopting the methods established in the Consolidated Health and Safety Act;

- **disclosure of the result of the risk assessment:** the DVR is posted on the company intranet site accessible to all departments, and workers are informed about the risk assessment and trained on workplace health and safety;
- **periodic updating of risk assessment:** the DVR and risk assessment undergo periodic updates to adapt to any changes in infrastructure, the company health and safety policy, the production process or work

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organization that are significant to the health and safety of workers; following significant injuries; in relation to the level of evolution of technology, prevention and protection; and when the results of surveillance show it is necessary.

In addition, the Company acts preventively, analyzing past critical events, causes and effects in order to anticipate and limit the occurrence of workplace hazards. At the same time, with reference to the safe use of equipment, compliance with RES (*Requisiti Essenziali di Sicurezza* - Essential Safety Requirements) is ensured. In general, the certification process for the EC marking of machines is performed with reference to Italian Legislative Decree 17/2010, which implements the Product Directive 2006/42/EC, referred to as the "new approach" and with the dual purpose of:

- ensuring the free movement of goods within the Member States of the European Union based on mutual recognition and technical harmonization;

- safeguarding the safety and protecting the health of people against the hazards arising from the use of machines.

The directives of this new approach set out the **essential requirements that products must meet and satisfy in their field of application in order to be marketed** throughout the EU without additional constraints.

At its plant in Italy, Fameccanica offers health services to employees via the onsite **Medical Center** thanks to the collaboration of:

- the Company Physician;
- a professional infirmary service present every day through a contractor;
- a dedicated HS&E resource (for corporate organizational support).

It also manages activities through reports and communicates, through the report itself, medications and significant events that have occurred.

The Company also has a **First Aid Team** whose members have received appropriate training and monitored updates such as Training

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(High Risk Class) and Certified Training for defibrillator use with the 118 Service. The Company also contributes, on behalf of its respective employees, to a **Supplementary Health Care Fund** for workers in the engineering industry that offers additional healthcare benefits to those of the National Healthcare Service, such as:

- hospital benefits following surgery;
- out-of-hospital services;
- dentistry;
- prevention;
- physiotherapy;
- social services;
- support for those with permanent disabilities.

The Company also offers staff a number of health benefits such as periodic blood and urine tests, also on the basis of age.

Staff training requirements as regards safety and environmental aspects are defined on the basis of the risks to which workers are exposed in the role and activities they perform.

In this regard, the Company periodically holds

meetings with employees in order to raise awareness and educate the workforce on possible risks at work and share updates on the safety systems implemented with the aim of promoting the correct development and dissemination of the Plant Policy.

PERFUMERY AND DERMOCOSMETICS

Considering that production is outsourced in the case of Angelini Beauty, employees mainly work in the office, occasionally traveling to customers for business reasons. In this context, the risks identified for office work basically concern those related to the use of video display terminals, while as far as the task of salespeople performing their function at customer premises is concerned, safety and risk assessment is ensured by compliance with the specific protocols at their premises. The Company ensures that every worker is

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trained according to the standards established by national laws and makes sure to arrange medical examinations for all employees.

Given the type of work performed, there were only two **commuting accidents** (out of a total of 168,720 hours worked) in 2021 at the sites in Spain and Germany.

INJURIES AND OCCUPATIONAL DISEASES	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Fatal accidents at work	-	-	-	-	-	-	-	-	-
Injuries at work with serious consequences	-	-	-	-	-	-	-	-	-
Non-serious injuries at work	1	-	1	1	-	1	-	-	-
Injuries commuting	-	-	-	-	-	-	2	-	2
Cases of occupational disease	-	-	-	-	-	-	-	-	-
Deaths due to occupational disease	-	-	-	-	-	-	-	-	-
Number of hours worked	133,324.2	55,847.5	189,172	105,044.3	49,540.75	154,585	118,221.3	50,498.5	168,720

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INJURY RATES ⁶⁰	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Death rate ⁶¹	-	-	-	-	-	-	-	-	-
Rate of injuries with serious consequences ⁶²	-	-	-	-	-	-	-	-	-
Rate of non-serious injuries ⁶³	2	-	1	2	-	1	-	-	-

As for the legal entity in Italy, periodic inspections are carried out by the Prevention and Protection Service Manager (PPSM) and an annual audit is carried out at the Milan office by the property owner, who is responsible for periodic plant inspections and maintenance. The company that hosts Angelini Beauty in Lodi is also **ISO 45001** certified and is responsible for verifying the safety of the plants of external companies.

In 2022, Angelini Beauty decided to relocate all its workers in Italy to the Milan headquarters, stimulating dialogue between the various functions and encouraging the establishment of a work-life balance model with the introduction of remote work two days a week. Considering these changes, the safety plans were revised in order to ensure the safety of all employees.

⁶⁰ As Angelini Beauty is a business with fewer than 250 employees (small/medium enterprise), it is considered more appropriate to calculate injury rates using 200,000 hours worked as the value.

⁶¹ (Number of deaths resulting from work-related injuries/Number of hours worked)*200,000.

⁶² (Number of injuries at work with serious consequences (excluding deaths)/Number of hours worked)*200,000.

⁶³ (Number of non-serious injuries at work/Number of hours worked)*200,000.

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WINE SECTOR

At Angelini Wines & Estates a **Management System** has been implemented **in line with Italian Legislative Decree 81/08** which involves both the adoption of measures for the periodic maintenance of plants and the implementation of procedures for prevention and the monitoring of activities.

A non-compulsory training and information project called **"Virtual Tour"** was completed for all the wineries in the Tuscany, Veneto and Marche areas in 2021. The project involved the mapping, using 360° digital photos, of all indoor and outdoor company areas, surveying the areas subject to occupational health and safety through periodic audits by specially trained staff. The Virtual Tour therefore makes it possible to intervene immediately in case of discrepancies, failures, and/or other issues.

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As shown in the table below, in 2021 Angelini Wines & Estates recorded **eight non-serious workplace injuries**:

INJURIES AND OCCUPATIONAL DISEASES	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Fatal accidents at work	-	-	-	-	-	-	-	-	-
Injuries at work with serious consequences	-	-	-	-	-	-	-	-	-
Non-serious injuries at work	3	8	11	1	2	3	1	7	8
Injuries commuting	-	-	-	-	-	-	-	-	-
Cases of occupational disease	-	-	-	-	-	-	-	-	-
Deaths due to occupational disease	-	-	-	-	-	-	-	-	-
Number of hours worked	50,000	150,000	200,000	45,000	145,000	190,000	43,000	147,000	190,000

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INJURY RATES ⁶⁴	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Death rate ⁶⁵	-	-	-	-	-	-	-	-	-
Rate of injuries with serious consequences ⁶⁶	-	-	-	-	-	-	-	-	-
Rate of non-serious injuries ⁶⁷	12	11	11	4	3	3	5	10	8

⁶⁴ As Angelini Wines & Estates is a business with fewer than 250 employees (small/medium enterprise), it is considered more appropriate to calculate injury rates using 200,000 hours worked as the value.

⁶⁵ See footnote 61.

⁶⁶ See footnote 62.

⁶⁷ See footnote 63.

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The main workplace hazards in the wine sector essentially regard the use of transport, equipment, and agricultural and industrial machinery. In this sense, the methods adopted to mitigate and reduce the risk of occupational injuries and diseases include:

- constant updating of the Risk Assessment document;
- mandatory occupational health and safety training, implemented through general and specific training for all employees;
- the creation of emergency and first aid teams;
- verification audits through management tools and systems.

The Company is constantly and periodically engaged in monitoring and analyzing reactive indicators, which examine the frequency of accidents (in relation to hours worked) and their incidence (in relation to employees), and proactive indicators, which instead take into account the number of hours of safety training carried out and the number of inspections performed.

The Company aims to increasingly involve company resources at all levels in an active and sustainable manner in order to pursue high standards of training and information on health and safety at work.

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REAL ESTATE SECTOR

The employees of Angelini Real Estate mainly perform office work with the aid of video display equipment, which constitutes the main risk to which workers are exposed. In fact, **the Company has not recorded any cases of occupational injury or disease in the last three years**, thanks in part to the use of various protective measures such as:

- a commitment to correct workstation ergonomics (desk, screen, workstation position, chair, posture);
- the implementation of preventive and periodic health surveillance;
- the planning and provision of specific training.

INJURIES AND OCCUPATIONAL DISEASES	2019			2020			2021		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Fatal accidents at work	-	-	-	-	-	-	-	-	-
Injuries at work with serious consequences	-	-	-	-	-	-	-	-	-
Non-serious injuries at work	-	-	-	-	-	-	-	-	-
Injuries commuting	-	-	-	-	-	-	-	-	-
Cases of occupational disease	-	-	-	-	-	-	-	-	-
Deaths due to occupational disease	-	-	-	-	-	-	-	-	-
Number of hours worked	4,495.75	17,155.67	21,651.42	5,076.25	17,075.75	22,152.00	5,583.87	18,783.32	24,367.19

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The management method adopted by Angelini Real Estate for the occupational health and safety system operates on the basis of the **cyclical sequence of the phases of planning, implementation, monitoring and review of the system, by means of a dynamic process over time**. This process takes account of regulatory adjustments and is designed according to the following criteria:

- analysis of internal organizational structure;
- definition of macro-processes concerning safety and identification of tasks and responsibilities;
- definition of work procedures, internal rules, and methods of transmitting safety information;
- identification of periodic auditing procedures to check the implementation of the criteria established by the mandatory regulations;
- creation of a system for recording auditing activities and a consequent action plan for the corrective actions and/or improvement measures to be taken.

This macro-process also involves all contractors operating in the workplace who are entrusted, in particular, with the management of all facilities, the canteen and the cleaning service. Suppliers must provide the requested service in accordance with the timeframes and procedures set out in the contract, while simultaneously monitoring both quality criteria and legislative compliance.

Casa Angelini recently achieved LEED Platinum New Construction certification and is working to obtain **LEED EBOM 4.1** certification.

Among its future goals, Angelini Real Estate would like to implement an appropriate Health and Safety Management System according to the international UNI EN ISO 45001:2018 standard.



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Welfare

In keeping with its vision, corporate welfare represents an important aspect for the Angelini Industries Group, which is constantly committed to promoting the care of its people with a view to strengthening the bond between the employer and its employees, so that the latter can carry out their professional activities guaranteeing maximum productivity. Over time, this dimension has taken the form of a **system of benefits and corporate welfare** that includes a set of services, initiatives and tools aimed at improving the well-being of collaborators. The benefits range from health protection to social security coverage, from recreational and educational services to financial and insurance services, and from family support to food services. The development of **Angelini Industries' welfare benefits** starts with the active and constant listening to the needs of the company population - including by planning dedicated focus groups - and comparison with the most relevant market data, with specific insights on

relative positioning compared to competitors and market-leading multi-industry companies. The promoted products/services include:

- supplementary pension and health funds, such as the guaranteed life insurance policy for all employees;
- merit scholarships for children of employees at university or high school;
- a flexible benefits platform where it is possible to spend a specific sum to take advantage of services such as the payment of school fees, crèches, summer camps, caregivers, babysitters and other services for families and people;
- the purchase of Group products at reduced prices;
- a Christmas package and a gift for employee children of eight and under.

Initiatives undertaken in the area of **agile working** are also an important lever for developing employee well-being, also helping to increase the engagement level of the company population. In addition to the provision of

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diversified remote work methods for employees of the Foreign Companies (diversified based on local regulations and needs) and the adoption of agile work methods for all Italian Operating Companies, Angelini Industries constantly strives to develop its work model from an agile perspective.

This commitment is evidenced - among other things - by a series of initiatives and projects designed to promote and simplify working methods, such as: the development of a **digital onboarding platform** to support new employee recruitment and engagement processes (active from 15 days prior to joining the Company and for up to six months thereafter, to enable effective onboarding and simplify related processes, also remotely, through the complete digitization of information and administrative flows); the development of a **digital collaboration and co-sharing ecosystem**; and the extension of the panel of remote work tools made available to employees.

Furthermore, Casa Angelini employees are involved annually on a voluntary basis in two specific value initiatives in the areas of welfare and social responsibility:

- blood donation: twice a year, the AVIS Roma bloodmobile is hosted at Casa Angelini to collect blood donations from participating employees (25 resources took part in the last event);
- flu vaccines: in partnership with a leading health institution, employees are offered the opportunity to receive flu vaccinations at company facilities annually. 45% of Casa Angelini employees (about 200 people) participated in the last campaign.

Aware of the importance of the topic of mental health, in 2021 Angelini Industries relaunched its **psychological support program**, which includes the following services:

- the opportunity for all employees to have up to five counseling sessions with top-level psychologists;

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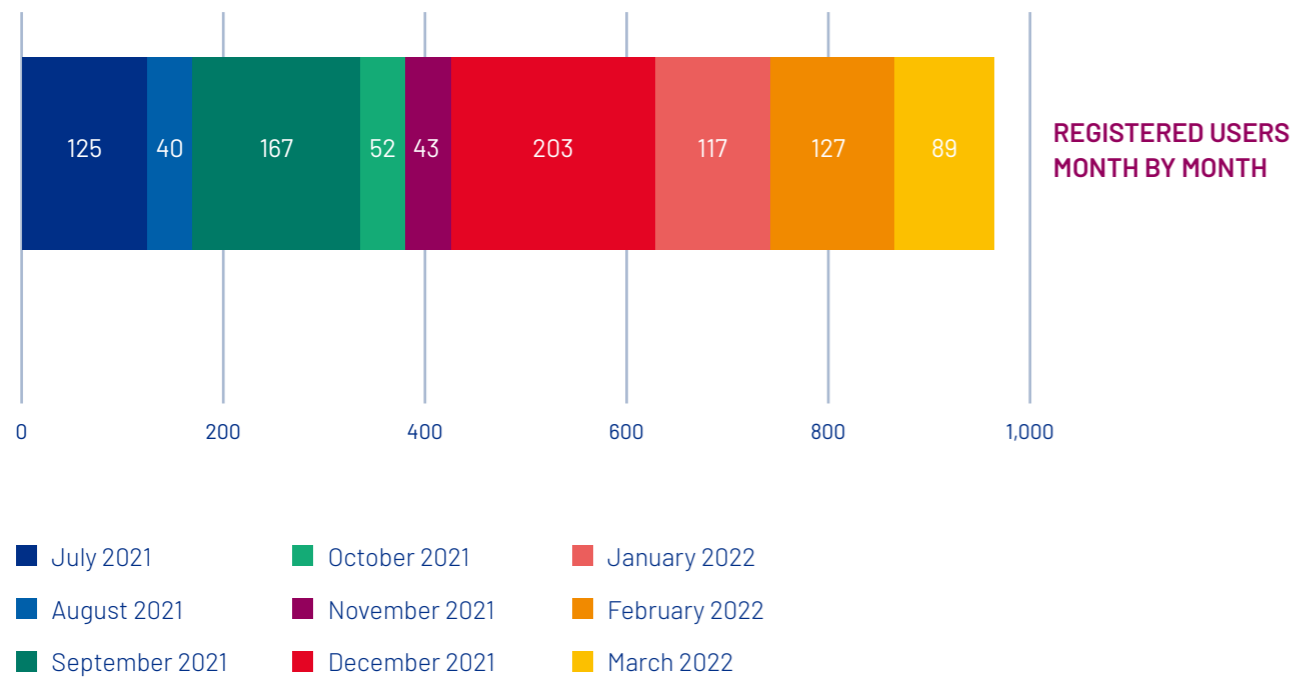
About 1,000 people used the **#Angelini4you** platform during 2021 and, in different percentages proportional to the number of employees, all Angelini Industries Companies were involved.

- the opportunity to ask questions anonymously on a forum, which will be answered by a psychologist;
- the opportunity to keep up to date on mental health issues through newsletters, articles and webinars.

As mentioned, this service has a dedicated and preferential channel for victims of domestic violence, as part of a broader plan to develop a Group policy in this area.

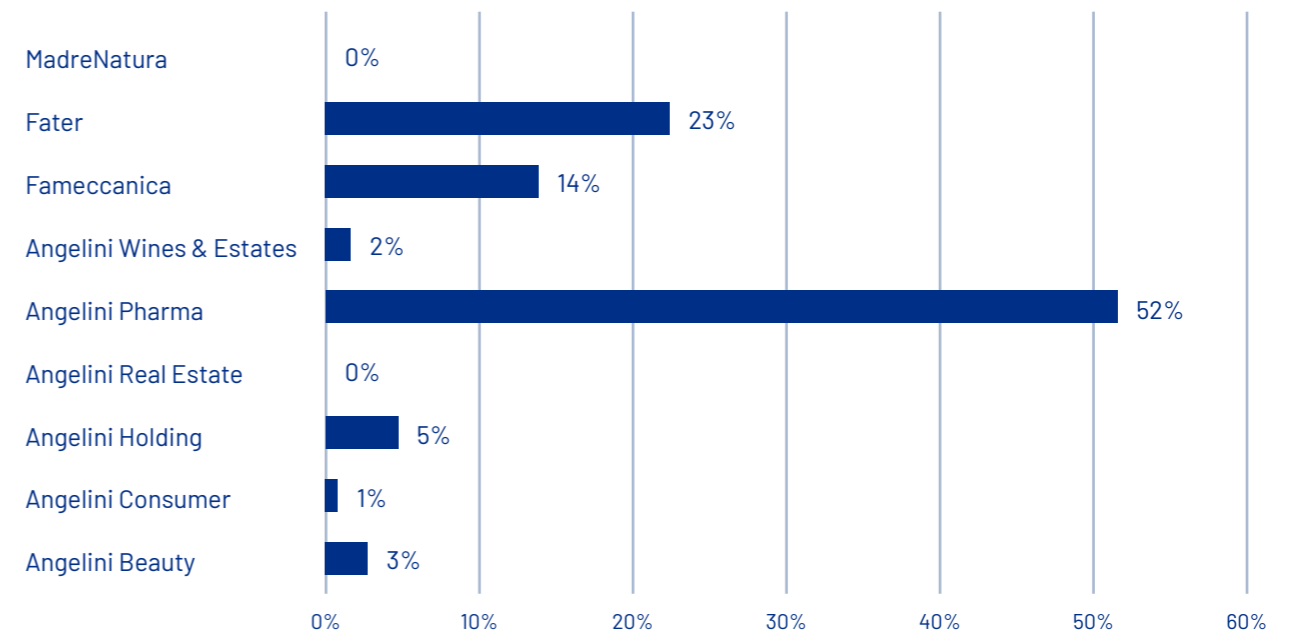
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TOTAL REGISTERED USERS (monthly progression)



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PLATFORM USAGE BY COMPANY



In addition to the initiatives implemented by the Group, all Operating Companies can independently define and implement their own specific corporate welfare programs.

One example is Fameccanica, which developed a welfare plan for its employees that includes the disbursement of a sum of money (200 euros) that can be used to purchase socially useful services on the Fameccanica Welfare platform.

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

- **family:** reimbursement of education and assistance expenses incurred for family members; purchase of tickets to theme parks, museums, cinemas, concerts and events in general;
- **health fund:** reimbursement of healthcare expenses incurred for the employee and their family members;
- **mortgages:** repayment of a portion of the interest payable on the loan;
- **sport and wellness:** purchase of services related to physical well-being, choosing from gym memberships and treatments at specialist facilities;
- **training courses:** training solutions for the personal and professional growth of the employee;
- **health and personal support:** medical, psychology, babysitting and elderly support services, 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 affiliated partners, related to sport, personal education, wellness, leisure and medical checks.

Similarly, Angelini Pharma adopts a people-centric **HR Strategy** with the ambition of being an **Employer of Choice**. This translates into initiatives aimed at generating and maintaining engagement among its employees through the following pillars:

- engagement;
- leadership & development;
- attraction;
- compensation & benefits.

The approach is increasingly “**people centric**”, which means that the Company is constantly committed to listening to the desires and needs of people. To this end, Angelini Pharma regularly conducts opinion surveys and pulse

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surveys to gain insight, measure engagement and define initiatives to be implemented. It also participates in international HR best practice certifications such as Top Employers, a certification obtained in Italy, Spain, Portugal, Poland, Turkey, Russia, Germany and Romania. From all of these insights, an **Engagement Action Plan** and a **People Care Action Plan** have been defined and are being implemented.

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With reference to the People Care Action Plan, the initiatives promoted by **Angelini Pharma** aim to improve people's work-life balance with the goal of creating an increasingly stimulating work environment, and focus mainly on the areas analyzed below:

AREA	BENEFIT
FLEXIBLE WORKING HOURS	Remote working Reduced hours on Friday afternoon (in summer)
INSURANCE	Supplementary health coverage, with full absorption of membership costs for the household Life/permanent disability coverage
PENSION	Supplementary pension plan, with additional company contribution to the fund
FAMILY	Paternity leave extension Leave to care for children of couples in a civil partnership and not protected Leave to help children settle at nursery school Leave to assist hospitalized elderly parents Additional optional maternity Guidance webinar for children of employees
WELL-BEING (PHYSICAL AND MENTAL)	Virtual Gym: people can exercise every week following 3 different workouts (GAG, Total Body and Yoga) through live and online classes led by certified trainers Healthy Hour: webinars conducted by a physician specializing in Dietetics and Nutrition who addresses topics related to this area with the goal of implementing a healthy eating culture Life Coaching: those who wish to undertake a process of personal growth can begin a life coaching program with discounted rates
DISCOUNTS	Discount portal to take advantage of discounts on some brands Partnerships with local stores

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In 2021 the platform for managing Corporate Flexible Benefits was changed with a view to expanding and improving the services provided compared to the previous one, and in order to support remote work in terms of effectiveness and well-being, remote workers were given the opportunity to receive additional work equipment (monitor, ergonomic chair, etc.) at home. For reasons related to the pandemic, the new initiatives that emerged from the opinion surveys were postponed until 2022: medical concierge, car sharing, carpooling, and the provision of snacks and fresh fruit at various sites.

Social and relational capital

05

100%

ACE Green
line made with **100% recycled cardboard or plastic** packaging (Fater)

35

35 million dollars invested by Angelini Pharma in **Open Innovation**

85

85 new European patent applications in industrial technology (Fameccanica – first in Italy in 2021), with a total of more than 750 active patents

1st

First LCA study carried out in Italy on a perfume bottle (Angelini Beauty)

100%

First 100% organic harvest (Tenuta Trerose – Angelini Wines & Estates)

15

More than **15 initiatives to support and collaborate with associations, organizations and foundations**

Social and relational capital

Since it was founded in 1919, Angelini Industries has always sought to improve and innovate its production systems and processes in order to offer its customers practical, safe and consumer-centric solutions that meet the needs and challenges of a rapidly changing world.

Thanks to the development of an important diversification process which has seen it establish itself as a leading Italian company in the sectors in which it operates, today Angelini Industries is a **diversified, innovative and dynamic industrial group with about 5,800 employees and more than 40 Operating Companies worldwide**. The main sectors in which it operates are:

- Pharmaceutical;
- Consumer Goods;
- Industrial Technology;
- Perfumery and Dermocosmetics;
- Wine.

Social and relational capital

Pharmaceutical sector

PRODUCT QUALITY AND SAFETY

Angelini Pharma guarantees respect for the quality and safety of its products in all its activities, covering the phases of research and development, industrialization, procurement of raw materials and packaging materials, production, distribution, and after-sales surveillance. This guarantee is pursued through the adoption of a corporate Quality Policy, which demonstrates the Company's commitment to complying with applicable regulatory requirements and meeting patient needs, with the consequent adoption of a Quality Management System, which enables it to be maintained.

The **Quality Management System** is a management system that guarantees the safety, quality, and efficacy of all product categories developed, produced and distributed by Angelini Pharma, in accordance with regulatory and technical standards. The system consists of carefully codified measures and procedures, implemented by trained and qualified staff, and monitored through appropriate quality records. The structure of the Quality Management System is organized and based on the 16 elements listed in the graphic to the side, which guarantee 360° coverage of Angelini Pharma's processes, ensuring the correct performance of the products developed.

Quality Management System

Management responsibility
Documentation and system records management
Quality risk management
Organization, personnel and training
Post-marketing surveillance
Corrective and preventive actions
Qualification and validation
Change control
Development, industrialization and life cycle of product
Quality management of suppliers
Quality audits
Operations control
Distribution
Non-clinical trials
Clinical trials

Social and relational capital

The efficacy and safety of Angelini Pharma's products is guaranteed right from the Research and Development phase where the chemical-physical and microbiological specifications that the product must comply with are defined. However, the production process can affect these specifications; therefore, in order to mitigate the risk of defects, the Company's Quality Management System involves the implementation of a series of checks at various points in the process, as listed below:

- qualification checks on equipment/ environments/plants/computerized systems;
- production process validation checks;
- cleaning process validation checks;
- analytical method validation checks;
- checks on incoming raw materials/packaging materials;
- environmental checks;
- checks on process utilities;
- intermediate checks on the manufacturing process (in process control);
- final check of the finished product;

- ongoing stability checks on sample batches of released product.

The checks are carried out by qualified, trained and constantly updated staff using instruments and equipment fit for purpose. Activities to verify compliance with laws and regulations are conducted in line with international best practices and are constantly subject to inspections by business partners, authorities or certification bodies in addition to the internal audits carried out by the Company's Global Quality section.

During 2021, **four instances of non-compliance with product specifications** were reported:

- the first case is related to the medicine Tachinotte Sciroppo 6% with voluntary recall, in the absence of safety issues for the final patient, of some batches distributed on the Italian market following anomalies related to the active ingredient content and known impurities recorded during routine stability studies. Subsequently, given the marginal relevance of the product, the Company

Social and relational capital

decided to voluntarily proceed with the withdrawal of the marketing authorization of the drug;

- the second case involves the medicinal product Meriofert/Prolutex, intended for the Russian market, with three batches withdrawn due to a packaging issue determined by the partner and licensor, as well as the manufacturer of the medicine;
- the third case concerns the medicinal product Amukine France, owned by French client Gifrer. Five batches of the product were recalled at the owner's request after abnormal titer results were obtained during routine stability studies. These results were judged to pertain to the peculiar type of packaging material used for the French market, and were subsequently standardized with what was developed and already implemented for the Italian market;
- the last case is related to a dietary supplement, Acutil Donna. As part of the corporate Regulatory Intelligence process, a potential systemic crisis in the food

supplements sector was detected. This related to the possible contamination of raw materials with ethylene oxide, a chemical agent used to improve shelf life. The monitoring activity performed as a preventive action resulted in the voluntary and purely precautionary recall from the Italian market of five batches of a specific product. The system actions subsequently implemented made it possible to exclude new risks in the Company's food supplement portfolio upstream, enabling the continued distribution of fully compliant products.

All the cases were managed through the relevant Quality Management System processes with the appropriate **evaluation/validation of market correction actions** by the assigned functions, represented by senior organizational figures. These actions were established taking account of the quality, safety and efficacy aspects of the products involved, as well as compliance issues, of course.

For each case study, appropriate **CAPA (Corrective Action - Preventive Action)**

Social and relational capital

measures were also identified and implemented in order to remove the root causes and prevent the recurrence of nonconformities. It should also be noted that **no penalties were received** during the reporting period **with regard to product storage and distribution activities**.

RESPONSIBLE SELECTION OF MATERIALS

In carrying out its manufacturing and marketing activities, Angelini Pharma purchases a large and varied amount of materials from selected suppliers, pertaining to three main product classes:

1. **raw materials for the production of API** (Application Programming Interface);
2. **finished products;**
3. **packaging materials.**

As far as raw materials are concerned, as shown in the following tables referring only to Italy, there was a significant increase in the

purchase of materials certified by the Company in 2021, testifying to Angelini Pharma's growing attention to ESG and product quality and safety issues. In the past year, **80,213,712 euros** of materials and raw materials were purchased, about 9% more than in 2020. The materials mainly consumed were active ingredients (13%), chemical intermediates (13%) and excipients (7%). Added to this is the total of all semi-finished products, understood as bulk products before packaging, which accounted for 32% of the total.

Social and relational capital

TYPE OF RAW MATERIALS/MATERIALS/ COMPONENTS/SEMI-FINISHED PRODUCTS ⁶⁸	2019		
	TURNOVER (Euros)	OF WHICH MATERIAL FROM CERTIFIED SOURCES	INDICATE CERTIFICATION
Aromas/Fragrances	1,132,781		
Dyes	256,576		
Excipients	5,550,148		
Chemical intermediates	6,083,950		
Raw materials Aprilia	3,608,337		
Active ingredients	12,340,580	80.4%	ISO 14001
Reagents	574,074		
Third-party semi-finished products	14,833,232		
Solvents	1,860,486		
Vitamins	420		
Plastic containers	5,110,448	49%	14001
Boxes	4,194,872	100%	FSC
Plastic closures	3,576,425	75%	14001
Spray dispensers	2,749,510	32%	14001
Plastic and polycoupled films	1,851,091	18%	14001 - FSC
Watermarked stamp	1,838,647	100%	14001 - FSC
Leaflets	1,345,850	38%	14001 - FSC
Corrugated cartons	1,132,003	25%	FSC
Labels	872,812	25%	14001 - FSC
Glass bottles	633,605	100%	14001
Pallets	483,847		
Aluminum film	473,883		
Plasticized glass containers	452,174		
Packaging samples	240,584		
Metal containers	214,581		
Polythene bags	112,019		
Metal closures	20,451		

⁶⁸ The data in the tables on the type of materials used by Angelini Pharma refer to Italy only.

Social and relational capital

TYPE OF RAW MATERIALS/MATERIALS/ COMPONENTS/SEMI-FINISHED PRODUCTS	2020		
	TURNOVER (Euros)	OF WHICH MATERIAL FROM CERTIFIED SOURCES	INDICATE CERTIFICATION
Aromas/Fragrances	804,102		
Dyes	283,642		
Excipients	6,354,650		
Chemical intermediates	10,164,972		
Raw materials Aprilia	51,249		
Active ingredients	12,072,569	80.4%	ISO 14001
Reagents	514,198		
Third-party semi-finished products	15,403,778		
Solvents	2,121,969		
Plastic containers	5,761,831	49%	14001
Plastic closures	3,774,613	75%	14001
Boxes	3,226,122	100%	FSC
Spray dispensers	3,054,818	32%	14001
Watermarked stamp	2,084,187	100%	14001 - FSC
Plastic and polycoupled films	1,599,588	18%	14001 - FSC
Leaflets	1,222,827	38%	14001 - FSC
Corrugated cartons	1,088,182	25%	FSC
Labels	900,194	25%	14001 - FSC
Glass bottles	608,965	100%	14001
Pallets	563,394		
Aluminum film	487,667		
Plasticized glass containers	456,092		
Metal containers	173,479		
Polythene bags	103,317		
Packaging samples	53,916		
Metal closures	6,985		

Social and relational capital

TYPE OF RAW MATERIALS/ MATERIALS/COMPONENTS/ SEMI-FINISHED PRODUCTS	2021			
	TURNOVER (Euros)	OF WHICH MATERIAL FROM CERTIFIED SOURCES	INDICATE CERTIFICATION	
Aromas/Fragrances	512,081			
Dyes	160,262			
Excipients	5,706,505			
Chemical intermediates	10,086,288			
Raw materials Aprilia	91,126			
Active ingredients	10,314,976	80.40%		ISO 14001
Reagents	432,109			
Third-party semi-finished products	25,540,539			
Solvents	3,254,861			
Plastic containers	4,812,602	58%	9001/15378/14001/(93/42/CEE)/OHSAS 18001/45001	
Plastic closures	3,475,306	75%	FSSC22000/9001/15378/14001/(93/42/CEE)/OHSAS 18001/45001	
Boxes	2,703,774	100%	FSC/EcoVadis2022/9001/15593/PEFC/45001/13485/14064	
Spray dispensers	2,123,279	25%	9001/15378/13485/50001/14001/14064/ISCC/ SA 8000	
Watermarked stamp	1,690,995	100%		9001/14001/45001/FSC
Plastic and polycoupled films	1,372,737	39%	9001/15378/ISO 14001/OHSAS 18001/FSC/EMAS/45001/BRC	
Leaflets	1,174,247	42%	9001/14001/EcoVadis/FSC/13485/PEFC/45001	
Corrugated cartons	912,717	29%	9001/FSC/EPD (Environmental Product Declaration)/BIOSAFETY TRUST/14001/45001/SA8000/BEST4	
Labels	679,621	23%	9001/FSC/BRC/14001/45001/FSC/EcoVadis2022	
Glass bottles	584,616	100%		14001
Pallets	473,837			
Aluminum film	444,069	12%	9001/14001/50001/FSSC 22000/ASI CERTIFICATE/15378	
Plasticized glass containers	44,961			
Metal containers	228,736	100%		9001
Polythene bags	81,937			
Packaging samples	3,311,534			
Metal closures	-			

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In chemical-pharmaceutical production, very often rejects become waste because the raw material, due to its intrinsic peculiarities, cannot be reused in the process. Nonetheless, numerous primary packaging materials used by Angelini Pharma have been (and will be) subject to ecological redesign whenever technical developments and associated improvements permit their reduction in weight and/or volume without compromising the necessary protection of the product and its stability over time.

Projects in this area include:

- the substitution of PVC with PET which guarantees improved and greater recycling of the material;
- the use of recycled plastic (PET);
- the reduction at source of the weight of materials used in all packaging components;
- recovery of post-consumer liner labels (silicon paper);
- the simplification of Infasil primary packaging to reduce material consumption;
- the use of recycled resin (75/100%) for bottles.

The targeted design of packaging materials for shipping allows pallets to be stacked, thereby reducing the number of journeys required for their transportation and further lowering CO₂ emissions.

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PROCESS AND PRODUCT INNOVATION

Angelini Pharma's strategic approach to the research and innovation process is aimed at identifying new products and solutions capable of satisfying the needs of patients and improving their quality of life. Research activities are focused on **three main therapeutic areas**: diseases of the central nervous system, rare diseases and OTC products.

Angelini Pharma's R&D sector is divided into three units:

- 1. Global External Innovation:** research into efficient solutions for rare diseases and CNS diseases. It utilizes external facilities (CRO) to conduct research programs that go from the design through to the performance of pre-clinical drug-toxicology activities;
- 2. Global Medical Department:** research and clinical trials on both new chemical entities and new formulations containing already

known molecules. It involves networking with clinical centers of excellence;

- 3. Global R&D Product Lifecycle Management:** design of new formulations that will enter the production cycle. The unit manages the Lifecycle Management of the global product portfolio, keeping it up to date with the regulations in force insofar as it remit allows. The Research and Development activities carried out in the last two years by the **External Innovation** unit have mainly focused on the execution of two research projects aimed at the identification and pharmacological characterization of new chemical entities with potential therapeutic use, respectively, in a rare disease of the central nervous system (X-Fragile syndrome - FXS) and as analgesics for pain of neuropathic origin. To date, the results are in line with expectations and make it possible to forecast that a compound will be available to begin clinical development for FXS in 2023.

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In parallel, the projects implemented by the **Global Medical Department** have focused on two macro-areas in the last two years. The first is Medical Affairs, which focuses on generating awareness, understanding and confidence of data, while the second regards Clinical Research, with the goal of processing data related to the drug portfolio and pipeline under clinical development.

During 2021, the Company supported the **Angelini for Future** project, a call for proposals that aimed to collect clinical and pre-clinical research proposals in the field of rare pediatric diseases. The projects were evaluated by an independent scientific committee leading to the selection of two studies that are currently underway and which will advance knowledge in diseases characterized by a high unmet need for patients.

With the Company's acquisition of Arvelle, in 2021 Angelini Pharma began developing its **strategy to modify the European Pediatric Plan for the authorization of cenobamate in**

patients with FOS (Focal Onset Seizure) type epilepsy, in collaboration with the company's Regulatory department. The potential changes to the plan will aim to make pediatric development more sustainable for patients by optimizing the FDA-approved and currently ongoing program.

In the context of clinical development, resources have been focused on conducting several studies over the past two years:

- two Phase II clinical trials to analyze the use of trazodone for the treatment of insomnia in pediatric patients with neurodevelopmental disorders, and trazodone/gabapentin for the treatment of painful diabetic polyneuropathy; Based on the data obtained from the two studies and some considerations of appropriateness for patients, it was decided not to proceed with the next clinical development phases in the two therapeutic conditions during 2021;
- several Phase IV and Real World Evidence (RWE) studies with the aim of confirming

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specific aspects of effectiveness, patient reported outcomes (PROMs) and use of the drug on trazodone, lurasidone, benzydamine and fentanyl.

Within the **R&D Product Lifecycle Management** unit, the main activities were the development of new formulations as line extensions of existing brands (Moment, Boxagrippal, Tachifludec, Tantum Verde) and the strengthening of microbiological studies of medical-surgical products such as Amuchina. In addition, Angelini Pharma is participating in a project funded by the Marche Region on personalized medicine, in particular pediatric pharmaceutical forms, with a specific focus on 3D printing technology.

In 2021 Angelini Pharma also launched a wide range of **Open Innovation** initiatives that enabled the Company to generate value through the creation of dynamic, pioneering collaborations. These include participation in the start-up incubator **Argobio** and

the establishment of the **Angelini Lumira Biosciences Fund (ALBF)** valued at 35 million dollars, confirming the Company's interest in becoming a major interlocutor for start-ups, actively participating in the growth of the sector and, in the long term, identifying new health solutions for patients, their families and the actors involved in the care pathway. There are three parts to the Open Innovation process launched:

- 1. technical expertise**, promoted via constant interaction with a team of external experts that form an integral part of the medical department;
- 2. internal projects** managed through external research companies and academic centers of excellence which, under the coordination of the medical department, carry out the experimental work;
- 3. pipeline of new projects** arriving from the outside, and a dedicated team that scouts start-ups worldwide.

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All new ideas and projects take into account not only product innovation but also sustainability and recyclability. In fact, **eco-design principles** are taken into account at each of the main stages of development and design of a new product:

- when selecting the active ingredient, Environmental Risk Assessment studies are carried out to assess the impact of the active ingredient (API) in the environment;
- the choice of excipients is made on the basis of the harmlessness of the same with respect to the target population and their disposal

- cycle is defined at an early stage;
- in the selection of packaging materials, the concepts of weight reduction of packaging materials, consumption and reuse of recycled material (where regulations permit) and optimization of transport are applied;
- the development of the manufacturing method is carried out favoring simple processing methods with reduced energy consumption (e.g. direct compression) and avoiding the use of non-aqueous solvents;
- the development of analysis and control methods is carried out following strict quality criteria.

The improvement in company performance is also materialized in the digital strategy implemented by Angelini Pharma. In the production area, the digitalization plan was confirmed and pursued by integrating plant and machine data with **MES (Manufacturing Execution System)** software for industrial planning and production. The main purpose of this project is to guarantee production data

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integrity, centralizing it in a validated digital infrastructure and therefore eliminating the excessive use of paper and increasing the efficiency of the production process. This project was launched in 2020 at the Ancona and Aprilia plants, after which it was extended to the Casella plant in 2021, where it will be completed in 2022.

A second project was started in 2021 in the logistics area at the Casella plant. This is the implementation of the **Warehouse Management System** (WMS) using radio frequency terminals to support the execution of activities. At the end of the project, which will be implemented by the end of 2022, all warehouse locations will be digitally mapped, and all goods handling will be tracked on the SAP ERP system, from entry to storage, to material assignment for production, to finished product shipments. The goal is to create more efficient and more manageable processes for operators, who will be able to eliminate paper-based storage and retrieval lists.

Other major projects that form part of the plan to digitize the production plants were also launched in 2021, first and foremost the **EBRS project** and the **Proof of Concept** on the use of Augmented Reality.

The first is the project to replace the Electronic Batch Record system used at the Ancona site, which is now obsolete. This is a key system for tracking all the operations related to pharmaceutical production according to industry regulations. The new EBRS will be implemented in the Ancona and Aprilia plants. Its goals include the complete elimination of the paper component of the Batch Record (a document that details all the production steps of a pharmaceutical batch) and greater integration with production facilities and other production management systems. This new implementation also includes electronic management of the condition of equipment used for production, making this process safer in the process by eliminating all non-digital tools (paper logbooks, cleanliness tags, etc.).

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In 2021, the user requirement and software selection process for supplier selection was initiated. The project was launched in the new year, with prototype development for both plants.

Proof of Concept (PoC) on Augmented Reality is a pilot project that has been implemented on a packaging line at the Ancona plant, involving the use of this innovative technology to support operators in the setup/change product/batch change process between two production lines. The operator will be able to use tablets or HoloLens2-type viewers to be guided in the tasks to be performed in order to prepare the line for the next production cycle. Launched in 2021, the PoC project will conclude in 2022; once the results are evaluated, it will potentially be expanded to the entire packaging area.

This project also contributes to sustainability goals, not only because it makes the process more efficient, but also because it reduces, if not eliminates, potential waste due to errors in changeover procedures.

In the Quality Assurance area, digitization projects resulting in the elimination of paper media and the adoption of a common management process across Angelini Pharma also continued according to plan. In particular:

- in 2021 the DocuSOP project, the **document system for managing quality procedures and documents**, was implemented at the foreign subsidiaries. The new Angelini companies formed as a result of the acquisition of Arvelle (Switzerland, France, the Netherlands, Great Britain and the Nordic countries) joined the companies already included in the original plan;
- the implementation of the Trackwise Digital eQMS system for **quality system process management** was also completed, with all in-scope processes launched and extended to all subsidiaries.

In the pharmaceutical sector, the impressive investments related to innovation cannot be separated from an equally solid **patent strategy**. For this reason, for each innovation, a

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patentability analysis is carried out beforehand and afterwards, on the basis of which the appropriateness of protecting the intellectual property of the innovation is established. Since maintaining patents also has a cost, decision reviews are periodically conducted to decide which patents to keep active and which to divest. The decision on divestment is made primarily on the basis of medium- and long-term strategic criteria, taking into account the effect on competition. The size and strength of the patent portfolio underlines the innovativeness of the Company and is indicative of its scientific reputation.

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FOCUS: MARKETING LOCAL AND GLOBAL PRODUCTS

In line with its international strategies, Angelini Pharma has promoted development paths in countries with high growth potential, both through targeted acquisitions and by strengthening existing structures. This has fostered the creation of important strategic alliances with leading pharmaceutical groups with a global footprint that continue to enable the distribution of Angelini Pharma products worldwide. To name just a few, these include Trittico (trazodone, antidepressant), Latuda (lurasidone hydrochloride, antipsychotic), Tantum (benzydamine, anti-inflammatory), Aulin (nimesulide, anti-inflammatory analgesic), Vellofent (fentanyl, analgesic) and Xydalba (dalbavancin).

Likewise, the Company has developed a **targeted local brand strategy**, promoting and targeting its products and services to a limited number of consumers based on

their geographical location. In fact, instead of hypothetical target audiences consisting of statistical demographics, local branding facilitates not only customer loyalty, but also leadership over local competitors while increasing corporate reputation and image in the target community.

The pharmaceutical products marketed and managed by Angelini Pharma in the main countries where it operates are summarized below.

COUNTRY	BRAND	DESCRIPTION
Bulgaria	29	In Bulgaria Angelini is present in the areas: Consumer Healthcare with Tantum Verde; the Central Nervous System with Trittico (for the treatment of depression) and Latuda (schizophrenia). Angelini's presence in the treatment of hepatitis (Epcclusa, Vosevi) and HIV (Biktarvy) is also significant.
Czech Republic	33	The therapeutic areas of interest are the Central Nervous System, which accounts for 22% of sales, where Angelini operates with Trittico in the treatment of depression and anxiety, and with Latuda in the treatment of schizophrenia. In Consumer Healthcare, Angelini is present with Tantum Verde, assisted in the treatment of respiratory diseases by Erdomed, a mucolytic indicated in the treatment of chronic obstructive pulmonary disease (COPD).
Greece	23	Angelini's presence in Greece is concentrated in the areas of the Central Nervous System (Trittico against depression and Latuda for the treatment of schizophrenia), Consumer Healthcare (with Tantum Verde for sore throats), and Hospital Care, where Angelini is present in infectious diseases with Xydalba, and in cancer pain with Vellofent.
Poland	27	Poland mainly markets Trittico, Erdomed, Levopront, Latuda, Glimbax in Prescription Medicines and Tantum Verde in Consumer Healthcare. The launch of ThermaCare is also planned by the end of the year.
Portugal	61	In Portugal, Angelini is present in the Consumer Healthcare areas with the brands Tantum Verde (mainly in the treatment of sore throats) and with the brands Magvit and Visolvit (vitamin supplements for adults and children); in the Central Nervous System area with Trittico (for the treatment of depression) and in the treatment of colds and flu with Erdomed and Levopront (adults and children). Angelini's presence in the oncology area is also significant.
Romania	19	Angelini Romania is mainly focused on four therapeutic areas: the Central Nervous System, which accounts for 19% of sales, with Trittico occupying a leading role in the treatment of depression; Consumer Healthcare (29% of sales), where Tantum Verde is the leader in its category; the area of pulmonary diseases where it is present with Erdomed; and finally hematology, represented by Iclusig, used for certain types of leukemia.
Spain	57	In Spain, Angelini is present in the Consumer Healthcare areas with the brands Juanola (balsamic lozenges that have been present in the market for over 100 years), Leotron (vitamin supplements) and ThermaCare (self-heating patches for treating pain); in the Central Nervous System area with Trittico (present with the brand Deprax and market leader for the treatment of depression) and Latuda (schizophrenia). Angelini's presence in the ophthalmic sector (Lubristil and Estila) and osteoarthritis (Condrosulf) is also significant.
Turkey	19	In Turkey, Angelini is present in the Consumer Healthcare area with the brands Tantum Verde (pain and inflammation of the mouth and throat) and Perebron (treatment of adult and children's coughs); in the Central Nervous System area with Trittico (present under the brand Desyrel) and Anzyl, both for the treatment of depression and mood disorders.
USA	N.A.	Angelini Pharma US has two divisions. One is focused on the marketing of infection control products and the other is for the production of ThermaCare for pain management . The infection control business includes five key product lines: Alcavis 50, ExSept Plus, Alcavis Bleach Wipes, Aniosgel and Peracidin. Alcavis 50 and ExSept Plus are the main brands and make up 75% of revenues, constituting leading brands in the home peritoneal dialysis market for disinfection.
Russia	12	In Russia, 80% of sales are in the Consumer Healthcare area, within which Tantum Verde is the leading brand for the treatment of pediatric and adult patient sore throats. The remaining 20% is in the Central Nervous System sector, where Angelini is present with Trittico for the treatment of depression and anxiety, and Latuda, indicated for schizophrenia.
Germany	11	In Germany Angelini is present in the Consumer Healthcare area with the brands ThermaCare (self-heating patches, second in the market for the treatment of pain) and Tantum Verde (mainly in the treatment of sore throats); in the Central Nervous System area it is present with the recently-launched Ontozry brand (anti-epileptic drug).
Slovakia	25	The Central Nervous System, with Trittico for the treatment of depression and Latuda (schizophrenia), is the main area of interest for Angelini Slovakia, along with Consumer Healthcare, where Angelini is present with Tantum Verde, and respiratory diseases (COPD), with Erdomed.

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Angelini Pharma wishes to continue the path of sustainability that it has undertaken in order to integrate it more fully in its future activities. With this objective, the Company intends to launch a series of projects in the medium and long term to limit the environmental and social impacts that its activities have on the territory and the community. The future goals that Angelini Pharma intends to implement are:

- design activities with increasingly stringent criteria related to eco-sustainability. In 2021 an application was submitted for the European project **"Eternal"** in collaboration with 16 partners, with the aim of optimizing the recycling/reuse of solvents at the Fine Chemicals plant in Aprilia, and the rationalization of energy use at the Ancona plant through the study of innovative processing methods applied to Ibuprofen (Moment) and Trazodone (Trittico);
- entry as a stakeholder in research supply chains aimed at minimizing the environmental impact of active ingredients and pharmaceutical excipients, through

studies and optimizations of the entire product life cycle. In 2021 Angelini Pharma became a stakeholder in the European project **"Pharmasea"**, aimed at assessing the environmental impact of certain active ingredients on water;

- priority introduction of feasibility analysis for the use of recycled/recyclable/compostable/reusable materials for each new project.

CUSTOMER RELATIONS

At the heart of the research and development process of new drugs, particular attention is always paid to the welfare of the patient who represents the most important customer for the Company.

Angelini Pharma Italia is structured into three Business Units, differentiated according to type of product and customer.

- **Consumer Healthcare BU:** develops its business primarily within pharmacies, OTC medicine retailers, cooperatives and drug wholesalers.

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- **Home & Personal Care BU:** the products of the BU Home & Personal Care are present not only in pharmacies and OTC medicine retailers, but also in the Home and Personal Care Mass Market. In this context, the biggest retail brands are included in the customer portfolio. A residual business of the BU, focused on the Amuchina brand, is developed with customers in the so-called Professional channel; mostly wholesalers serving hotels, cleaning companies, public and private healthcare facilities.

- **Prescription Medicine BU:** with regard to the customers of the Prescription Medicine BU, in addition to the pharmacies mentioned above, two important stakeholders must be added: physicians, both those employed in public and private hospital facilities and those operating under contract agreements (general practitioners and pediatricians), who prescribe medicines to patients. In the case of drugs reimbursed by the National Health Service, Angelini Pharma's customers include the National Health Service and the

21 Regions/Autonomous Provinces which, in a market defined as a "third-party payer", are the managers of the pharmaceutical expenditure budget, each in their own area of competence, and generally implement purchasing procedures through central purchasing bodies at regional level or over larger areas.

At the same time, Angelini Pharma's main after-sales services are provided by the **Company's Customer Service** (CS for Pharmacy/OTC Medicine Retailer/Wholesale customers, CS for Mass Market/Professional customers, CS for Hospital customers), which manages:

- information on the status of the order and delivery of goods;
- logistical problems (delays, stocks, damaged goods, deliveries that do not tally with the purchase order);
- returns and credit notes;
- administrative and credit-related information;
- the sending of various documentation requested by customers;
- information regarding promotional activities to be organized in the point of sale;

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- communications of any shortages/ replenishments of stock.

In addition, external surveys are performed each year and internal KPIs are defined to monitor the level of satisfaction of key customers. Alongside Customer Service, Angelini Pharma has developed a support service to improve access and adherence to therapy for patients suffering from mental illnesses who are particularly fragile.

During 2021, Angelini Pharma launched a series of initiatives to **raise awareness of responsible consumption and sustainability among its customers**. The education process covered three main areas:

- doctor training to raise awareness of the attention paid to prescription suitability and therapeutic adherence in relation to the drugs produced by the Company, through the sponsorship of training events;
- pharmacist training through digital educational snippets on the main symptom areas in which the Company operates, with the aim of informing consumers how to use

our therapeutic solutions in the most correct and appropriate way;

- promotion of environmental issues through the use of recycled and recyclable materials, reduction in the use of paper materials (for orders, regulatory procedures, and medical and scientific information through the implementation of QR codes in place of product data sheets), the use of environmentally sustainable promotional items, and the improved packaging of some products to extend shelf-life and improve preservation while reducing product waste.
- The Company has carried out several educational and patient support campaigns for these projects, such as:
- the **"Headaches are not all the same"** initiative (Moment) aimed at promoting culture, health and wellness related to the symptom of headaches. Launched in 2016, it further evolved in 2021 with the launch of www.imalditesta.com, which combines an educational function with that of providing product information in a single hub;

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- **digital pharmacist training plan on heat therapy**: aimed at increasing pharmacist knowledge and awareness of the use of heat therapy with self-heating patches for managing musculoskeletal pain, with a view to providing different types of patients appropriate and personalized advice;
- **"Mind's Ride" and "Finding Oneself"**: two educational and support initiatives for patients with mental disease, which have resulted in improved quality of life and a reduction in the risk of worsening disease trends and recourse to hospitalization;
- **IQVIA Cancer Pain Tracker**: a support program for cancer patients aimed at monitoring intense pain episodes throughout the day and adherence to Vellofent therapy;
- **"Hand Disinfection" campaigns** with different targets:
 - general practitioners: 25,000 bottles of Amuchina Xgerm 250 ml gel were distributed with the same number of "Educational" posters hung in waiting rooms;
 - children: carrying on from 2020, the distribution of the mini-book and poster "READY, DISINFECT, GO!" continued in pharmacies to get off to a safe start post-pandemic;
 - pharmacists and physicians: DEM project aimed at informing professionals about studies related to disinfection;

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- **harmoniamentis.it project:** online editorial aimed at popularizing “Brain Health” disease awareness issues in order to reduce the stigma felt by patients and improve public perception of mental illness;
- **nientemale.it project:** created with the aim of raising awareness, informing patients and making them more aware of the conditions that cause pain and the possible treatment pathways available to them;
- **free app “YouTreat”:** created with the aim of supporting clinicians with innovative solutions to improve patient experience in the cancer patient care pathway. An easy reference and quick-to-use tool for the evaluation and treatment of the most frequent symptoms in cancer patients;
- **“Ortho Pain School” project:** supported by SIOT, AUOT and AISOT, it offers orthopedic residency schools the opportunity to provide young residents (starting in their first year of school) with a specific training course on pain management in the orthopedic setting.

A hybrid project with residential and digital sessions began in 2021 and will involve graduate schools in various regions of Italy in 2022 as well;

- **“Campus Angelini” initiatives:** the educational “Campus” initiatives focusing on psychiatry, orthopedics and pediatrics are aimed at young medical residents and have facilitated discussions on clinical and professional issues useful for their future as specialists. Through the Campus training project, Angelini supports young doctors with a unique format, helping them to grow and establish themselves professionally.

In addition to the above activities, Angelini Pharma has set itself the goal of being **a key player in Europe in the field of mental health, central nervous system disorders and rare diseases**, developing and offering people with diseases and their loved ones innovative medicines and health solutions to improve their quality of life. In this context, Angelini Pharma is committed to hearing and taking heed of the

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experiences of patients in the management of their diseases, in order to identify and acknowledge unmet needs on which to focus its efforts. Indeed, it is through open, transparent dialogue between patients and industry that therapeutic alternatives and health solutions can be improved and customized. In 2021, the main activities promoted by Angelini Pharma in **Patient Advocacy** were aimed at listening to feedback in the field of epilepsy, a therapeutic area the Company entered at the beginning of the year with the acquisition of Arvelle Therapeutics, a Swiss biopharmaceutical company focused on bringing the cenobamate molecule to people with uncontrolled epilepsy in Europe. Angelini Pharma also created and promoted **Nodi**, a three-episode podcast to give voice to the stories of patients with mental and neurological disorders and the often hidden or underreported stories of their caregivers. Nodi brought to light the stories of Stefania Buoni – caregiver of two mentally ill parents and

founder of COMIP, an association for children of parents with mental disorders; Marta, the mother of Mattia, a six-year-old boy with epilepsy; and Donato, a young social worker with schizophrenia. Finally, Angelini Pharma relaunched the **Headway 2023** project, an annual initiative first held in October 2017 in collaboration with The European House - Ambrosetti. Headway is a multidisciplinary platform for strategic reflection, analysis, dialogue and comparison between different European experiences in the management of individuals with mental disorders. The goal of the project in 2021 was to continue the work begun, to share knowledge and know-how to find solutions to reduce the burden of mental disorders, not only in healthcare sectors, but also in workplaces, schools and society at large. On World Mental Health Day 2021, celebrated annually on October 10, The European House Ambrosetti and Angelini Pharma presented data from the study “Headway 2023 - Mental Health Index”, a



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multidimensional snapshot containing available data on mental health in the 27 EU countries and the United Kingdom, as well as the responses from healthcare and social systems, including school and work.

The purpose of the shared action, encapsulated in the index, is to reduce the burden of mental disorders and design a new mental health roadmap in Europe. This challenge will be met and addressed through initiatives that implement intervention dynamics to identify and manage risk factors and enable the recognition of critical situations before they become pathological. New solutions, appropriate, organized support and the promotion of lifestyles that enable everyone to regain mental well-being.

Angelini Pharma's product portfolio is composed of brands that communicate in a constant and continuous manner, such as Moment, Tachipirina and Amuchina, and brands that concentrate their activities during the most relevant season, such as Tantum Verde,

ThermaCare, Tachifludec and Acutil. The key communication activities include:

- **Moment:** "Lab" line campaign to continuously support the strategic and educational concept "Headaches are not all the same" through TV, digital and social media. Also featuring on a rotation basis during the year was a plan to support the launch of Moment and Momentact oral suspension, the first liquid Ibuprofen in the double dosage of 200 and 400 mg, carried out synergically via TV, DOOH advertising, digital and social media;
- **"Tachipirina Ecosystem" project:** creation of a direct channel with patients and caregivers to offer authoritative support and reassurance in the treatment of fevers, while simultaneously countering the misinformation found online. This project focuses particularly on children and is structured into different digital touchpoints:
 - Tachipirina dosages app;
 - QR codes on packs to access the package insert in 12 languages;

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- tachipirina.it brand site;
- Tachipirina Facebook page;
- abbassolafebbre.it editorial site;
- nonfartiinfluenzare.it editorial site;
- Tachipirina YouTube channel;
- **Amuchina:** expansion of the partnership between Amuchina and Trenitalia with the "Freccia Rossa and Intercity" segment. The goal of the collaboration is to raise awareness of disinfection among train travelers and ensure greater safety while traveling. The activity was supported with a media campaign on on-board train monitors and Trenitalia's social and digital channels, the distribution of samples at major stations in Italian cities, and the placement of dispensers on all trains. The Amuchina brand is also working on expanding its product range (e.g. disinfectant room sprays) so it can provide its consumers with additional solutions, and is carrying out a bottle transformation project with the goal of using 100% recycled plastic;

- **Tantum Verde:** launch of the new TV ad "Clouds" dedicated to the range with Flurbiprofen, with the aim of improving brand awareness during the sore throat season, an area in which Tantum Verde has expanded its range with a new all-natural line based on propolis and vitamin C for sore throats in children. A new website with an innovative, fully-responsive design is also supporting the brand;
- **ThermaCare:** multimedia TV and digital campaign aimed at raising awareness of ThermaCare heat therapy and self-heating patches as an alternative solution to medication in the treatment of osteo-muscular pain. To boost recollection and purchases, a novel "mobile proximity" campaign was launched to communicate the brand through smartphones or apps when near a panel of selected pharmacies. A new way to forge a close relationship with consumers and pharmacists;

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- **Tachifludec:** campaign to remind the public of the therapeutic effectiveness of heat and the uniqueness of a "hot drink" pharmaceutical solution in the treatment of cold symptoms, supported by a mixed TV, digital and social media campaign. Also of note is the Company's effort to support brand awareness and visibility among a younger audience in the digital sphere through the use of "addressability" campaigns, i.e. campaigns with different messages targeted at different audiences. Health information and education also appears in the digital sphere to counteract the rampant phenomenon of fake news, improve service standards and adopt a sustainable approach to customer relations. Looking to the future, Angelini Pharma aims to put patients more and more at the center of its projects in order to support their independent choices regarding self-medication and their

active role in the definition of diagnostic-therapeutic care pathways, through the increasing involvement of patient associations active in the therapeutic areas of reference.

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Consumer Goods

PRODUCT QUALITY AND SAFETY

The Fater business philosophy is based on the design, production and marketing of products that meet the highest standards of quality and safety in all markets in which the Company operates. To this end, Fater is committed to:

- meeting the expectations of customers and consumers, constantly adjusting its levels of quality and safety;
- ensuring the compliance of its processes and products with applicable standards and regulations, both mandatory and voluntary;
- supporting the commitment of its people and external partners to achieving quality and safety objectives, always providing procedures and training, constantly ensuring compliance with standards at all stages of the value chain;
- adopting a risk-based approach when making strategic safety and quality decisions;
- supporting consumers and customers through

the careful and prompt analysis of complaints and suggestions.

At its production plants in Italy (Campochiaro and Pescara) and abroad (Portugal and Turkey), the Company adopts a **responsible production approach** aimed at ensuring **product quality, respect for the environment** and **consumer safety**. The production process complies with the technical specifications provided by the Research and Development Department that describe both the properties of the finished product, the processes to obtain them, and the analytical methods to control them. **All Fater products undergo quality checks aimed at ensuring the correct performance of operations and the safety of the product batches that are subsequently marketed.** The objectives of these checks regard:

- the identification of critical parameters for monitoring and controlling the performance of Management Systems, on a monthly, quarterly, or annual basis, and discussing results and areas for improvement with workers;

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- the control of risks linked to the activities carried out at the Campochiaro plant, with the relative corrective and preventive plan and verification of the effectiveness of the systems;
- the reduction of the use of dangerous substances for the environment, the health and safety of staff and contractors;
- specific plant maintenance and the informing, education and training of people in order to prevent possible accidents that may have consequences on things and people;
- the analysis of incidents and accidents, the identification of root causes, the implementation of countermeasures, the verification of their effectiveness.

Of Fater's four manufacturing plants, the Campochiaro and Pescara plants currently possess **ISO 45001:2018-14001:2015-9001:2015** certification. As for the foreign sites, only the production plant in Porto is **ISO 45001-14001** certified.

Fater products come under three main categories governed by the following regulations:

- 1. Cosmetics**, with reference to the production of wipes: EC Regulation 1223/2009 of the European Parliament and Council of November 30, 2009 on cosmetic products;
- 2. medical devices**, regarding incontinence products and surgical masks: Regulation (EU) 2017/745 of the European Parliament and Council of April 5, 2017 on medical devices;
- 3. detergents** (Home Care line).

Each regulation indicates the mandatory information to be included on product labeling in terms of product type, use, batch number, instructions for use, list of ingredients (where applicable), indication of specific storage and/or handling conditions, warnings or precautions to be taken that must be brought to the immediate attention of the user and any other person, etc. In addition to these regulations, Italian Legislative Decree 152 of April 3, 2006, "Environmental regulations", requires that the type of packaging materials used be indicated regardless of the type of product.

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RESPONSIBLE SELECTION OF MATERIALS

In its production and marketing activities, Fater purchases a variable amount of materials from selected suppliers in order to carry out its production activities.

In 2021, purchases of raw materials and materials amounted to **235,302,375 euros**, 92% of which purchased by plants in Italy. The Company's most widely used material is **plastic/fluff**, which accounted for **69.77%** of the total materials purchased last year. This is followed by **chemicals** (20.82%), **cartons/boxes** (7.03%), **labels/coupons** (2.37%) and **finished products** (0.01%).

TYPE OF GOODS/MATERIALS/RM/SEMI-FINISHED GOODS/ COMPONENTS PURCHASED⁶⁹ (Euros)

	2019	2020	2021
Chemicals	5,386,712	6,360,167	48,991,715
Plastic/Fluff	7,374,303	7,154,436	164,177,944
Labels/Coupons	866,884	864,554	5,570,559
Cartons/Boxes	2,270,095	2,223,212	16,537,457
Finished product	-	19,249	24,700
TOTAL PURCHASES	15,897,994	16,621,618	235,302,375

⁶⁹ For 2019 and 2020, there is no data on purchases made by the plants in Italy.

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PROCESS AND PRODUCT INNOVATION

Fater's business philosophy is based on the combination of **product** and **innovation**, which guarantees the Company a prominent position in the market and the ability to meet complex customer needs in terms of both products and services in a world that is constantly evolving and where social and environmental challenges have become increasingly urgent.

Thanks to the development of new production processes and technologies, in recent years the Company has defined a pipeline of **"green" projects** for the brands it manages, thereby limiting the environmental impact generated by its production processes and facilitating the correct disposal of finished products. Among the projects already developed, the following are of particular note:

- **ACE**: the **ACE Green** line launched in fiscal year 2020-2021 saw the creation of detergent products with packaging made from **100% recycled cardboard or plastic**. Two main

types of products have been launched in the market:

- a line of recycled plastic bottles and paper labels containing a more eco-sustainable product formulation;
- a 100% virgin plastic-free line with recycled cardboard packaging and product sold in single-serving or refill formula.

Alongside this initiative, ACE also launched **eco-refills** for the ACE Spray Degreasers line. This product was developed to meet three main needs:

1. less use of plastic in packaging (78% less plastic than the regular spray product);
 2. greater economic savings;
 3. smaller footprint in terms of product storage;
- **Lines Natura**: Lines Natura is a range of sanitary pads and panty liners made from 100% **biodegradable and compostable** raw materials that combines all the Lines quality and absorbency with respect for the environment. The line was made according to the **UNI EN 13432** standard, which defines the requirements that packaging must meet

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in order to be recoverable by composting and biodegradation. In fact, disposing of Lines Natura products at a composting plant ensures their environmental impact is reduced by 90% compared to conventional absorbent pads in terms of biogenic CO₂. The impact would regardless be below 50% in the case of traditional disposal. Lines Natura has been present in stores since January 2022.

CUSTOMER RELATIONS

The Fater Consumer Service plays a **key role in coordinating customer relationship activities**, especially in the commercial area. In particular, it manages the information and assistance service through dedicated telephone numbers and e-mail addresses. In detail:

- a number + e-mail address for Italy for the Paper category (Pampers, Lines, Tampax, Lines Specialist);
- 2 black numbers for Italy for the Mask - surgical masks category;
- a black number + e-mail address for Italy for the F&HC categories (ACE, Neoblanc, Comet);
- multilingual black numbers + dedicated e-mail addresses for each foreign country where ACE, Neoblanc, Comet brand products are sold.

The Consumer Service receives reports, provides the consumer all necessary information and guidance to meet their needs, and records the contact in the system by

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opening a dedicated "case". All reports are recorded on a digital platform so they can be traced and consulted in the future. Through the use of this platform, the outsourced Consumer Service can interact in real time with the relevant business functions to provide the correct feedback to consumers. In the event of significant product defects, defective samples can be collected from the consumer's home by courier with the customer usually sent complementary products and/or shopping vouchers. The withdrawn samples are sent to the Quality Assurance Department for appropriate analysis. The production plant in Pescara receives and analyzes defective products belonging to the Paper categories (Pampers, Lines, Tampax, Lines Specialist), while the production plant in Campochiaro and the other foreign plants deal with F&HC products (ACE, Neoblanc, Comet). In particular cases, following damage related to the use of the products, the Company reserves the right to financially reimburse its consumers.

With a view to continuously improving its performance in order to meet the needs of customers and the international markets in which it operates, Fater has implemented **a system for measuring and monitoring the level of satisfaction of end users**. This evaluation is carried out through a survey administered to consumers on a voluntary and anonymous basis at the end of the contact they had with the Consumer Service. The data is analyzed on a monthly basis so the most appropriate strategies for providing a better service can be identified.

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Industrial Technology

Fameccanica designs and develops technologies, robotics and services for the industrial production of Consumer Goods products, sustainable packaging, automated handling and recognition for logistics, and digital services dedicated to process optimization. In particular:

- plants and/or technologies for the production of personal hygiene products, hygiene products and household cleaning products;
- robotic island solutions for the recognition, picking and handling of products and packages and the feeding of raw materials to production plants;
- automatic plants for "assembled products";
- digital solutions to monitor and improve the productivity and energy consumption of production facilities.

Fameccanica also produces, in cooperation with the German company Optima Packaging Group, **production lines for disposable hygiene product packaging under the registered trademark PAKSIS.**

PRODUCT QUALITY AND SAFETY

The Italian headquarters of Fameccanica has **ISO 9001 certification for its Quality Management System**, which covers the entire product lifecycle: from Research & Development to the sales phase, from delivery and installation to after-sales assistance. Particular attention in the Quality Management System is given to the **order management process** since the Fameccanica business model is based on the activation of the production process once the order has been received from the customer. In this way, the system ensures the highest level of transparency in the execution of the various stages of projects, leading to the delivery of highly complex solutions on time.

When supplying plants to its customers, Fameccanica makes sure to guarantee the best safety conditions in the use of the machines by the end users throughout the lifetime of the machinery. In fact, during the

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design phase, **for 100% of the machines marketed, the Fameccanica Group strictly respects the Machinery Directive 2006/42/EC**, which calls for the drafting of a technical file containing the assessment of the risks and the measures adopted to eliminate or minimize them, and the drafting of compulsory technical documentation, i.e. the "Spare Parts Manual" and the "Manual of instructions for the use and maintenance of machines". All the plants marketed by Fameccanica fully comply with legislative requirements and have the EC certification, which entails the drafting of a technical file containing all the instructions for the safe use of the product during its life until its disposal.

In addition to certifying its systems in accordance with EC regulations, the Company is also authorized to affix the **UL 508A (Underwriters Laboratories Inc.) plate** to electrical panels in all its plants, **which certifies that the design and construction process of the systems complies with the reference standards and essential safety requirements.**

Demonstrating its adherence to ethical principles, Fameccanica ensures that all of its products are not dual use, meaning that the goods and technologies sold cannot be used in the manufacture and development of different types of armaments.

RESPONSIBLE SELECTION OF MATERIALS

The plants manufactured by Fameccanica are made up of two main families of components: **commercial components** and **components manufactured according to a technical drawing.**

Commercial components can be standardized or they can be more or less complex groups made up of thousands of sub-components; in terms of economic volume they represent 50% of the cost of raw materials of the plants. As for the components made following a design (50% complementary in terms of volume), **the materials used most frequently are steels.**

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Aluminum is also used, but in a much lower percentage. Finally, raw materials derived from **plastic polymers** are used.

As far as the packaging for the plants or its components is concerned, the Company mainly uses wood and cardboard, the recycling of which is entrusted to the final customer, while the use of plastics is mainly limited to the protection of the parts and/or plants that are inside the primary packaging.

PROCESS AND PRODUCT INNOVATION

Fameccanica focuses on the following interesting growth areas:

- **Hygiene.** Area where the Company designs and develops technologies and lines for the production of disposable hygiene products according to market needs, which are increasingly oriented toward sustainable, superior quality and safer products for the end user.
- **Personal & Home Care.** Area where Fameccanica develops technology solutions for the production and assembly of Home and Personal Care products.
- **Robotics and Automation.** Fameccanica develops innovative robotic solutions for the automated handling, organization, and recognition of packages, objects, and containers, and more generally, for the automation of industrial processes.

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The growth areas are always based on the premise of offering customers a product in line with their needs. Innovation is always driven by sustainability.

Fameccanica believes in innovation and supports development projects. All-in is a key project currently being created with the European LIFE program.

- **All-in Project.** As part of the European LIFE program, it aims to launch an innovative, eco-friendly, integrated process which combines the production process of AHPs with processes for the in-line processing of raw materials normally produced off-line, in the same machine for the first time. The expected results are a 23% reduction in raw materials, a 10% reduction in CO₂ and a 10% reduction in costs. The processes developed for in-line material processing such as 3D Topsheet and in-line perforation of non-woven fabric are included in this project.

In the area of innovation, Fameccanica considers patents to be of strategic importance. Fameccanica currently has a portfolio of more than **750 active patent titles** belonging to 200 patent families. In 2021, it filed **85 new patent applications with the European Patent Office (EPO), an Italian record.**

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CUSTOMER RELATIONS

The customers who use Fameccanica technologies and services are multinationals or private labels of large, medium and small dimensions operating in the manufacturing or logistics sector, whose business is related to the personal care and hygiene, household and consumer goods logistics markets.

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

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

- **Sale of spare parts:** supply of original Fameccanica plant components that ensure

quality and continuity of the production process;

- **Technical assistance services:** for post-installation work on 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 upgrade it to state-of-the-art level;
- **Repairs/Maintenance;**
- **Remote Assistance:** 24 hour a day remote assistance service to customers to ensure consistent and efficient production;
- **Training:** dedicated training in which working methods and technical characteristics of Fameccanica solutions are shared with the customer to ensure the vertical start-up of the plant and reduce the learning time required by operators, who represent the end users of the technologies;
- **Digital service:** apps and digital services based on IoT technology. With these services, customers can access performance and process data from their production lines.

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In the digital field, great importance is given to secure information management; to this end, in 2021 Fameccanica launched a **project to obtain Management System Certification according to the ISO 27001 "Information Security Management" standard** at the Italian plant in order to ensure the security of its data. In fact, the ISO 27001 standard enables the creation of an **Information Security Management System** in line with "best practices" in information asset protection. Fameccanica manages the protection of information resources through:

- a careful employee training and engagement policy (all employees take cyber security courses through an online security education platform; newsletters are sent with practical examples);
- constant monitoring of the security level with external assessments;
- investments in technologies dedicated to digital identity protection, physical protection and logical protection.

With the aim of providing an increasingly efficient and high-performance service and product, Fameccanica conducts **customer satisfaction** surveys. In order to collect and properly manage information on satisfaction levels with the product or service provided, the Company adopts an evaluation system based on a survey. The survey consists of questions depending on the type of product sold and analyzed by the Marketing Department. For after-sales services, the surveys are managed by the Customer Care Department. Both assessments conducted on the basis of surveys lead to a careful analysis of the customer's opinion and the areas of improvement suggested, in order to improve the range of products and services offered.

In parallel, the initiatives undertaken by Fameccanica to raise customer awareness of the need to respect the environment are linked to the development of two approaches: one operational, linked to the development

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of increasingly sustainable products and solutions, the other aimed at disseminating the advantages of its solutions in terms of sustainability. In the latter case, the **dissemination of the results of the European Community-funded LIFE-GLUELESS project** continued in 2021, which aims to decrease the use of glues in disposable baby diapers, as did the first results of the **LIFE ALL-IN project related to in-line material transformation**. Direct contact with customers and the constant disclosure of the sustainability aspects of these projects have helped raise awareness of the customer portfolio toward the adoption of increasingly sustainable solutions and technologies.

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Perfumery and Dermocosmetics

Angelini Beauty is the Business Unit of Angelini Industries, based in Milan, which works in the **selective perfumery and skincare & suncare sectors** through license agreements with both companies in the Fashion sector and proprietary brands.

Angelini Beauty is responsible for the creation, development and international distribution of the perfume lines of Trussardi, Laura Biagiotti, Blumarine, Mandarina Duck, Angel Schlessler, Armand Basi, Chiara Ferragni and the skincare & suncare line of Anne Möller. It also distributes the Versace, Moschino, Dsquared2, Atkinsons and Missoni brands in Spain, and the Filorga, Le Couvent des Minimes, Courrèges, Elle and Comodynes brands in Germany.

PRODUCT QUALITY AND SAFETY

Since the entire production process is outsourced, Angelini Beauty establishes agreements with its suppliers on the standards of the finished product and components,

the schedule for managing production batch deviations, the methods for the incoming control of components and formulations, and the criteria for releasing production batches. In support of the existing process based on **preventive actions (CAPA)**, in the second half of 2021 the Company began developing a Management System based on **subcontractor supply specifications**: formal documents through which Angelini Beauty manages the compliance of finished products and the materials used to make them under contract. The specifications, including their technical annexes, contain information about:

- general principles of allocation of mutual **responsibilities**;
- **quality level measurement systems** according to standard regulations (ISO 2859);
- **criteria for unique identification (batch), traceability, storage** of samples and information;
- **technical characteristics of the components**, the checks to be carried out to ensure their quality and safety, and the acceptance criteria.

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For each product, based on the findings during the production process, possible production defects are defined, their severity is weighted and communicated within the technical annex. Statistical sampling is also requested according to a plan defined by the Company, and the batch release criterion is communicated.

In order to guarantee and protect the health of the final consumer, **Angelini Beauty subjects its cosmetic formulations to multiple tests and protocols**, aimed at guaranteeing the safety of the products and the absence of serious risks for the customer. The tests conducted include:

- **challenge test:** guarantees microbiological safety and prevents the risk of bacterial contamination;
- **patch test:** tests whether the formulation has an irritant potential once applied to the skin;
- **stability test under radical temperatures and exposure to sunlight:** accelerates the aging of the product and ensures that the formulation does not change its characteristics and become dangerous during long periods of storage or use;

- **transport test:** verifies that the packaging has been properly designed to ensure both product safety and transport;
 - **efficacy tests**, at independent laboratories, which support and demonstrate the properties claimed by the product.
- The Company also pays close attention to the evolution of the European regulatory framework for product safety, and for this reason created a repository in 2021 providing technical and regulatory information about each individual product marketed. The repository feeds into a **Eucostar document collection information system with the calculation of product risk factors, aimed at conducting a safety assessment of products and ensuring the traceability of changes over time**. To support this system, an e-mail account (regulatory@angelinibeauty.it) has been set up to collect all consumer reports of adverse reactions triggered by product use and responsibly manage cosmetic vigilance through Eucostar. During 2021, no product safety issues were detected either during testing activities at

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external laboratories or once the products were released to the market. In parallel with this activity, Angelini Beauty has taken steps to bring its products sold in Britain into compliance with the new criteria enunciated by Brexit.

In compliance with EC Regulation 1223/2009, Angelini Beauty guarantees the traceability of its products by indicating on the label:

- the name or business name of the person responsible;
- the nominal content of the product;
- the expiry date or shelf life of the product after first opening;
- the function of the product;
- precautions for use;
- the list of ingredients according to INCI, including the allergens indicated in Annex III of Regulation 1223/09;
- translation of the product's function into the languages of the countries in which it will be distributed.

In the near future, Angelini Beauty aims to complete the implementation of the supply specifications system, managing the product validation process in a codified manner in the industrialization phase and reporting all the information related to standards and samples in terms of approval status, distribution and expiration in a single file, with the aim of reinforcing the quality control process.

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RESPONSIBLE SELECTION OF MATERIALS

The main materials used by Angelini Beauty are related to the packaging process, which is carried out directly by the Company, as shown in the table below.

In 2021, Angelini Beauty used **828.21 tons of material**, the largest amount being glass, 56%, followed by FSC-certified paper and cardboard (20%) and plastic (11%). Material recycling is carried out at packaging suppliers' production facilities where, for example, scrap and waste from glass production is recovered.

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TYPE OF RAW MATERIALS/ MATERIALS/COMPONENTS/ SEMI-FINISHED PRODUCTS ⁷⁰	2019		2020		2021		
	TOTAL WEIGHT (t)	OF WHICH MATERIAL FROM RENEWABLE SOURCES	TOTAL WEIGHT (t)	OF WHICH MATERIAL FROM RENEWABLE SOURCES	TOTAL WEIGHT (t)	OF WHICH MATERIAL FROM CERTIFIED SOURCES	INDICATE CERTIFICATION
Wood	1.09	n.a.	-	n.a.	-		
Steel	3.46	n.a.	2.50	n.a.	4.64		
Aluminum	7.71	n.a.	4.63	n.a.	20.04		
Other metals	5.68	n.a.	5.60	n.a.	11.18		
Plastic	105.70	n.a.	40.41	n.a.	87.13		
of which HDPE plastic	37.35	n.a.	22.80	n.a.	14.20		
of which LDPE plastic	-	n.a.	-	n.a.	1.47		
of which PET plastic	2.65	n.a.	2.20	n.a.	5.32		
of which PVC plastic	0.30	n.a.	0.70	n.a.			
of which other PE plastics	30.58	n.a.	7.00	n.a.	15.31		
Glass	307.12	n.a.	118.47	n.a.	466.47		
Paper/Cardboard	212.53	n.a.	57.33	n.a.	163.52	70%	FSC
Leather	0.11	n.a.	-	n.a.	0.04		
Iron	0.15	n.a.	-	n.a.	0.09		
Fabrics	0.40	n.a.	-	n.a.	0.31		
Other materials	9.58	n.a.	1.74	n.a.	68.21		
Mixed	14.26	n.a.	-	n.a.	6.59		

⁷⁰ The data on materials purchased by Angelini Beauty's Italy site for the two-year period 2019-2020 are not available.

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PROCESS AND PRODUCT INNOVATION

In a historical period characterized by important ecological and environmental challenges, Angelini Beauty considers innovation as an indispensable element to foster sustainable growth in the long term.

Despite this, the recycled materials component appears negligible to date; in 2021 the Company placed great emphasis on the issue of **material recyclability**, initiating a **process of reviewing and updating guidelines for the creation of new, more eco-sustainable olfactory and skincare proposals** while simultaneously evaluating the **use of packaging containing varying percentages of post-consumer recycled (PCR) plastics**, including polyolefins and derivatives. The first line based on packs made from recycled materials, designed in 2021 for Anne Möller's "Clean Up" product, will be produced in 2022.

In parallel with this activity, Angelini Beauty conducted a **Life Cycle Assessment (LCA) study** on the bottle and box of the bestselling Mandarin Duck Donna to detect the change in environmental footprint resulting from the weight reduction of both the glass and paper used. LCA is a standardized method for quantitatively assessing environmental impacts; it is based on the analysis of the consumption of environmental resources in terms of raw materials and energy used to make a product, and analyzes the impact this may have during its use and at the end of its life cycle, post consumption.

With the collaboration of ERGO, Angelini Beauty analyzed the effect of substantial changes in the supply chain and the redesign of Mandarin Duck Donna, including the reduction of the weight of the bottle from 208 to 162 grams, the 10% reduction in the paper needed to make the box, and the elimination of its plastic coating. The consumption analysis performed directly at production sites revealed:

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- an **83% reduction in CO₂ emissions**;
- a **decrease in the risk of marine eutrophication by 72%**. Eutrophication is the uncontrolled growth of algae that results in a large consumption of oxygen in the water, impairing the life of animal species that inhabit the seas and reducing their biodiversity;
- an **89% reduction in the use of mineral resources**.

Emissions are thus reduced in the annual production of the Mandarin Duck Donna bottle by about **98,000 kg-CO₂eq**, equal to the amount of CO₂ absorbed in one year by 13,000 trees. Energy consumption was also reduced by an amount equal to that required to fully illuminate a stadium for about 70 soccer matches. In the last fiscal year the Company also organized a series of research and development activities aimed at improving the production process and offering increasingly innovative and sophisticated products in order to satisfy and surprise customers. The main initiatives

undertaken during the year of reference are outlined below:

- continuation of the **Anne Möller line revamping process**. The formulas have been modified by eliminating aluminum derivatives, silicones, PEG, while textures have been improved through the use of ingredients of natural origin;
- development of the line extension of Trussardi's new women's fragrance, again using materials from **industrial waste and renewable sources**;
- continuation of the process of updating **the design of the Mandarin Duck Donna** bottle and box, with the glass of the bottle "deglazed", and thus reduced by 22%, and the weight of the box reduced by 10% by modifying the polyester finish that prevented its complete recyclability;
- project to **reduce the cardboard materials** used for merchandising. To this end, the Company has taken steps to reduce the use of paper in the boxes of the Laura Biagiotti Roma

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and Roma Uomo franchises by 40%;

- replacement of galvanization with **sputtering** in a number of products (e.g. Trussardi Le Vie di Milano, Levriero, and My Name);
- reduction of the glass decoration of Trussardi Sound of Donna in order to decrease the use of inks.

In Angelini Beauty's vision, the Company intends to promote various measures that generate a strong positive impact on both the environment and society. In this sense, one highly sensitive area in the Beauty world concerns the promotion of consumer education in order to increase demand for sustainability. The aim is to **create a number of partnerships with different retailers to help identify sustainable products in the eyes of consumers and promote a change in their behavior.**

Similarly, the Company's focus on monitoring its impact in terms of carbon emissions involves the development of a structured control process for suppliers to verify the promotion of

and compliance with sustainability issues. With the aim of creating value throughout the supply chain, the Company has therefore **developed, disseminated and shared the Supplier Code of Conduct** in Italy, which will be extended in 2022 to the Foreign Operating Companies. The consolidation and standardization of product conformity management methods and the codification, in official documents, of control plans for components and finished products is also included in this process. At the same time, Angelini Beauty wants to start a "**paperless company**" process to reduce the use of paper and accelerate the organization's digital transformation journey.

Starting in the second quarter of 2022, Angelini Beauty will apply the developed **ecotool**, which will allow it to perform a **preliminary calculation of the sales unit's environmental impact** and propose optimizations based on: choice of materials, choice of decors, location of suppliers and transportation modes, level of

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complexity, sustainability, and product end-of-life. This tool will also make it possible to quantify the impacts related to product end-of-life. Alongside this activity, the Company aims to begin a course of **study and research on industrial recycling processes**. The goal is to:

- adopt sustainable options for making bottle caps, usually made of composite materials that are difficult to recycle (Surlyn), and filled materials, to reduce the portion to be disposed of as unsorted waste;
- implement an SAP reporting policy to easily and automatically obtain material consumption information.

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PARTNERSHIP WITH TRUSSARDI AS AN EXAMPLE OF SUSTAINABILITY

The topic of sustainability is a sphere in which the goals of the Company align with the interests of its licensors. A good example of this is the development of Trussardi's new women's fragrance, for which an innovative product has been created to promote a more ethical and green approach to cosmetics. In fact, 80% of the fragrance is composed of alcohol produced by biotechnology using sustainable processes. For the packaging, following the eco-design trend, FSC (Forest Stewardship Council) certified paper was used, which guarantees that the raw material used comes from forests where strict environmental, social and economic standards are met. The upper part of the cap is decorated with a completely plant-based material made from fibers derived from apple cores, while the remaining part of the cap is made from a polypropylene material (polymeric, plastic), 35% of which derived from

renewable resources. In addition, for this launch all in-store merchandising materials, such as shelf and counter displays, were made from recycled and recyclable materials.

Thanks to the development of this project, a naturally derived polyolefin, terralene PP, was developed for the first time and will be used throughout the Trussardi franchise in the coming years.

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CUSTOMER RELATIONS

The products created by Angelini Beauty are distributed in almost **80 countries in Europe, the Middle East and Asia, the United States and Latin America**. The Company's main revenues (65%) come from the Italian, Spanish, Portuguese, Austrian, Swiss and German markets.

Working primarily with licensors, Angelini Beauty has two types of customers:

- **Business to Business channel with international distribution organizations** (branches, distributors);
- **Business to Business channel with Retail organizations.**

In 2021, the **order to cash** flow was analyzed and codified in procedures, as was the process of **managing customs procedures** for the export of products, taking account of the constraints related to sanitary registrations required in some countries. Similarly, the service level monitoring procedure has been formalized to

track the **level of satisfaction of customer requests** through appropriate indicators, OFR and CFR. Finally, branch replenishment criteria were codified, optimizing both stock management and the impact of transportation. In the event of product defects, **customer support is handled by Customer Service in cooperation with R&D**. Defects are regularly recorded in a special file, and Quality Control follows up on actions to resolve any issues reported by customers. Regulatory Affairs provides all additional information required by customers to create their own product archives, useful for storing and monitoring regulatory compliance status or for setting up technical communication in web pages.

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TRUSSARDI AND FOCUS ON INCLUSIVENESS IN EXTERNAL COMMUNICATIONS

To celebrate the new Trussardi Eau de Parfum fragrance, an International Maxi Influencer Activation was held involving 82 influencers from nine countries, including Italy, Spain and Germany, chosen to interpret the codes of Trussardi's new take on femininity.

Sharing a strong passion for style, beauty, fashion and accessories, the talents are also committed to important issues such as women's empowerment and social and environmental causes. Young women "who have something to say".

The individuals were chosen according to two cornerstones: inclusiveness and respect for diversity. The result was the involvement of women of different nationalities, ethnicities, life experiences, beauty types, cultures and sexual orientations, who interpreted Trussardi's new interpretation of femininity while expressing their own personalities.

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Wine sector

Angelini Wines & Estates is a company that produces and sells fine wines. In 2018, the Company became a "Società Agricola" (farming company) thus enabling it to tie its wine production exclusively to its own vineyards. The brands, estates and wines that distinguish the Company are:

BERTANI
DAL 1857

Bertani
(Verona, Veneto):
Valpolicella

**CANTINA
PUIATTI**

Cantina Puiatti
(Romans D'Isonzo, Friuli):
Collio Isonzo


TENUTA
TRE ROSE

Tenuta Trerose
(Montepulciano, Tuscany):
Montepulciano


SAN LEONINO

San Leonino
(Castellina in Chianti, Tuscany):
Chianti Classico


VAL DI SUGA

Val di Suga
(Montalcino, Tuscany):
Montalcino

FAZI BATTAGLIA

Fazi Battaglia
(Castelplanio, Marche):
Verdicchio dei Castelli di Jesi

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PRODUCT QUALITY AND SAFETY

At Angelini Wines & Estates, a **self-management** system is active **which takes the HACCP System as a reference**, in compliance with the requirements of EC Regulation 852/2004 on the hygiene of foodstuffs and national legislation on the hygienic and sanitary protection of food and beverages. In fact, **the winery operates in compliance with European Community regulations on winemaking practices and according to the relevant decrees, applicable laws and procedural guidelines on appellations of origin and geographic indications.**

Analytical controls for possible contaminants are carried out for all wines produced, in line with the laws in force. In accordance with the provisions of Article 21 of EC Regulation 1169 of 2011 regarding food information for consumers, wines produced by the Company only contain sulfites, as explicitly stated on the label. The presence of other types of allergens is subject

to verification in accordance with the self-management system, which so far has always produced negative results. In this regard, the quality and safety of products is monitored through preventive controls that include the analysis of each mass on residues of pesticides, heavy metals and allergens and the control of sulfite levels at each stage of processing, which is validated monthly by examinations carried out by an accredited external laboratory. The chemical and organoleptic characteristics of finished products are presented by means of specific specifications, as well as in the specifications of PGI and PDO wines or in supply contracts. Finally, each manufacturer and retailer is required to provide the GMO-free declaration and, for each material, the MOCA Declaration of conformity.

In addition to guaranteeing the safety and quality of its products, Angelini Wines & Estates is committed to **systematically screening its suppliers**. The Company requires declarations of conformity to food contact from suppliers of plants, equipment and materials, and in the

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case of equipment and materials containing plastic parts, ensures that the declaration expresses compliance with the requirements specified by EC Regulation 10/2011. As regards the **management of the traceability of ancillary materials** used in the last part of the processing, in addition to the declaration of food suitability, the certificate of compliance with established technical specifications must be provided for each batch of corks, while for the supply of bottles the migration analysis of the glass must be provided and kept up to date (only in the presence of substantial changes in the production of the material).

In this sector, the label displayed on the bottle of wine represents a sort of "identity card" of the product that guarantees its quality and value. The mandatory information to be reported on the label must be clear and legible without having to rotate the bottle. Wines with denomination of origin must absolutely indicate:

- the name of the wine, i.e. the grape variety, geographical area or brand;

- classification: Protected Designation of Origin (DOC/DOCG/PDO) or Protected Geographical Indication (PGI/IGT); for wines without denomination of origin the category can be indicated (red wine, white wine, rose wine);
- the geographic indication or designation of origin and any mention of the grape variety;
- the details of the bottler. For PDO and PGI wines, the indication "bottled at origin" is allowed; details of other operators in the supply chain, such as the producer or distributor;
- the Actual Alcoholic strength by volume (TAVE) expressed in percentage units or half units followed by "% vol";
- the analytical tolerance with respect to the value indicated on the label: 0.5% vol. or 0.8% vol. for PDO and PGI wines bottled more than three years ago;
- the volume of the container in cl;
- the eventual presence of allergens (sulfites, egg, milk or other);
- the batch number.

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RESPONSIBLE SELECTION OF MATERIALS

The industrial production process of Angelini Wines & Estates consists of **two main phases**. The first phase is the production and transformation of the raw material "grape". No additional materials or components are used at this stage other than the agricultural product as listed in the table.

				2019
TYPE OF RAW MATERIALS/MATERIALS/ COMPONENTS/SEMI-FINISHED PRODUCTS	WEIGHT (t)	OF WHICH MATERIAL FROM RENEWABLE SOURCES	OF WHICH MATERIAL FROM CERTIFIED SOURCES	INDICATE CERTIFICATION
	4,018.81	4,018.81	-	-
				2020
GRAPES	WEIGHT (t)	OF WHICH MATERIAL FROM RENEWABLE SOURCES	OF WHICH MATERIAL FROM CERTIFIED SOURCES	INDICATE CERTIFICATION
	3,832	3,832	514.4	"RRR" for Valpolicella area grapes
				2021
GRAPES	WEIGHT (t)	OF WHICH MATERIAL FROM RENEWABLE SOURCES	OF WHICH MATERIAL FROM CERTIFIED SOURCES	INDICATE CERTIFICATION
	3,493.35	3,493.35	541.78	"SONP" for Novare estate grapes
			453	"BIO" Tenuta Trerose grapes



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Of the **3,493.35 tons** of grapes processed in 2021, about 28.5% of the product is certified. In fact, in the last fiscal year, Tenuta Trerose obtained its first **100% organic** harvest, producing wine made from grapes grown according to the principles of organic farming, which typically excludes the use of artificial chemical fertilizers, pesticides, fungicides and herbicides. At the same time, the Novare estate obtained **SONPI (National Quality System of Integrated Production) certification**, a voluntary certification intended for all agricultural and agri-food products that come from an integrated production system, meaning it is a sustainable agricultural system with low environmental impact.

In this first phase of grape growing and processing, the waste materials produced are recycled or sent to other processing industries. In particular:

- sarments, used on the farm as composting and fertilizing materials;

- pomace, delivered to third parties for the production of alcoholic products;
- stalks, delivered to third parties as composting and fertilizing material;
- dregs, delivered to third parties for the production of alcohol.

The second phase concerns the process of transforming the raw material "wine" into the finished product "bottled wine". In this phase, Angelini Wines & Estates uses ancillary materials composed entirely of a percentage of renewable sources and almost totally certified. The materials used are shown in the following tables.

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TYPE OF RAW MATERIALS/MATERIALS/ COMPONENTS/SEMI-FINISHED PRODUCTS <i>(Euros)</i>	2019			INDICATE CERTIFICATION
	VOLUME	OF WHICH MATERIAL FROM RENEWABLE SOURCES	OF WHICH MATERIAL FROM CERTIFIED SOURCES	
Direct raw materials	623,570.60	623,570.60		
Bottles (glass)	1,067,104.98	693,618.24	693,618.24	ISO 9001, ISO 14001, ISO 45001
Corks (cork)	734,081.61	587,265.29	587,265.29	FSC certification for forests
Capsules (multi-material)	104,708.71	-		
Boxes (cardboard)	257,235.31	252,090.60	252,090.60	FSC, PEFC, ISO 9001, ISO 14001, ISO 18001 certification
Internal dividers (cardboard)	56,508.71	55,378.54	55,378.54	FSC, PEFC, ISO 9001, ISO 14001, ISO 18002 certification
Labels (paper)	505,187.80	353,631.46	353,631.46	FSC certification for forests
Boxes (wood)	444,723.33	435,828.86	435,828.86	FSC certification for forests
TOTAL	3,793,121.05	3,001,383.59	2,377,812.99	-

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TYPE OF RAW MATERIALS/ MATERIALS/COMPONENTS/SEMI- FINISHED PRODUCTS (Euros)	2020			
	VOLUME	OF WHICH MATERIAL FROM RENEWABLE SOURCES	OF WHICH MATERIAL FROM CERTIFIED SOURCES	INDICATE CERTIFICATION
Direct raw materials	733,305.12	733,305.12		
Bottles (glass)	1,132,329.84	736,014.40	736,014.40	ISO 9001, ISO 14001, ISO 45001
Corks (cork)	694,667.22	555,733.78	555,733.78	FSC certification for forests
Capsules (multi-material)	102,843.21	-		
Boxes (cardboard)	263,159.23	257,896.05	257,896.05	FSC, PEFC, ISO 9001, ISO 14001, ISO 18001 certification
Internal dividers (cardboard)	43,121.56	42,259.13	42,259.13	FSC, PEFC, ISO 9001, ISO 14001, ISO 18002 certification
Labels (paper)	467,828.14	374,262.51	374,262.51	FSC certification for forests
Boxes (wood)	302,112.16	302,112.16	302,112.16	FSC certification for forests
TOTAL	3,739,366.48	3,001,583.15	2,268,278.03	-

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TYPE OF RAW MATERIALS/ MATERIALS/COMPONENTS/SEMI- FINISHED PRODUCTS (Euros)	2021			
	VOLUME	OF WHICH MATERIAL FROM RENEWABLE SOURCES	OF WHICH MATERIAL FROM CERTIFIED SOURCES	INDICATE CERTIFICATION
Direct raw materials	1,548,519.34	1,548,519.34		
Bottles (glass)	1,382,115.33	898,374.96	898,374.96	ISO 9001, ISO 14001, ISO 45001
Corks (cork)	772,097.28	617,677.82	617,677.82	FSC certification for forests
Capsules (multi-material)	134,492.28	-	-	
Boxes (cardboard)	363,593.99	356,322.11	356,322.11	FSC, PEFC, ISO 9001, ISO 14001, ISO 18001 certification
Internal dividers (cardboard)	49,401.11	48,413.09	48,413.09	FSC, PEFC, ISO 9001, ISO 14001, ISO 18001 certification
Labels (paper)	736,229.23	721,504.65	721,504.65	FSC certification for forests
Boxes (wood)	312,300.44	309,177.44	309,177.44	FSC certification for forests
TOTAL	5,298,749.00	4,499,989.41	2,951,470.07	-

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The volume of purchases of raw materials, materials, components and semi-finished products came to **5,298,749 euros** in 2021, about **41% higher than the previous year**. This increase was mainly due to the full resumption of production activities after the drop in production in 2020 due to the Covid-19 pandemic, and the implementation of a procurement policy aimed at preventing the supply difficulties anticipated for 2022. The most commonly used materials in this production phase are **direct raw materials**, which accounted for 29% of revenues allocated for materials in the last fiscal year, followed by **glass**, used to make bottles (26%), and cork, used for the bottle corks (14%). During the production process that leads to the creation of the finished product "bottled wine", ancillary material waste such as glass, paper and cardboard is sent to specific companies for recycling, whereas cork is collected directly from suppliers in order to be reintroduced in the production cycle.

The percentage of recycled glass used in the production of bottles varies according to the color of the glass itself and can range from a minimum of 20% for "white" glass to a maximum of 75% for "green" glass. The percentage reported in the table takes into account the different types of glass used for the bottles of Angelini Wines & Estates products.

PROCESS AND PRODUCT INNOVATION

Information and continuous training allows Angelini Wines & Estates and its employees to stay constantly updated on the evolution of the wine sector. The main activity carried out in recent years has been the evaluation of the environmental impact of the activities carried out in the vineyard which, as mentioned above, led to the Organic certification of Tenuta Trerose, which

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accounts for about 25% of the Company's vineyards.

On non-organic farms, activities have been carried out to significantly decrease the use of pesticides. In fact, thanks to the efficiency of distribution and the use of a network of meteorological data (DSS) that supports the Company in its crop protection strategies, Angelini Wines & Estates has been able to significantly reduce the use of chemicals in its production processes. In addition to these projects, special attention has also been paid to soil fertility. In this context, the Company is carrying out a number of studies on the use of a green biotechnology to improve and stimulate the microbiological activity of the soil, thus reducing the use of fertilizers and increasing the resistance of plants to abiotic stress. Finally, Angelini Wines & Estates continues to implement **precision viticulture**, a pillar of agriculture 4.0, in order to improve product quality and limit the excess use of certain

technical means, with significant economic savings. From this point of view, in recent years the digitalization process has enabled the remote control of many tools which are indispensable in the working processes of both the farm and the winery. In winemaking, **digitalization has made it possible to plan and control processes in a precise and timely manner**, with less manpower and greater quality in the performance of activities. It has also helped reduce energy waste, allowing for more efficient management of cellar temperatures and humidity, as well as automating and making washing during filtration more effective, thus reducing water usage and generating less waste. Angelini Wines & Estates intends to make sustainability a fundamental pillar of its future activities. As a matter of fact, the Company's view is mainly focused on the need to develop the efficient management of green areas and strict control on the impact that the supply

Social and relational capital

chain produces on the territory, but also on the incidence it has on the social fabric. For decades, the local community has provided considerable support for the Company's wine business in the care and development of the agricultural land, in order to compete at high levels on the market. For this reason, Angelini Wines & Estates would like to further enhance and promote this relationship by making it one of its production strengths.

Another long-term mission that the Company wants to pursue concerns the theme of **consumer wellness**, through the promotion of the natural features of the product. In this context, Angelini Wines & Estates would like to implement an IFS-certified food safety management system which is more focused, consistent and integrated than normally required by law, thus standardizing controls in all its wineries and ensuring greater safety for the consumer. The IFS certifications will be obtained between 2022 and 2023.

CUSTOMER RELATIONS

With its six wineries (Bertani, Cantina Puiatti, Val di Suga, Tenuta Trerose, San Leonino and Fazi Battaglia) located in the main rural areas of Italy, Angelini Wines & Estates caters for **three types of customers**: the Horeca channel (restaurants and wine shops), large-scale retail and end consumers.

Customers are assisted through the traditional phone and e-mail contacts found on the main website. From the Angelini Wines & Estates website it is also possible to access the websites of the individual wineries, where customers can check out new products and stay up to date on the latest news and organized events.

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Relations with the community



Entirely funded by the Company's profits, **Angelini Foundation** conducts its activities according to the guiding principle of the Angelini Industries Group: taking care of people and families in everyday life. The Foundation supports solidarity projects and measures in the social, health and culture areas with a special focus on the territories in which the Angelini Industries Group is present.

The Angelini Foundation takes its inspiration from fundamental and ecumenical values: attention to people, support for the vulnerable, education, respect for everything that surrounds us and for the environment in which we live. Timeless and at the same time extraordinarily modern values inspire our vision of the future.

The Foundation welcomes everyone's contribution and, in addition to social support initiatives, aims to promote reflection on the most sensitive issues for humanity through discussion initiatives.

Founded in 2010, it pursues numerous projects. The most recent of these include the 2021 construction of **Casale Angelini**, Italy's first "Care House", designed as a home for cancer patients undergoing treatment at the AOU Ospedali Riuniti University Hospital in Ancona, the city where the Group was established and where it is present with its largest pharmaceutical manufacturing plant. The project was made possible thanks to a memorandum of understanding between the Angelini Foundation and the Marche Region, Ancona City Council, Marche Polytechnic University and the AOU Ospedali Riuniti University Hospital of Ancona, as well as non-profit organization Artis, which manages Casale.

The Foundation has also contributed to the improvement of the DEA structure of the Ospedali Riuniti of Ancona, a hub for the entire Marche Region.

Social and relational capital



It has supported initiatives to combat the Covid-19 emergency, including the financing of the diagnostics automation project of the laboratories of Lazzaro Spallanzani Hospital in Rome, a donation dictated by its desire not only to react to the emergency but also to incentivize long-term research.

In collaboration with MadreNatura, the joint venture between Angelini Industries and the Hero Group that operates in the baby food sector, it promoted **a food adoption project for children of weaning age** in 2021, assisted by Banco Alimentare Lombardia and Banco Alimentare Abruzzo.

Angelini Foundation cares deeply about the preservation of Italian cultural heritage and the environment; the actions in support of FAI - Fondo Ambiente Italiano - for the restoration of Villa Gregoriana in Tivoli, and INDA (Fondazione Istituto Nazionale del Dramma Antico) for the reopening of the Greek Theater in Syracuse last summer season were both taken in this direction.

More recently, the Foundation helped establish the largest pediatric palliative care center in

Italy, the only one in central Italy, built by the Bambino Gesù Children's Hospital in Fiumicino and opened in March 2022.

It currently supports Unicef and the Italian Red Cross as well as other organizations involved in the ongoing humanitarian emergency in Ukraine.

Alongside the work carried out by the Foundation, through its Corporate Academy **Angelini Industries** has initiated a series of training programs (Angelini Academy-Community Empowerment) aimed at the families and children of employees, helping all its people feel the support of the Company during the difficult lockdown periods. One example of this is the organization of a series of **career guidance seminars** dedicated to more than 200 children of Angelini Industries employees of Italian or foreign nationality who have recently graduated from high school or university, during which they learn how to write a CV and cover letter and do a practice job interview.

Similarly, Angelini Academy has been close to

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those families who may have struggled with the management of remote learning, organizing more than **20 digital coding and robotics workshops for children**, run by professional educators. Also suitable for younger children, these workshops had the merit of training children in skills that will be useful in their future, while also entertaining them in a playful way for a few hours a week, giving them a chance to socialize, albeit digitally. Digital storytelling and Minecraft workshops were conducted for older children, using the same educational formula. Thanks to these activities, **Angelini Industries restores value to the community through training on new skills and on thematic areas of social relevance in which it has great experience and authority.** Finally, the traditional **Christmas Market**, organized by Fater, is a charity initiative promoted by Angelini Industries Group Companies in support of various Foundations. This event held during the Christmas period allows employees to purchase products made available by Group Companies at a

favorable price. For example, ACE hygiene and household cleaning products, Lines sanitary pads, Pampers diapers and wipes, Infasil detergents, Acutil and Body Spring dietary supplements, Bertani wines and Angelini Beauty perfumes. Over the years the initiative has been appreciated and loved by those who have taken part in it and by all employees who work as volunteers to help carry it out. **In 2021, all proceeds (270,000 euros) from the initiative were donated to the non-profit foundations WeWorld and Heart4Children.** WeWorld is an important non-profit organization that works every day in Italy and in 29 countries around the world to defend the rights of children and women by providing education, health and protection from violence and abuse. Heart4Children is committed to bringing a little science and poetry into the lives of children and their families, to educate minds and hearts together. Heart4Children runs a children's home and community school near La Ceiba, Honduras, to educate and empower local children, give

Social and relational capital

them useful tools for a better life path, and encourage their self-sufficiency.

The social commitment of the Angelini Industries Group is also evidenced by the initiatives and projects promoted by the individual Operating Companies that use their own resources to support and finance various charitable activities and cultural initiatives that contribute to increasing the well-being of the area, creating shared value for the entire community.

ANGELINI PHARMA

In this context, it is important to mention the initiatives promoted by **Angelini Pharma** which, to mark "World Day of the Poor", donated about 20,000 packages of products of the Amuchina, Tachipirina, Tachifludec, Moment and Tantum Verde brands to SIMG (Italian Society of General Medicine and Primary Care).

The commitment to innovation and scientific communication in Italy that began in 2020 with Marche Biobank continued. In particular, webinars dedicated to scientific topics of

common interest were organized for small and medium-sized enterprises in the area. At the same time, a partnership was established with the Polytechnic University of Marche for the European project Pharmasea, which aims to study the amount of drug-derived metabolites in water and their potential effect on water quality.

Lastly, Angelini Pharma has always supported the research and development of new solutions in the pharmaceutical field. The R&D and Medical Departments have therefore established relationships with centers of excellence in the national and international scientific community and collaborations with top academic institutions, such as those of Milan and Pisa, for new studies related to technological innovation and pharmacological research.

FATER

At the same time, Fater, which has always been attentive to the needs of the area, has supported the activities of **Banco**

Social and relational capital

Alimentare Abruzzo e Molise (BA) through the continuous supply of personal absorbent and detergent products, which the Food Bank has redistributed to associations and non-profit organizations operating in the area, as well as to families in difficulty. It has also actively contributed to Pescara City Council's **Generazione d'aMare** project for the restoration and promotion of a beach in Pescara, with the goal of raising awareness of climate change and sustainability issues. Also in 2021, Fater took part in several social initiatives through its brands:

- **Lines** strives to build a world free of gender stereotypes and discrimination, where every woman can be herself. To this end, the brand supported the activities of the **non-profit organization WeWorld**, an independent Italian organization that has been committed to ensuring the rights of women and children in 25 countries for 50 years, including Italy, where a WeWorld Women's Space has opened in Bologna;
- **Pampers** supports parenting so that the family can be a place where every child is

happy. In partnership with **Heart4Children**, Pampers has started **Pampers Village**, where it provides support and advocacy for parents. Through Pampers Village, moms and dads can hear stories from other parents, get advice, and contact a pool of experts;

- in the last year **ACE** donated around **600,000 liters of bleach** to institutions and hospitals in many Italian regions to sanitize environments and surfaces where the need for sanitation was most pressing, and over **140,000 liters** to hospitals in the foreign countries where it is based.

FAMECCANICA

Similarly, **Fameccanica's** activities significantly contribute to the development of the socio-economic systems of the areas 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.

Social and relational capital

An example of Fameccanica's innovative capacity and industrial vision focused on the production of solutions and products that contribute to improving the lives of end users is the project developed in **collaboration with the Civil Defence during the first wave of Covid-19**. In a difficult and particular challenging context, Fameccanica developed, in just three months, the technology to produce plants capable of supplying 800 masks per minute, becoming the plant with the highest production capacity in the world. A record achieved thanks to the entire Company's desire to make an active contribution at a historically difficult moment, and for which it won the Le Fonti Award, as "Excellence of the Year - Innovation & Leadership 2021" in the Automation and Robotics category. The Le Fonti Awards (www.lefontiawards.com) were created in partnership with the European Commission, Sole 24 Ore and Corriere Economia with the aim of identifying Italian excellence in the business, financial, insurance and legal sectors.

In the field of corporate social responsibility, Fameccanica cultivates and develops **synergies with schools and universities in the area** to create and spread technical, transversal and digital skills, as well as providing experiences and learning opportunities for students. The main initiatives launched by the Company concern:

- work experience for high school students;
- professionals internships;
- the awarding of research, scholarship and PhD grants.

In this context, the main projects carried out in the Company are **Tecnicamente**, an initiative promoted by Adecco dedicated to students from technical and vocational schools who have the opportunity to develop projects to present to companies in the area over the course of a dedicated day, and **Alternanza scuola-lavoro**, an innovative educational method that helps consolidate the knowledge acquired in school through practical experience and field test the aptitudes of female and male students in

Social and relational capital

the final years of high school, enriching their training and guiding their study path, thanks to projects in line with their curriculum. Both initiatives were suspended in 2021 due to the pandemic; they will be resumed during 2022. Fameccanica also promotes several initiatives with the university world. In particular:

- **professional internships:** undergraduate students can conclude their studies with an internship in companies, in the various organizational areas of interest. Internships are an excellent guidance tool for university students because they enable them to get to know the company, its different departments and activities, as well as representing a great opportunity for training and personal and professional growth; in-person activities and life in the company are the very essence of internships. Two professional internship paths in the Manufacturing area were launched in 2021 with the University of L'Aquila and the University of Chieti-Pescara "Gabriele d'Annunzio";

- **research, scholarship and PhD grants.**

Fameccanica supports academia to carry out specific projects by providing research grants, scholarships and funding for PhDs. It therefore works with universities to organize competitions and select candidates. The projects are basic or applied research activities with high technical content. In the past year, Fameccanica has provided a research grant in collaboration with Marche Polytechnic University and the Mechanical Design Function related to the topic of additive manufacturing.

Also in the world of education aimed at young people, Fameccanica promotes, in collaboration with Angelini Academy, the **Hack4Change** initiative which, designed during 2021 with kick-off planned for 2022, relates to the digital transformation promoted by Angelini Industries. Digital transformation is at the heart of the evolution of goods and services production chains and encapsulates all of the technological, organizational, social and

Social and relational capital

environmental changes that companies are implementing. Increasing digitization and automation means increasing efficiency and sustainability, guaranteeing a competitive advantage. Hack4Change will consist of four hackathons divided into two batches: the first is dedicated to improving people's work experience, the second to using data as a business asset.

Fameccanica's future commitments to support the community include considering a possible collaboration with Arbolia, an Italian benefit company established on the initiative of Snam S.p.A. and the CDP Foundation, which promotes and implements afforestation and reforestation projects across the country.

Through these actions and the services connected to them, Fameccanica aims to help combat global and local warming, improve air quality and create green areas available to communities, promoting the social and economic development of the regions. The **Bosco Fameccanica** project is part of Arbolia's

ambition to plant three million trees in Italy by 2030, enabling the absorption of about 200,000 tons of CO₂ per year and supporting national forestation. The specific objectives of the initiative are to:

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

Particularly attentive to the community in which it operates, in 2021 the Company also joined the Municipality of Chieti's **Guaranteed Mobility** project, carried out in partnership with Benefit PMG Italia, targeting needy categories of people. The initiative puts a fully-equipped vehicle on the road to offer free transportation

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services for disabled and elderly people with reduced mobility, as well as providing a range of services such as transportation to physiotherapy offices and hospitals and accompanying disabled children to and from school.

ANGELINI BEAUTY

Angelini Beauty S.A. continued its collaboration with the Stanpa Foundation (National Association of Spanish Perfumery and Cosmetics in Spain) on the **"Ponte guapa, te sentirás mejor" project to support cancer patients**. In its eight years of activity, the Stanpa Foundation has implemented its program in more than 40 public hospitals in the country and treated more than 8,000 cancer patients. The scope of the program was further extended in 2021 by embracing the goal of diversity.

Natural capital

06

64%

64% of waste produced sent for material recovery and recycling processes

2.3

2.3 million kWh of electricity purchased from renewable sources

200,000

More than 200,000 GJ of self-generated electricity

Natural capital

Environmental protection

Protecting, safeguarding and preserving the environment is an integral part of Angelini Industries' history and goes beyond mere regulatory compliance.

Indeed, the Group recognizes **the importance of environmental protection and preservation when making strategic business decisions** and is committed to the protection and defense of the ecosystem and the conservation of its natural resources in order to create sustainable value for the benefit of the organization, its stakeholders and future generations.

Angelini Industries is aware of the decisive role that companies play in the fight against climate change, as so dramatically highlighted by the events that have characterized these last few years. In this regard, it is actively committed to minimizing any possible impact resulting from its production processes and to promoting responsible behavior along the value chain in order to contribute to achieving the goal of reducing CO₂ emissions, as established by the

United Nations 2030 Agenda, through:

- **the streamlined consumption of energy resources**, prioritizing supplies from renewable sources with low environmental impact;
- **the conservation of limited natural resources** and the use of raw materials and products with reduced environmental impact, encouraging their recycling or reuse;
- **the careful management of waste and scrap** generated by production activities.

For this reason, the entire Group aims not only to apply the highest standards in the field of environmental protection, but also to pursue the continuous improvement of environmental performances through the application of the best available technologies to prevent and reduce its impacts. In this context, some of the activities launched in the environmental field include:

- the adoption, by the main Operating Companies (Pharma, Fameccanica, Fater), of an **Environmental Management System**

Natural capital

- **in compliance with the guidelines of the ISO 14001:2015 standard**, and the adoption, by Fameccanica and Fater, of an Energy Management System in compliance with the guidelines of the ISO 50001:2011 standard, certified by an independent third party;
- **the development**, by Angelini Pharma, of a number of cogeneration plants; photovoltaic panels; systems for reducing water consumption such as high-efficiency cooling towers, plants for the recovery of organic solvents to be reused within the production cycle; preferential delivery of waste to material recovery plants;
- the development of initiatives aimed at reducing environmental impact through the implementation of projects that contribute to the reduction of CO₂ emissions;
- the use of **materials that are easily reusable and/or recyclable** - e.g. EFC paper, PET plastic - for products and packaging.

INITIATIVES UNDERTAKEN - PHARMACEUTICAL SECTOR

Angelini Pharma pursues an **Environmental Policy**, highlighting the commitment of the Top Management to implementing, adopting and maintaining an efficient Environmental Management System, identifying the objectives that the organization intends to pursue in the protection and safeguarding of the environment, in accordance with **UNI EN ISO 14001:2015**. In particular, this Policy is aimed at reducing direct and indirect environmental impacts by adopting the best available technologies and virtuous behaviors, with a focus on limiting:

- waste generated, encouraging recycling or recovery, including through increasingly careful and incisive sorting at source;
- specific energy consumption and available water resources.

Natural capital

In order to pursue the objectives stated in the Policy, the Company has equipped itself with **cogeneration plants; photovoltaic panels; water consumption reduction systems** such as high-efficiency cooling towers; plants for recovering **organic solvents** for reuse within the production cycle; as well as measures regarding the preferential sending of waste to material recovery plants rather than disposal. One of the key pillars of the Environmental Policy implemented by Angelini Pharma concerns the implementation of initiatives and measures aimed at **energy efficiency and the responsible use of resources**. Thanks to its cogeneration plants in Aprilia and Ancona, the Company saved **296 TOE** (tons of oil equivalent⁷¹) of energy in the first six months of 2021 and had **self-produced 21,335,612 kWh** of electricity by the end of the year. Measures ranging from the introduction of refrigerators with optimized climate curves to the installation of air treatment systems (heating, ventilation, and air conditioning) have also been introduced in manufacturing plants to minimize the energy

used for heating and maximize heat recovery through cogeneration. This made it possible to reduce the CO₂ emissions at production sites by more than 1,000 tons per year from the 16,845.608 tons of CO₂ emitted in 2020. The energy efficiency measures implemented by Angelini Pharma are also based on the application of **Artificial Intelligence**. In fact, the Company has made several significant investments over the years aimed at replacing the machines used for the primary production cycles and the main machinery serving the plants' utilities, resulting in a reduction in energy consumption. Similarly, in order to comply with legal obligations, the Ancona plant has been equipped with an **energy consumption monitoring platform** since the end of 2020 for the management of anomalies relating to the consumption of individual users. Anomalies are automatically detected by an Artificial Intelligence system; similarly, overall energy efficiency and the most energy-intensive utilities are monitored.

⁷¹ Unit of measurement used for energy in engineering and economics, equal to the heat energy obtainable from the combustion of one ton of oil.

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In addition, previously installed technologies continue to be maintained, such as:

- photovoltaic systems;
- cogeneration systems;
- energy-efficient lighting systems.

In the future, the Company intends to continue its policy of reducing its direct and indirect environmental impact by adopting cutting-edge technologies and virtuous behavior. Specifically, Angelini Pharma intends to:

- 1. cover 100% of its energy needs in a sustainable manner by 2023;**
- 2. reduce the amount of waste generated by 10% by 2025;**
- 3. increase waste sent for recovery by 20% by 2025;**
- 4. reduce the amount of water used by 10% by 2025;**
- 5. evaluate initiatives that promote the circular use of resources, analyzing the impact on the CO₂ emitted by production cycles;**
- 6. evaluate initiatives to support sustainable packaging for non-pharmaceutical products.**

INITIATIVES UNDERTAKEN - CONSUMER GOODS

Respect for the environment is a strategic factor in Fater's business choices and planning. The Company is therefore committed to controlling and reducing the environmental impact of its activities, combining its attention on the environment with the development of innovative, safe and appropriate products and services to meet new market needs. The Company is focused on the following main objectives:

- 1. reduction of plastic in packaging.** Fater is working to implement an economic and production system that takes account of the principles of the circular economy. To this end, the Company promotes the responsible use of plastics in the primary packaging of its products. One example is the ACE Green line, which was developed without the use of virgin plastic. Starting in 2022, this project will be expanded to the sanitary pads lines.

Natural capital

The Company's goal in this area is to **reduce the use of virgin plastic in its packaging by 50% by 2025**;

2. **product design.** Sustainability is at the heart of Fater's innovation and development processes, its aim being to combine environmental protection with its corporate business strategy. In recent years, the Company has established a pipeline of **"green" projects** aimed at limiting the environmental impact generated by production processes and finished products. To support this strategy, in the future Fater will conduct Life Cycle Assessment (LCA) analyses on newly developed products to assess their environmental footprint before they are released to the market;
3. **carbon strategy.** Fater is pursuing the ambitious goal of eliminating its environmental impact (Net Zero) by 2040. As such, an in-depth study of the Company's current environmental impacts was launched in May 2021 through the implementation of a **carbon footprint** analysis conducted

according to the Greenhouse Gas Protocol (GHG Protocol) parameters. The study focused on both CO₂ equivalent emissions from the Company's production process and energy consumption, and on the impacts generated by its suppliers, while also assessing the environmental impact of capital equipment investments, the role of logistics, employee commuting and consumer travel for purchases. In addition to Italy, where Fater's headquarters and two plants (in Pescara and Campochiaro) are located, the manufacturing plants in Turkey and Portugal are also part of the study. It will be possible to get a complete picture of the Company's environmental impacts in 2022.

Natural capital

INITIATIVES UNDERTAKEN - INDUSTRIAL TECHNOLOGIES

Fameccanica is particularly sensitive and attentive to the issues of environmental protection and energy efficiency. In fact, the company has an Environmental Management System that complies with the international ISO EN UNI 14001 standard and an Energy Management System that complies with ISO EN UNI 50001 for the Italian headquarters and plant. Both Management Systems are subject to **annual third-party auditing**. In support of ISO 50001, the Company has also adopted a specific policy on energy issues and is committed to carrying out a meticulous annual energy analysis and energy diagnosis as per Italian Legislative Decree 102/14. In this regard, the following technical improvements were implemented in 2021:

- completion of Fameccanica production lighting fixture efficiency (phase 1) and start of phase 2;

- installation of Class A Medium Voltage transformers.

With reference to environmental aspects, Fameccanica possesses **Single Environmental Authorization** (*Autorizzazione Unica Ambientale - AUA*) of which the relevant Summary Framework was updated in March 2021. This authorization is valid for 15 years and defines the control activities to be carried out, as identified by the competent authority.

During 2021, the Company updated the Environmental Analysis and Evaluation of the Context and Stakeholders required by international standards, carrying out an assessment of environmental impacts that have a high level of significance and identifying specific objectives to be included within the Environmental Improvement Plan. As a result of the analysis conducted, the Company has replaced and removed asbestos from some areas and facilities through an authorized supplier, complying with the relevant regulations.

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Lastly, Fameccanica is following the practice for the Remediation of Sites Contaminated by Third Parties (Art. 242 of Italian Legislative Decree 152/06), complying with the procedure required by the relevant regulations following the acquisition of land for the planned expansion of the production site.

The Company's sensitivity to environmental and sustainability issues is also demonstrated by the recent initiatives it has promoted involving internal human resources. In particular:

- delivery of personal reusable steel bottles with Fameccanica logo to employees in order to reduce plastic consumption;
- installation and replacement of water dispensers with the elimination of tanks in order to eliminate plastic and reduce indirect impacts for the production, filling, washing, sanitizing and transportation of these containers;
- use of reusable cups in place of PET water bottles and cans for the self-service dispensing of bulk beverages.

Connected to this is the project carried out between 2020 and 2021 in which the Company partnered with Treedom, a planting platform that supports rural communities around the world. Through this initiative, a total of 12,000 trees were planted in the following countries:

- Cameroon;
- Colombia;
- Guatemala;
- Haiti;
- Kenya;
- Madagascar;
- Nepal;
- Tanzania.

With respect to the issue of generated emissions, Fameccanica has recently installed dry and cartridge filters with the aim of reducing dust from discontinuous emissions. These filters have a lower environmental and energy impact than ordinary hydrofilters, which the Company still uses in only four units. Similarly, the Company has implemented specific measures to limit the spread of

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fugitive emissions (chlorofluorocarbons) from air conditioning systems in order to limit the impact in terms of GWP (Global Warming Potential). Periodic recorded maintenance is carried out, together with checks on possible accidental leaks, for all air conditioning units with refrigerants, depending on the relative amount and as required by regulations. The supplier responsible for facility maintenance fills in the electronic "F-GAS Data Bank" logbook whenever work is carried out, in accordance with the deadlines stipulated in the regulations. Lastly, several special initiatives designed and developed by Fameccanica were carried out in 2021, such as:

- the **Sustainable Click** initiative, which saw the replacement and gradual distribution of new PC models for the corporate population made from recovered carbon fiber and 21% plant-based bioplastics. The manufacturing process of such computers ensures a reduced footprint in terms of carbon production, energy and water consumption, leading to

reduced CO₂ emissions, as well as energy and water savings;

- in the same period, Fameccanica joined the circular economy project "**RiVending**" (an Italian project initiated by CONFIDA-Italian Association of Automated Distribution; COREPLA-National Consortium for the Collection, Recycling and Recovery of Plastic Packaging; UNIONPLAST-National Union of Plastic Processing Industries) for the recovery and recycling of PET cups and stirrers. The project led to the installation of special bins alongside vending machines where plastic cups and stirrers can be thrown away after use. Such bins allow the cups to be stacked one inside the other, reducing the volume of collected cups by more than 150% compared to traditional waste bins. The Company's vending machines also feature cups made with a new hybrid formula with lower environmental impact in terms of CO₂ emissions compared with the traditional 165L vending cup of the same weight (3.8 g).



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Another of Fameccanica's main goals is **greater energy efficiency**. To this end, the Company will install photovoltaic panels in the parking lot of the new production site and purchase electricity with a higher percentage of energy derived from renewable sources, also taking into consideration the energy outlook at national level. Regarding dust emissions, in view of their high economic and environmental impacts the Company will also consider the possible phasing out of the remaining hydro-filters, using more dry filters and replacing the last thermal power plants with heat pumps in order to reduce its environmental and energy impact.

As for the production sites in China and the USA, an improvement process has been launched for the management of environmental aspects based on the direct involvement of the foreign sites in environmental and sustainability issues through the definition of objectives, guidelines and policies that will enable the implementation of specific Environmental Management Systems.

INITIATIVES UNDERTAKEN - PERFUMERY AND DERMOCOSMETICS

Angelini Beauty focuses close attention on monitoring its carbon footprint.

In 2021, the Company developed a project to measure and control its **product carbon footprint**. This project currently involves the analysis of new products, but will include the entire portfolio in the future.

As mentioned in the previous chapter, Angelini Beauty conducted a **Life Cycle Assessment (LCA) study** on the bottle and box of bestseller Mandarin Duck Donna to determine the change in environmental footprint resulting from the weight reduction of both the glass and paper used. In this project, the Company was supported by Ergo S.r.l., a company created from a spin-off of Bocconi University of Milan and Sant'Anna University of Pisa, which specialize in carrying out environmental footprint calculation projects of companies and products. The data were collected directly at

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the production sites of the suppliers involved, Pochet and Bormioli for glass and Vimer for paper, through the development of a tool aimed at performing preliminary environmental footprint calculations internally at the product design stage. Thanks to the continuous study and updating of the design of the Mandarinina Duck bottle over the past few years, Angelini Beauty has in fact managed to **reduce its CO₂ emissions by 98,000 kg**, a figure that corresponds to the amount (of CO₂) absorbed in one year by 13,000 trees.

The initiatives aimed at monitoring carbon emissions are embodied by Palazzo Gioia 8 in Milan - home to the offices of Angelini Beauty S.p.A. - **LEED Platinum** certified in 2014.

INITIATIVES UNDERTAKEN - WINE SECTOR

In the area of environmental sustainability, the projects being developed by Angelini Wines & Estates mainly concern:

- the **establishment of a water-saving system in the area of agronomic management**. One such example can be found at Tenuta Trerose, where more than 50,000 cubic meters of storm water is collected annually and used to irrigate the vineyards;
- **enhancing the naturalness of the final product** by promoting greater transparency on the ingredients used during production.

The sensitive issue in this latter area is mainly connected with the presence of SO₂ in wine. In this regard, the Company has been developing **organic viticulture** at **Tenute Trerose** for about a decade. The estate's September 2021 harvest was the first to be fully certified as **organic**. Sustainability has been carefully implemented on all elements

Natural capital



that form part of the production chain: the judicious management of energy resources, the enhancement of human capital, and respect for the land and the Vino Nobile appellation. In September 2021 Angelini Wines partnered with **Equalitas** to have the estate certified.

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Environmental performance

In this document, the Group reports the most significant environmental impacts in terms of responsibility towards its employees and local communities, and competitiveness and value for the Group. The aspects considered are:

- **energy consumption**, calculated as the sum of all energy sources used for the management of its production activities and services;
- **atmospheric emissions of greenhouse gases**, the significance of which is linked to the use of energy sources as well as to the use of gases in fuels in some phases of the production process;
- **water consumption**, linked to the high demand for water in the various production cycles;
- **hazardous and nonhazardous waste** that potentially impacts on various environmental matrices.

CONSUMPTION

In 2021, the total fuel consumption of the Parent Company and the individual Operating Companies (including the Foreign Companies) within the reporting scope was **806,542 GJ**. As can be seen in the table below, about **64%** of this consumption is related to the purchase of **natural gas** for heating offices and production facilities and for cogeneration use, while the remaining amount mainly pertains to the consumption of **motor fuel (4%)** and the **biofuel** used at Fater for the cogeneration process and machinery shutdown (**31%**).

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FUEL CONSUMPTION BY RENEWABLE AND NON-RENEWABLE SOURCES ⁷²	UNIT OF MEASUREMENT	TOTAL 2019	TOTAL 2020	TOTAL 2021	GJ CONVERSION FACTOR ⁷³	TOTAL 2019	TOTAL 2020	TOTAL 2021
Natural gas for heating (including cogeneration quota)	m ³	10,617,820	12,056,803	14,543,271	GJ/m ³ (0.036)	380,541.61	432,114.61	521,229
Diesel for generators	l	3,050.44	3,391.0351	5,408	GJ/l (0.036)	110.89	123.27	197
Fuel for corporate fleet	l	1,127,204	749,932	885,456	n.a.	40,404	26,879	31,759
Diesel	l	823,570	488,370	623,505	GJ/l (0.036)	29,758.93	17,646.79	22,530
Gasoline	l	92,154	58,126	58,933	GJ/l (0.033)	3,003.72	1,894.59	1,921
LPG	l	-	1,136.15	2,298	GJ/l (0.024)	-	27.65	56
Agricultural diesel	l	211,480	202,300	200,720	GJ/l (0.036)	7,641.63	7,309.92	7,253
Biofuel	l	506,773.1413	581,968.3386	7,651,970	GJ/l (0.033)	16,795.35	19,290.47	253,357

⁷² The table on Group fuel consumption includes the following omissions/exceptions:

- Angelini Beauty: the data provided by the German site is an estimate, as it will be finalized in October 2022. With reference to natural gas, for Italy this figure is only provided by the Lodi site because the Milan site has a flat rate for consumption;
- Fameccanica: the Chinese plant only reported data on fuel for the company fleet, and the 2021 figure on natural gas is an estimate;
- Fater: the Company's Portugal site only provided data in relation to diesel for generators;
- Angelini Pharma: data are not available for the production plant in Spain, and the plant in the United States has no fuel consumption;
- Angelini Real Estate: the 2021 fuel data for the corporate fleet is an estimate.

⁷³ Source of conversion factors reported in this column: fuel properties - DEFRA, 2021.

Natural capital

At the same time, energy consumption plays a very important role in assessing the Group's overall impacts. In 2021, Angelini Industries consumed a total of **322,594.94 GJ of electricity**, registering a 17% increase compared to the 2020 data. **6% of the energy consumed was from renewable sources.**

CONSUMPTION OF PURCHASED ELECTRICITY (kWh) ⁷⁴	TOTAL 2019	TOTAL 2020	TOTAL 2021	GJ CONVERSION FACTOR	TOTAL 2019	TOTAL 2020	TOTAL 2021
Electricity purchased from non-renewable sources	60,562,930.98	68,183,087.71	87,257,043.22	GJ/kWh (0.0036)	218,026.55	245,459.12	314,125.36
Electricity purchased from renewable sources	6,498,963.78	7,804,514.50	2,352,663.53	GJ/kWh (0.0036)	23,396.27	28,096.25	8,469.59

⁷⁴ The table on Group electricity consumption includes the following omissions/exceptions:

- Fameccanica: due to a site relocation in 2020, data for the plant in America for 2019 cannot be retrieved;
- Angelini Pharma: no data are available for the production plant in Spain for the three-year reporting period.

Natural capital

The data on self-produced electricity instead refer to production deriving from the cogeneration and photovoltaic systems installed on the roof of Angelini Pharma's canteen in Aprilia and the CHP cogeneration plant at the Fater site. **In 2021, 217,282 GJ of energy was self-consumed**, compared with 241,240 GJ produced. 10% was sold to third-party companies.

CONSUMPTION OF SELF-GENERATED ELECTRICITY ⁷⁵ (kWh)	TOTAL 2019	TOTAL 2020	TOTAL 2021	GJ CONVERSION FACTOR	TOTAL 2019	TOTAL 2020	TOTAL 2021
Total self-generated electricity	88,419,688	92,955,228	67,011,092	GJ/kWh (0.0036)	318,310.88	334,638.82	241,240
of which total electricity consumed	76,646,502	77,106,279	60,356,048	GJ/kWh (0.0036)	275,927.41	277,582.60	217,282
of which total electricity sold	11,773,186	15,848,949	6,655,044	GJ/kWh (0.0036)	42,383.47	57,056.22	23,958

⁷⁵ The figure provided by Angelini Pharma for 2021 is for the plants in Italy and the plant in the US.

Natural capital

EMISSIONS

Greenhouse gas emissions related to Angelini Industries' activities can be divided into direct and indirect emissions.



Direct emissions result from the direct combustion of fossil fuels purchased for heating, electricity and heat generation, or for fueling transportation vehicles.



Indirect emissions, on the other hand, refer to the production of electricity imported and consumed by the Company for electrical equipment, heating and lighting inside buildings. In this case, the importer is indirectly responsible for the emissions generated by the supplier to produce the required electricity.

Natural capital

As shown in the table below, **natural gas** is the main direct source of GHG emissions for the Group, constituting **92% of the total Scope 1 emissions** produced, which in 2021 came to **31,783 tCO₂e**. The figure is significantly higher than 2020 (+20%), as it takes into account both the scope limitations highlighted in the note and the total recovery of production activities after the pandemic crisis that characterized the previous two years.

DIRECT EMISSIONS (SCOPE 1) ⁷⁶	TOTAL GHG EMISSIONS 2019 (t CO ₂ equivalent)	TOTAL GHG EMISSIONS 2020 (t CO ₂ equivalent)	TOTAL GHG EMISSIONS 2021 (t CO ₂ equivalent)
Natural gas for heating (including cogeneration quota)	21,462.33	24,371.02	29,397
Diesel for generators	8.41	9.35	15
Fuel for company fleet	3,015.97	2,006.39	2,371
Diesel	2,228.19	1,321.30	1,687
Gasoline	215.61	136.00	138
LPG	-	1.77	4
Agricultural diesel	572.17	547.33	543
TOTAL	24,486.72	26,386.77	31,783

⁷⁶ The calculation of Scope 1 emissions takes into account the scope limitations highlighted in footnote 72.

Natural capital

In line with DEFRA guidance, emissions data for direct CO₂ emissions from biologically sequestered carbon (e.g. CO₂ from biomass/biofuel combustion) are reported separately from Scope 1 applications.

CO ₂ EQUIVALENT BIOFUEL EMISSIONS ⁷⁷	2019	2020	2021
Biofuel	87.84	100.89	1,325

The calculation shown in the table above refers to CO₂ equivalent emissions. However, as per DEFRA and GHG Protocol guidance, net CO₂ emissions are to be considered zero.

⁷⁷ Source: DEFRA Factors 2021 - "Bioenergy" sheet; GHG Protocol.

Natural capital

For full adherence to the GRI Standards, Scope 2 emissions related to electricity purchase and consumption were calculated through both the location-based and market-based approaches. While the location-based methodology considers the average GHG emission intensity of the networks in which energy consumption occurs using mainly network average emission factor data, the market-based methodology considers emissions from electricity that the organization has intentionally chosen with contractual form. During the last fiscal year, these values stood at **45,111.89 tCO₂e** and **40,050.98 tCO₂e**, respectively.

INDIRECT EMISSIONS (SCOPE 2) ⁷⁸	TOTAL GHG EMISSIONS 2019 (t CO ₂ equivalent)	TOTAL GHG EMISSIONS 2020 (t CO ₂ equivalent)	TOTAL GHG EMISSIONS 2021 (t CO ₂ equivalent)
Market-based	29,856.68	33,347.00	40,050.98
Location-based	32,874.28	36,783.63	45,111.89

⁷⁸ The calculation of Scope 2 emissions takes into account the scope limitations highlighted in footnote 74.

Natural capital

WATER CONSUMPTION

In 2021, the Group procured **1,708,294 liters** of water. In fact, water is a precious resource for Angelini Industries, as it is used both in **production processes** and for the **restrooms** at its sites. The main sources of withdrawal are groundwater and third-party water resources (municipal water service providers), supplemented to a lesser extent by surface water, as summarized in the table below.

Natural capital

WATER WITHDRAWALS BY SOURCE AND WATER TYPE (m ³) ⁷⁹	2019			2020			2021		
	FRESHWATER	OTHER	TOTAL	FRESHWATER	OTHER	TOTAL	FRESHWATER	OTHER	TOTAL
Surface water (rivers, lakes, other)	10,200	-	10,200	13,000	-	13,000	24,260	-	24,260
Groundwater (aquifers)	914,271	17,595	931,866	983,408	34,750	1,018,159	886,308	12,077	898,385
Third-party water resources (municipal water service providers)	719,684.30	2,344	722,028	753,686.19	1,777	755,463	778,498	7,151	785,649
TOTAL	1,644,155	19,939	1,664,094	1,750,094	36,527	1,786,622	1,689,066	19,228	1,708,294

⁷⁹ The table on Group water withdrawals includes the following omissions/exceptions:

- Angelini Beauty: the figure for the Spain site for the three-year period is not available, and the figure provided by the German site is an estimate, as it will be finalized in October 2022 (see footnote 46);
- Fameccanica: due to a site relocation in 2020, data for the plant in America for 2019 cannot be retrieved.

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Wastewater from production process activities is subject to periodic monitoring because, in line with national laws, all **discharges must be authorized in advance by the lawmaker, which requires the general preventive control of any water** discharge.

WATER DISCHARGES (m ³) ⁸⁰	2019			2020			2021		
	FRESHWATER	OTHER	TOTAL	FRESHWATER	OTHER	TOTAL	FRESHWATER	OTHER	TOTAL
Surface water (rivers, lakes, other)	5,907	83,684	89,591	6,200	84,345	90,545	-	763,763	763,763
Third-party water resources (municipal water service providers)	126,365.2	46,560	172,925	111,397	46,180	157,577	177,576	58,868	228,444
Phytodepuration/Purification	15,895	-	15,895	14,381	-	14,381	13,652	-	13,652
TOTAL	148,167.2	130,244	278,411	131,978	130,525	262,503	191,228	814,631	1,005,859

⁸⁰ The data on water discharges from Angelini Beauty (including foreign offices) and Angelini Real Estate are not available. In addition, the data for Angelini Pharma are estimates.

Natural capital

RESPONSIBLE WASTE MANAGEMENT

The production cycles of the Group Operating Companies involve the generation of significant amounts of waste material. Angelini Industries is therefore aware of its responsibility to the communities and areas in which it operates, and is committed to efficient waste management. In fact, all waste is also **properly classified by type and level of hazardousness** by conducting chemical analyses. Operators ensure that waste is first collected separately within work areas and then deposited in special containers for temporary storage, prior to its transportation for recovery or disposal outside the organization.

In 2021, Angelini Industries produced **21,701.68 tons** of waste, **64% of which was sent for recovery and recycling processes**. Both recovery and waste disposal methods are conducted off-site.

Natural capital

WASTE MANAGEMENT (t) ⁸¹	2019			2020			2021		
	HAZARDOUS WASTE	NON-HAZARDOUS WASTE	TOTAL	HAZARDOUS WASTE	NON-HAZARDOUS WASTE	TOTAL	HAZARDOUS WASTE	NON-HAZARDOUS WASTE	TOTAL
Recycling	0.79	339	339.46	1.79	354.54	356.32	2,715.67	1,630.97	4,346.63
Recovery	2,295.66	3,427.65	5,723.31	2,464.44	3,020.54	5,484.98	469.52	8,981.38	9,450.90
TOTAL WASTE NOT SENT FOR DISPOSAL	2,296.45	3,766.31	6,062.76	2,466.23	3,375.08	5,841.30	3,185.19	10,612.35	13,797.53
Incineration (without energy recovery)	265.34	422.20	687.54	221.34	320.60	541.94	0.37	-	0.37
Incineration (with energy recovery)	544.45	21.03	565.47	64.22	5.00	69.22	74.44	19.69	94.13
Landfill	1,226.90	217.30	1,444.20	1,323.90	224.23	1,548.13	4,505.88	943.29	5,449.17
Disposal	3,894.30	1,438.46	5,332.76	3,425.46	1,292.13	4,717.59	1,940.42	420.06	2,360.48
TOTAL WASTE SENT FOR DISPOSAL	5,930.99	2,098.99	8,029.98	5,034.92	1,841.96	6,876.88	6,521.11	1,383.04	7,904.14
TOTAL	8,227.44	5,865.30	14,092.74	7,501.14	5,217.04	12,718.18	9,706.29	11,995.39	21,701.68

⁸¹ The table on Group waste includes the following omission/exception:

- Fameccanica: due to a site relocation in 2020, waste data for the plant in America for 2019 cannot be retrieved.



GRI performance indicators

Angelini Industries has reported its data according to the GRI Standards for the period January 1, 2021–December 31, 2021.

GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE	NOTES
UNIVERSAL STANDARDS				
GRI 1: Foundation 2021	Section 3: Reporting in accordance with the GRI Standards	Requirement 1: Apply the reporting principles	Methodological note	
		Requirement 2: Report the disclosures in GRI 2: General Disclosures 2021	See GRI Content Index for an overview of the GRI 2 disclosures reported	
		Requirement 3: Determine material topics	74-80	GRI partially covered as the GRI Sector Standards have not yet been published for the market sectors in which Angelini Industries operates
		Requirement 4: Report the disclosures in GRI 3: Material Topics 2021	See GRI Content Index for an overview of the GRI 3 disclosures reported	
		Requirement 5: Report disclosures from the GRI Topic Standards for each material topic	-	GRI partially covered as the GRI Sector Standards have not yet been published for the market sectors in which Angelini Industries operates
		Requirement 6: Provide reasons for omission of disclosures and requirements that the organization cannot comply with	Methodological note	
		Requirement 7: Publish a GRI Content Index	316-320	
		Requirement 8: Statement of use in accordance with the GRI Standards	Methodological note	
		Requirement 9: Notify GRI		

GRI performance indicators

GRI 2: General Disclosures 2021 - The organization and its reporting practices	2-1	Organizational details	28; 46-48; 56-57	
	2-2	Entities included in the organization's sustainability reporting	Methodological note	
	2-3	Reporting period, frequency and contact point	Methodological note	
	2-4	Restatements of information	Methodological note	
	2-5	External assurance	Independent auditing report (to be included at the end of the report)	Missing information as the Group, in setting a series of targets for the coming years, aims to carry out an assurance process in the near future
GRI 2: General Disclosures 2021 - Activities and workers	2-6	Activities, value chain and other business relationships	32-37; 49; 89-93	
	2-7	Employees	142-143; 148-149	
	2-8	Workers who are not employees	150	
GRI 2: General Disclosures 2021 - Governance	2-9	Governance structure and composition	56-61	
	2-12	Role of the highest governing body in overseeing the management of impacts	56-57	
GRI 2: General Disclosures 2021 - Strategy, policies and practices	2-22	Statement on sustainable development strategy	Letter to stakeholders	
	2-23	Policy commitments	38-41; 70-71	GRI partially covered
	2-27	Compliance with laws and regulations	-	No cases of non-compliance with laws and regulations were identified in the three-year reporting period
GRI 2: General Disclosures 2021 - Stakeholder engagement	2-29	Approach to stakeholder engagement	74-75; 81	

GRI performance indicators

GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE	NOTES
GRI 3: Material topics 2021 - Disclosures on material topics	3-1	Process to determine material topics	74-77	GRI partially covered as the GRI Sector Standards have not yet been published for the market sectors in which Angelini Industries operates
	3-2	List of material topics	78-80	GRI partially covered as the GRI Sector Standards have not yet been published for the market sectors in which Angelini Industries operates
	3-3	Management of material topics	78-80	GRI partially covered as the GRI Sector Standards have not yet been published for the market sectors in which Angelini Industries operates
200: ECONOMIC TOPICS				
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	87	
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	98; 102; 107; 111; 118; 121; 123; 126; 129	
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GRI performance indicators

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GRI performance indicators

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GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	99; 104; 109; 112; 119; 124; 131	
GRI 416: Customer health and safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	216-217	
	417-1	Requirements for product and service information and labeling	245; 249; 257; 269	
GRI 417: Marketing and labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling		No cases of non-compliance were identified for the three-year reporting period
	417-3	Incidents of non-compliance concerning marketing communications		No cases of non-compliance were identified for the three-year reporting period
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		No privacy violation complaints were identified for the three-year reporting period

ANGELINI HOLDING S.p.A.
single-shareholder company

Viale Amelia no. 70 - Rome
Share Capital 3,000,000 euros, fully paid-up
Tax Code/Rome Business Register number 00459650586
Economic and Admin. Index of Rome no. 48408

2021 Sustainability Report

Angelini Industries
angeliniindustries.com
relations@angeliniindustries.com

Methodological Consulting:
BDO Advisory Services S.r.l.

Design and layout:
Inarea Identity and Design Network S.r.l.





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Industries

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