FERRETTI PACKAGING

2024

Sustainability Report

SUSTAINABILITY REPORT 2024

Letter to stakeholders

2024 further intensified the instability already underway in recent years, making the global landscape increasingly complex and challenging. Geopolitical tensions, the worsening impacts of climate change, and the rapid and profound regulatory changes require companies to demonstrate ever greater strategic vision, adaptability, and accountability.

In this complex scenario, FEPA has continued its growth path with determination, achieving further increases in volumes, supported by the gradual expansion of our production capacity. We have continued to invest in efficiency and quality — two pillars that have always defined us — resulting in a solid, flexible, and reliable offering in both products and services.
While continuing to improve our industrial performance, we have worked intensively to strengthen our business network.

Our partnerships with Cart-One in Italy and Blue Box Partners at European level remain strategic, enabling us to create value across the entire supply chain by sharing industrial approaches and a vision centred on innovation and sustainability. We have also continued to consolidate long-term relationships, both upstream and downstream, built on trust, transparency, and shared goals.

FAUSTO FERRETTI,

Chief Executive Officer
FEPA SpA

2024 also marked a turning point in our sustainability journey, as we defined our first multi-year Sustainability Plan, giving tangible shape to an ambition that has long guided us. To embed environmental, social, and governance (ESG) issues structurally into our strategic and industrial vision.

This is not a side initiative, but a fundamental element of how we do business. The Plan reflects a concrete commitment, with clear and measurable goals that guide our daily decisions and define our long-term direction. Today, sustainability is a cross-cutting driver of innovation, competitiveness, and value creation - and is fully integrated into our industrial strategy and corporate governance.

This vision also translates into a proactive approach to the evolving regulatory framework. Although the introduction of the "Omnibus" package has postponed, by two years, the reporting obligations under the Corporate Sustainability Reporting Directive (CSRD) for companies like ours, we have chosen not to slow down. On the contrary, we are moving forward with determination, because we believe that transparency, accountability, and the ability to measure our impact are not just regulatory requirements but also key to building credibility with the market and our stakeholders.

Our commitment is not driven by obligation but by conviction — one that finds its fullest expression in our Sustainability Plan.

At the same time, we have continued to play an active role within leading national and international industry associations. In partnership with GIFCO and FEFCO, we have contributed to working groups on the new EU Packaging and Packaging Waste Regulation (PPWR) and the EU Deforestation Regulation (EUDR), sharing insights and proposals on traceability, supply chain responsibility, and the essential role of paper-based packaging in a more circular and sustainable economy.

All of this has been accompanied, as every year, by our constant commitment to the local community. We have renewed our collaboration with institutions and local organisations, supporting initiatives that promote social cohesion, culture, and collective well-being. Our identity remains deeply rooted in the communities where we operate, and we continue to see our connection with the local area as a central pillar of our corporate responsibility.

Our ambition remains high for the future, and the direction is clear: we will continue to invest in cutting-edge technologies, in people and skills, in relationships, and in an industrial vision that places sustainability at the heart of transformation and competitiveness.

We are sincerely grateful to everyone — inside and outside FEPA — who contribute each day to advancing this journey. Challenges will undoubtedly arise, but together we will face them and turn them into opportunities.

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WHY READ FEPA'S SUSTAINABILITY REPORT?

This report outlines our journey in adapting the business to the evolving global macro-scenarios, through the progressive strengthening of our corporate structure and the strategic integration of a sustainability-oriented development plan.

It is structured around key thematic areas, showcasing FEPA's contribution to creating sustainable value for all stakeholders.

About FEPA

1

1.1 Our identity: from family business to industry leader

FEPA S.p.A. is a leading company in the Italian **corrugated packaging market**, delivering high-quality packaging solutions to major industrial players for over 60 years.
Our company's evolution is a testament to the strength of **successful family entrepreneurship**, driven by continuous investment in technological innovation and research & development. This forward-looking approach has supported our steady, sustainable growth, enabling us to reach a production capacity of approximately 660 million square meters per year.

At FEPA, we integrate **ESG** principles into our development strategies. We are committed to promoting **environmental and social sustainability** through concrete, results-driven initiatives aligned with our industrial growth plan. These efforts are thoroughly documented in the third edition of our **Sustainability Report**, which outlines both the goals we have achieved and the company's ambitious and challenging future commitments.

> Located in the heart of Italy's 'packaging valley', we are among the leading producers of corrugated packaging. Thanks to the integrated production in our 2 plants, we create packaging that guarantees product protection, visibility, and sales, with timely logistics service and rigorous quality control.

From Sandra to **Fepa**

FEPA
FERRETTI PACKAGING

1960

Franco Ferretti, **our founder**, opens a small shop laying the foundation for what would become FEPA.

1985

SANDRA an **integrated corrugated board production and converting company**, is established at its current headquarters in **San Polo di Torrile (PR)**. It quickly becomes a national industry leader.

1998

The launch of **Cart-One**, a joint venture that expands our service coverage throughout Italy.

CART ONE

2004

In response to growing demand, a **second production site** is opened in Mezzani (PR).

2006

Cart-One goes international by joining **Blue Box Partners**, a European alliance enabling us to serve international clients.

BLUE BOX PARTNERS
packaging4europe.com

2023

SANDRA is renamed FEPA **(Ferretti Packaging)** and the expansion of the Mezzani site is completed.

2024

Completion of the installation of a third **state-of-the-art BHS Flex Line corrugator** (2.8-meter width) at the Mezzani plant, a project initiated in 2022.

1.2 2024 in Figures

2024

240 Thousand tonnes
CORRUGATED BOARD PRODUCTION

660 Mln m² of corrugated board
PRODUCTION CAPACITY with 2 plants and 3 corrugators

99% RENEWABLE MATERIALS

26 DEFINED ESG TARGETS within the 2025-2030 strategic sustainability plan

2024 REPORT LAUNCH OF THE NEW 2025-2030 SUSTAINABILITY STRATEGY

519 Employees
IN THE DIRECT WORKFORCE

214 Mln €
REVENUE

9 PROJECTS SUPPORTING LOCAL COMMUNITIES and territories

3,129 hours delivered, including 500 of induction plan
TRAINING

65 YEARS IN BUSINESS

-36% WATER WITHDRAWAL REDUCTION vs 2022 per tonne of product

95.6% of the paper purchased is certified or controlled according to FSC® standards
CERTIFIED PAPER

In 2024, the **Mezzani 2 project** was completed, involving the **upgrade and expansion** of the **original facility**. A key milestone was the installation of a third state-of-the-art BHS Flex Line corrugator, with a working width of 2,800 mm, which increased the production capacity of the site by 60%. This investment **enabled greater operational flexibility and an expanded product range**, thanks to the introduction of new flute types — micro-flutes, nano-flutes, and open flutes. The project also included the redesign of the main entrance hub of the site and the implementation of a new access control system and logistics flow management, aimed at **improving both safety and operational efficiency**.

SAN POLO DI TORRILE SITE

Production site / legal headquarters / executive offices

AREA: **30.000 m²**
PRODUCTION CAPACITY: **160.000.000 m²**
EMPLOYEES: **288**

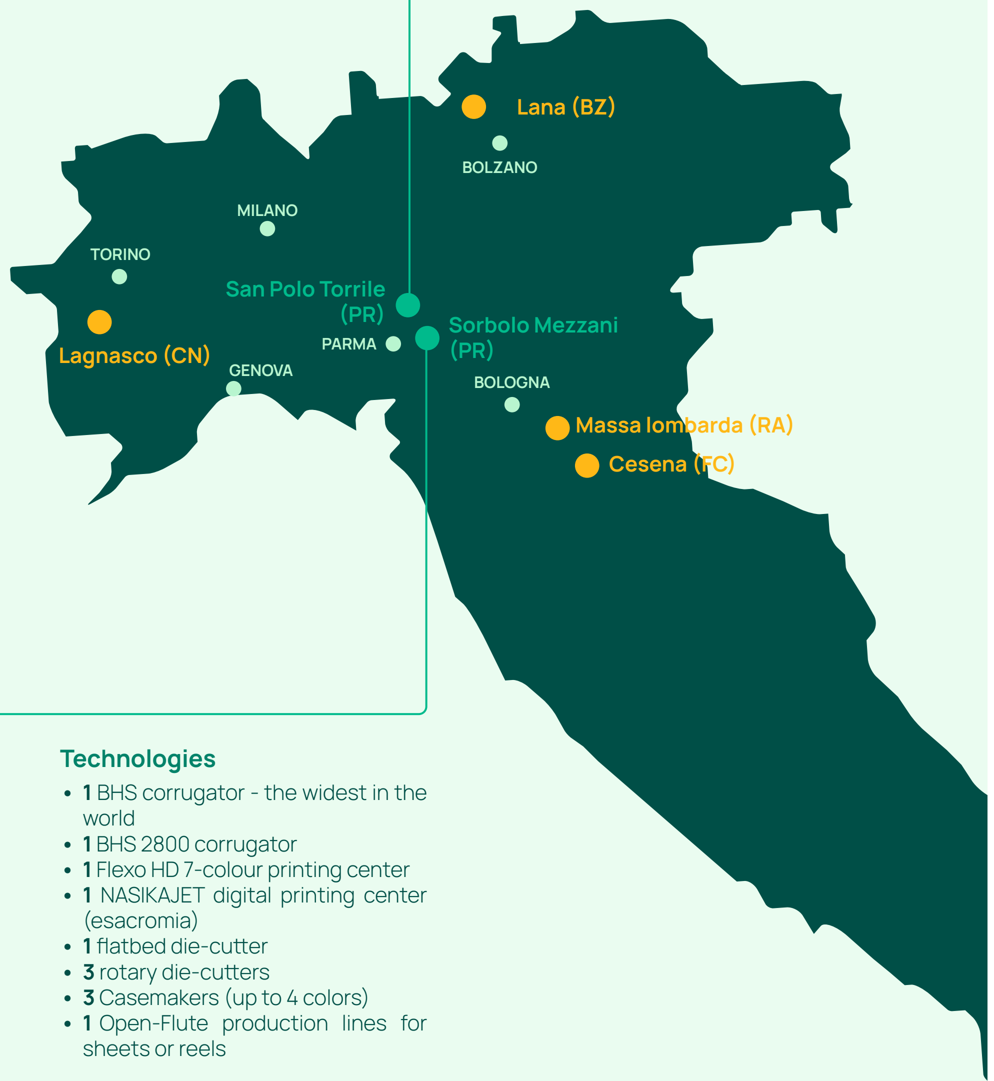
Technologies

- **1** Agnati 2500 corrugator
- **2** Flexo HD printing centers (5 and 7 colours)
- **1** Flexo 3-color printing center
- **4** Die-cutters
- **2** 4 colour casemakers
- **1** Folder-gluer line
- **2** Digital plotters for cutting
- **1** Digital plotter for gluing
- **4** Tray-forming machines

PRODUCTION SITE

LOGISTICS HUB

With **two integrated production sites** for corrugated board and packaging, and **four strategically located logistics hubs**, FEPA ensures efficient end-to-end management – from production to assembly and shipping. This structure enables optimized order handling and simplifies distribution operations for customers.



CASALE DI MEZZANI SITE

Production site

AREA: **56.000 m²**
PRODUCTION CAPACITY: **500.000.000 m²**
EMPLOYEES: **231**

Technologies

- **1** BHS corrugator - the widest in the world
- **1** BHS 2800 corrugator
- **1** Flexo HD 7-colour printing center
- **1** NASIKAJET digital printing center (esacromia)
- **1** flatbed die-cutter
- **3** rotary die-cutters
- **3** Casemakers (up to 4 colors)
- **1** Open-Flute production lines for sheets or reels

1.3 Mission and Principles

Achieve complete CUSTOMER satisfaction through innovative, high-performance,and high-quality packaging solutions.

In line with this mission, FEPA has identified **six operating principles** on which to base its business, going beyond the pure logic of profit in favour of a broader spectrum and **value-oriented** approach.

FEPA believes that its principles are important for achieving the highest level of quality and service, satisfying customer requests in the best possible way.

FLEXIBILITY

We apply **flexible thinking and action** to every project, enabling us to respond effectively to the diverse needs of our customers.

QUALITY

We guarantee **high-quality standards** of the product and service throughout the supply cycle, giving the customer the opportunity **to trace the manufacturing process** from design to delivery.

SPEED

We ensure **rapid response and execution**, addressing customer requests in the shortest possible time.

STREAMLINED PROCESSES

We act **promptly and efficiently in decision-making**, resolving critical issues in real-time.

COMPETITIVENESS

We remain **competitive** in the packaging sector through **continuous growth**, driven by ongoing investment in training, research and development, and technological innovation.

TERRITORY AND ENVIRONMENT

We implement **sustainable development policies** to safeguard people's well-being and the environment in which the company operates. We aim at **neutralizing the environmental impact** associated with production processes and promoting the economic and social prosperity of the surrounding communities.

Our guiding principles extend beyond a purely profit-driven model, steering the business towards the **creation of shared and sustainable value**, with a firm commitment to quality and responsibility in every phase of our operations.

1.4 FEPA Certifications

We consider management systems to be essential tools for process optimisation, quality assurance, and sustainable growth.

To ensure the quality and sustainability of its business, FEPA has invested in certified management systems. This commitment maintains high standards of production quality, operational efficiency and safety, ensuring raw material traceability, continuous improvement of environmental performance, and full compliance with current regulations.

ISO 9001:2015

to optimise the monitoring of business processes and ensure the delivery high-quality products aligned with customer needs.

ISO 14001:2014

to monitor and improve our environmental performance and ensure compliance with environmental legislation.

FSSC 22000 V6

to control and ensure food safety and compliance with Good Manufacturing Practices (GMP) in relation to the food contact packaging sector (site-specific certifications).

FSC® CHAIN OF CUSTODY

(licence no. C105699)
to ensure the traceability and responsible sourcing of paper raw materials from sustainably and responsibly managed forests.

FEPA voluntarily undergoes external audits covering ethical and working standards, including the SMETA 4 Pillars assessment (**latest audit in 2022**), based on international standards in four key areas. Passing the audit confirms compliance with current regulations, alignment with the ETI Code (Ethical Trade Initiative), and the Best Practices outlined in the SMETA Guidelines. The results are securely shared via the SEDEX (Supplier Ethical Data Exchange) platform, accessible to participating customers.
In line with the principle of transparency and as a testament to its commitment to sustainability, FEPA submits its performance each year for evaluation through EcoVadis, an international platform that measures ESG performance in the areas of environment, labour and human rights, ethics, and sustainable procurement. In 2024, FEPA received a **Silver Medal**, placing the company in the **top 15%** of assessed businesses worldwide, recognising our robust and structured sustainability management.
In 2024, FEPA submitted its ESG data to Synesgy, the digital platform of CRIBIS (CRIF Group) designed to measure the environmental, social, and governance sustainability of companies and their supply chains. FEPA achieved an **A rating**, the highest level awarded by the platform.

The 4 pillars of a SMETA

/ **1.**LABOUR STANDARDS / **2.**HEALTH & SAFETY /
3.THE ENVIRONMENT / **4.**BUSINESS ETHICS

RISK ANALYSIS

Through its management systems, and in collaboration with process owners and external consultants, FEPA conducts **targeted assessments and analyses of organisational risks** across various thematic areas. These evaluations are systematically integrated, helping shape the organisational structure and providing strategic input for the Double Materiality Assessment in the context of sustainability.

Evaluation Areas

Legislative Decree 231 and Ethics	Food Quality and Safety	Environment	Health and Safety	Financial Management	FSC Management
CONTEXT AND PROCESS ANALYSIS	LEGAL	REPUTATIONAL	BUSINESS CONTINUITY	PEOPLE AND RESOURCES	SOURCING FROM RESPONSIBLY MANAGED FORESTS

The goal is to identify the potential impacts of our operations, define effective control measures, and implement best practices that help mitigate risk and seize opportunities for improvement. This activity is fundamental to **ensuring a safe, resilient, and sustainable business**, one that can effectively adapt to internal and external change and the ongoing evolution of business processes.

Products and target markets

2

2.1 FEPA Products and Services

We support our customers with tailor-made solutions, working alongside them to design new projects and optimise existing ones, contributing to the creation of packaging that is increasingly innovative, functional, and effective.

With a dedicated design team and Key Account Managers, **FEPA works closely with its clients to meet their needs at every stage of the corrugated board** production process — from feasibility studies through to production and after-sales support.
With a long-standing focus on innovation, the company has invested in a specialised laboratory to test the performance of materials and products.
Rigorous, **continuous quality controls** are applied across the entire supply chain — from raw material selection through to production, packaging, and final shipment.

STRENGTHS OF FEPA'S SERVICE

PACKAGING OPTIMISATION

Customised packaging design focused on **functionality, aesthetics, waste reduction, space optimisation, and integration with the customers' production lines.**

DELIVERY FLEXIBILITY AND SPEED

Integrated and stable production processes, supported by **Lean Manufacturing methods**, **Integrated Logistics**, **automated warehouses**, and **Total Productive Maintenance (TPM)** to ensure responsiveness, flexibility, and timely delivery.

FULL TRACEABILITY

Traceability of the production process — from individual reels to finished product pallets— to guarantee the customer full **control of the product at every stage.**

In response to a broad and fast-evolving market, FEPA produces primary, secondary, and tertiary corrugated packaging to meet a wide range of needs.
Thanks to its flexibility, customisation capabilities, and continuous investment in advanced technologies, the company serves an expanding range of industrial sectors and applications, positioning itself as a reliable partner in increasingly complex and varied production environments.

In 2024, corrugated board production increased by 32% compared to 2022, driven mainly by the installation of the new BHS Flex Line corrugator at the Mezzani site.

Of the total volume produced, 28% is sold as semi-finished sheets to other companies, while 72% is processed in-house to create finished packaging solutions.

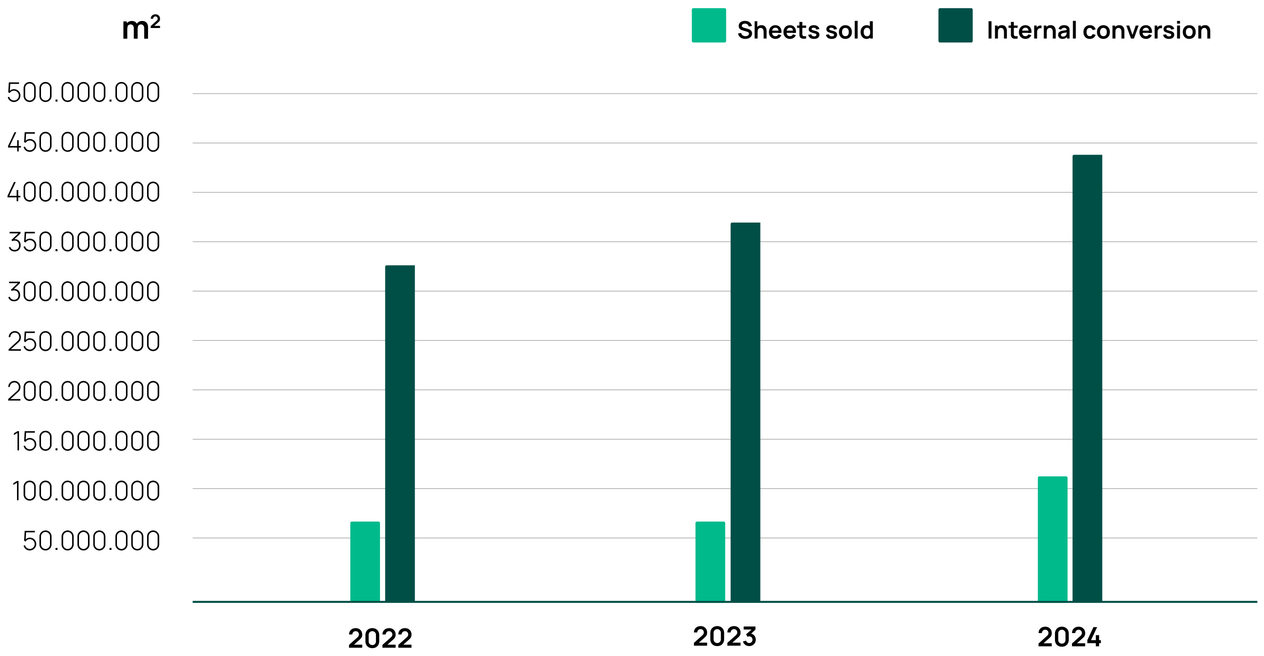
70%
OF REVENUE FROM THE FOOD & BEVERAGE AND FRUIT & VEGETABLE SECTORS

2024

240
thousand tonnes
MATERIAL PRODUCED

441
Million m^2
CORRUGATED BOARD PRODUCED

Corrugator production



TOGETHER WITH OUR CUSTOMERS TO INNOVATE, OPTIMISE, AND REDUCE IMPACT

In our daily work, We place a strong emphasis on **co-developing optimisation projects** with our customers, aiming to combine **economic efficiency** with a **reduction in environmental impact**. These initiatives result from constant, constructive dialogue focused on improving finished products without compromising functionality.

Among the most significant day-to-day measures implemented are:

REDUCING PACKAGING SURFACE AREA

While preserving its technical specifications, thus lowering paper consumption;

DOWNGRADING LINERS

Downgrading liners and adjusting flute profiles while ensuring high performance standards for packaging, with positive effects in terms of reduced raw material use and improved logistics efficiency (optimised space use and consequent positive impact on transportation and related CO_2eq emissions);

RECYCLED PAPER

Replacing virgin fibre paper with recycled paper and switching from white to kraft outer liners, with a lower environmental footprint;

SIMPLIFYING GRAPHICS

Simplifying packaging graphics, which leads to reduced ink usage and lower water consumption during cliché cleaning;

REMOVING PLASTIC FILM

Removing plastic film from pallet wrapping where technically feasible.

These measures generate **mutual cost savings** for both the customer and FEPA, while reinforcing our commitment to a more sustainable production and consumption model.
Our approach is based on a philosophy of **continuous improvement**, which values technical and commercial collaboration to identify efficient, concrete, and replicable solutions.

FOCUS #1:INDUSTRIAL SYMBIOSIS AND RECYCLED PLASTIC PALLETS

As part of the **Green Box** project — a collaborative initiative between Parmalat, Tetra Pak, and FEPA to promote a **circular economy approach to packaging** — a pilot programme has been launched to **use pallets made from recycled plastic** obtained by recovering polyAl, the polyethylene and aluminium component of Tetra Pak cartons.

This initiative fits into a broader context of enhancing waste materials generated along Parmalat's production and logistics chain. Specifically, the starting material consists of post-consumer Tetra Pak cartons which, instead of being disposed of as waste, are sent to paper mills to undergo a specific recycling process that recovers both the cellulose component and, through further processing, **the plastic-aluminum component** of these packages.

This latter component is transformed into a **new recycled plastic material** suitable for manufacturing pallets. These **recycled pallets** present a promising alternative to wooden ones, with the advantage of using recycled material and reducingthe need for virgin raw materials.

The project is currently in its pilot phase, with technical tests underway to verify the **mechanical suitability of the pallets** under actual operating conditions at Parmalat and FEPA. To date, more than **600 logistics cycles** have already been completed using the recycled pallets, and the data collected is enabling **comparative analyses** of the performance of the two pallet types. The next steps include **extending the trial to a larger sample** and evaluating possible design improvements in composition and structure, with a view to potential structural adoption.

The pallet-related initiative within the Green Box project stands as a **virtuous example of industrial symbiosis**, in which food packaging at the end of its life cycle is recycled and transformed into a resource for logistics — strengthening the shared commitment of Parmalat, Tetra Pak, and FEPA towards an increasingly sustainable and circular supply chain

FOCUS #2: THE ECOGRIP PROJECT

Among the projects developed by FEPA **in close collaboration with its customers**, **ECOGRIP** stands out as one of the most significant initiatives on the path towards **sustainable packaging solutions**. Launched several years ago, the project originated from the shared need to find a concrete alternative to the **shrink-wrap plastic** from multi-bottle packaging. Over time, it has evolved through a continuous process of **prototyping and design refinement**, and today the trial phase has reached an **advanced stage of technical validation** in partnership with **Parmalat**.

The **ongoing tests with Parmalat** address the key aspects needed to ensure the full industrial applicability of the system: analysing the **mechanical strength of the board**, **compatibility with the most common bottle formats**, and **operability both in manual lines and automated plants**. This methodical approach aims to ensure that, once this phase is successfully completed, **ECOGRIP can be launched on the market** with the same reliability as traditional systems, without compromising logistical or quality performance.

ECOGRIP is made from corrugated board, a **biodegradable and recyclable material**. Its design **eliminates the use of single-use plastic** and **significantly reduces the share of plastic waste** that can be challenging to manage. At the same time, the project seeks to offer **added value from a user experience perspective**: with a **specially designed ergonomic grip**, it ensures easy handling throughout the entire supply chain, **enhancing pack presentation without sacrificing functionality or safety**.

Thanks to **close cooperation with Parmalat** and a **step-by-step development process**, ECOGRIP is building a **solid foundation for future industrial scale-up**, having been designed to fit any type of bottle on the market and to be customised according to specific customer requirements.

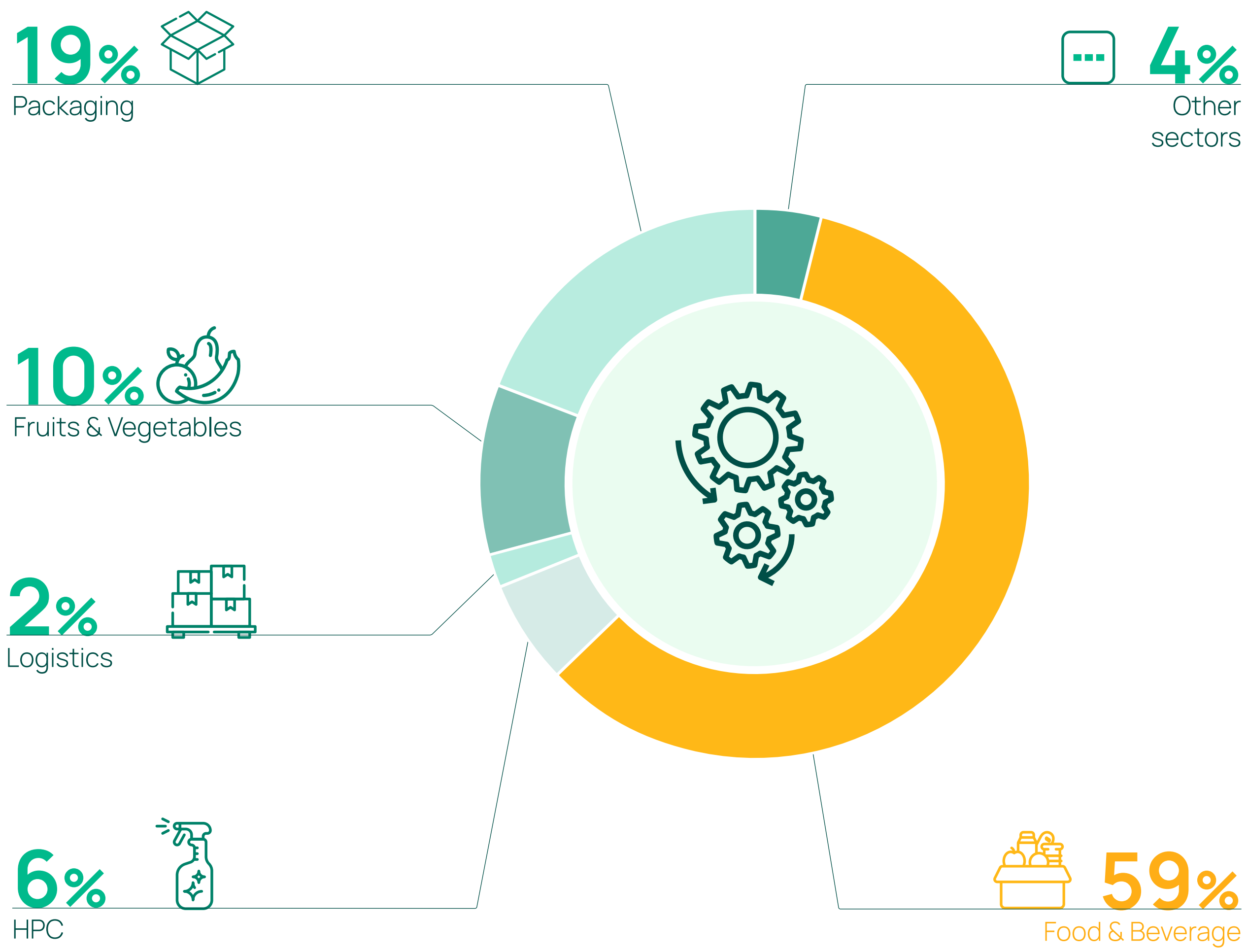
This process, built on **solid technical foundations** and on **continuous dialogue with those who will actually use it,** represents the most effective way to **truly assess the effectiveness of the system and the role it can play in reducing the environmental impact of the packaging supply chain.**

2.2 The target market

Over time, **FEPA has established itself as a leader in corrugated cardboard solutions**, supported by two integrated production plants and a widespread network of logistics hubs to ensure speed and accessibility in the distribution service to customers.
FEPA's business focuses on the **production and distribution of corrugated cardboard packaging** for the national B2B market, particularly in the central and northern regions of Italy. Through partnerships at both national and European levels, FEPA has expanded its market presence across the entire Italian territory and into the rest of Europe.

The main industrial sectors in which FEPA operates include Food & Beverage, fresh produce, and packaging.

% 2024 revenue by industrial sector

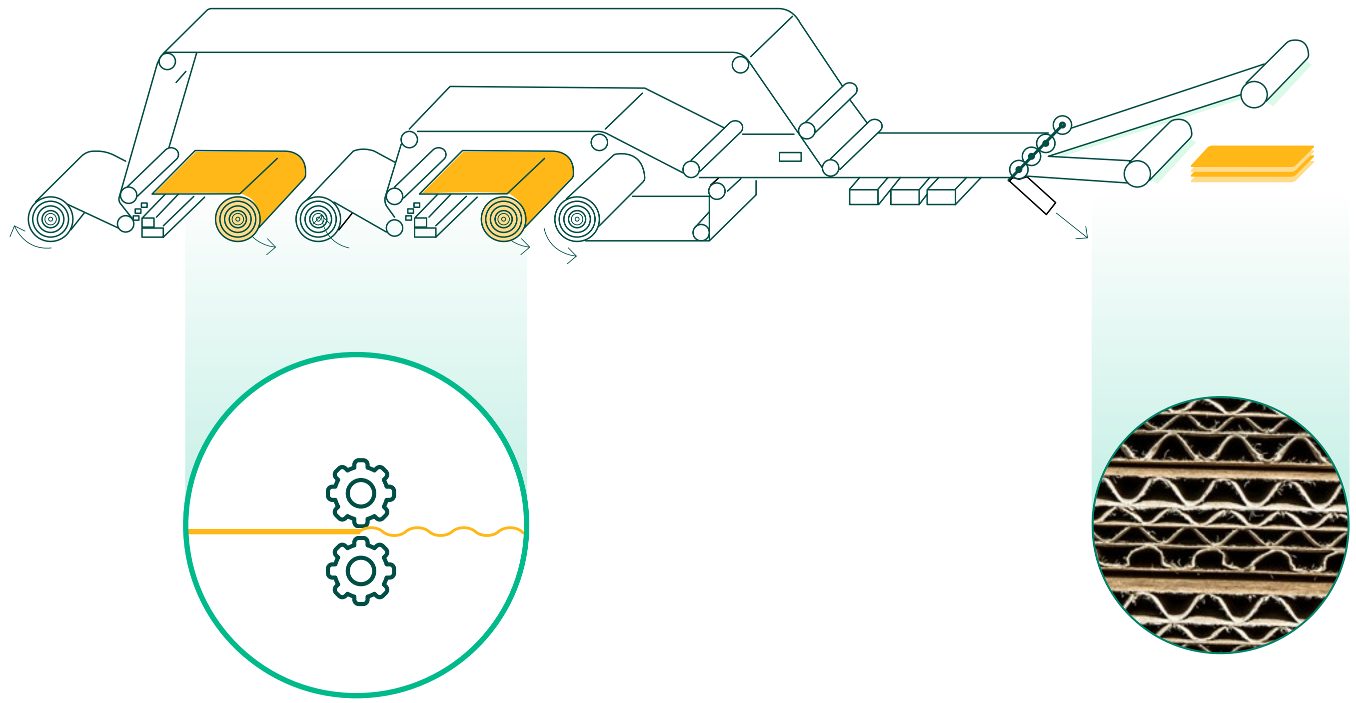


2.3 Processes and technologies for quality packaging

Both FEPA plants manage production and converting of corrugated cardboard in an integrated way.

Board corrugation

FEPA operates three state-of-the-art corrugators that allow the production of corrugated board sheets in a wide variety of configurations, including single-wall and double-wall types, combining both low and high flutes and, **since 2024, also caneté (open-flute)**.



SAN POLO 1 CORRUGATOR
AGNATI corrugator with a working width of 2,500 mm.

MEZZANI 2 CORRUGATORS
- BHS corrugator (Mezzani) with a working width of 3,350 mm, recognised as the largest in Italy and among the few of its kind worldwide.
- BHS Flex Line corrugator with a working width of 2,800 mm.

Corrugated board can be marketed as a semi-finished product or processed internally into a finished product through converting operations carried out in FEPA departments, equipped with advanced technologies capable of meeting a wide range of graphic and dimensional requirements.

FEPA Technologies for Corrugated Board Converting		
Case Makers	Rotary Die Cutters	Flatbed Die Cutters
Flexographic Printing Centres	Digital Printing Centre	Plotters
Folder-Gluers	Forming Machines	Tray Forming Machines

PRINTING	CUTTING	GLUING	DIE CUTTING	FOLDING	ASSEMBLY

The continuous upgrading and improvement of our production equipment base is a source of pride for us, as it enables not only the delivery of efficient service and high-quality products, but also the ongoing expansion and diversification of our offering, allowing us to respond with flexibility to the needs of an ever-evolving market.

We have long integrated innovation and transformation into our structure by establishing a dedicated function to explore new digital opportunities — a choice that reflects a clear vision: operating in a complex environment requires processes that are increasingly efficient, digitalised, and sustainable.

In 2024, two new production lines were installed at the Mezzani site, enabling the expansion of the product range with the introduction of the "caneté" (open-flute), available both in reels and flat sheets.

3

Towards sustainable development

3.1 Sustainability Approach and Strategy

The awareness of the role and responsibility each organisation has in carefully and proactively managing its environmental, social, and organisational impacts, risks, and opportunities is at the heart of our commitment to a solid and long-lasting model of sustainable development.

FEPA has always paid close attention to environmental, economic, and social sustainability issues, translating this commitment into tangible initiatives and investments. This dedication arises not only from the inherent nature of the sector — which is closely tied to the responsible use of resources — but also from a deeply rooted conviction, actively embraced and promoted by the company's leadership.

PILLARS FOR A MORE SUSTAINABLE FUTURE

We continuously invest in innovation, efficiency, and training, developing organisational systems that integrate business needs with a strong commitment to environmental sustainability and social responsibility within the communities where we operate.

RESPONSIBLE ENVIRONMENTAL MANAGEMENT

Respect for the environment and the territory in which we operate lies at the heart of FEPA's development strategy. Guided by this principle, we continuously invest in new facilities, technologies, and solutions aimed at reducing emissions and water withdrawals, protecting biodiversity, and improving waste management, all with the goal of minimising the environmental and social impacts associated with our operations.

SOCIAL RESPONSIBILITY

We believe that the skills, commitment, and motivation of our people are fundamental to FEPA's success. For this reason, we invest in their growth through technical and professional training programmes, while promoting a culture cantered on the continuous improvement of workplace health and safety, the development of diversity & inclusion policies, work-life balance, and active support for the local communities in which we operate.

GOVERNANCE AND MANAGEMENT

As a leader in corrugated board production, FEPA contributes to creating economic, social, and environmental value in the areas where it operates. We do this through an ethical and responsible governance model, guided by the principles of sustainable development and aligned with the United Nations Sustainable Development Goals (SDGs). We place particular emphasis on promoting a corporate culture and developing projects along the supply chain, with the aim of generating positive, shared, and lasting impacts.

We firmly believe that the strength and continuity of a business depend on its ability to operate ethically and responsibly, in line with major international sustainable development strategies and, now more than ever, within an increasingly dynamic European regulatory framework. In particular, the introduction of the Corporate Sustainability Reporting Directive (CSRD) represents an opportunity for us to further strengthen transparency and embed ESG principles into our business model.
In this context, FEPA continues to work decisively to reduce emissions, energy consumption, and the use of resources, with the aim of protecting the environment and the territory, meeting the needs of local communities, and fully enhancing its human capital. This approach translates into a sustainable growth model that goes beyond a purely profit-driven logic, guided by a medium-to-long-term vision capable of generating shared value throughout the entire supply chain.

These principles and actions are systematically structured within our five-year sustainability plan, which will be detailed in the following paragraphs and which represents our concrete commitment to a sustainable transition — measurable, aligned with our values, compliant with emerging regulations and responsive to the evolving demands of the market.

FEPA is a company that looks to the future and embraces transformation. Today, these principles are inseparable from the concept of sustainability, which for us is a strategic lever to generate innovation, efficiency, and shared value.
We are facing a challenge that is both complex and urgent — one that requires immediate and concrete action to actively contribute to the health of the planet and to the progress of our social and economic fabric, in a context where market expectations and European regulatory standards are constantly rising.
Yet within this challenge lies a powerful opportunity: the need to work together, moving in the same direction for a measurable, collective benefit. Sustainability today is no longer a solo effort — it's a shared supply chain journey that calls for an ecosystem vision, built on collaboration and a long-term perspective.
Our new sustainability strategy is based on ambitious goals that cover all ESG dimensions and will involve all our business processes and the entire supply chain. It's our way of showing that we're ready to do our part, together with partners who share our vision for the future.

Giacomo Torri,
Head of Sustainability,
FEPA SPA

3.2 Double Materiality Assessment

In the current landscape, the adoption of the new European Union Corporate Sustainability Reporting Directive (CSRD) represents a significant evolution compared to previous approaches, which were predominantly based on the Global Reporting Initiative (GRI) guidelines.

This document constitutes the first edition of FEPA's Sustainability Report, prepared on a voluntary basis and inspired by the principles introduced under the new directive. The report is structured in line with the European Sustainability Reporting Standards (ESRS), thematic standards that define the three ESG pillars (Environmental, Social, Governance) and provide a common, standardised, and comparable disclosure framework.

In accordance with the new requirements introduced by the CSRD, for the preparation of this Report, FEPA conducted a Double Materiality Assessment aimed at identifying the "material" sustainability topics, those considered most relevant both for the organization and its stakeholders, by integrating two complementary perspectives:

- **Impact materiality** (**INSIDE-OUT** perspective): assesses the positive ⊕ or negative ⊖, actual or potential effects that FEPA's activities generate on people and the environment. Such impacts may arise directly from the company's operations or occur along the value chain, upstream or downstream;
- **Financial materiality** (**OUTSIDE-IN** perspective): analyses how environmental, social, and governance factors may affect the company, generating risks or opportunities with economic, financial, or organisational impacts. This perspective considers external context dynamics that may influence the company's financial performance and its strategic and operational decisions in the short, medium, or long term.

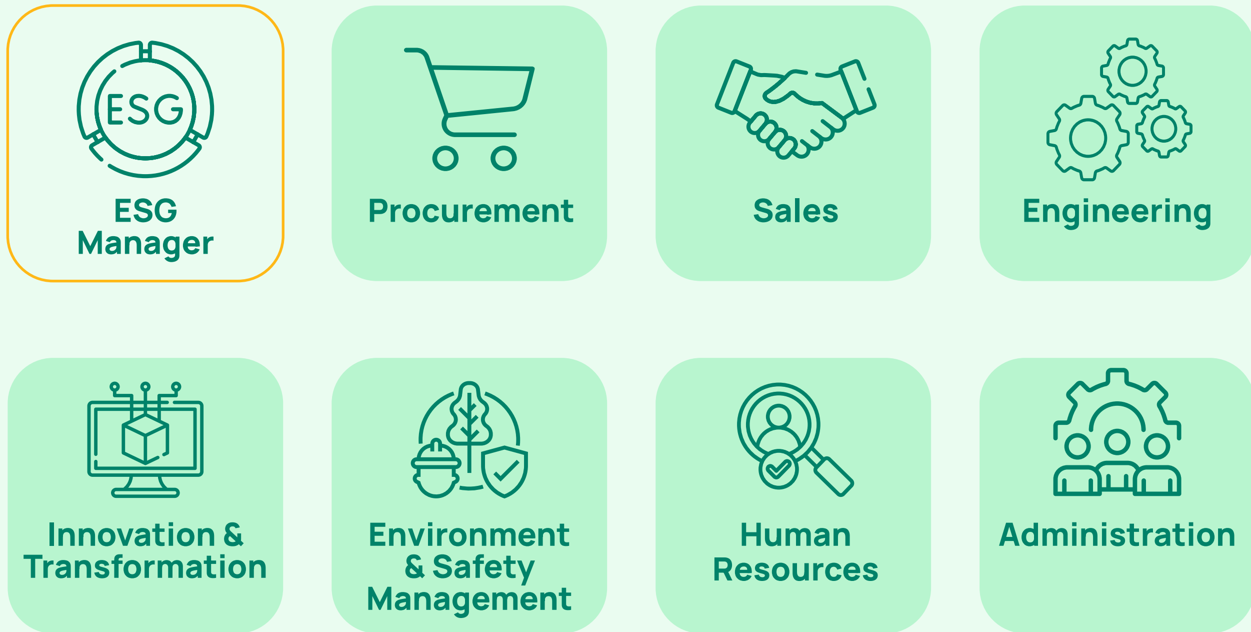
The combined analysis of these two dimensions was conducted according to shared criteria, with the objective of defining a clear and consistent framework of priority topics for FEPA, to guide the selection of relevant content presented in this Report

The list of material topics was then shared with Organisational Management for approval.

In addition to overseeing the Double Materiality Assessment process, the Sustainability Committee supports the ESG Manager in managing changes, needs, and expectations of stakeholders, helping to translate the organisation's sustainability strategies — the "sustainability plan" — into the various corporate functions and ensuring their effective operational implementation.

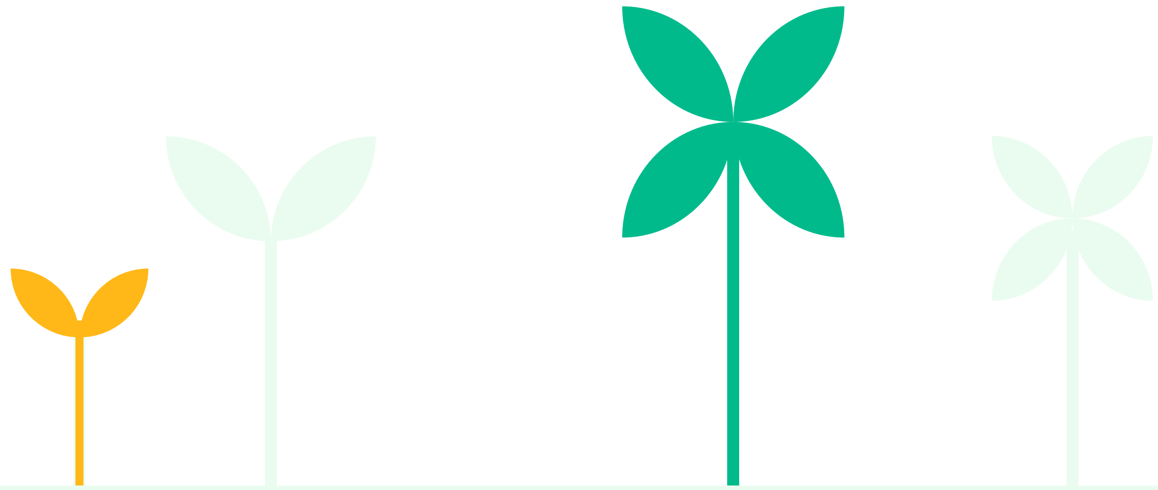
Roles within the Sustainability Committe

The identification and management of sustainability topics at FEPA are entrusted to a dedicated cross-functional internal team — the Sustainability Committee — coordinated by the ESG Manager and reporting directly to the Organisational Management. Through dedicated working groups, the Committee actively contributed to the consolidation and validation of material impacts, risks, and opportunities (IROs), conducting an in-depth analysis of the internal and external context in which FEPA operates and taking into account the positions and expectations of key stakeholders. At the end of the process, a summary of the mapping of identified IROs was prepared, along with the main evidence supporting the Double Materiality Assessment.



The Double Materiality Assessment identified 28 material topics, considered priorities for FEPA in relation to its impacts and their strategic relevance to the organisation.
For details on the methodology adopted and the phases of the analysis, please refer to the specific methodological note attached.

To allow the reader to explore the data presented in the following chapters in greater depth, the icon indicates the presence of specific additional information available in the final appendix for the Environmental, Social, and Economic dimensions of this report.



Topic	Sub-topic/Sub-sub-topic	Value Chain Impact Materiality			Financial Materiality	
			IMPACTS		RISKS	OPPORTUNITIES
E1 Climate change	Climate change mitigation – Transition plan	UP (+) (−)	(+) (−)	DOW (+)	Risk	Opportunity
	Energy	UP	(+) (−)	DOW	Risk	Opportunity
E2 Pollution	Air pollution	UP	(−)	DOW	-	-
	Water pollution	UP	(−)	DOW	-	-
E3 Water	Water consumption	UP	(+) (−)	DOW	-	-
	Water withdrawals	UP	(−)	DOW	-	-
E4 Biodiversity	Direct impact factors on biodiversity loss	UP (+)	(+)	DOW (+)	Risk	Opportunity
	Impacts on the extent and condition of ecosystems	UP (+)		DOW	Risk	-
E5 Circular Economy	Resource inflows, including resource use	UP (+)	(+)	DOW	-	Opportunity
	Resource outflows related to products and services	UP (+)	(+)	DOW (+)	-	Opportunity
	Waste	UP	(+) (−)	DOW (+) (−)	-	Opportunity
S1 Own Workforce	Secure employment	UP	(+)	DOW	-	Opportunity
	Working time	UP	(+)	DOW	-	Opportunity
	Adequate wages	UP	(+)	DOW	-	Opportunity
	Social dialogue	UP		DOW	-	Opportunity
S1 Own Workforce	Freedom of association/Collective bargaining	UP	(+)	DOW	-	Opportunity
	Work-life balance	UP	(+)	DOW	-	-
	Health and safety	UP	(+)	DOW	-	Opportunity
	Equal treatment and opportunities for all/Skills development and training	UP	(+)	DOW	-	Opportunity
	Diversity	UP	(+)	DOW	-	-
	Whistleblower confidentiality	UP (−)	(+)	DOW	Risk	-
S2 Workers in the Value Chain	Health and safety	UP (+)		DOW	Risk	-
S3 Affected Communities	Territory-related impacts	UP	(+)	DOW	-	-
S4 Consumers and End Users	Access to quality information	UP		DOW (+)	-	Opportunity
	Health and safety	UP (+)	(+)	DOW (+)	-	Opportunity
G1 Business Conduct	Corporate culture	UP	(+)	DOW (+)	Risk	Opportunity
	Whistleblower protection	UP	(+)	DOW	-	-
	Political engagement and lobbying	UP		DOW	Risk	-

UP: Impacts identified in the upstream value chain
DOW:Impacts identified in the downstream value chain
: Impacts relevant to FEPA

(+) : Positive impact
(−) : Negative impact

: Opportunity
: Risk

FEPA and the SDGs

The Sustainable Development Goals (SDGs) **are 17 interconnected goals** defined by the United Nations in 2015 to address the planet's social, economic, and environmental challenges by 2030. They encompass over 160 specific targets that identify priority areas for action towards a more sustainable future, including poverty, climate change, environmental degradation, and inequality.

For companies to make a meaningful contribution to solving complex and interconnected global challenges, a shared approach to these issues is essential. The SDGs play a key role in shaping effective **sustainability strategies**, as they provide a universally recognised and accepted framework for aligning corporate objectives.

The material topics identified by FEPA through the double materiality process, along with the macro-actions of the sustainability plan, have been mapped to the thematic areas of the SDGs to which the company contributes. These areas will be highlighted in the environmental, social, and economic sections of this Report through the use of the official SDG icons.

3.3 Strategic Sustainability Plan

The strategic plan serves as a vital tool for steering the organisation towards responsible, long-term growth aligned with the core principles of sustainability. In an increasingly dynamic socio-economic and environmental context, the clear definition of objectives, priorities, and concrete actions enables the organisation to anticipate change, mitigate risks, and capitalise on the opportunities presented by the ecological and social transition.

The strategic plan goes beyond guiding operational decisions: it embeds sustainability as a strategic and competitive lever, helping to generate a positive impact on the environment, the territory, and the communities with which the company interacts.

- Customer demand and new business opportunities
- Regulatory landscape management
- Risk reduction and increased resilience
- People engagement and transformative leadership

FEPA Sustainability Strategy Impact areas and strategic lines

Impact areas	**For a Low-Impact Future**	**For an Inclusive and Sustainable Workplace and Supply Chain**	**For Responsible Management**
Strategic lines	• Reduction of CO_2eq emissions • Protection of water resources • Biodiversity preservation • Improved waste management	• Improved health and safety management • Promotion of Diversity & Inclusion • Organisational wellbeing and people development • Community support	• Promotion of corporate culture • ESG integration into business systems and processes
No. Target	7	11	3

Sustainability of the supply chain - **No. Target 5**

Strategic line	Goal	Target	Timeline	Related ESRS	SDG
Reduction of CO_2eq emissions	Reduce absolute Scope 1 CO_2eq emissions	-30% absolute Scope 1 CO_2eq emissions vs baseline (2021)	2030	E1, E2	
	Reduce absolute Scope 2 CO_2eq emissions	-30% absolute Scope 2 CO_2eq emissions vs baseline (2021)	2030	E1, E2	
	Reduce relative Scope 3 CO_2eq emissions through the promotion of efficiency measures along the value chain	-40% Scope 3 CO_2eq emissions intensity ($tonCO_2$eq/ton NSP) vs baseline (2023)	2030	E1, E2	
Protection of Water Resources	Reduce specific water withdrawals (m^3/ton NSP)	-70% water intensity (m^3/ton NSP withdrawn from the water network) vs baseline (2020)	2030	E3	
Protection of Biodiversity	Increase the use of sustainable or certified supply chain materials	100% of paper purchased not linked to deforestation activities	Recurring from 2025	E4	
Improvement of Waste Management	Improve waste management	Maintain a recovery rate >95% (by-products + waste)	Recurring from 2025	E5	
		-15% special waste generated by water treatment activities (ton/ton NSP) vs baseline (2020)	2030	E5	

FEPA has defined its medium-term strategic plan for 2025–2030

Strategic line	Goal	Target	Timeline	Related ESRS	SDG
Improvement of H&S Management	Improve accident rate indicators	-30% LTA (Lost Time Accident Frequency Rate) among own employees vs baseline (2020)	2030	S1	
Promotion of Diversity & Inclusion	Foster the development of D&I (Diversity & Inclusion) initiatives	+5% share of women in total workforce vs baseline (2020)	2030	S1	
		+30% people with disabilities in the workforce vs baseline (2020)	2030	S1	
		1 internal cultural initiative/event per year to promote D&I	Recurring from 2026	S1	
		90% of Top Management trained on D&I topics	2027	S1	
Organisational Well-being and People Development	Develop policies to improve work-life balance	Introduce a biennial organisational well-being and working environment survey	2026	S1	
		Maintain 90% annual leave uptake for all employees	Recurring from 2025	S1	
	Undergo voluntary audits on working conditions	Maintain SMETA 4 Pillars certification from 2026	Recurring from 2026	S1, E1, E2, E3	
	Promote the personal and professional growth of employees	Maintain >90% of employees subject to annual performance review	Recurring from 2025	S1	
		+60% average annual training hours per employee vs baseline (2020	2030	S1	

Strategic line	Goal	Target	Timeline	Related ESRS	SDG
Support for the Local Community	Support the local community	At least 2 initiatives per year for each "area of action" (Health, Sport, Culture & Territory, Education)	Recurring from 2027	S3	

Strategic line	Goal	Target	Timeline	Related ESRS	SDG
Promotion of Corporate Culture	Increase awareness of corporate culture and sustainability	100% of Top Management trained annually on ESG topics	Recurring from 2025	G1	
		80% of employees to receive training on ESG topics and corporate culture	2028	G1	
ESG Integration into Corporate Processes and Systems	Integration of ESG criteria into incentive systems	Definition and introduction of a variable remuneration component linked to ESG objectives for management	2027	G1	

Strategic line	Goal	Target	Timeline	Related ESRS	SDG
Supply Chain Sustainability	Ensure and enhance sustainability throughout the entire supply chain	90% of strategic suppliers* adhere to the Code of Conduct for Suppliers**	2027	S2, E1, E2	
		80% of strategic suppliers undergo assessment / (if new) are evaluated according to ESG principles	2028	S2, E1, E2	
		5 annual training events/days on ESG topics involving suppliers	2030	S2, E1, E2	
		100% of audits carried out on suppliers assessed as being at higher social risk are either successful or trigger corrective actions	2026	S2, E1, E2	
		Average of 4 hours/year of ESG training for 100% of staff in the Purchasing department	2026	S2, E1, E2	

*All paper suppliers; transport suppliers and other raw material suppliers above the materiality threshold (spending) defined internally.
**The adoption of a Supplier's own Code of Ethics / Code of Conduct will be considered a valid alternative to signing only after FEPA has verified a sufficient level of consistency between the contents and principles of the documents.

Responsible environmental management

4

4.1 Climate Change

(ESRS E1)

We have initiated a solid path towards responsible environmental management, inspired by the principles of the circular economy, with the goal of enhancing natural resources and protecting the environment for the benefit of future generations.

Environmental sustainability is a core principle for FEPA, translated into concrete commitments that have been consolidated over time and integrated into daily operations. In line with the Sustainable Development Goals (SDGs), the company's programmes promote responsible resource management and aim for the continuous reduction of environmental impact. This approach is reflected in actions focused on improving efficiency, minimising waste, and managing environmental aspects and impacts in a conscious and responsible way.

In light of the requirements introduced by the European Sustainability Reporting Standards (ESRS), the ESRS E1 standard places particular emphasis on managing the impacts related to climate change, with a specific focus on emissions mitigation and adaptation to climate effects. For a company like FEPA, operating in the corrugated board manufacturing sector, this is a strategically important topic: decarbonising production processes, improving energy efficiency, and adopting renewable energy sources are key levers for reducing environmental footprint and meeting the growing regulatory and market expectations.

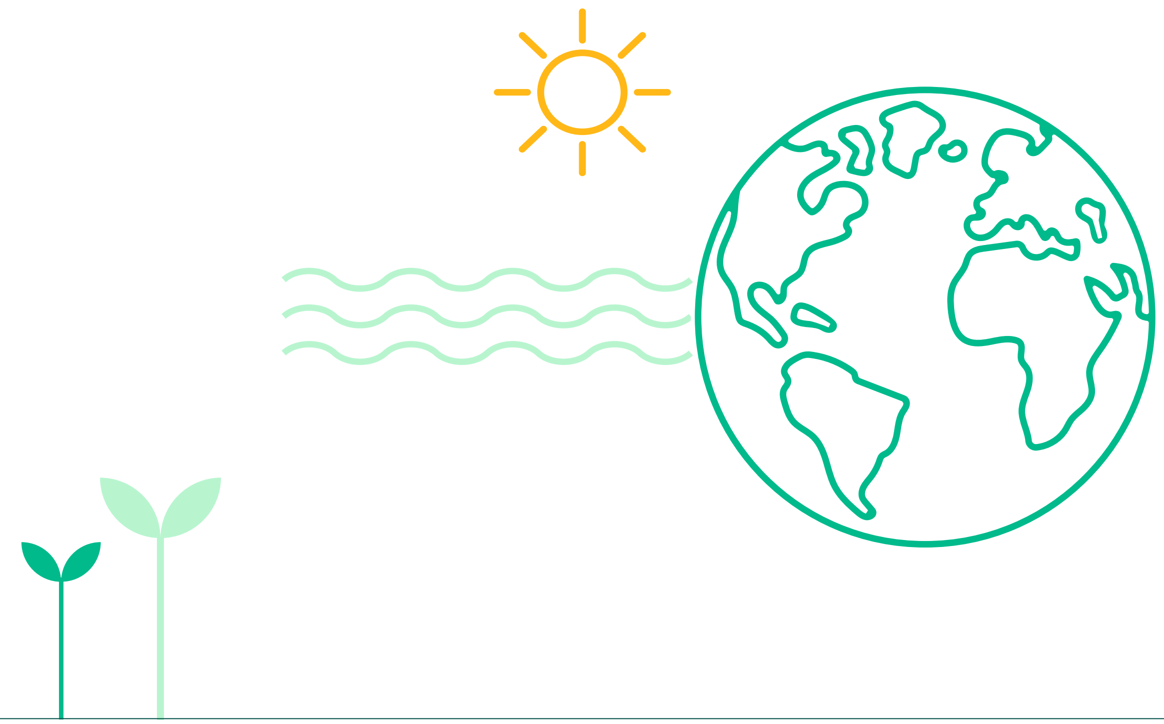
The Double Materiality Assessment identified climate change mitigation and energy management as material impact topics for FEPA, highlighting both potential risks (physical and transition) and opportunities related to sustainable innovation and long-term competitiveness.

4.1.1 Energy Consumption Management

We manage processes and plants with the aim of minimising consumption and limiting the use of non-renewable resources.

Aware that **sustainable choices are essential for protecting the environment** and ensuring its preservation for future generations, as well as to strengthening corporate resilience and long-term viability, FEPA has invested – and continues to invest – in technologies and plant infrastructures designed to reduce energy consumption and emissions generated by its production processes.

An analysis of energy intensity relative to net revenue shows an increase, primarily due to a decline in turnover, which occurred despite rising production and sales volumes. This effect was further amplified by a decrease in the average selling price, particularly due to the significant growth in the sheet segment (+56% in square metres compared to 2023). Conversely, the energy consumption intensity per tonne produced decreased, confirming the effectiveness of the technical and plant solutions adopted and the efficiency improvement projects implemented in energy management.



73.479

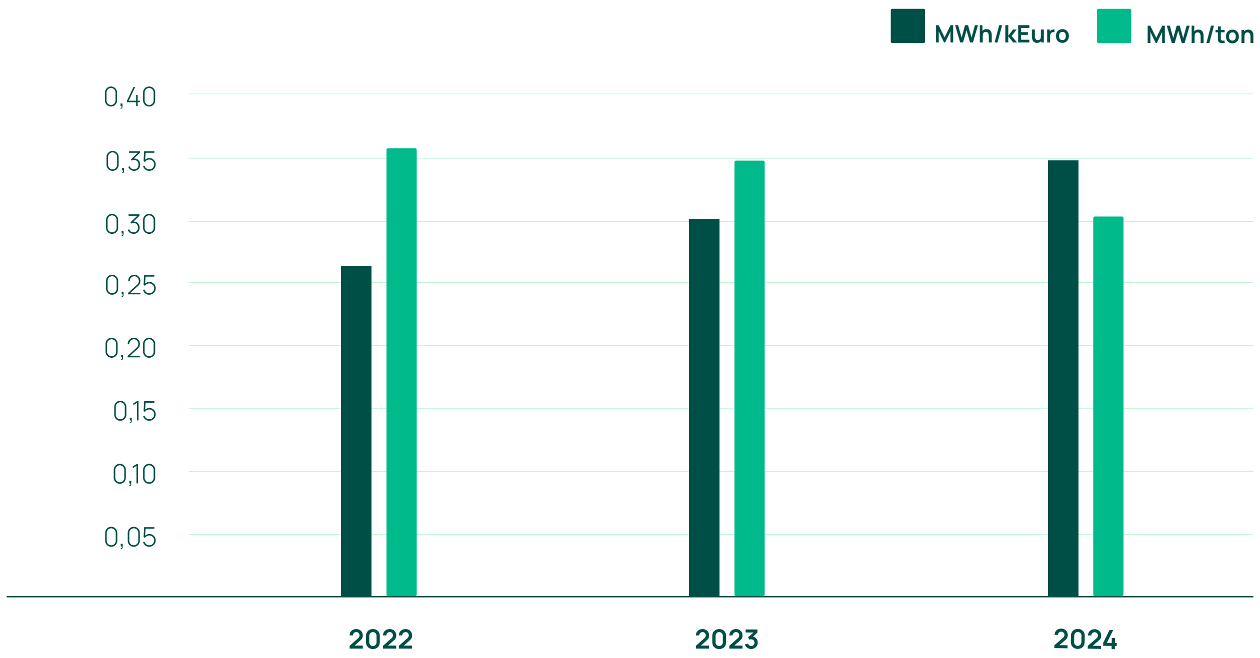
MWh OF ENERGY USED

2024

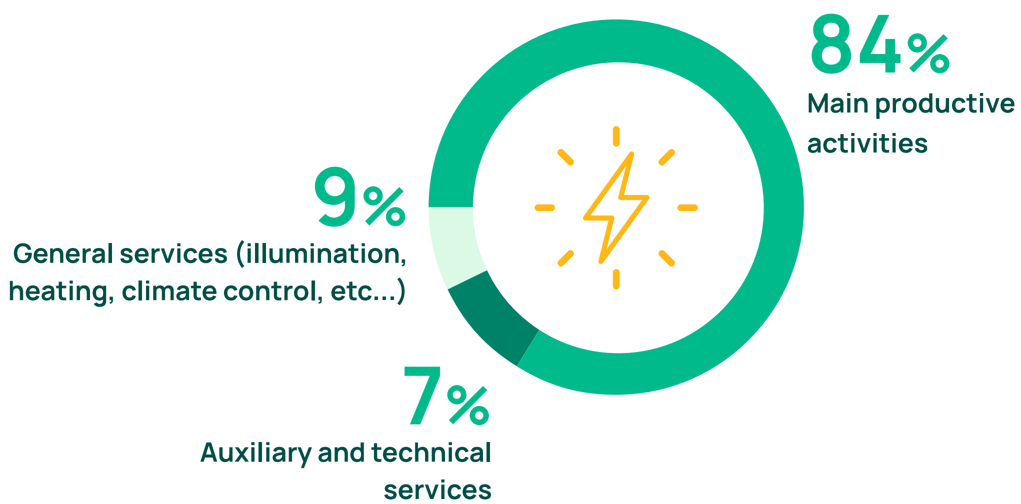
Electricity consumption is primarily associated with powering production facilities – particularly corrugators and corrugated board converting machines – as well as the service systems that support production.

Methane gas consumption, on the other hand, is linked both to steam generation for the corrugator and to heating the work environments.

Energy consumption intensity

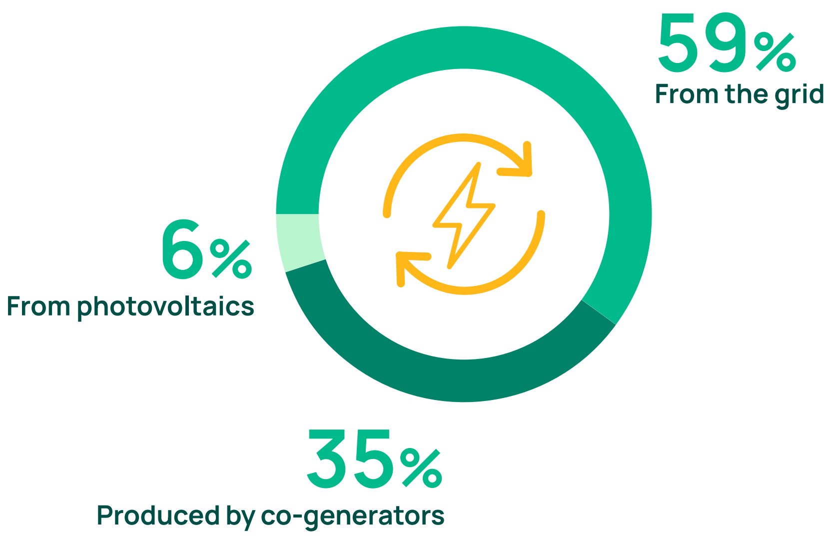


Breakdown of Total Energy Consumption [1]



[1] *Source: FEPA 2023 Energy Audits*

Breakdown of Electricity Consumption



The energy audit as a strategic tool for optimising energy consumption

FEPA is required to carry out periodic Energy Audits under Legislative Decree 102/2014, as it is classified as an energy-intensive company.

Through the monitoring and analysis activities carried out as part of these energy audits, the company has gained a detailed understanding of its energy profile. This has made it possible to identify **concrete opportunities for improvement**, aimed at reducing consumption and increasing process efficiency.

Following the most recent Energy Audit conducted in 2023, FEPA updated its **environmental improvement path**, identifying new priority actions. In line with the **Sustainable Development Goals** (SDGs), the company is integrating plant solutions across its production sites to optimise energy consumption, with the goal of tangibly reducing the environmental impact of its operations.

Photovoltaic plants

Producing Renewable Energy

At the San Polo and Mezzani plants, rooftop **photovoltaic plants** have been installed to generate renewable energy, significantly contributing to the sites' electricity needs. Around **80% of the electricity generated is self-consumed** directly within the plants, while the surplus is fed into the national power grid.

995
kWp capacity of the photovoltaic system at the Mezzani site

100
kWp capacity of the photovoltaic system at the San Polo site

Trigeneration plant

Electric, thermal, and cooling energy in a single efficient solution

This facility uses natural gas for the combined generation of electricity and thermal energy, both used in production processes. The thermal energy produced by the thermodynamic transformation is also recovered to produce cooling energy, which is used to air-condition the production areas.

> The Mezzani production site is equipped with a 1.2 MW trigeneration plant

BENEFITS

- Reduced natural gas consumption thanks to high process efficiency
- Lower environmental impact due to reduced emissions associated with lower energy consumption
- Improved microclimatic conditions in the plant, with benefits for operator well-being, product quality, and machinery lifespan/efficiency
- Reduced operating costs through optimised energy flows and self-generation

4.1.2 Emissions Management and Actions Related to Global Warming

Through targeted plant and operational choices, we significantly reduce our carbon footprint across the entire value chain, making a tangible contribution to climate change mitigation.

The use and combustion of natural gas represent FEPA's main direct source of greenhouse gas (GHG) emissions.

To reduce its carbon footprint, the company applies optimised process management and continuous monitoring of the most emission-intensive activities.

Over the years, several measures have been implemented to contain emissions, including:

The forecast for preparatory work for CSRD reporting (> > Sustainability Strategy section: preparing for CSRD), Although not subject to reporting requirements, FEPA has launched a process of initial accounting of greenhouse gas emissions at the organizational level under Scope 3, with the aim of obtaining an overview of contributions that will be useful for future strategic plyearsng and communication and collaborative engagement activities throughout the supply chain.

- **Installation of photovoltaic systems for renewable energy generation**
- **Adoption of high-efficiency technological solutions, such as the trigeneration plant at the Mezzani site**
- **Replacement of diesel forklifts with electric models, which have a lower environmental impact**

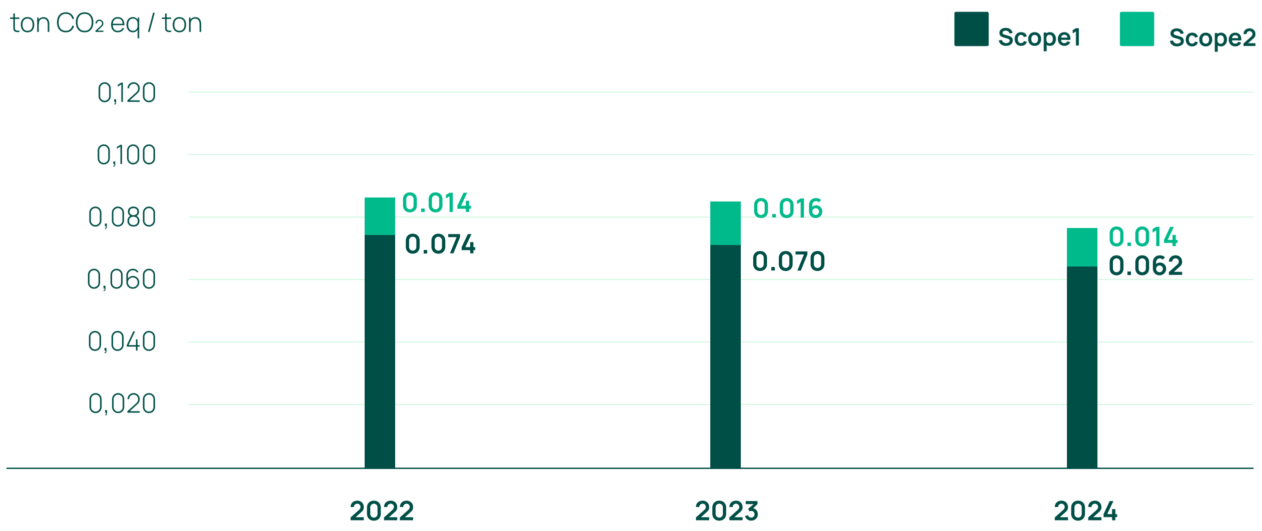
ton CO_2eq
TOTAL
235,057

ton CO_2eq SCOPE 1	ton CO_2eq SCOPE 2	ton CO_2eq SCOPE 3
14,860	**3,383**	**216,814**

Starting in 2023, FEPA incorporated the accounting of organisational Scope 3 greenhouse gas emissions into its reporting framework

2024

Emissions CO_2



SCOPE 1
Direct emissions:

emissions from sources directly controlled by the company, including the combustion of fuels, transport of goods using company-owned vehicles, use of company cars, and, to a lesser extent, fugitive emissions from refrigeration systems.

SCOPE 2
Indirect emissions from energy:

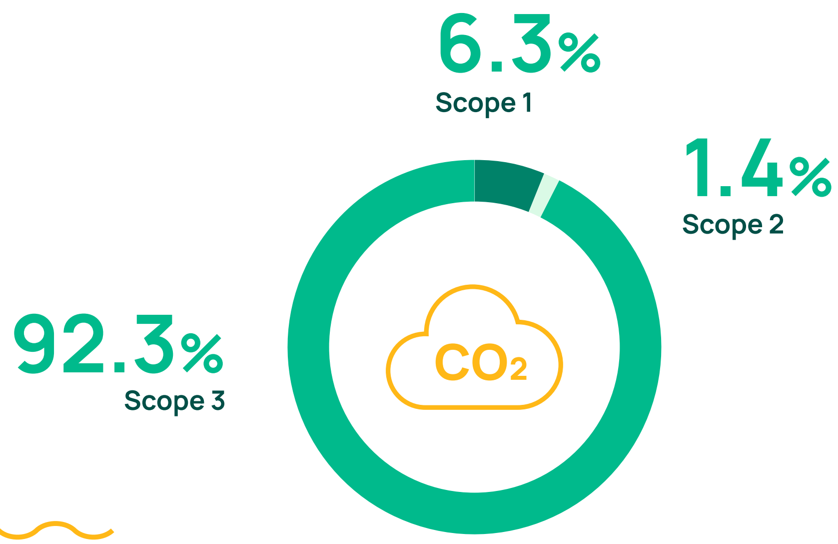
generated by the procurement of electricity used at company facilities; the installation of photovoltaic panels helps reduce the impact associated with this category.

SCOPE 3
Indirect emissions across the value chain:

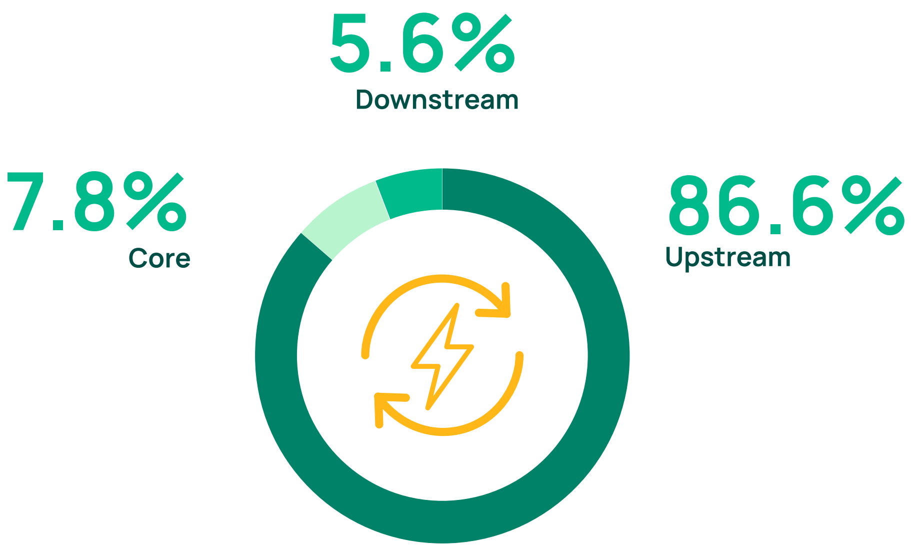
all other indirect emissions arising from activities not directly controlled by the company but over which FEPA has an influence. This includes, for example, the production and transport of raw materials used by the company, management of waste generated, transport and end-of-life of finished products, business travel and employee commuting, procurement of goods and services, etc.).

For further details, refer to the methodological note in the Environmental dimension - additional data and disclosures section.

Emissions 2024



Total Organisational Emissions – FEPA 2024 (tonnes of CO_2eq)



4.2 Pollution Prevention

(ESRS E2)

In line with the requirements of the **ESRS E2 standard, FEPA has adopted a systemic and proactive approach to environmental risk management**, aimed at preventing, monitoring, and mitigating pollutant emissions generated by its operations.

Through the **adoption of an ISO 14001-certified Environmental Management System**, the company has implemented a set of procedures, operational controls, and technical measures designed to reduce the environmental impact associated with emissions into air, water, and soil, while also addressing **hazardous substances**, industrial discharges, and waste management.

In particular, FEPA focuses on:

- **preventing atmospheric emissions through the monitoring of both channelled and diffuse emissions from steam generators and other process sources**
- **managing water discharges in compliance with environmental permits, including periodic checks of chemical and physical parameters and the use of dedicated treatment systems**
- **minimising the risk of soil contamination by correctly managing chemicals and industrial oils, ensuring safe storage, and maintaining traceability of hazardous waste**
- **implementing preventive practices based on employees' training, scheduled plant maintenance, and the management of environmental non-conformities**

All measures are guided by the principle of **pollution prevention at source**, reducing potential impacts from the earliest stages of technical and operational process design.

Wastewater Management

Both FEPA production sites are equipped with water treatment systems designed according to the type of discharge and the characteristics of the receiving body. Wastewater management is carried out in compliance with current legislation and the Autorizzazione Unica Ambientale (Single Environmental Authorisation – AUA), which also governs atmospheric emissions. The systems in place ensure proper treatment of industrial wastewater before its release, contributing to the protection of local water resources and the prevention of water pollution.

SAN POLO SITE

Receiving body: **sewer system**

Treatment system: **physico-chemical**

At the San Polo facility the water used in industrial processes is treated through a physico-chemical treatment system and managed within a closed-loop cycle. This system enables the recovery and reuse of treated water (e.g., water from flexographic printing processes) for producing the glues used in bonding the layers of corrugated board, thereby reducing water withdrawals and optimising resource consumption.

MEZZANI SITE

Receiving body: **surface water body**

Treatment system: **physico-chemical + biological**

To ensure more effective control of the industrial wastewater treatment process, the Mezzani facility is equipped with a physico-chemical and biological treatment plant designed to achieve high-quality treated water. The treated water can be reused in production cycles or discharged into the local surface water body, in compliance with regulatory limits.
To manage potential malfunctions efficiently and promptly, the plant is also equipped with an automated alert system that sends immediate notifications to designated managers in case of anomalies or critical issues, ensuring timely intervention and operational continuity under safe environmental conditions.

4.3 Water resource management

(ESRS E3)

The ESRS E3 – Water and Marine Resources standard places particular emphasis on the impacts that business activities have on the **availability and quality of water resources**.

The Double Materiality Assessment carried out by FEPA confirmed the strategic importance of **water supply management**, identifying it as a core issue for the corrugated board manufacturing and converting sector.

In this context, water is a critical resource throughout all operational phases, playing a particularly important role in:

- **preparing the corn-starch-based glue used to bond paper layers**
- **preparing inks for printing activities**
- **generating process steam in the corrugating plant**
- **auxiliary activities, including equipment cooling, cleaning and washing, and supplying fire-fighting systems**

USE AND EMISSIONS OF SUBSTANCES

In managing its processes, FEPA does not use any substances of concern or substances of very high concern (SVHC) and has no emissions into air or water containing substances exceeding the limits set by Regulation (EC) No. 166/2006.

For the water supply to its two production sites, FEPA uses only water sourced from public water networks or authorised wells, in full compliance with concessions granted by the Emilia-Romagna Region.

> The monitoring and treatment system ensures compliance with both regulatory and voluntary standards for discharges quality, while enabling targeted management to prevent pollution and protect the environment.

66

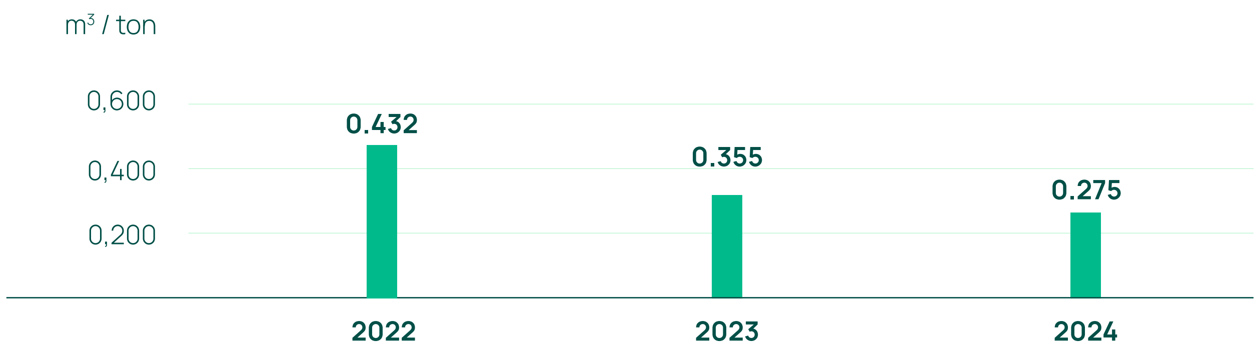
m³ OF WATER WITHDRAWN

-18%

REDUCTION IN WATER WITHDRAWAL COMPARED TO 2022

2024

Water withdrawal intensity



To reduce water consumption, FEPA has implemented several initiatives coordinated by the "**Water Team**", a dedicated technical group tasked with developing projects to improve water efficiency and optimise water use throughout the production process. Key actions include:

- **installation of peristaltic pumps on the Masterflex printing machines at the San Polo plant, reducing water use for washing the printing units and minimising ink loss during colour changes**
- **detailed analysis and modelling of production cycles, combined with the installation of water consumption monitoring systems and the development of operational guidelines aimed at reducing waste at the Mezzani site.**

PLANT UPGRADES FOR WATER CONSUMPTION REDUCTION – SAN POLO SITE

At the end of 2024, with benefits expected from 2025 onwards, FEPA completed a major modernisation of the steam and condensate system for the corrugator at the San Polo plant, in collaboration with a leading sector partner.
The project involved the complete replacement of the steam inlet regulation system, the renewal of the condensate recovery and return system to the thermal power station, and the installation of an advanced monitoring and control system designed to efficiently manage the entire thermal cycle.

The goal of the project is to optimise condensate management by eliminating steam dispersion into the atmosphere and enabling its full recovery for feeding the steam generator. This upgrade will reduce **make-up water consumption** by approximately **70%**, resulting in significant energy savings in steam production.

4.4 Focus on biodiversity and ecosystems (ESRS E4)

We are committed to protecting and enhancing biodiversity through the adoption of practices and policies aimed at preserving ecosystems, reducing the environmental impact of our activities, and promoting responsible management throughout the entire supply chain.

The protection of biodiversity and ecosystems is a global priority, as reflected in the United Nations Sustainable Development Goal 15 (SDG 15), and is integrated into the CSRD through ESRS E4, the standard dedicated to environmental matters.

As defined by SDG 15 – "**Life on Land**," protecting biodiversity means safeguarding, restoring, and promoting the sustainable use of terrestrial ecosystems, while combating phenomena such as deforestation, desertification, and soil degradation.
At the European level, the **fight against deforestation and the protection of biodiversity** are recognised as environmental, social, and economic priorities, with concrete expression in the **EU Deforestation Regulation (EUDR)**, adopted in 2023. The regulation introduces new obligations of traceability and due diligence along the value chain for certain regulated products, including wood and its derivatives such as paper and cardboard.

FEPA is currently engaged in adapting to the requirements of the EUDR, with a deadline set for **December 2025**, in line with its commitment to supply chain sustainability and the protection of natural capital.

At the end of 2024, the European Commission postponed the entry into force of the EUDR by one year.
As of 30 December 2025, the new EU Deforestation Regulation (EUDR) will enter into force. This regulation will replace the current EU Timber Regulation and will prohibit the placing on the European market of certain raw materials and products that have **contributed, directly or indirectly, to deforestation or forest degradation**, even if legally produced in the countries of origin.

European companies that import, process, or distribute **paper, cardboard, or wood-based packaging** are therefore required to:

- **ensure full traceability of the supply chain, making available to the competent authorities the geolocation data of the area where the wood was harvested**
- **depending on the level of risk associated with the geography of origin, carry out a risk assessment and due diligence to ensure that the products are "deforestation-free"**
- **demonstrate compliance with local environmental and forestry regulations**

The Double Materiality Assessment carried out in 2024 identified **biodiversity** as one of the material topics for FEPA, highlighting significant impacts, risks, and opportunities (IRO) both upstream and downstream of the value chain. In particular, a correlation was identified between the use of paper as a raw material for product manufacturing and the potential intensive land use associated with wood production. At the organisational level, the need to comply with the obligations set out by the EUDR regulation was also recognised.
Further potential impacts have been associated with the procurement of chemicals and solvents (such as inks, starches, and auxiliary additives), whose production may affect the balance of ecosystems, in particular through environmental pollution and water withdrawal.

To address these issues, FEPA has for years adopted responsible procurement practices aimed at minimising risk along the supply chain. Key actions include:

- **the preferential selection of Italian or European suppliers (with only 0.3% of suppliers operating in non-EU countries)**
- **monitoring of the origin of raw materials**
- **conscious assessment of suppliers, based on environmental and traceability criteria**

Commitment to biodiversity along the value chain

As part of its journey towards an increasingly responsible supply chain, FEPA has set the goal of adopting a **Code of Conduct for Suppliers** in 2025. Among the various areas covered, the Code will clearly define the commitments required of business partners on environmental and social issues, including biodiversity. In particular, strategic suppliers will be required to assess and monitor the **impacts** of their activities on biodiversity and ecosystems, including high conservation value areas and surrounding territories. In cases of significant land use or major land-use changes, the preparation of **action plans for biodiversity protection** will be required, with concrete objectives aimed at promoting sustainable land management practices, preserving natural capital, and, where necessary, carrying out environmental and landscape restoration measures.

95.6%

SHARE OF PAPER PURCHASED CERTIFIED OR CONTROLLED ACCORDING TO FSC STANDARDS, OF WHICH:

- 86.2%

  FSC Recycled / FSC Mix

- 13.8%

  FSC Controlled Wood

RESPONSIBLE RESOURCE MANAGEMENT: CHAIN OF CUSTODY CERTIFICATION

Through **FSC® Chain of Custody Certification** (Forest Stewardship Council®, license number C105699), FEPA has implemented a Management and Control System aimed at ensuring the traceability of wood-based materials originating from sustainably managed forests. This system not only guarantees compliance with international standards but also actively promotes the **conservation of forest biodiversity**, with the objective of reducing the negative impacts of forestry activities on natural habitats.

The monitoring of paper origin by selected suppliers, combined with internal traceability throughout processing and transformation stages, enables FEPA to accurately, transparently, and verifiably demonstrate its active contribution to responsible forest management.

Risk analysis through the Biodiversity Risk Filter (BRF)

To strengthen its awareness of biodiversity impacts, in 2025 FEPA will carry out a structured analysis of biodiversity-related risks using the **Biodiversity Risk Filter (BRF)**, a digital tool developed by the **World Wildlife Fund (WWF)**.

The BRF enables companies and financial institutions to identify and prioritise biodiversity-related risks and opportunities through four main functions:

INFORM

understand sectoral impacts and dependencies related to biodiversity

EXPLORE

map and compare risk areas on a global, national, or regional scale

ASSESS

identify critical sites and evaluate the risks and opportunities linked to production activities and investments along the value chain

ACT

define risk mitigation actions, specific by theme and location, and enhance resilience

The analysis will include not only FEPA's production sites but also a selection of its main suppliers, with the aim of extending the BRF mapping to the supply chain and subsequently identifying strategies and improvement actions both upstream in the value chain and at the operational level.

Production Sites and Nearby Areas of Biodiversity Interest

With regard to production sites, the plants are not located within protected areas. The closest areas of interest to the two production sites are:

- **San Polo site – SAC-SPA area "the springs of Viarolo, the basins of Torrile, the floodplain belt of the Po "[ndr. "delle risorgive di Viarolo, bacini di Torrile, fascia golenale del Po"] and the Regional Reserve "Torrile e Trecasali" (distance >4 km).**
- **Mezzani site – SAC-SPA area "Parma Morta" and the Regional Reserve "Parma Morta" (distance >2 km).**

4.5 Circular Economy and Waste Management (ESRS E5)

We adopt processes and solutions aimed at reducing waste, protecting natural resources, and promoting recycling, actively contributing to a circular and sustainable economy.

Within the framework of the European Sustainability Reporting Standards (ESRS), principle E5 emphasises the **efficient use of resources and the adoption of circular economy models**. For a company like FEPA, active in the production of corrugated cardboard, this represents a strategic and cross-cutting issue: the responsible management of raw materials, the optimisation of production processes, and the recovery of by-products and waste are fundamental levers to **reduce environmental impact and generate value along the entire production chain**.

The Double Materiality Assessment conducted in 2024 confirmed the relevance of this issue, highlighting impacts and opportunities related to the circular management of resources throughout the entire value chain.

In a material-intensive sector such as corrugated cardboard packaging, the adoption of **circular practices** – from the selection of recycled fibres, to waste reduction, and their reintegration into the production cycle – represents not only a key factor for environmental protection, but also a strategic element for strengthening the resilience and competitiveness of the business model.

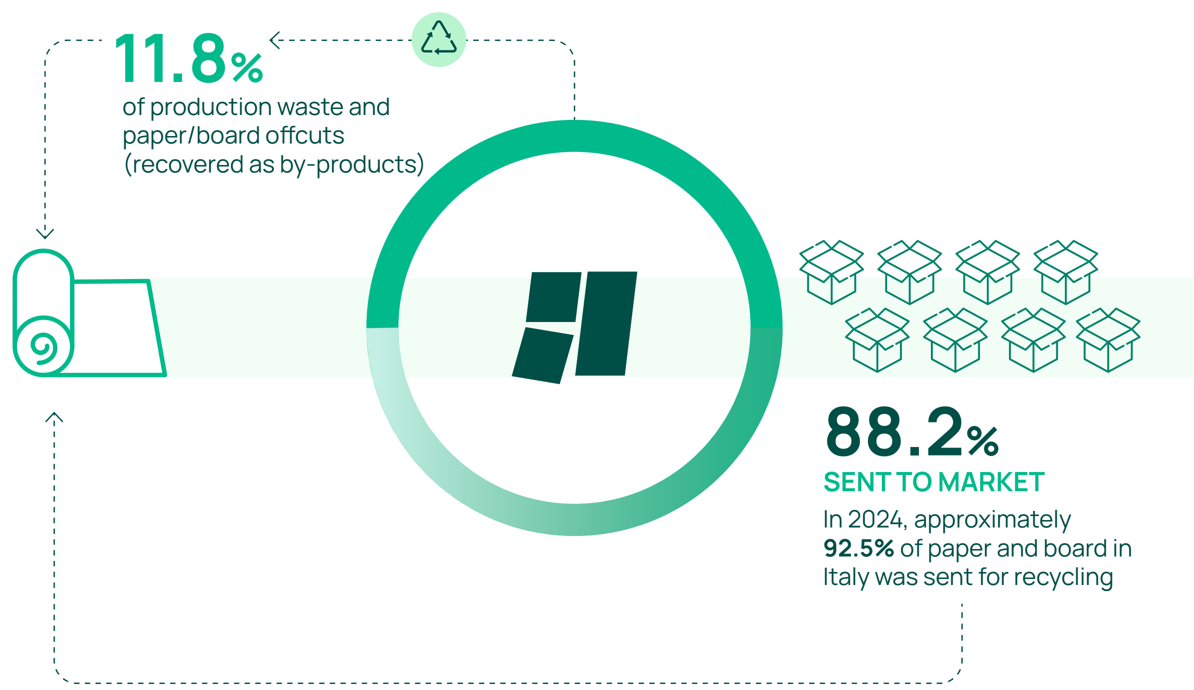
Cardboard is a highly circular packaging material, combining recyclability, renewability, and biodegradability in a single material.

86%
OF PAPER USED AS RAW MATERIAL CAME FROM RECYCLING CHAINS

99%
OF THE MATERIALS USED ARE RENEWABLE

2024

BOARD: A SYMBOL OF A CIRCULAR ECONOMY



By-product Management

Positioning itself among the leading Italian companies in the production of corrugated board packaging, FEPA is committed to **ensuring the sustainability of its products** through structured processes of recovery and recycling of production waste.

In this perspective, paper and cardboard waste – such as trimmings and other residues from the production process – are managed as by-products to be sent to paper mills, rather than being classified as special waste.

This approach enables FEPA to operate according to a **circular model**, contributing to a direct supply chain capable of reducing both the consumption of natural resources and virgin raw materials, and the amount of waste generated.

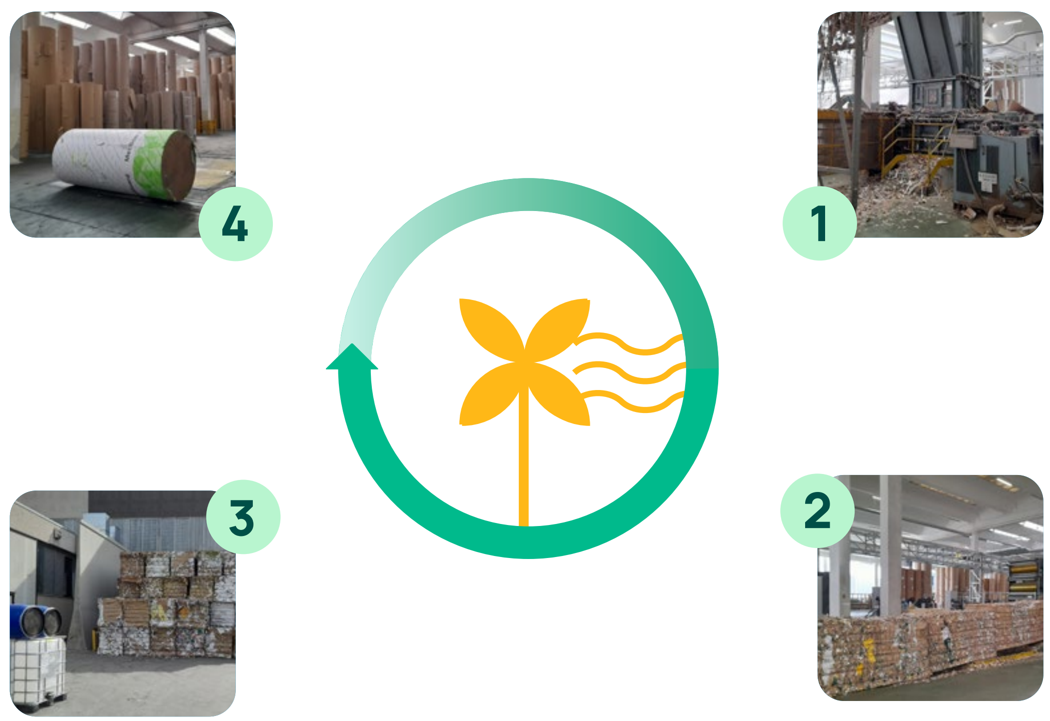
Such a system guarantees a **virtuous and direct pathway for the reuse of materials**, in line with the principles of the circular economy and with the objectives of reducing environmental impact throughout the entire product life cycle.

32,327

ton OF BY-PRODUCTS SENT TO RECYCLING STREAMS IN PAPER MILLS

2024

PAPER = CIRCULARITY



Special Waste Management

FEPA's production processes are organized with the aim of **reducing the amount of waste generated**, promoting the **recycling of materials, and minimising the environmental impacts** associated with production activities.
To confirm this commitment, the company has adopted an Environmental Management System in both production sites, certified under **ISO 14001**, which ensures a structured and continuous control of environmental impacts related to waste management. The system guarantees compliance with applicable regulatory requirements, including the monitoring of carriers, intermediaries, and end-of-life treatment plants, as well as the traceability of waste management operations, ensuring responsible and transparent conduct throughout the entire chain.

In addition to initiatives aimed at strengthening internal awareness and optimising waste management practices, FEPA **actively collaborates with its suppliers** to identify plant optimisation solutions, with the goal of maximising efficiency and reducing waste generation.

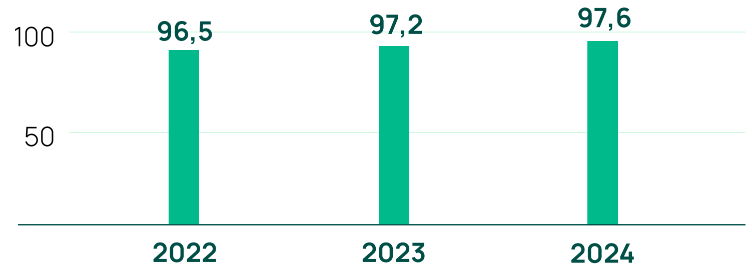
A concrete example of this commitment is a project currently in the planning phase, aimed at optimising the wastewater treatment plants at both production sites. The aim is to reduce the waste generated by the operation of the treatment systems, thereby contributing to the overall improvement of the environmental performance of the plants.

1,238
tonnes
OF WASTE PRODUCED

50%	**34%**	**65%**
non-hazardous waste	of the waste generated is directed to recovery	of the waste generated goes to disposal

Recovery performance (by-products and waste)

Thanks to responsible management, the recovery rate of waste material (by-products and special waste) reached **97.6%**, in 2024 marking a **0.4%** increase compared to 2023



In 2024, based on the periodic assessments required by the ISO 14001 Environmental Management System, FEPA updated the classification of the sludge residues generated by the production process, reclassifying them from non-hazardous waste to hazardous waste.

This update, in line with process monitoring and in compliance with the legal obligations on waste classification, resulted in a 60% increase in the share of hazardous waste managed.

Focus on social aspects: people

5

5.1 Corporate Social Responsibility

In line with the eighth Sustainable Development Goal, aimed at ensuring safe and decent working conditions for all, FEPA conducts its activities **in accordance with the principles of Ethical and Social Responsibility**. These principles are formalised in the Code of Ethics, the Company Regulations, and the HR Policy Guidelines, documents which constitute the fundamental references for ethical business management based on the **protection of human and labour rights**.

We believe in the value of competence and in the importance of developing our people

5.2 Protection and Management of Personnel

FEPA's ethical approach translates into solid and consistent policies aimed at **safeguarding and enhancing human capital**, considered a key resource for ensuring a sustainable business and a high-quality product. In this perspective, the company is actively committed to creating and maintaining **a safe, inclusive, and respectful working environment**, while at the same time promoting a transparent and responsible management of human resources.

FEPA devotes particular attention to raising awareness among its employees, suppliers, and external collaborators on the fundamental principles of corporate social responsibility. These include the promotion of equal opportunities, the development of individual skills, respect for diversity, as well as the firm condemnation of any form of harassment or discrimination.
These values, fully integrated into the company culture, represent for FEPA not only an ethical duty but also a **strategic factor for sustainable growth**.

Personnel management is also ensured by a system of **social protection**, based on national legislation and on the applicable National Collective Labor Agreement (CCNL), which protects workers in cases of illness, unemployment, accident, parental leave (100% of entitled applicants benefited from parental leave), and retirement. The CCNL also guarantees, for each job level, the minimum wage established at the collective level.
The company's values, together with the management and control practices adopted, ensured that in 2024 there were no cases of discrimination or violations of human rights and, consequently, no sanctions or claims for compensation arising from such episodes.

Recruitment and Personnel Selection

The recruitment and personnel selection process at FEPA is structured according to policies and guidelines differentiated by seniority level and professional families, **with the aim of ensuring fairness, inclusiveness, and meritocracy** for all candidates involved.
Each phase of the process is oriented towards an objective assessment of both technical and cross-cutting skills, in full respect of organizational needs, the principles of legality, and equal opportunities.

FEPA is actively committed to promoting a working environment in which **professionalism is recognised and valued**, offering equal opportunities for growth and development to all employees, in relation to the roles they hold and the skills they have acquired.

COMPANY SUPPLEMENTARY AGREEMENT

The company-level collective agreement represents a strategic tool to promote the social well-being of workers, strengthen internal cohesion, and improve organizational competitiveness.

In 2024, FEPA signed with the Trade Unions a company-level collective agreement, applicable to all manual workers, clerical staff, and middle managers.
The agreement is a concrete example of industrial relations based on the active participation of workers, with the aim of combining corporate competitiveness with the improvement of working conditions and the enhancement of human capital.

Valid for the three-year period 2024–2026, the agreement introduces a series of measures that reflect FEPA's commitment to organizational well-being and the centrality of people. Among the main provisions:

- The introduction of a performance-based bonus system, linked to specific performance indicators and the achievement of shared objectives;
- The option to convert performance bonuses into corporate welfare instruments;
- Increased pay for overtime worked on Saturdays and Sundays;
- The activation of a system of solidarity leaves and holidays, in support of colleagues facing personal or family difficulties;
- The extension of study-leave benefits, including participation in university master's programs;
- The provision of meal vouchers for staff;
- Access to childcare facilities under special agreements, to support parenthood and work–life balance.

KEY WORKFORCE FIGURES 2024

2024

519
WORKERS IN FEPA'S OWN WORKFORCE

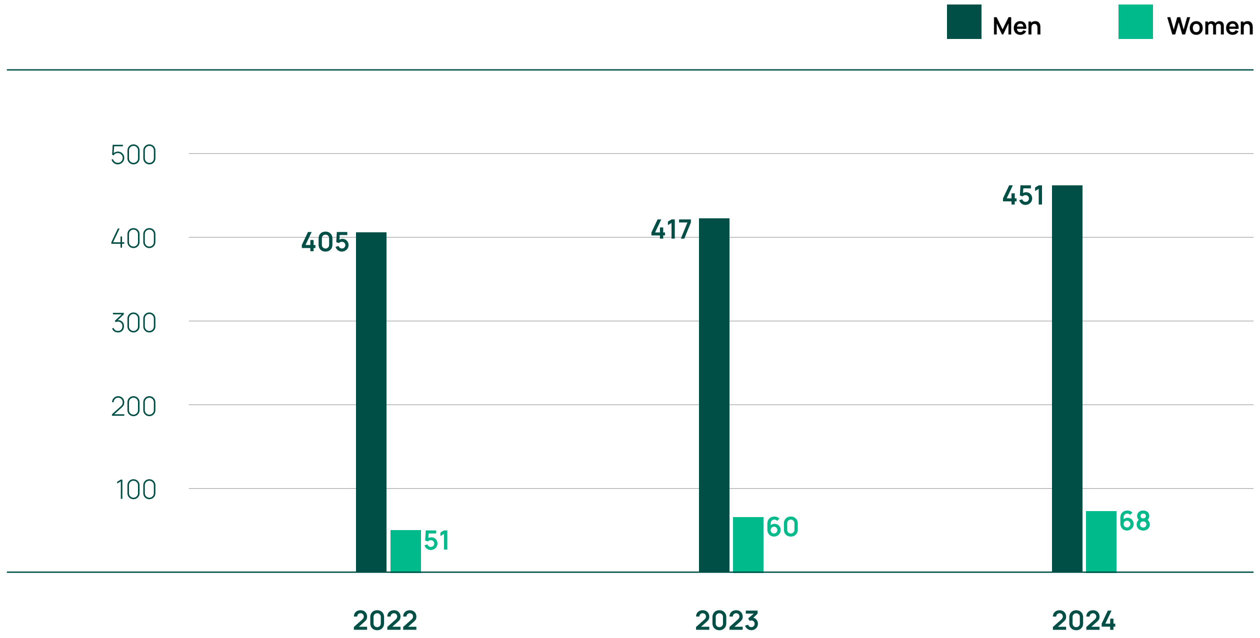
98.4%
OF EMPLOYEES AT FEPA WITH A PERMANENT EMPLOYMENT CONTRACT

86.5%
OF THE WORKERS ARE FEPA EMPLOYEES

96
NEW HIRES

Gender Distribution in the Workforce

In line with the principles of social sustainability enshrined in the Code of Ethics and in the "HR Policy" Guidelines, FEPA is committed to actively promoting **gender equality** and fostering the inclusion of diversity within the workplace. The company adopts a firm and consistent approach against all forms of discrimination or harassment, ensuring equal opportunities for access, growth, and professional development regardless of gender, ethnicity, religion, age, disability, or membership in protected categories.
This commitment has been concretely reflected in the development of processes and conditions favourable to equity, which over the past three years have led to an increase in the women's representation in the workforce.

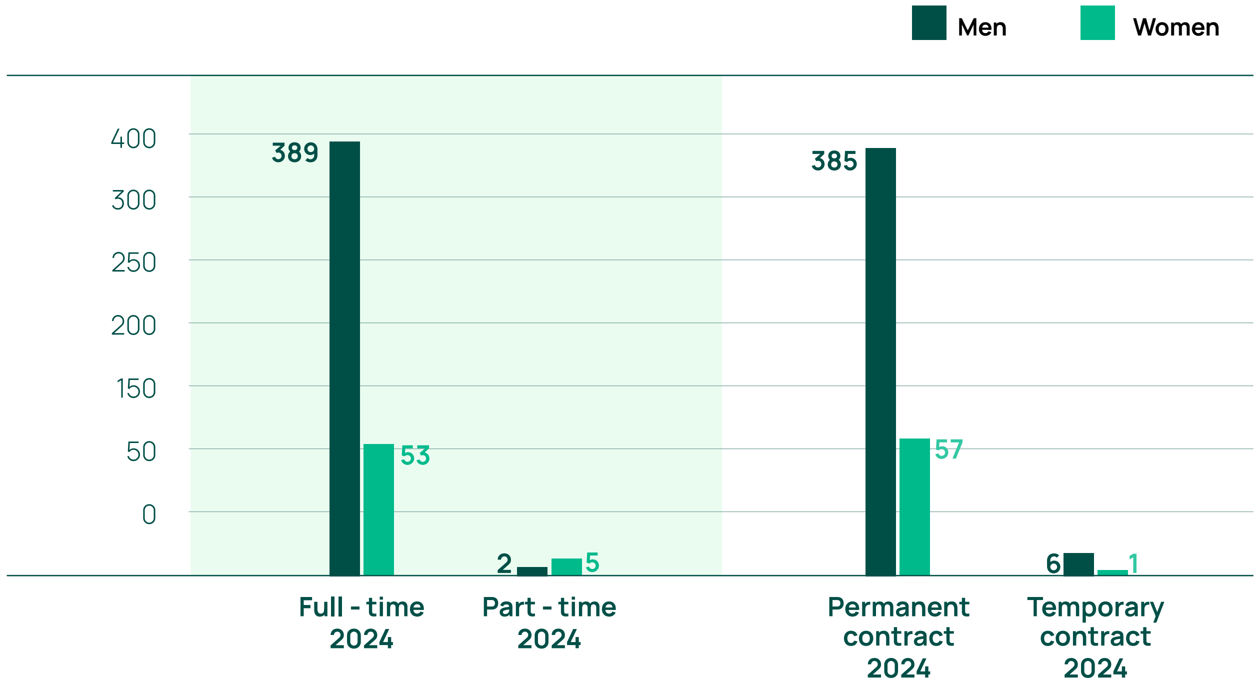


+33% Increase in the share of female employees in the direct workforce compared to 2022

Types of Contracts

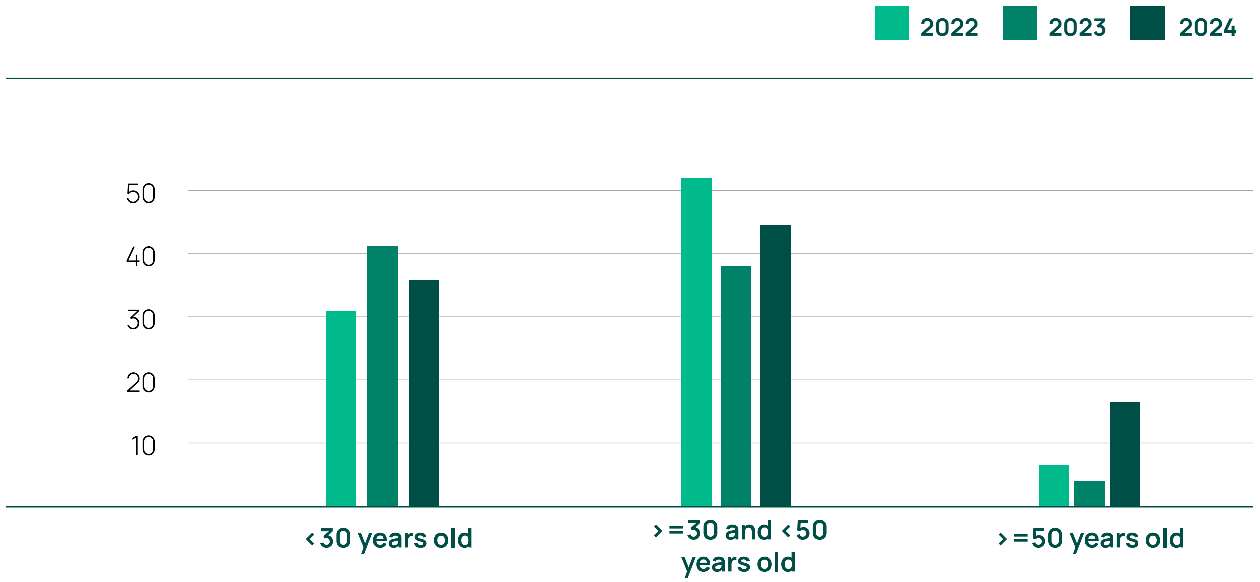
FEPA pursues an **employment model focused on stability and the enhancement of human capital**, favouring permanent (open-ended) contracts (98.4%) and full-time contracts (98.4%) for its employees.

This strategic choice reflects the company's commitment to fostering long-term integration of individuals within the organisation, promoting robust professional relationships and sustainable career development prospects. At the same time, it contributes to the well-being of the local community through targeted investment in continuous training and professional growth, to the benefit of both employees and the wider community.



New hires

Among FEPA's strategic objectives is **investment in the growth of human capital**, with the awareness that it is above all thanks to the value of its people — who work every day with commitment, dedication, and competence — that the company in recent years has achieved significant growth both in economic terms and in **competitive positioning**, establishing itself as an internationally oriented enterprise.
In this context, the **hires made by FEPA** in recent years show a **steadily growing trend**, confirming the company's determination to strengthen and renew its organizational structure.
With the aim of evolving towards a more modern model, **oriented to an international dimension**, FEPA has chosen to open up to **managerial talent** from different contexts and sectors, while at the same time fostering a significant **increase in the presence of young people and women in managerial roles**.



98.4% Permanent contract

+14% increase in direct workforce since 2022

20% female managers

5.3 Training and talent development

Training and educating resources to expand employment opportunities and promote sustainable development

From a sustainable development perspective, the organization continues to invest in **training programs** and **skills upgrading**, recognising in the enhancement of human capital a strategic factor for addressing the challenges of innovation and market evolution.

Experience and **technical expertise** represent for FEPA one of its main competitive advantages, forming the foundation on which the company's growth and continuous development are built.

For this reason, the company actively monitors and promotes the strengthening of both technical and cross-cutting skills, aware that the enrichment of human capital generates value not only for the enterprise, but also for the wider community.

Each year, in synergy with the Department Mangers, the Human Resources department defines a **training plan**, with the aim of reinforcing the culture of prevention, promoting both individual and collective professional growth, and contributing to the creation of an increasingly aware, safe, and responsible working environment, in line with the organization's values, principles, and objectives.

Upon joining, all new FEPA hires take part in a structured induction plan, which includes training sessions dedicated to familiarizing them with the company's organizational structures, business model, regulatory context, and operational dynamics, thereby facilitating the integration of the employee into the corporate environment.

2024

6.9 TRAINING HOURS PER EMPLOYEE

3,129 TRAINING HOURS DELIVERED
500 induction plan

61 VOLUNTARY TRAINING EVENTS

> Training represents a fundamental pillar in the corrugated board sector, a field of high technical specialisation and continuous evolution, where complex plants equipped with state-of-the-art technologies are in operation.

DEVELOPING YOUTH THROUGH SCHOOL PARTNERSHIPS

For FEPA, investing in training is a strategic commitment that goes beyond internal resource development, reflecting a **broader sense of responsibility towards the local area and younger generations**.

Over the years, the company has launched numerous initiatives in collaboration with **local Schools**, offering dedicated training opportunities with the aim of facilitating the entry of young people into the world of work.

These projects are designed to strengthen the link between school and industry, **introducing students to opportunities within the manufacturing sector** stimulating interest and passion for technical and specialised professions.
In this way, they contribute to the enhancement and reinforcement of the skills necessary for the economic and social development of the area and of the local community.

5.4 Occupational Health and Safety

Ensure respect for employees and guarantee safe and protected working environments

FEPA designs its production processes, organises its working environments, and adopts advanced technological solutions to **ensure high safety standards**, minimising the risk of accidents and safeguarding the well-being of people. **100%** of FEPA's own workforce is covered by the company's organisational safety management and reporting system.

> At FEPA, occupational safety represents an ongoing commitment and, above all, a value shared across the entire organization.

SAFETY FIGURES FOR 2024[2]

IN HSE INVESTMENTS FOR WORKPLACE IMPROVEMENTS AND FIRE PREVENTION MANAGEMENT
170 thousand €

HOURS WORKED
773 thousand

HOURS OF SAFETY TRAINING
2.017

WORKPLACE INJURIES
24
of which 0 classified as serious

OCCUPATIONAL DISEASES AND FATALITIES
0

[2]Data referring to employees.

SYSTEMS SUPPORTING SAFETY AND PREVENTION

Periodic updating of risk assessments and implementation of the necessary measures to ensure safe and healthy workplaces.

Through comprehensive **risk identification and assessment** activities, and the coordination of the Prevention and Protection Service (SPP), FEPA defines and implements measures and actions aimed at ensuring **safe and healthy working environments**. Particular attention is devoted both to collective and individual protection measures and to the planning of continuous improvement actions, designed to strengthen the safety culture, enhance HSE performance, and reduce the risk of accidents. **The Risk Assessments (DVR)** for FEPA's two sites are prepared with the support of specialised external technicians and are periodically updated in accordance with applicable legislation, organisational changes, and in response to the analysis of accidents or emergency situations. These analyses are carried out by the SPP in collaboration with dedicated committees and working groups, and submitted to the Employer for review and approval.

Focus on workforce.

In 2024, 86% of the company's own workforce consisted of **employees**, **98.4%** of whom were employed under **permanent contracts**, with the aim of fostering continuity, knowledge of the corporate environment, and the dissemination of a culture of safety.

Constant investments in personal and collective safety, including:

- Structural upgrades and maintenance of plant efficiency, to ensure modern, safe, and functional working environments;
- Creation of restricted areas **inaccessible to forklifts** within production departments, with material handling fully automated, in order to reduce risks of interference and collision;
- Installation of **anti-collision radars** on forklifts in loading/unloading areas, to enhance safety levels and prevent accidents;
- Adoption of a **smoke-free policy** in both plants, to reduce fire risks and promote a healthier environment;
- Installation of **automatic dispensers of PPE** in production departments, to guarantee simple, immediate, and traceable access to protective equipment;
- **Continuous training** for all personnel, to strengthen the culture of prevention and maintain high awareness of safety issues;
- **Formation of safety teams**, present on every shift and tasked with monitoring the main risk areas;
- Installation of **defibrillators (AEDs)** and training of specialised personnel within the company's first aid team, to ensure prompt response in case of emergency.

MAIN HEALTH AND SAFETY INVESTMENTS 2024

In parallel with the ongoing upgrading of plants and working environments, and in line with the Risk Assessment and applicable regulations at the San Polo and Mezzani sites, in 2024 FEPA launched a series of targeted investments to strengthen workplace safety and protection:

- The San Polo headquarters underwent major reorganisation and expansion works, with the objective of creating **new workspaces and meeting rooms**, in line with the company's ongoing evolution. The expansion of the spaces reflects FEPA's constant and steady growth path.
- The automated WIP Handling project was completed as part of the Mezzani 2 expansion project, to make the new departments automated in the internal handling of semi-finished products.
- At both plants, the organisation of logistics flows and access points was revised in order to increase site control and safety.

EMPLOYEE INVOLVEMENT AND REPORTING

FEPA promotes an organizational culture based on active listening and conscious participation, providing employees with various communication channels and reporting tools, with the aim of improving workplace well-being and strengthening occupational safety. The main initiatives and communication channels include:

Periodic health and safety meetings, organized by the Prevention and Protection Service with the involvement of Workers' Safety Representatives (RLS), to encourage discussion on key issues and share regulatory updates and best practices;

A whistleblowing reporting system, operational through a dedicated digital platform, which guarantees the confidentiality of the whistleblower, the traceability of cases, and the prompt management of reports, in compliance with applicable regulations;

Structured collection of reports and suggestions, also promoted through discussions at different organizational levels and addressed to the Prevention and Protection Service, as a tool for continuous improvement and **active employee involvement**.

Territory and consumers

(ESRS S3)

6

6.1 Projects and Support for the Territory and Local Communities

In our commitment to sustainable and inclusive development, we actively support the local area through projects and initiatives that promote the social and cultural growth of local communities. We have defined a structured framework, divided into **four thematic areas** that we consider fundamental and in which we invest for the development of the territory and of a healthy and resilient community, thereby effectively directing our support towards activities and organizations capable of generating shared and lasting value.

Support for health

Ensuring healthy lives and promoting well-being for all at all ages
We contribute to facilitating access to essential, high-quality healthcare services, safeguarding the physical and mental well-being of the most vulnerable.

"Insieme Con Te" - Parma Oncology Center

In 2024, FEPA renewed its commitment to solidarity by participating in the "**Insieme Con Te**" initiative, aimed at raising funds destined, on the one hand, for the Oncology Center for the purchase of new technology to be used in the surgical outpatient unit, and on the other, for Food Farm 4.0, in support of the economic autonomy of the School-Laboratory. For the occasion, the students of Food Farm 4.0 produced fruit jams and vegetable sauces under the Bontà di Parma [ndr. Parma Delicacies] brand, distributed in Esselunga supermarkets, Camst catering outlets, and other businesses in the province, thanks also to the valuable contribution of numerous volunteers. Recognising social solidarity as a founding value of its corporate identity, FEPA actively supported the project by producing customised cardboard displays to showcase the products and promote sales linked to the fundraising initiative.

Dynamo Camp - Right to happiness

FEPA recognises the importance of **protecting and supporting children and young people**, especially those in vulnerable situations. For this reason, also in 2024 the company renewed its commitment to financing the "**Right to Happiness**" project by the **Dynamo Camp** association. Since 1988 Dynamo Camp has been offering **Recreational Therapy free of charge to children affected by illnesses**, providing care and support during and after hospitalisation.

Attention to the territory is a central element of our commitment to sustainability; every year we promote initiatives and events in support of local communities.

Thematic areas of action:

Support for health | Promotion of sport | Support for culture and the local area | Training and awareness

Salute in Comune

FEPA has strongly supported the "**Salute in Comune**" project, an initiative promoted by the Municipality of Torrile that brings prevention directly into town squares, thanks to fully equipped mobile clinics and a highly specialised medical team. The aim of the project is to promote **breast cancer prevention** by offering free breast screenings to all young women residing or domiciled in the Municipality, belonging to age groups not covered by the National Health Service.

Promotion of sport

Sport as a driver of growth for the new generations and as a unifying force for the local area. Encouraging young people to practice sport means promoting not only a healthy lifestyle, but also fundamental values such as commitment, determination, respect, solidarity, and team spirit, thereby helping to strengthen the sense of belonging to the community.

Associazione Calcio Dilettanti - Colorno

In 2024, FEPA renewed its support for the **Colorno Amateur Football Association**, reaffirming its role as brand ambassador of the Trofeo del Ducato. This initiative goes beyond the playing field and aims to **promote local young talent, foster passion for sport, and contribute to building a strong and cohesive community**. Thanks to the sponsorship, young people were able to take part in a wide range of group learning experiences, including sessions dedicated to **nutrition education and road safety**, as well as actively participating in the renowned and highly anticipated football tournament.

Food Valley Bike Festival

In 2024, the third edition of the Ingorda was held, a non-competitive cycling event that follows the **Food Valley Bike** route from Piazza Garibaldi in Parma to Busseto (80 km). The initiative involved participants from across Northern Italy, offering them the opportunity to discover the beauty of the area and to taste **local gastronomic specialties** thanks to the numerous refreshment points located along the route. FEPA enthusiastically renewed its support for the event, in line with the company's values of **promoting healthy and sustainable sport, social interaction, and local culture**.

Support for culture and territory

Enhancing the territory and strengthening local culture and social fabric
FEPA chooses to support local initiatives and events that enhance the cultural and social heritage of the area. Through its support of food and cultural events, the company fosters opportunities for gathering and sharing that strengthen bonds among people and nurture a sense of belonging within the local community.

La Cena dei Mille

FEPA renewed its support as a technical sponsor of the fifth edition of La Cena dei Mille, (ndr. The dinner of the Thousands) one of the most iconic events of Parma's Settembre Gastronomico, (ndr. Gastronomic September) highly appreciated by both citizens and visitors. For the occasion, a 400-metre-long table was set up in the heart of the historic centre, welcoming a thousand guests for an evening dedicated to conviviality and gastronomic excellence.
La Cena dei Mille once again proved to be a symbolic event of sharing and celebration of Parma's culinary traditions. The 2024 edition offered an exceptional gastronomic experience, with a menu created by Michelin-starred chef **Davide Oldani** and renowned pastry chef Iginio Massari, supported by a team of chefs from the **ALMA International School of Italian Cuisine**.
In addition to showcasing local food and wine culture in a warm and festive atmosphere, the event reaffirmed its commitment to solidarity by donating part of the proceeds to **Emporio Solidale di Parma**, an organisation that supports families in need. This year too, **FEPA** contributed to the initiative by providing customised corrugated board containers with the logo of the event, which were used during the evening.

Cinema sotto le stelle

In 2024, FEPA once again renewed its support for the **Cinema sotto le stelle** (ndr. Cinema under the stars) initiative promoted by the Municipality of Torrile. The event consists of four evenings of open-air **film screenings** with free admission, offering an ideal opportunity for leisure and conviviality for families and children. This initiative fosters the sharing of experiences, strengthens the sense of belonging, and helps reinforce social bonds within the community. For For FEPA, this event has special significance, as it is a concrete expression of the bond built up over time with the territory, based on trust, collaboration, and an increasingly rooted presence in the local community.

Training and awareness

Engaging with the territory and creating connections to inspire the next generations.
Promoting awareness and spreading knowledge are key levers for FEPA to foster sustainable and inclusive growth. Through training and awareness-raising initiatives aimed at young people, communities, and stakeholders, the company is committed to promoting industrial and environmental culture, strengthening dialogue between business and the local area, and contributing to the development of shared skills and responsibility.

Riciclo Aperto

In 2024, FEPA, with its Mezzani plant, took part in **Riciclo Aperto**, an initiative promoted by Comieco during the fourth edition of Paper Week. The project was created to bring the public closer to the world of paper and cardboard, raising awareness on the importance of the circular economy. Through Riciclo Aperto, (ndr. open-loop recycling) more than 100 sites across Italy – including museums, paper mills, converting companies, and recovery plants – opened their doors to show first-hand how correctly sorted paper and cardboard can be transformed into new resources. FEPA's participation reflects its concrete commitment to promoting proper waste separation, with the aim of increasing both individual and collective awareness and demonstrating how everyone's contribution can truly make a difference.

Imprese Aperte

In 2024, FEPA joined **Imprese Aperte**, (ndr. Open enterprises) an initiative promoted by the Unione Parmense degli Industriali, (ndr. Parma Industrialists' Union) Parma Io Ci Sto!, and Cisita, together with over 50 companies in the area. The project offered the community, particularly young people, the opportunity to gain first-hand knowledge of Parma's entrepreneurial and industrial fabric. By opening the doors of its plant, FEPA showcased an environment characterised by cutting-edge technologies and high levels of automation, providing a tangible example of industrial innovation.
The initiative aims to bring younger generations closer to the world of work, encouraging them to invest in their training and develop the skills needed to build a solid and conscious professional path. As part of Imprese Aperte, FEPA also contributed actively to the **Job Day organised by the University of Parma**, held on 8 November at Fiere di Parma, by providing corrugated board furniture elements to set up and enrich the spaces dedicated to the public.

6.2 Focus on consumers

Commitment to Consumer Health and Safety

In 2024, we became the first Italian company to obtain FSSC 22000 certification to the new version 6, issued by the certification body DNV.

Through specific risk analyses, customised design, and careful supervision along the entire supply chain and in production processes, FEPA ensures packaging of the highest quality, safe for use in the food (FCM – food contact materials), personal care, and household sectors. These solutions meet consumer expectations in terms of reliability, safety, and responsibility.

FSSC 22000

FEPA adopts the FSSC 22000 standard as the reference framework for its **certified Food Safety Management System**. Thanks to the attention, rigour, and commitment of its dedicated interdisciplinary "Food Safety Team," the company has never recorded any non-conformities in food safety related to its products on the market.

Product Labelling: Consumers and End Users

Given the nature of its products — corrugated packaging mainly intended for the B2B market — and in full compliance with current legislation, FEPA has chosen to provide the mandatory information on packaging composition directly within transport documents. This approach facilitates proper packaging disposal while reducing the environmental impact associated with printing and the subsequent replacement of printing equipment.

Market and labelling obligations

B2B market - Business to business – Packaging intended for the B2B market, such as those used in industrial sectors for transport, logistics, or display purposes, is not required to include information on the final destination of the packaging. However, it must display the material composition code, in compliance with **Decision 129/97/EC.**

B2C market - Business to Consumer – Packaging intended for the B2C market — for example, packaging intended for end consumers — must include both the material composition code (Decision 129/97/EC) and information on separate collection, to ensure correct waste management by consumers.

Labels, marks, and logos referring to packaging or its direct performance — the only forms of communication that can directly reach the end user or consumer — are subject to verification under FEPA's organisational management systems. Thanks to the diligence and rigour applied in these controls, there have never been cases of misleading communication or negative impacts attributable to packaging produced by FEPA.

Governance and supply chain management
(ESRS S3)

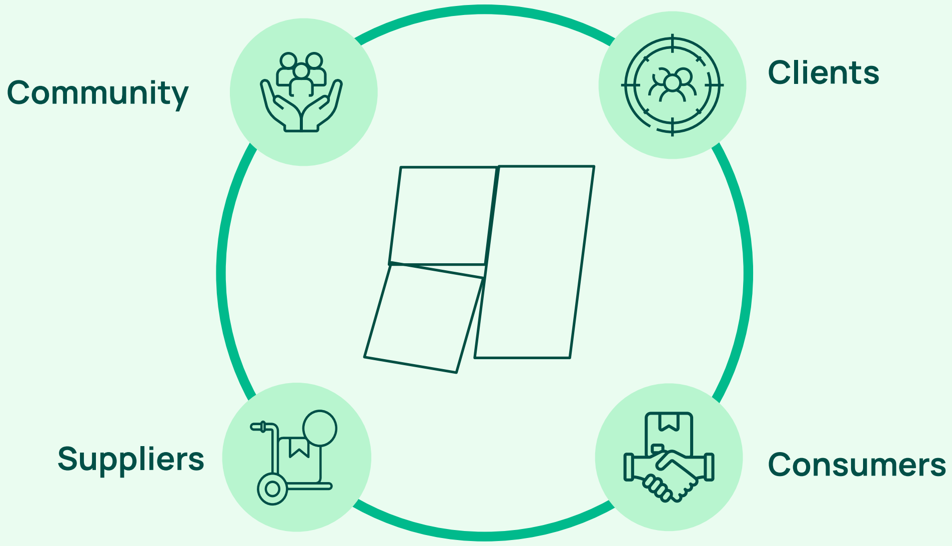
7

7 Governance and supply chain management

We believe that solid and transparent governance is the foundation for building trust-based relationships throughout our value chain. Only by collaborating with reliable partners and sharing common goals of quality, sustainability, and innovation can we generate long-term value and contribute to a model of responsible growth.

FEPA adopts a structured approach to governance, built on **clear processes** and **well-defined responsibilities**. This is made possible by a strong **system of values** and control mechanisms that ensure **transparency, integrity, and fairness** in business activities, contributing to risk prevention and the safeguarding of reputation.

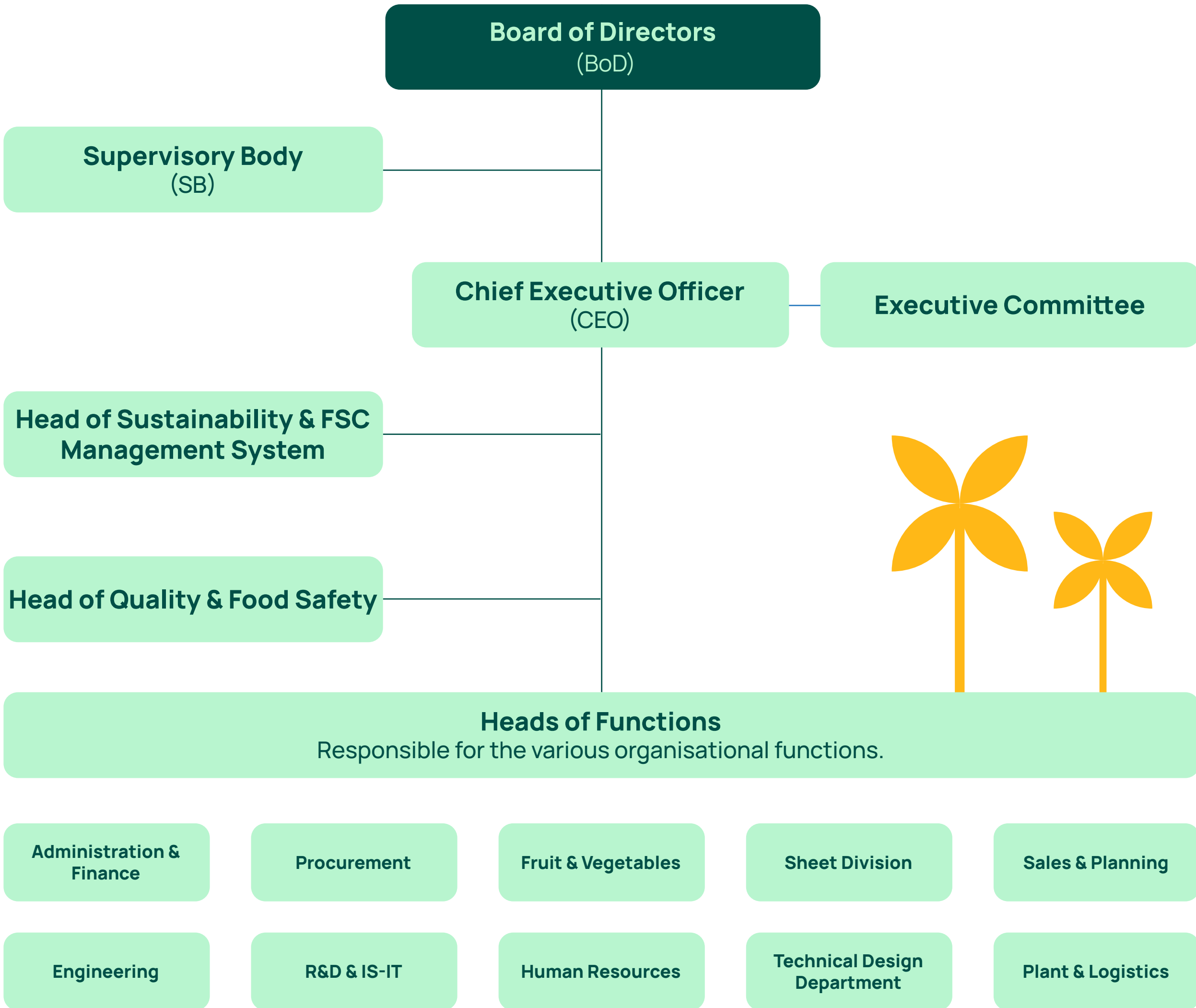
This model also extends to **supply chain management**, considered an integral part of value creation. Over time, FEPA has consolidated strong relationships across its supply chain, promoting strategic partnerships focused on **quality, efficiency, and innovation**. Responsible management of relationships with supply chain partners is thus a key driver in building a sustainable value chain, capable of reducing environmental impacts, generating benefits for people, and supporting balanced territorial development.



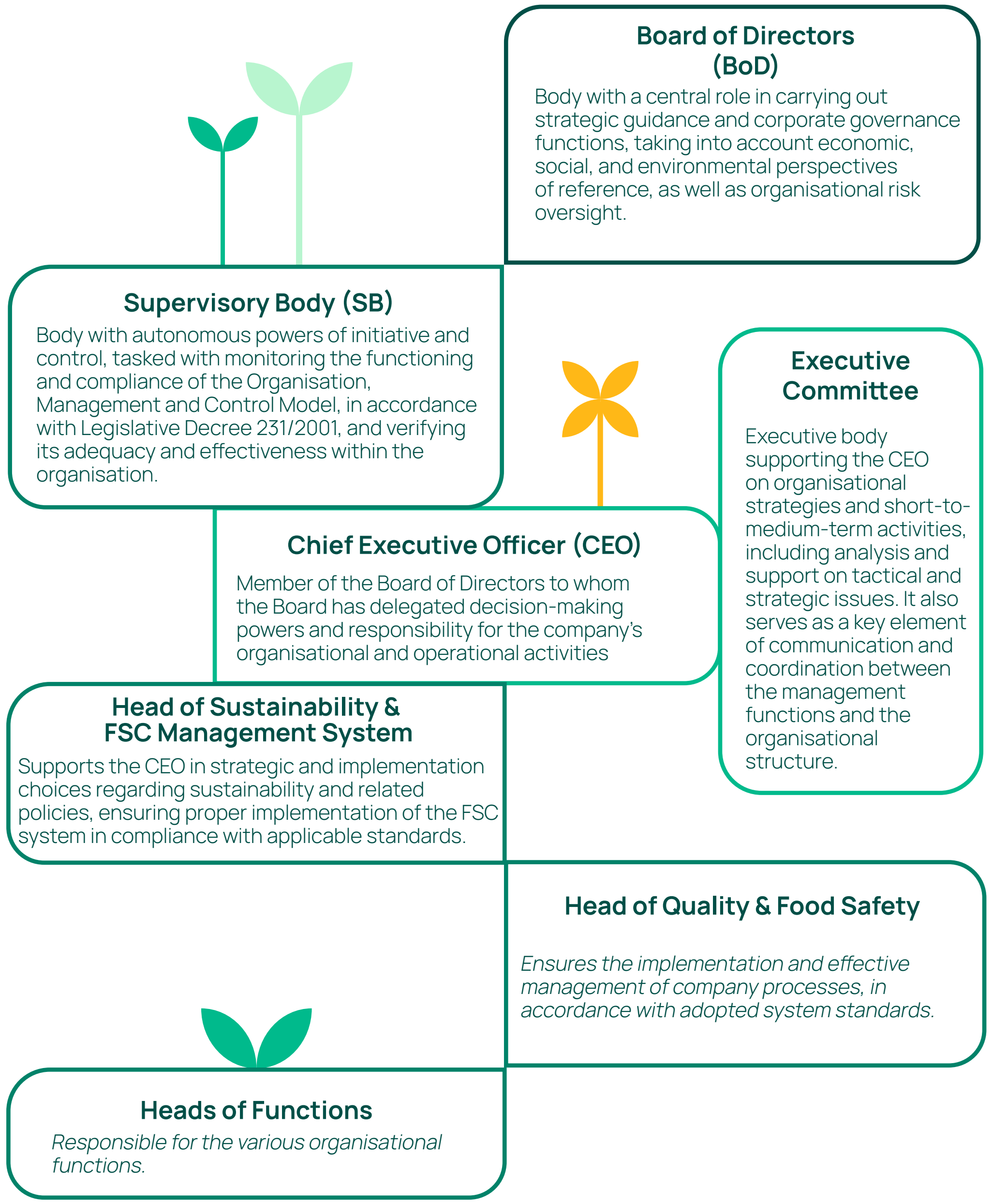
7.1 Governance responsibility

We adopt a solid, effective, and transparent governance system that allows us to translate our organisational vision into concrete actions and to make progress towards meaningful change objectives.

FEPA S.p.A. is a joint-stock company with a sole shareholder and adopts a traditional administration and control system, in which the Board of Directors is responsible for corporate management.
FEPA's governance is based on a business model oriented towards **transparency, efficiency, and accountability**, with the aim of ensuring ethical conduct and full compliance with applicable regulations. The company has adopted a Code of Ethics and an Organisational, Management and Control Model pursuant to Legislative Decree 231/2001, which are key tools to ensure proper oversight of corporate processes.



Since 2023, FEPA has established the role of ESG Sustainability Manager, with the goal of ensuring cross-functional and integrated oversight between Top Management and the various corporate functions. This role serves as a strategic reference point for coordinating ESG-related activities, thanks to specialised know-how that has enabled the organisation to carry out an in-depth Double Materiality Assessment, both impact- and organisation-related. This analysis provided a solid and structured basis for identifying the relevant context and material topics for sustainability, laying the foundations for the definition of the first 2025–2030 Sustainability Plan, aimed at setting and pursuing strategic ESG objectives. The Sustainability Manager also supports the governance bodies — namely Management and the Executive Committee — in identifying effective actions and integrating ESG principles into organisational processes and corporate decision-making.
As further confirmation of an approach oriented towards continuous innovation, starting in 2025 FEPA will introduce a new Innovation & Transformation function. This new role will further strengthen the company's focus on change and on technological and plant improvements, recognising them as strategic levers for business growth and development.



7.2 Values and control system

FEPA's Code of Ethics establishes the core principles that guide the company's activities and its social responsibility.

THE VALUES OF OUR CODE OF ETHICS

PROTECTION OF PEOPLE

By applying the principles of ethics and responsible management, we are committed to ensuring respect for human rights, providing a safe and welcoming workplace, and preventing any form of discriminatory behaviour.

PROTECTION OF THE ENVIRONMENT

Through the continuous improvement of our environmental performance, we aim to achieve sustainable development and harmony between ecology and business activity, contributing to the well-being of all.

ETHICAL BUSINESS CONDUCT

Our business is guided by ethics, integrity, and accountability — principles that help us protect consumers and prevent corporate risks, with a strong focus on anti-money laundering and anti-corruption.

Ensuring a transparent and responsible governance model is not only a regulatory obligation but also a fundamental commitment to building a solid and sustainable business. Through our Organisational Model and Code of Ethics, we seek to promote values of integrity and respect, actively engaging both our employees and business partners to grow together in full respect of people and the environment.

FEPA has implemented an Organisational Model in compliance with Legislative Decree 231/2001, integrated and coordinated with the voluntary management systems adopted for Quality, Food Safety, Environment, and FSC.

Through this Model, the company has initiated a structured process of risk mapping, activities carried out and context analysis, with the aim of identifying best organisational practices to ensure transparency, integrity, and business resilience. The document serves as a key tool in the prevention and management of corporate risks such as corruption, environmental crimes, money laundering, and labour exploitation.

In 2023, the Organisational Model was updated to comply with the provisions of Legislative Decree No. 24 of 10 March 2023 on whistleblowing, with the introduction of a digital platform dedicated to reporting. This platform relies on an independent external Reporting Manager, composed of professionals with specialised training, to whom the company has entrusted the handling of internal reports. The platform strengthens whistleblower protection, ensuring traceability and timely management of reports, while fully safeguarding confidentiality. Information on reporting methods and whistleblower protection is provided to all employees and is also available on the company website.

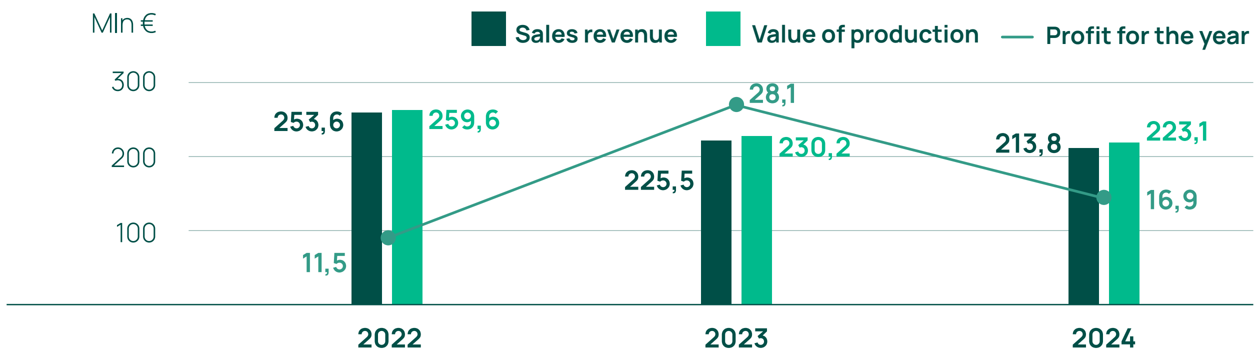
Within the Organisational Model, FEPA has also formally adopted a **Code of Ethics** that defines the company's fundamental and shared values, which are essential for its proper functioning, reliability, and reputation. The Code of Ethics is intended to guide consistent behaviours, promoting integrity and efficiency in both internal and external relations. In addition to actively training its employees on these issues, FEPA extends the sharing of these values to its business partners, requiring their formal adherence.
The principles contained in FEPA's Code of Ethics set out behavioural standards designed to support **sustainable development**, promoting respect for human and labour rights, combating corruption, and protecting the environment.

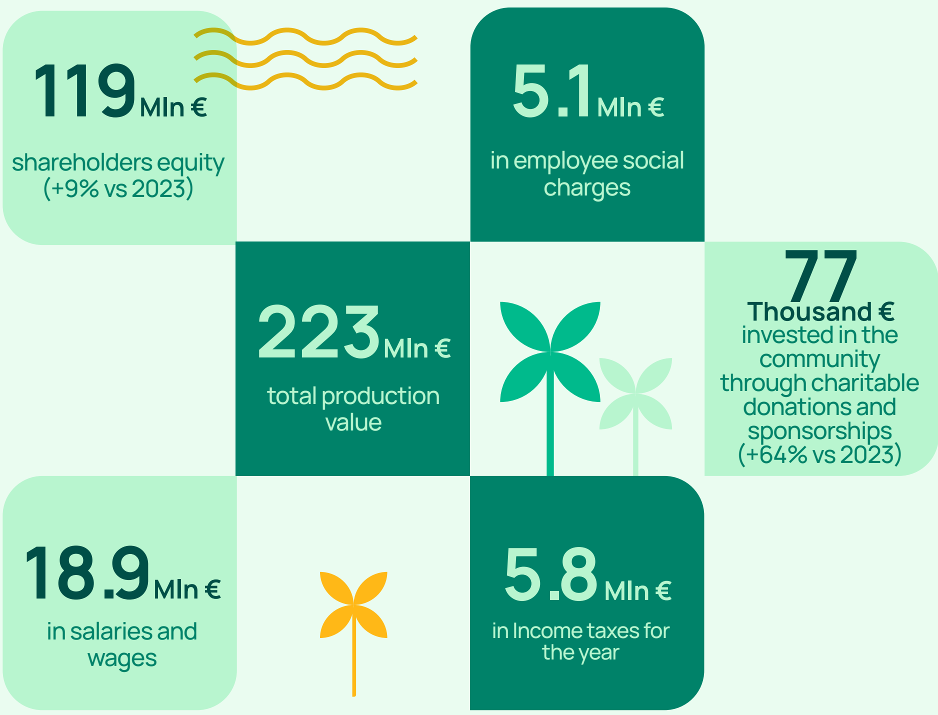
The Organisational Model and the Code of Ethics are integral to FEPA's corporate framework and must be **understood, respected, and upheld by all employees and external collaborators**. The latter are expected to act in line with the company's principles, values, and protocols, actively contributing to the protection of FEPA's integrity and reputation.

7.3 Economic Overview

2024

Economic growth (€)





FEPA reaffirms its position as one of the most advanced companies in the Italian corrugated board sector, consolidating its role as a market leader.
The company's economic growth, which began in the late 1980s, has been driven by continuous investments in process innovation and employee training, enabling FEPA to steadily expand its market presence and unlock its economic potential.

In 2024, amid a still highly competitive market environment, FEPA recorded a 5% decrease in turnover compared to the previous year. This change was linked to an increase in sales volumes, accompanied, however, by a reduction in the average selling price. The reduction was mainly attributable to the growth in the sheet segment (+56% in square metres compared to 2023), which is characterised by a lower unit price, as well as a general rebalancing of selling prices. During the year, the main phase of the building and plant expansion project at the Mezzani production site was completed, with an investment of approximately €11.4 million.

At the same time, additional investments were made, both in real estate and production, also at the San Polo site, amounting to approximately €3.3 million.

Awards and Recognition

In 2024, during the Oscar della Stampa ceremony (ndr. Italian Printing Award), FEPA received the special award **Oro ESG Performance**, granted by the Federazione Carta e Grafica (ndr. Italian Paper and Graphics Federation) to companies that stand out for excellent sustainability performance, with particular focus on environmental, social, and economic impact.

FEPA was also awarded a plaque of commendation by the Municipal Council of Torrile, through the Comitato Progetti Sociali ETS (ndr. Social Projects Committee), for its support of the **"Progetto Salvavita"** (ndr. Lifesaving Project), an initiative for the early prevention of breast cancer promoted in the local community.

7.4 Relations with Suppliers / Responsible Supplier Management

We actively collaborate with our suppliers to build a solid, transparent, and responsible supply chain, capable of reducing environmental impacts and promoting increasingly circular and sustainable production models throughout the entire value chain

Every stage of the supply chain – from raw material procurement to the delivery of the finished product – has a significant impact on the **environment, society, and the economy**. The Double Materiality Assessment highlighted how careful management and constant oversight of the value chain are essential not only to control and mitigate risks but also to **identify and actively engage a network of strategic partners** with whom to develop joint projects focused on environmental and social sustainability.

For FEPA, **responsible governance of the supply chain** is a strategic imperative: working with suppliers to promote sustainable production models means generating value for the territory, protecting the people involved, and contributing to reducing environmental impacts. A virtuous approach to supply chain management is therefore a key asset in the company's sustainable growth journey.

FEPA adopts solid and rigorous administrative policies to ensure timely payments, with particular attention to small and medium-sized enterprises (SMEs), which are more vulnerable to the negative effects of delays.

The management of accounts payable is governed by detailed operational procedures that clearly define each stage of the process – from invoice receipt to payment – to guarantee strict compliance with contractual deadlines.

The company continuously monitors average payment times and remains committed to maintaining a high level of punctuality in line with its principles of fairness, transparency, and social responsibility.

Supplier Selection

To ensure rigorous selection of partners throughout the entire corrugated board supply chain, FEPA applies structured qualification and evaluation procedures for strategic suppliers, ensuring that they operate in full compliance with current regulations and in line with the risk management criteria defined by the Integrated Management System.

For FEPA, it is essential that suppliers share its commitment to environmental, social, and ethical responsibility, building relationships based on shared values and a spirit of collaboration. For this reason, the company openly communicates its sustainability principles and objectives and, in 2025, plans to define and adopt a **Code of Conduct for Suppliers**. This code will establish clear ESG standards and will be supported by ongoing monitoring and cooperative initiatives throughout the supply chain.

OUR SELECTION CRITERIA

FSC® Chain of Custody
Control of the paper chain of custody and related certifications, ensuring origin from forests managed responsibly from an environmental, social, and economic perspective, and guaranteeing full supply chain traceability.

Quality
Ensuring compliance with quality standards, reliable supply, and effective management systems to guarantee high levels of product and service performance, with a preference for establishing long-term partnerships.

Food Safety
Verification and monitoring of compliance with operational service prerequisites and product requirements to guarantee the safe production of FCMs (food contact materials).

Environment
Selection of environmentally relevant suppliers based on the possession of regulatory, operational, and authorisation requirements related to environmental management.

Health and Safety in the Workplace
Control and mitigation of interference risks to ensure safe operations and workplaces.

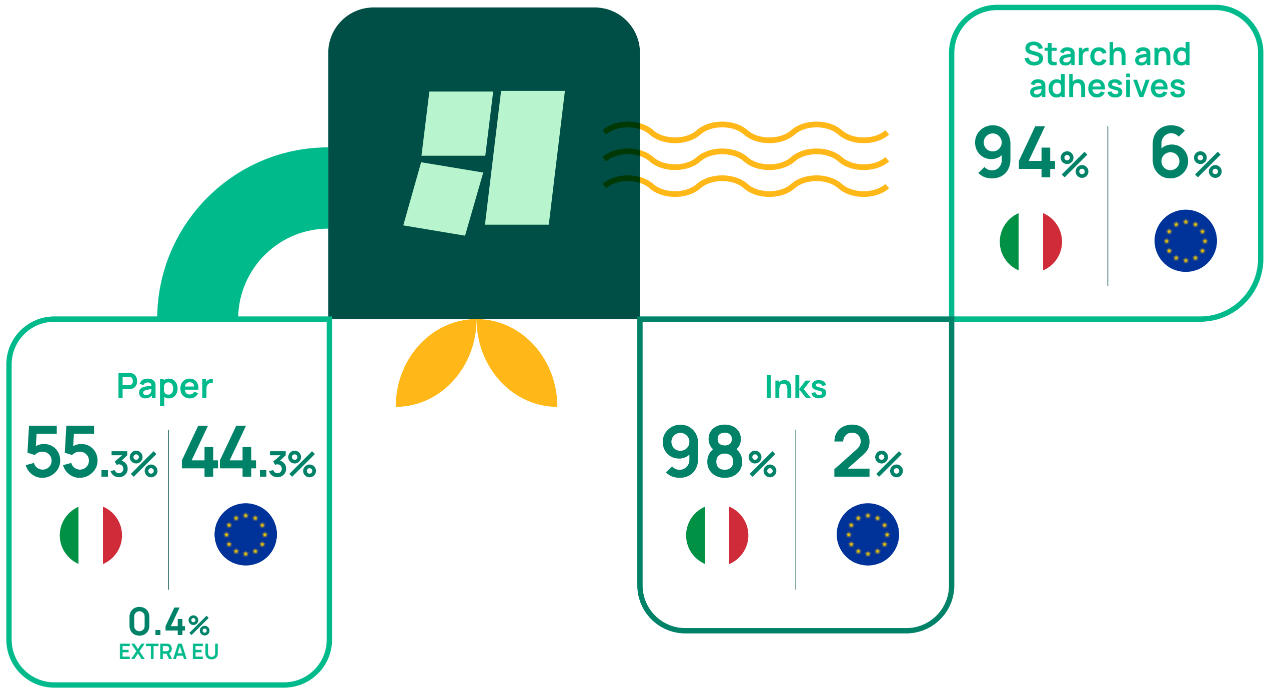
Raw Material Supplier Distribution

FEPA has always believed in the importance of establishing solid and long-lasting partnerships with its suppliers, favouring, whenever possible, a "**short supply chain**" network.
This choice enables the company to ensure greater flexibility and responsiveness in the procurement of raw materials, accessories, and services, while also contributing to the development and growth of the local business fabric.

Paper: the high-performance corrugated board produced by FEPA requires quality paper with specific grammages, not always easily available on the Italian market. Nonetheless, FEPA has succeeded in building a solid national supply network over time, thereby reducing the economic and environmental impacts associated with transport and reinforcing the virtuous paper recycling cycle. **Volumes: 55,3% IT, 44,3% other EU countries and 0,4% Brazil.**

Ink: for flexographic printing, FEPA uses water-based liquid inks (also recycled) and pigments of natural origin, ensuring the full recyclability of the finished product. **Procurement of pigments and binders takes place 98.3% nationally, within 270 km of production sites.**

Starch and Glues: corrugating adhesives are corn-starch-based. 94,4% of starches and glues are sourced nationally within 350 km of FEPA's sites, while the remaining 5,6% comes from European suppliers.



Suppliers' distribution

FEPA's network includes over 900 active suppliers, the majority located in Italy (90.8%), with 8.8% in Europe and only 0.3% outside the EU.

Our Projects with the Supply Chain

Responsible supply chain management represents a strategic element of FEPA's **sustainable development journey**. Over time, the company has established collaborations with qualified partners, selected not only for the quality of their products and services but also for their commitment to **environmental, social, and ethical** sustainability principles.

These collaborations have led to joint projects aimed at **reducing environmental impact throughout the entire production cycle**, through the use of certified raw materials, improved logistics, and the optimisation of packaging materials.
The activities described below form part of a broader vision of a responsible and transparent value chain, where collaboration between different actors – both internal and external – represents the key to addressing global challenges related to the sustainable management of natural resources and the protection of biodiversity, contributing in particular to **Sustainable Development Goals** n. 12 (Responsible consumption and production) and n. 15 (Life on land).

Our projects with the supply chain

15 LIFE ON LAND

Paper Procurement

Reduction in the procurement of virgin-fibre paper, with a prevailing preference for sources from controlled forests under the FSC® certification system.

Starch Procurement

Use of corn starch for the production of glue, sourced 100% from certified, natural, and non-GMO crops.

Finished Product Packaging

Optimisation of packaging through the reduction of stretch-film thickness and, where technically possible, its complete elimination.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Internal Handling

Ongoing full electrification of internal handling through the use of lithium-battery-powered electric forklifts.

Transport

Optimisation of logistics flows by employing the same carriers for inbound transport of paper raw material and for the collection of recovered paper, thereby reducing reverse-logistics emissions, or, where possible, by increasing inbound intermodal transport, with a preference for rail transport.
In the selection of new suppliers, preference is given to logistics providers that use electric vehicles or low-environmental-impact solutions for external handling.

"SUSTAINABLE PROCUREMENT" WORKING GROUP

We believe that sustainability can no longer be addressed as an isolated initiative, but must instead represent a shared pathway involving the entire value chain. In this context, we are fully committed to doing our part, actively collaborating with partners who share our values and objectives

In 2025, FEPA plans to launch **a cross-functional working group** on the theme of Sustainable Procurement, involving the Procurement, Sustainability, Legal, Quality, and Plant functions. The objective will be **to integrate ESG criteria in a structured and cross-cutting manner within procurement processes**, thereby strengthening supply chain governance and promoting a positive impact throughout the entire value chain.

The project will focus on two priority areas:

Process optimisation

through the adoption of a **Sustainable Procurement Policy** and the drafting of a **Code of Conduct for Suppliers**, which will formalise ESG principles and requirements to be applied in supplier selection processes and in contractual clauses;

Supply chain monitoring and development

, through the identification of relevant ESG KPIs, the introduction of structured supplier assessment tools (such as questionnaires and on-site audits), and the implementation of training programs to strengthen sustainability-related skills.

Through this pathway, FEPA intends to reinforce its responsible approach to supply chain management, contributing to the continuous improvement of environmental, social, and governance performance across the entire procurement cycle.

7.5 Alliances and partnerships

To **enhance the quality of its products and expand its distribution network**, thereby offering added value to its clients, FEPA has progressively consolidated strategic collaborations, activating partnerships both at the national level – as in the case of Cart-One – and on a European scale, through Blue Box Partners. These alliances **enable to share technical expertise, market knowledge, and relationship networks**, promoting the exchange of best practices, the development of innovative solutions, and the definition of common strategies. Thanks to these synergies, FEPA has strengthened its competitive position, extending its presence beyond the boundaries of the Italian market and offering increasingly advanced packaging solutions capable of meeting the needs of an international clientele in constant evolution.

In the choice of its strategic alliances as well, FEPA has favoured partnerships with "family companies" that share similar values and business models oriented towards solidity, long-term vision, and responsibility towards people and the local area.

CART-ONE

Cart-One was established in 1998 as a joint venture between FEPA and Antonio Sada & Figli. The company specialises in the supply of high-quality corrugated board packaging and operates through a **capillary distribution network across Italy**.

The joint venture was created with a B2B market focus, with the objective of serving large industrial enterprises with multiple production sites distributed across different regions. Thanks to a shared coordination model, Cart-One allows client companies to interface with a single partner, guaranteeing **uniformity of product and service in all plants**.

900 Milion m² of corrugated cardboard PRODUCTION CAPACITY

7 PLANTS

911 WORKERS

BLUE BOX PARTNERS

packaging4europe.com

Since 2006, with the establishment of **Blue Box Partners**, a European Economic Interest Grouping (EEIG) bringing together four independent family-owned companies, FEPA – through its participation in Cart-One – has become part of a distribution network that guarantees the supply of **high-quality packaging** solutions throughout the European territory. This alliance makes it possible to offer capillary coverage and integrated service in the main continental markets.

The partner companies of Blue Box, solid and established in their respective national markets, are among the main European players in the corrugated cardboard and paper packaging sector. The shared goal is ambitious: to become the leading supplier in Europe of paper-based packaging solutions. In addition to a common long-term strategic vision, the four companies are united by shared values: **reliability, flexibility, entrepreneurial spirit, and sustainability**.

The offering of Blue Box Partners includes a wide range of board packaging solutions, highly diversified and **customisable according to the specific needs of clients**, which enable to cover an extensive variety of markets, including the food sector, retail, transport, and cosmetics.

We deliver in the following European countries

- Austria
- Belgium
- Denmark
- France
- Germany
- Greece
- Ireland
- Italy
- Luxembourg
- Norway
- The Netherlands
- Poland
- Portugal
- United Kingdom
- Czech Republic
- Romania
- Svezia
- Switzerland
- Spain
- Hungary

HINOJOSA | KLINGELE PAPER & PACKAGING GROUP | vpk | CART-ONE

13 PAPER MILLS

4.7 Milions m² corrugated board produced in 2024

114 BOX PLANTS

653 Milions€ PLANNED INVESTMENTS

TRADE ASSOCIATIONS AND CONSORTIA

FEPA is a member of important **trade associations** for companies producing and processing corrugated board – Gifco, Fefco, Comieco, Assografici, UPI – and of the consortia Bestack and Comieco, in order to ensure **greater representation and protection of its interests and to access a network of expertise, projects, and applied experiences**.

From the PPWD Directive to EU Regulation 2025/40

In November 2022, the European Commission proposed the revision of the European Packaging Directive (PPWD – Packaging and Packaging Waste Directive), with the aim of reducing packaging and packaging waste and the related environmental impact, introducing new measures aimed at: encouraging reuse; reducing the use of virgin material in favour of recycled content in products; reducing overpackaging and unnecessary packaging by lowering the permitted empty space ratios; and increasing recyclability. The revision process concluded at the end of 2024 with the adoption of the new EU Regulation 2025/40. During this period, FEPA actively participated in numerous discussion forums and life-cycle assessment (LCA) projects promoted by FEFCO, in order to critically review the contents of the Directive and to propose and share with Members of Parliament positions that were coherent, concrete, and "sustainable" not only from an environmental perspective but also from an industrial one, as an expression of the companies in the sector. FEPA's commitment to this initiative reflects its dedication to positively influencing environmental policies and supporting sustainable practices in the packaging sector.

Collaboration on the "New Monograph on Corrugated board" project

As part of the activities promoted by the trade association, FEPA took part in the project for the drafting of the new edition of the Monograph on Corrugated Cardboard. The volume retraces the evolution of this extraordinary material, from the mid-nineteenth century to the present day, highlighting the industrial success of corrugated cardboard in Italy.ù

The company actively collaborated in the production of the monograph, contributing significantly to the drafting of the technical content.

This text represents a fundamental resource not only for industry professionals, but also for those wishing to explore the history, technology, and central role that corrugated board has assumed – and continues to assume – in the industrial landscape.

We are proud to have participated in a project that enhances and promotes an excellence of Made in Italy, making available our knowledge and the deep passion that has always driven us.

Attachments and glossary

8

8.1 Report Contents

(GRI: 2-2, 2-3, 2-4, 2-5)

This Sustainability Report is inspired, in its organisation and structuring of contents, by the European Sustainability Reporting Standards (ESRS), adopted by Delegated Regulation (EU) 2023/2772, implementing Directive (EU) 2022/2464.
In the absence of a specific sector Standard for FEPA, the selection and reporting of material topics were managed independently, following the methodology laid out by the Regulation, with particular reference to the Double Materiality Assessment.
The full list of reported disclosures and their correspondence to the contents of the Report is available in the Appendix: Correlation to the ESRS.
The reporting scope is limited to FEPA S.p.A., a sole-shareholder company, and covers the entire 2024 financial year (from January 1 to December 31), in line with the financial reporting period. To support temporal analysis, data relating to the years 2022 and 2023 are also provided.
This edition of the Sustainability Report is not subject to external audit. However, the economic performance data are based on the statutory financial statements, which are certified by an independent auditor (PricewaterhouseCoopers S.p.A.), in accordance with Article 14 of Legislative Decree no. 39 of January 27, 2010.

The Sustainability Report undergoes internal review by the Sustainability Manager and is approved in its content and strategic sustainability guidelines by the Chief Executive Officer of FEPA.

Declaration of use	FEPA S.p.A. has reported the information contained in this Sustainability Report for the period from January 1, 2024 to December 31, 2024, drawing inspiration from the European Sustainability Reporting Standards (ESRS), as adopted by Delegated Regulation (EU) 2023/2772, in implementation of Directive (EU) 2022/2464 (CSRD).
Relevant Sector Standards	Currently, there are no available Sector Standards (Sectoral ESRS) applicable to FEPA's operational area. The reporting was therefore carried out with reference to the cross-cutting standards presently in force.
Revisions/corrections compared to previous edition	There are no corrections to data or information published in the previous edition of the Sustainability Report, except for the recalculation of Scope 1 emissions for the years 2022 and 2023. This update has been performed using the new methane combustion emission factors available and updated to 2024, to ensure methodological consistency with the most recent data.

REPORTING BOUNDARY

This third edition of the FEPA S.p.A. Sustainability Report covers the main activities and performance for the year 2024, defining the reporting boundary as a structural reference for communicating the company's commitment to ESG topics.
The document outlines FEPA's mission and strategy in the area of sustainability, also presenting the organisation's first strategic sustainability plan.
Inspired by the contents of the ESRS, adopted via Delegated Regulation (EU) 2023/2772 in implementation of Directive (EU) 2022/2464 (CSRD), the Report describes the company's relevant context and provides a longitudinal reading of performance over the three-year period 2022–2024, with the aim of offering a complete and comparable overview of company trends over time.

8.2 Methodological Note: Double Materiality Assessment

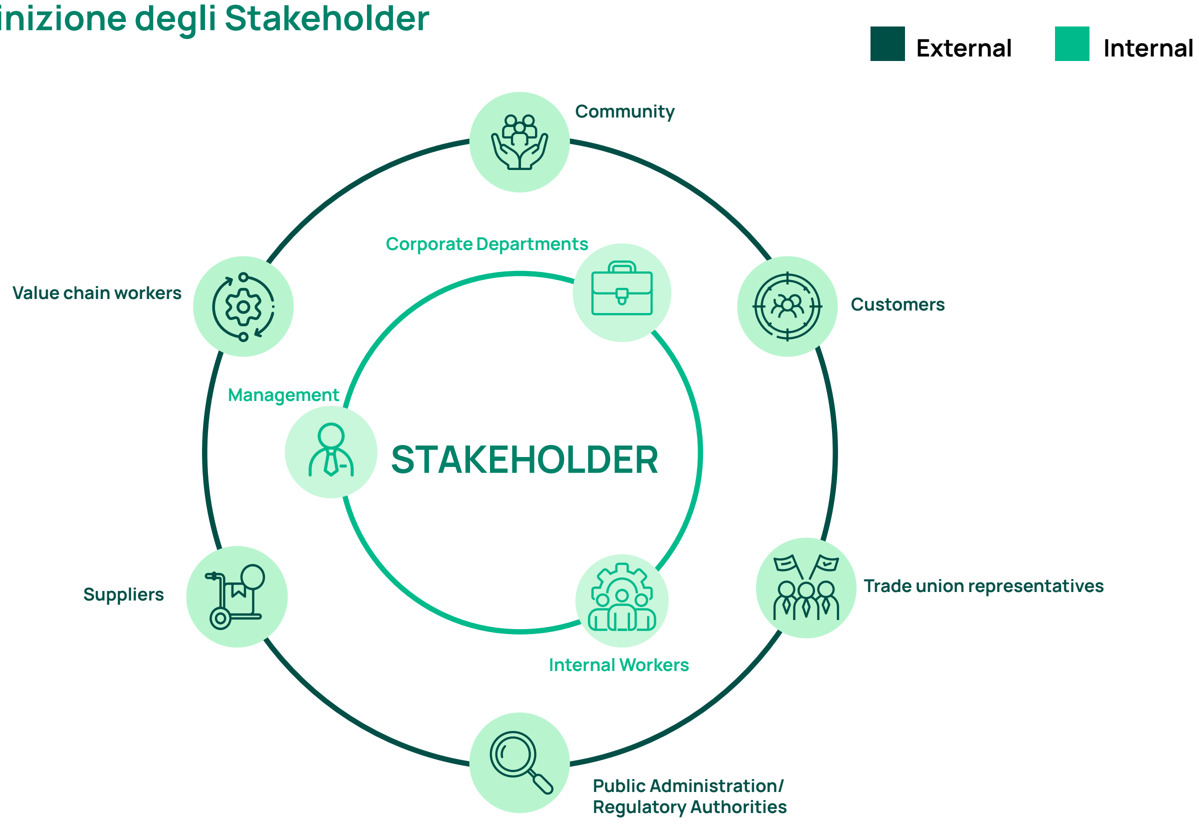
The Double Materiality Assessment, aimed at identifying material topics, was conducted through a structured process comprising multiple phases, in alignment with the sustainability themes required by the European Sustainability Reporting Standards (ESRS).

1. **Context Analysis**: The first phase involved a thorough analysis of FEPA's internal and external context, with the aim of identifying associated impacts, risks, and opportunities related to sustainability:

- **Internal context:** focus was placed on company activities, characteristics of the production sites involved, assessments carried out within certified management systems, organisational and governance structure, as well as the performance registered concerning material topics addressed in previous editions of the sustainability report.
- **External context:** the analysis considered FEPA's entire value chain, benchmarking with comparable companies, emerging trends, regulatory developments, and stakeholder expectations regarding sustainability for the relevant sector.

2. **Stakeholder definition** Building on the context analysis, the interaction between FEPA and its stakeholders was outlined, enabling the identification of the parties most involved in the organisation's activities, both internal and external, and linking them to the subsequent materiality assessment. The resulting stakeholder list serves as a strategic tool to prioritise future stakeholder engagement activities, ensuring stronger alignment between expressed expectations and the sustainability actions undertaken.
3. **Interviews**: The gathered information was further explored through individual interviews with key figures within the organisation. These focused discussions enabled a detailed analysis of company activities, specifically emphasising areas with the greatest environmental, social, and economic impact, as well as the identification of potential risks and opportunities, thus contributing to exclude topics not relevant to FEPA's context.
4. **Assessment of Material Topics:** The various topics proposed by the European Sustainability Reporting Standards (ESRS), contextualised for the specific situation of FEPA, were assessed according to the two dimensions of double materiality. For each topic, a numerical score was assigned by multiplying the magnitude and probability of impacts, risks, or opportunities (IRO), using dedicated assessment scales. Matrices were developed for each identified dimension (impacts, risks, opportunities) and applied consistently within the company context. Based on this process, specific thresholds were established to determine the final relevance of each topic, their materiality, both in terms of impact and financial significance.
5. **Approval of Material Topics**: Once the material topics were identified in accordance with the defined metrics and criteria, the results of the analysis were shared with the Chief Executive Officer (CEO). This review represented a key step in reviewing the findings, validating the analysis performed, and, where necessary, integrating or refining the identified topics.

Definizione degli Stakeholder



Approval of Material Topics

Materiality Treshold

	IMPACT MATERIALITY SEVERITY[1] x X LIKELIHOOD [1]Average of scale, scope, and irremediability of the impact	FINANCIAL MATERIALITY MAGNITUDE X LIKELIHOOD
MATERIAL	› 20 Critical	› 20 Critical
	› 17 and ≤ 20 Significant	› 17 and ≤ 20 Significant
	› 13 and ≤ 17 Important	› 13 and ≤ 17 Important
NOT MATERIAL	≥ 8 and ≤ 13 Informative	≥ 8 and ≤ 13 Informative
	‹ 8 Minimal	‹ 8 Minimal

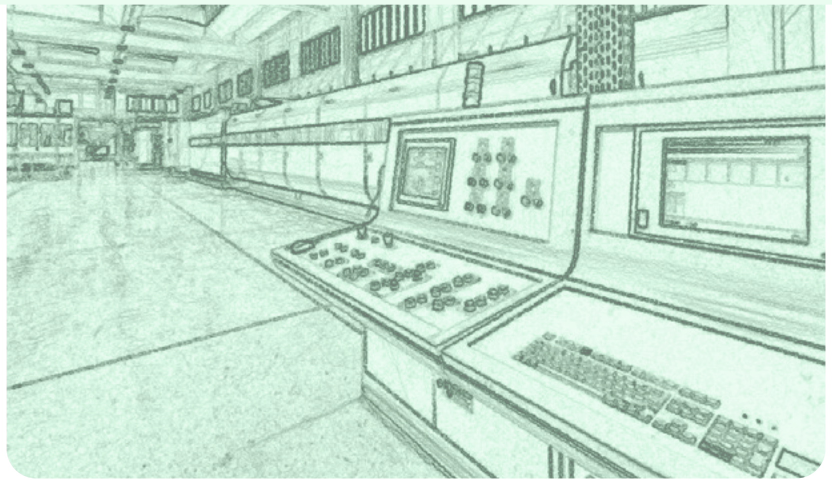
8.3 Environmental information - additional data and information

(ESRS E1,E2,E3,E4,E5)

THE EXPANSION OF THE MEZZANI SITE

When analysing environmental data and related trends, it is important to note that 2023 was **heavily influenced by the expansion of the Mezzani site**.

The project involved significant changes to the site's organisation, with inevitable repercussions on certain operational and environmental performances, due to the need to ensure safety conditions during the works and to allow for optimal management of the new operational lines.



ENERGY CONSUMPTION AND ENERGY MIX

	UoM	2022	2023	2024
Consumption of coal and coal products	MWh	-	-	-
Consumption of crude oil and petroleum products	MWh	1,215	1,155	1,049
Consumption of natural gas fuel	MWh	55,205	56,597	60,375
Consumption of fuels from other non-renewable sources	MWh	-	-	-
Consumption of electricity, heat, steam, and cooling from fossil sources, purchased or acquired	MWh	9,807	10,286	11,325
Total energy consumption from fossil fuels	MWh	66,227	68,038	72,749
Share of fossil fuels in total energy consumption	%	99	99	99
Consumption from nuclear sources	MWh	-	-	-
Share of nuclear sources in total energy consumption	%	0%	0%	0%
Fuel consumption for renewable sources, including biomass (also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.)	MWh	-	-	-
Consumption of electricity, heat, steam, and cooling from renewable sources, purchased or acquired	MWh	-	-	-
Consumption of self-produced renewable energy without the use of fuels	MWh	890	935	730
Total consumption of energy from renewable sources	MWh	890	935	730
Share of renewable sources in total energy consumption	%	1	1	1%
Total energy consumption	MWh	67,116	68,972	73,479
ENERGY CONSUMPTION INTENSITY	MWh/kEuro	0.26	0.31	0.34
ENERGY CONSUMPTION INTENSITY	MWh/ton	0.36	0.35	0.31

Factors • 1 kWh = 0,0036 Gj • 1 NM³ = 1,0549 Sm³ • Calorific value of methane: 35,584 MJ/Sm³ • Diesel fuel 0,85 Kg/l • 1 m³ diesel fuel = 41,030 GJ

Note: in defining energy consumption and the organisational energy mix, energy acquired from the grid in the absence of warranty certificates of origin is considered to come from fossil sources; energy consumption relates to the energy used to manage operational sites. Fuel consumption for company-owned vehicles is not included, as this is accounted for under Scope 1 atmospheric emissions.

EMISSIONS

The San Polo and Mezzani sites have specific Single Environmental Authorisations (Autorizzazione Unica Ambientale - AUA) for the management of water discharges and atmospheric emissions. FEPA does not participate in emissions trading schemes.

CO_2eq	UoM	2022	2023	2024
SCOPE 1	t CO_2eq	13,636*	13,962*	14,860
SCOPE 2	t CO_2eq	2,554	3,126	3,383
EMISSIONS SCOPE 1-2	t CO_2eq	16,190	17,086	18,242
EMISSION INTENSITY SCOPE 1-2	tonCO_2eq/ton	0.087	0.086	0.076
EMISSION INTENSITY SCOPE 1-2	tonCO_2eq/KEuro	0.064	0.076	0.085
SCOPE 3	t CO_2eq	#	229,068	216,814
UPSTREAM	t CO_2eq	#	184,779	203,639
Business travel	t CO_2eq	#	9.0	6.9
Capital goods	t CO_2eq	#	3,429.1	4,380.9
Employee commuting	t CO_2eq	#	1,450.4	1,430.2
Energy-related activities	t CO_2eq	#	909.2	994.3
Purchased goods	t CO_2eq	#	143,746.0	161,537.7
Use of services	t CO_2eq	#	2,524.0	2,166.0
Upstream transport and distribution	t CO_2eq	#	32,148.3	32,674.3
Waste generated during operations	t CO_2eq	#	563.1	448.6
DOWNSTREAM	t CO_2eq	#	44,289	13,175
End-of-life treatment of products sold	t CO_2eq	#	38,321.2	6,196.8
Downstream transport and distribution	t CO_2eq	#	5,721.0	6,769.0
Downstream leased assets	t CO_2eq	#	247.1	208.9
TOTAL EMISSIONS SCOPE 1-2-3	t CO_2eq	#	246,156	235,056
EMISSION INTENSITY SCOPE 1-2-3	tonCO_2eq/ton	#	1.23	0.98
EMISSION INTENSITY SCOPE 1-2-3	tonCO_2eq/KEuro	#	1.09	1.10

#Scope 3 emissions accounting is available from 2023 data onwards.

**Impact recalculated using 2024 methane combustion emission factors in order to keep the calculation consistent with the most up-to-date data. Based on this recalculation, Scope 1 emissions for 2023 have increased from 11,589 t CO_2 eq. to 13,960 t CO_2 eq and for 2022 from 11,322 t CO_2 eq to 13,636 t CO_2 eq .*

Methodological notes for the calculation of emissions:

Emissions were calculated in accordance with the allocation principle set out in ISO 14064, as follows:

- **Scope1:** the calculation takes into account emissions from stationary and process combustion, combustion for the transport of company-owned vehicles, and fugitive FGAS emissions.
- **Scope2:** the calculation takes into account emissions related to the supply of electricity from the grid and production through photovoltaic systems; the approach used to allocate CO_2 emissions associated with electricity is the "location-based" methodology, which aims to quantify indirect emissions based on the average emission factors of the energy generated in the geographical locations of reference.
- **Scope3:** the calculation takes into account indirect emissions from transport and from products used by the organisation; indirect emissions from the use of leased assets, indirect biogenic emissions and indirect greenhouse gas emissions from other sources result as not significant.

The emission factors were calculated using the scientific software SimaPro 10.2.0.0 and the Ecoinvent 3.10 database in relation to the choice of datasets.

scope		Category Emissions	Categories included
scope 1	1.1	Direct emissions from stationary combustion	✓
	1.2	Direct emissions from mobile combustion	✓
	1.3	Direct process emissions and direct absorptions from industrial processes	✓
	1.4	Direct fugitive emissions resulting from the release of greenhouse gases within the anthropogenic system.	✓
	1.5	Direct emissions and removals resulting from land use, land-use change	Not Significant
scope 2	2.1	land use change and forestry	✓
	2.2	Indirect emissions from imported electricity	Not Significant
scope 3	3.1	Indirect emissions from imported energy and sources other than electricity	✓
	3.2	Indirect emissions from upstream transport and distribution of goods	✓
	3.3	Indirect emissions from employee commuting	✓
	3.4	Indirect emissions from customer and visitor transport	Currently unavailable
	3.5	Indirect emissions from business travel	✓
	4.1	Indirect emissions from purchased goods	✓
	4.2	Indirect emissions from capital goods	✓
	4.3	Indirect emissions from the disposal of solid and liquid waste	✓
	4.4	Indirect emissions from the use of leased assets	✓
	4.5	Indirect emissions from the use of other services	✓
	5.1	Indirect emissions or indirect absorptions from the product use phase	✓
	5.2	Indirect emissions from downstream leasing activities	Not Significant
	5.3	Indirect emissions from the end-of-life phase of the product	✓
	5.4	Indirect emissions from investments	Not Significant
	6	Indirect GHG emissions from other emission sources	Not Significant

WATER CONSUMPTION

WATER WITHDRAWAL

	UoM	2022	2023	2024
TOTAL WATER WITHDRAWAL	m^3	80,033	70,765	65,999
Withdrawal from wells	m^3	76,335	63,455	63,057
Withdrawal from municipal water supply	m^3	3,698	7,310	2,942
Withdrawal from other sources	m^3	0	0	0
WATER WITHDRAWAL INTENSITY	m^3/KEuro	0.32	0.31	0.31
WATER WITHDRAWAL INTENSITY	m^3/ton	0.43	0.35	0.27

There are no water withdrawals associated with areas subject to water stress.

WASTE AND BY-PRODUCTS

SPECIAL WASTE PRODUCED

	UoM	2022	2023	2024
TOTAL WASTE PRODUCED	t	1,377	2,811*	1,238
Waste destined for recovery	t	482	1,984	430
Waste intended for disposal	t	895	827	808
Hazardous waste	t	6	386	616
Hazardous waste for disposal	t	5.5	375	604#
Hazardous for recovery	t	0.5	10.5	12
Non-hazardous waste	t	1,371	2,425	622
Non-hazardous for recovery	t	482	1,973	418
Non-hazardous at disposal	t	889	439	204

**During 2023, expansion work for the installation of a second corrugator at the Mezzani site (the company's third overall) made it necessary to temporarily manage paper waste/trimmings as special waste rather than as a by-product. It is important to note that this management method, limited to the construction phase, did not have a negative impact on overall material recovery performance.*

 # In 2024, based on the periodic assessments required by the ISO 14001 Environmental Management System, the classification of sludge from the production process was updated, reclassifying it from non-hazardous waste to hazardous waste.

BY-PRODUCTS

	UoM	2022	2023	2024
TOTAL BY-PRODUCTS	t	24,205	27,169	32,327

RECOVERY PERFORMANCE

	UoM	2022	2023	2024
Recovered waste and by-products	%	96.5	97.2	97.6

WASTE AND BY-PRODUCTS	UoM	2022	2023	2024
WASTE AND BY-PRODUCT INTENSITY	t/KEuro	0.101	0.133	0.157
WASTE AND BY-PRODUCT INTENSITY	t/t	0.138	0.150	0.140

TYPES OF MAIN SPECIAL WASTE PRODUCED

	UoM	2024
Sludge produced by purification plants	t	600
Wooden packaging	t	221
Mixed material packaging	t	114
Aqueous liquid waste	t	74
Organic waste	t	58
Iron and steel scrap	t	35
Adhesive and sealant waste	t	32
Other waste	t	105
TOTAL	t	1,238

TYPES OF MAIN SPECIAL WASTE PRODUCED

	UoM	2024
Organic/inorganic substances/mixtures	t	795
Wood	t	229
Mixed	t	122
Metals	t	57
Paper/Cardboard	t	28
Plastic	t	5
Oils	t	2
Inert waste	t	1
TOTAL	t	1,238

MATERIALS

MATERIALS

	UoM	2022	2023	2024
Renewable materials	t	192,079	214,487	246,988
Non-renewable materials	t	1,258	1,457	1,645
Total materials	t	193,336	215,944	248,633

8.4 Social Information - additional data and information (ESRS S1)

WORKFORCE

The entire workforce is located 100% within the Italian national territory.
The total number of employees and non-employee workers (primarily associated with the role of manual workers), also referred to as own workforce, is calculated as the value in full-time equivalent (FTE) units as of the reporting period end date, December 31, 2024.

WORKERS

		2022			2023			2024		
TYPE OF WORKERS	UoM	MAN	WOMAN	TOTAL	MAN	WOMAN	TOTAL	MAN	WOMAN	TOTAL
Employees	N°	332	49	381	358	51	409	391	58	449
Non-employees	N°	73	2	75	59	9	68	60	10	70
TOTAL	N°	405	51	456	417	60	477	451	68	519

EMPLOYEE TYPE OF CONTRACT

		2022			2023			2024		
CONTRACT DURATION	UoM	MAN	WOMAN	TOTAL	MAN	WOMAN	TOTAL	MAN	WOMAN	TOTAL
Fixed term	N°	1	0	1	5	1	6	6	1	7
Indefinite	N°	331	49	380	353	50	403	385	57	442
TOTAL	N°	332	49	381	358	51	409	391	58	449

Note: there are no employees with non-guaranteed hours.

EMPLOYEE CONTRACTS

		2022			2023			2024		
CONTRACT DURATION	UoM	MAN	WOMAN	TOTAL	MAN	WOMAN	TOTAL	MAN	WOMAN	TOTAL
Full-time employees	N°	331	45	376	358	47	405	389	53	442
Part-time employees	N°	1	4	5	0	4	4	2	5	7
TOTAL	N°	332	49	381	358	51	409	391	58	449

*100% of employees are covered by a collective agreement: Paper and Converted Paper Products Industry sector.
The applicable collective agreement ensures, for the various pay grades, an adequate wage as defined at the national sectoral level of collective bargaining, as well as adequate social protection.*

Below is a breakdown of the workforce classified as employees.

EMPLOYEE JOB ROLES

ROLES	UoM	2022 MAN	2022 WOMAN	2022 TOTAL	2023 MAN	2023 WOMAN	2023 TOTAL	2024 MAN	2024 WOMAN	2024 TOTAL
Executives	N°	8	3	**11**	9	3	**12**	12	3	**15**
Middle Managers	N°	13	2	**15**	13	2	**15**	14	2	**16**
Office staff	N°	55	29	**84**	67	28	**95**	67	28	**95**
Workers	N°	256	15	**271**	269	18	**287**	298	25	**323**
Internships	N°	0	0	**0**	0	0	**0**	0	0	**0**
TOTAL	**N°**	**332**	**49**	**381**	**358**	**51**	**409**	**391**	**58**	**449**

AGE GROUPS OF WORKERS

ROLES	UoM	Man <30 years	Man >=30 years and <50 years	Man >=50 years	Man TOTAL	Woman <30 years	Woman >=30 years and <50 years	Woman >=50 years	Woman TOTAL	TOTAL
Managers	N°	1	2	9	**12**	0	0	3	**3**	**15**
Middle Managers	N°	0	7	7	**14**	0	1	1	**2**	**16**
Office staff	N°	18	34	15	**67**	3	20	5	**28**	**95**
Workers	N°	75	175	48	**298**	3	17	5	**25**	**323**
Internships	N°	0	0	0	**0**	0	0	0	**0**	**0**
TOTAL	**N°**	**94**	**218**	**79**	**391**	**6**	**38**	**14**	**58**	**449**

EMPLOYEE RECRUITMENT

AGE OF NEW RECRUITS	UoM	2022 MAN	2022 WOMAN	2022 TOTAL	2023 MAN	2023 WOMAN	2023 TOTAL	2024 MAN	2024 WOMAN	2024 TOTAL
<30	N°	30	1	**31**	40	2	**42**	31	3	**34**
>=30 and <50	N°	47	5	**52**	30	6	**36**	38	8	**46**
>=50	N°	7	1	**8**	4	0	**4**	14	2	**16**
TOTAL	**N°**	**84**	**7**	**91**	**74**	**8**	**82**	**83**	**13**	**96**
%OF TOTAL EMPLOYEES	%	-	-	**24**	-	-	**20**	-	-	**21**

EMPLOYEE DEPARTURES

AGE OF DEPARTURES	UoM	2022 MAN	2022 WOMAN	2022 TOTAL	2023 MAN	2023 WOMAN	2023 TOTAL	2024 MAN	2024 WOMAN	2024 TOTAL
<30	N°	6	0	**6**	20	0	**20**	17	0	**17**
>=30 and <50	N°	26	4	**30**	20	4	**24**	20	2	**22**
>=50	N°	7	1	**8**	6	2	**8**	13	3	**16**
TOTAL	**N°**	**39**	**5**	**44**	**46**	**6**	**52**	**50**	**5**	**55**
%OF TOTAL EMPLOYEES	%	-	-	**12**	-	-	**13**	-	-	**12**

Turnover: 12.2% calculated as total departures from the workforce at the end of the year.

EMPLOYEE SENIORITY

YEARS OF SERVICE	UoM	2022	2023	2024
>30	N°	6	6	5
>15<=30	N°	59	53	52
>5<=15	N°	84	100	147
>2<=5	N°	121	105	125
<=2	N°	111	145	120
TOTAL	**N°**	**381**	**409**	**449**

EMPLOYEES REGISTERED WITH TRADE UNIONS

REGISTERED EMPLOYEES	UoM	2022	2023	2024
	N°	71	85	89

100% of employees are covered by employee representatives

EMPLOYEES WITH DISABILITIES

	UoM	2024 MAN	2024 WOMAN	2024 TOTAL
EMPLOYEES WITH DISABILITIES	%	3.6	10.3	**4.5**

% by gender

EMPLOYEES SUBJECT TO CAREER ADVANCEMENT

	UoM	2024 MAN	2024 WOMAN	2024 TOTAL
EMPLOYEES WITH CAREER ADVANCEMENT	%	13	8.6	**12.5**

HUMAN RIGHTS: REPORTS AND SANCTIONS

REPORTS AND SANCTIONS	UoM	2024 MAN	2024 WOMAN	2024 TOTAL
Total number of reports submitted by employees through anonymous channels (e.g. Whistleblowing)	N°	1*	0	1*
Total number of incidents of discrimination during the reporting period	N°	0	0	0
Number of other human rights violations concerning employees	N°	0	0	0
Amount of fines or compensation for damages resulting from recorded incidents of discrimination	€	0	0	0
Amount of fines or compensation for damages resulting from recorded incidents of other human rights violations	€	0	0	0

*The case reported, following an analysis carried out in accordance with the whistleblowing procedure, revealed no violations of the Code of Ethics or of the Legislative Decree 231/2001 Compliance model.

REMUNERATION

	UoM	2024 MAN	2024 WOMAN	2024 TOTAL
REMUNERATION IN LINE WITH APPLICABLE LEGISLATION	%	100	100	**100**

100% of employees are covered by a collective agreement: Paper Industry Sector.

DECISION-MAKING BODY

TYPE OF BODY	UoM	Man <30 years	Man >=30 years and <50 years	Man >=50 years	Man TOTAL	Woman <30 years	Woman >=30 years and <50 years	Woman >=50 years	Woman TOTAL	TOTAL
Board of Directors	N°	1	0	5	**6**	0	0	1	**1**	**7**
Board of Auditors	N°	0	0	1	**1**	0	0	2	**2**	**3**
Management Committee	N°	1	0	2	**3**	0	0	2	**2**	**5**

COMPOSITION OF DECISION-MAKING BODIES

ROLES	UoM	2024 MAN	2024 WOMAN
Board of Directors	%	86	14
Board of Statutory Auditors	%	33	67
Management Committee	%	60	40

HEALTH AND SAFETY AT WORK

ACCIDENT DATA AND INDICES

	EMPLOYEES			NON-EMPLOYED WORKERS		
	2022	**2023**	**2024**	**2022**	**2023**	**2024**
Hours worked	629,393	695,397	773,105	145,959	134,538	133,773
Fatalities as a result of injury	0	0	0	0	0	0
Injuries with serious consequences	0	0	0	0	0	0
Occupational injuries	16	25	24	13	10	7
Lost days due to injury	366	484	730	232	126	84
Occupational diseases	0	0	0	0	0	0
Frequency index[3]	25.4	36	31.3	89.1	74.3	52.3
Severity Index[4]	0.6	0.7	0.9	1.6	0.9	0.6
Risk index[5]	14.8	25.0	29.3	141.6	69.6	32.9

[3]The frequency index correlates the number of accidents with the measure of exposure to risk (it is calculated by dividing the number of accidents with absence exceeding 1 day multiplied by 1,000,000, compared to hours worked).

[4]The severity index correlates the severity of the accident with the degree of exposure to risk (it is calculated by dividing the number of days lost exceeding 3 days multiplied by 1,000, compared to hours worked).

[5] The risk index correlates the frequency and severity indices.

TYPE OF EMPLOYEES' ACCIDENTS

	UoM	2022	2023	2024
Burns	N°	1	0	2
Fracture	N°	2	2	4
Contusion	N°	6	7	3
Sprain	N°	2	4	7
Wound	N°	0	7	2
Crush injury	N°	4	1	3
Abrasion	N°	1	1	1
Collision/impact with mobile equipment/vehicle	N°	0	0	1
Pain/discomfort/ strain	N°	0	3	1
TOTAL	**N°**	**16**	**25**	**24**

8.5 Governance information - additional data and disclosures (ESRS G1)

DIRECTLY GENERATED AND DISTRIBUTED ECONOMIC VALUE

ECONOMIC GROWTH

	UoM	2022	2023	2024
Turnover (Sales revenue)	€	253,584,016	225,532,877	213,828,992
Revenue (total production value)	€	259,592,400	230,249,293	223,066,202
Profit for the year	€	11,507,058	28,133,502	16,953,553

EMPLOYEE SALARIES AND BENEFITS

	UoM	2022	2023	2024
Salaries and wages	€	17,098,327	17,800,308	18,936,501
Social security contributions	€	4,374,863	4,618,755	5,108,777
Employee severance pay	€	994,631	1,089,443	1,145,761
Total personnel costs	€	22,554,712	23,510,696	25,198,089

ADDITIONAL FINANCIAL STATEMENT DATA

	UoM	2022	2023	2024
Total net assets	€	84,181,377	108,844,086	118,637,588
Payments to governments by country	€	2,971,997	13,162,012	9,812,503
Total income taxes	€	7,668,106	9,787,798	5,810,104
Economic value retained Difference between value and production costs	€	18,299,897	38,973,794	22,592,486
Operating costs Total production costs	€	241,292,503	191,275,499	200,473,716

Payments to capital providers 2024:
8,284,326 €

Investments in the community in charitable donations and sponsorships 2024:
approximately 77,000 €

SUBSIDIARIES AND ASSOCIATED COMPANIES

Shareholding in subsidiaries

- SANDA SERVICE SRL Sole shareholder 100%
- SPG DESIGN SRL Sole shareholder 100%
- IMMOBILIARE AMY SRL 100%
- CART-ONE SRL 50%

Governance

Members of the Board of Directors

Chairperson of the Board of Directors: GABBI GABRIELLA

Chief Executive Officer: FERRETTI FAUSTO

Director: PIER PAOLO FRANZOSI

Director: GIORGIO ZIEMACKI

Director: AGADI PAOLO

Director: FRANCO FERRETTI

Director: CP BOARD COMPANY S.R.L.

Powers of attorney

Active for the plant managers of San Polo and Mezzani, powers of attorney in the field of health, safety and the environment.

Other company information

Anti-corruption – FEPA is not involved in any events or incidents of active or passive corruption.

Anti-competitive behaviour – On 13 January 2023, the Council of State, upholding the appeal lodged by the AGCM, overturned the decision of the Lazio Regional Administrative Court which, in the first instance, had fully acquitted Sandra S.p.A. (now FEPA S.p.A.) of the charge of participating in the so-called 'Intesa Imballaggi' (ndr. Packaging Agreement). With this ruling, the Council of State also declared the penalty imposed on FEPA to be abnormal and requested the AGCM to recalculate it. FEPA, noting the above with regret and confirming its position of non-involvement in the matter, instructed its lawyers to take all appropriate action in every forum.
On 7 March 2024, the AGCM announced the recalculation, reducing the penalty from €10.6 million to €8 million. This is a significant reduction compared to the previous amount, but the Company, after consulting with its lawyers, still considers it unsatisfactory. In fact, also in light of further rulings by the Council of State, it is believed that the AGCM has deviated from the dictates imposed by the Judge for the recalculation of the fine. We are evaluating with our lawyers actions aimed at obtaining a more significant reduction in the penalty which, in accordance with the principle of personalisation of the penalty and equal treatment, takes into account FEPA's almost non-existent involvement in the so-called 'Intesa Imballaggi' (ndr. Packaging Agreement). During 2024, the company paid the penalty with the recalculated amount of the measure of 7 March 2024. This decision by the Company was dictated solely by the desire not to be burdened with the interest on arrears associated with the penalty, without thereby acquiescing to the penalty itself.

8.6 Correlation with ESRS

ESRS STANDARD		DISCLOSURE	REFERENCE PARAGRAPH
E1	E1 – 2	Policies relating to climate change mitigation and adaptation	3.2 Double Materiality Assessment 3.3 Strategic sustainability plan 4.1 Climate change
	E1 – 3	Actions and resources related to climate change policies	3.3 Strategic Sustainability Plan 4.1 Climate change
	E1 – 4	Objectives relating to climate change mitigation and adaptation	3.3 Strategic Sustainability Plan
	E1 – 5	Energy consumption and energy mix	4.1 Climate change Annexes: Environmental information – additional data and disclosures
	E1 – 6	Gross GHG emissions from scope 1, 2, 3 and total GHG emissions	4.1 Climate change Annexes: Environmental information – additional data and disclosures
E2	E2 – 1	Pollution policies	4.2 Pollution prevention
	E2 – 2	Actions and resources related to pollution	9.3 Towards sustainable development 4.2 Pollution prevention
	E2 – 3	Objectives related to pollution	10.3 Towards sustainable development 4.2 Pollution prevention
	E2 – 4	Air, water and soil pollution	4.3 Water resource management
	E2 – 5	Substances of concern and substances of very high concern	4.2 Pollution prevention
E3	E3 – 1	Policies related to water and marine resources	4.3 Water resource management
	E3 – 2	Actions and resources related to water and marine resources	3.3 Towards sustainable development 4.3 Water resource management
	E3 – 3	Objectives related to water and marine resources	3.3Strategic sustainability plan
	E3 – 4	Water consumption	4.3 Water resource management Annexes: Environmental information – additional data and disclosures

ESRS STANDARD		DISCLOSURE	REFERENCE PARAGRAPH
E4	E4 – 2	Policies relating to biodiversity and ecosystems	4.4 Focus on biodiversity and ecosystems
	E4 – 3	Actions and resources relating to biodiversity and ecosystems	3.3 Strategic sustainability plan
			4.4 Attention to biodiversity and ecosystems
	E4 – 4	Objectives relating to biodiversity and ecosystems	3.3 Strategic sustainability plan
			4.4 Focus on biodiversity and ecosystems
	E4 – 5	Impact metrics related to changes in biodiversity and ecosystems	4.4 Focus on biodiversity and ecosystems
E5	E5 – 1	Policies relating to resource use and the circular economy	4.5 Circular economy and waste management
			6.2 Attention to consumers
	E5 – 2	Actions and resources related to resource use and the circular economy	3.3 Strategic sustainability plan
			4.5 Circular Economy and Waste Management
	E5 – 3	Objectives relating to resource use and the circular economy	3.3 Strategic sustainability plan
	E5 – 4	Incoming resource flows	4.5 Circular economy and waste management Annexes: Environmental information – additional data and disclosures
	E5 – 5	Outgoing resource flows	4.5 Circular Economy and Waste Management Attachments: Environmental information - additional data and disclosures
S1	S1 – 1	Policies relating to own workforce	5 Social focus: people
	S1 – 2	Processes for involving own workers and workers' representatives regarding impacts	5.4Health and safety at work
			7.2 Values and control system
	S1 – 3	Processes for remedying negative impacts and channels that allow own workers to raise concerns	5.4 Health and Safety at Work
			7.2 Values and control system
	S1 – 4	Actions taken to manage significant impacts on the workforce, including approaches to mitigate risks and seize relevant opportunities, as well as the effectiveness of the measures taken.	5 Social focus: people
	S1 – 5	Objectives related to managing significant negative impacts, enhancing positive impacts, and managing relevant risks and opportunities	5 Social focus: people
			3.3 Strategic sustainability plan
	S1 – 6	Characteristics of the company's employees	5 Social focus: people Attachments: Social Information – additional data and information

ESRS STANDARD		DISCLOSURE	REFERENCE PARAGRAPH
S1	S1 – 7	Characteristics of non-employees in the company's own workforce of the enterprise	5 Social focus: people Attachments: Social Information - additional data and information
	S1 – 8	Coverage of collective bargaining and social dialogue	Annexes: Social Information - additional data and information
	S1 – 9	Diversity metrics	5 Social focus: people Attachments: Social Information - additional data and disclosures
	S1 – 10	Adequate salaries	Attachments: Social Information - additional data and information
	S1 – 11	Social protection	5.2 Personnel Protection and Management
	S1 – 13	Training and skills development metrics	5.3 Training and talent development
	S1 – 14	Health and safety metrics	5.4 Occupational health and safety Appendices: Social Information – additional data and information
	S1 – 15	Work-life balance metrics	5.2 Personnel Protection and Management
	S1 – 16	Remuneration metrics (pay gap and total remuneration)	n.r.
	S1 – 17	Incidents, complaints and serious impacts on human rights	5.2 Staff Protection and Management
S2	S2 – 1	Policies related to workers in the value chain	7.4 Supplier Relations/Responsible Supplier Management
S3	S3 – 2	Processes for engaging affected communities regarding impacts	6. Social focus: local area and consumers
S4	S4 – 1	Policies related to consumers and end users	6. Social focus: local area and consumers
	S4 – 2	Processes for involving consumers and end users in relation to impacts	n.a.
	S4 – 3	Processes for remedying negative impacts and channels enabling consumers and end users to express concerns	6. Social focus: local area and consumers
	S4 – 4	Actions taken to manage significant impacts on consumers and end users, with related approaches to mitigate risks and seize relevant opportunities, as well as the effectiveness of the measures adopted.	6. Social focus: territory and consumers
G1	G1 – 1	Policies on corporate culture and business conduct	7. Supply chain governance and management
	G1 – 2	Management of supplier relationships	7.4 Supplier relations/Responsible supplier management
	G1 – 3	Prevention and detection of active and passive corruption	7.2 Values and control system
	G1 – 4	Confirmed cases of active or passive corruption	Annexes: Governance information – additional data and disclosures
	G1 – 6	Payment practices	7.4 Supplier relations/Responsible supplier management

8.7 Glossary

A

AUDIT	Independent assessment aimed at obtaining evidence relating to a specific subject

B

B2B	Business-to-business market, referring to commercial transactions between companies rather than between a company and end consumers.
B2C	Business-to-consumer market, referring to commercial transactions that take place directly between a company and end consumers.
BEST PRACTICES	The set of methodologies or approaches with the best operational characteristics and quality indicators considered to be the most effective and successful in a given field or sector.
BUSINESS MODEL	Working methods, processes and financial models, including technology, consulting and service offerings.
BY-PRODUCTS	Production waste that can be managed as assets rather than waste, if it meets all the conditions set out in the law (Article 184-bis of Legislative Decree 152/2006).

C

CALORIFIC VALUE	Energy that can be obtained by completely converting a unit mass of an energy carrier under standard conditions.
CARBON FOOTPRINT	A measure that expresses the total greenhouse gas emissions, generally expressed in tonnes of CO_2 equivalent, directly or indirectly associated with a product, service or an Organisation
CIRCULAR MODEL	An economic model that aims to maximise the reuse of resources, reduce waste and regenerate natural systems through strategies such as recycling, restoration and reuse.
CLIMATE CHANGE	A long-term phenomenon involving significant changes in the Earth's climate patterns, including increases in global temperatures, changes in precipitation patterns and impacts on ecosystems, biodiversity and human society, often attributed to increased anthropogenic greenhouse gas emissions.
CONVERTING	In the paper industry, this refers to the transformation process by which a large reel is used to produce the specific product desired, such as paper, toilet paper, kitchen roll, etc.
CO_2	Unit of measurement used to quantify different greenhouse gas emissions in a common unit.

E

EMISSIONS	The release of substances or pollutants into the environment, often as a result of human activities such as industry, transport or energy production.
ESG	The set of standards that are considered when assessing a company's sustainable performance and responsibility in terms of environmental, social and governance issues.
ENVIRONMENTAL IMPACT	Negative or beneficial change to the environment, whether total or partial, resulting from an organisation's activities, products or services
ENVIRONMENTAL LABELLING	Identification of packaging placed on the market to indicate its composition and facilitate its collection, reuse, recovery, recycling and proper disposal by the consumer.
EXTERNAL ASSURANCE	Assessment by an external party based on explicitly stated professional auditing principles and standards, which expresses a conclusion intended to strengthen the degree of confidence in the assessed element.

F

FOOD SAFETY TEAM	An interdisciplinary organisational group responsible for the correct application and assessment of food safety aspects.

G

GMO	Acronym for 'Genetically Modified Organism', referring to organisms, such as plants or animals, that have been genetically altered using genetic engineering techniques to introduce specific characteristics.
GREENHOUSE GASES	The set of substances present in the atmosphere that generate the greenhouse effect, trapping the sun's heat and contributing to global warming.

I

IMPACT	Positive or negative effect related to sustainability that is linked to the company's activities, identified through an assessment of relevance.
INBOUND	The set of logistics processes that precede the production process.

K

KEY ACCOUNT	A professional figure or team within a company entrusted with relations with the most important customers, developing and proposing strategies that satisfy both parties.
KPI	Key Performance Indicators, a quantifiable measurement used to assess the success or performance of an activity or organisation against set objectives.

O

OWN WORKFORCE	The organisation's workforce, which includes workers who have an employment relationship with the company (employees) and non-employees provided by companies that carry out research, selection and supply of personnel.

R

RECEIVING BODY	Hydraulic system that receives wastewater from the drain.
RISKS AND OPPORTUNITIES	Negative (risks) and positive (opportunities) financial effects of the company related to sustainability, including those arising from dependence on natural, human and social resources, identified through a process of financial materiality assessment

S

SMETA AUDIT	Social auditing methodology that enables companies to assess their own sites and suppliers to understand working conditions in their supply chain
SOCIAL COSTS	The costs and financial obligations that a company must bear to provide benefits to its employees, such as social security contributions, health insurance or other corporate welfare programmes.
STAKEHOLDERS	Persons or organisations that have a direct or indirect interest in a company, project or activity and may be affected by or influence the decisions, actions and results of that entity
SUPPLY CHAIN	The sequence of interconnected activities and processes involving the production, transport and distribution of goods or services from the supplier to the end consumer.

T

TPM	Acronym for Total Productive Maintenance, which refers to the set of activities aimed at the prevention and continuous improvement of business processes, especially through the involvement of operators.

U

UOM	Unit of measurement.

Comments on the Sustainability Report

We are aware that listening to and engaging stakeholders are fundamental levers for improving our performance and our sustainability reporting. For this reason, any suggestions, requests for clarification, or notifications regarding this report or the sustainability initiatives undertaken by the company may be addressed to the following contact:

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Technical support and graphic design:

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