

Preserving without wasting

Sustainability Report

2024

Executive Summary

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Message to Stakeholders



Since its foundation, Fabbri Group has always been committed to sustainable development, transparency and responsibility towards its stakeholders: shareholders, employees, contractors, customers, suppliers, institutions and local communities.

We strongly believe that our journey towards environmental and social sustainability is fundamental to achieve business development results and it is an opportunity to create value in favour of our best partners and the local communities that we serve.

Within this framework, we wish to highlight the great importance of Fabbri Group's values: ethics, transparency, respect for people, the environment and resources. Together with a detailed and rigorous Code of Ethics, these values guide us towards a harmonious, sound and lasting development.

In recent years, we have significantly invested in energy savings, sustainable energy production, improvement of work sites, and we have launched products that comply with environmental sustainability criteria in line with stricter EU requirements and with the aim of reducing food waste by developing increasingly innovative packaging solutions.

Stefano Pellegatta
CEO Fabbri Group

Who we are



Fabbri Group is a leading player in the food packaging industry at an international level.

75

Years of sustainable innovation

2,500

Businesses worldwide

~400

Employees

+90

Countries of presence

It is based in Vignola (province of Modena, Italy) and boasts subsidiaries and dealers in more than 90 countries across the world. Through its network, it supports over 2,500 businesses worldwide. **The company designs, manufactures and sales integrated packaging solutions:** recyclable, compostable, biobased and conventional films, wrapping machines and tray sealers.

Thanks to its approximately 400 employees, an international sales network and with sustainability at the heart of its operations, today Fabbri Group has a precise vision to face global market challenges: **preserving food, reducing waste, ensuring safety.**

Human resources are an asset (over 99% of employees have permanent contracts and **continuing education forms an integral part of the corporate culture**) and they contribute to the Group's strength, which lies in vertically integrating R&D and Manufacturing.

Over the years, the One Stop Shop approach has consolidated and proven to be successful: **constant innovation, Made-in-Italy quality and focus on the needs of distributors** and the food industry in general.

In 2024 the Group celebrated 75 years of business by looking ahead to the future: it is committed to a sustainable transition and the adoption of advanced ESG standards, being aware that packaging can and must contribute to a more responsible world.

Vision and values



Preserving without wasting
is not only our motto.



It is the idea at the heart of the philosophy behind each Fabbri Group's planning and strategic decision.

Our mission is making **food packaging an ally of sustainability**. Our vision describes a future where technology, ecology and wellbeing coexist in harmony.

The Group is aligned to the SDGs of the UN's 2030 Agenda and is committed to **transform ESG principles into operational levers**. Sustainability is not an isolated issue; it is an integral part of our business model and our way of doing business.

Our principles are rooted in time and people: responsible innovation, focus on quality, transparency in favour of stakeholders, employment rights. Each product, machinery or solution is inspired by this conviction.

Within this complex global scenario, it is also important to highlight Fabbri Group's core values: **ethics, transparency, respect for people, the environment and resources**.

Together with the Code of Ethics, these values shape our strategies and always translate into real action. Growing does not only mean doing better: **it means choosing to be coherent with our beliefs day by day**.



Environmental performance



Environment is a priority

-4%

Scope 1 and 2 CO₂ emissions
(vs.2023)

87.8%

Waste sent for recycling

-5.6%

Total energy consumption
(vs. 2023)

Fabbri Group has embarked on a journey that combines growth and responsibility by integrating ESG criteria into the decision-making process.

Each action, investment or project is measured in terms of its impact. We have already **cut Scope 1 and 2 CO₂ emissions by 4%** (location-based method) and improved energy efficiency of operations **by optimizing processes and streamlining the use of resources.**

87.8% of waste was sent for recycling and wastewater treatment initiatives are on the rise. Business growth did not involve higher energy consumption, which overall fell by 5.6% instead.

Furthermore, **today we offer a range of certified recyclable, compostable and biobased films** such as PERflex, Nature Fresh, and Biobased Star Film. Fabbri Group manufactures both packaging machines and printed or plain food packaging films, thus offering integrated and versatile packaging solutions with a lower environmental impact. **Thanks to this unique synergy, Fabbri Group is a key player in the industry.**



In 2024 the Group launched an energy transition plan, involving photovoltaic plants, low-energy LEDs, and feasibility studies to obtain the ISO 50001 certification. The 2030 goal is ambitious but clear: **providing packaging solutions with an ever-decreasing impact through a monitored and transparent supply chain.**



Sustainable innovation



Fabbri Group's Research and Development: experiments, plans and guarantees.

Approximately 5% of turnover is invested in Research and Development and industrial projects. Sustainability is a strategic driver for the Group and focuses on several key objectives, including:

- **reducing the quantity of materials** used in packaging, by manufacturing thinner and lighter films with unchanged performance characteristics;
- **reducing the consumption of technical gases** necessary for modified atmosphere packaging;
- **preferably using materials that can be recycled** according to the current separate collection regulations, by manufacturing, for instance, recyclable, compostable or biobased films;
- **optimizing management of industrial waste** by recovering almost all waste from conventional and biobased film manufacturing for internal reuse or sending it to be recovered externally (>99% reused internally, the remainder is recovered by external partners).

5%

of turnover invested in R&D and industrial projects

Best Packaging Award

for Nature Fresh & Fabbri Hybrid

The certified compostable **Nature Fresh** film and the **Fabbri Hybrid** "Automac" wrapping machines are a prime example of Fabbri Group's investments in research and development. These two products obtained the prestigious "Oscar dell'Imballaggio - Best Packaging" Award in 2020 as the best technological industry innovations in the year.

Fabbri Group's operations involve highly automated and technologically advanced processes which ensure top-quality standards and custom-tailored solutions.



Supply chain and social impact



Being sustainable involves caring for every member of the supply chain.

Fabbri Group selects its suppliers based on criteria involving quality, reliability and ESG impact, and it promotes a collaborative and transparent approach.

The whole supply chain is monitored to ensure **traceability and environmental compatibility, in addition to safety and employment rights.**

We cooperate with local and international partners to enhance the supply chain's resilience. **A sustainable supply chain is also more competitive:** this translates into a benefit for the environment, customers and the global community which we all belong to.

We believe that businesses must be active in the communities where they operate not only as employers and wealth generators, but also by contributing to the collective wellbeing both now and in the future.

Our value chain



Upstream

Procurement of raw materials

- Raw materials for film manufacturing (recyclable, compostable, biobased, conventional)
- Components for packaging machinery
- Technologies for the FGInstore software

Inbound logistics

- Management of transport and receipt of raw materials and components
- Quality control and storage of resources to be used in manufacturing

Operations

Fabbri Group's operations

- Processing of raw materials to manufacture food packaging films
- Assembly and production of packaging machinery
- Development and implementation of the FGInstore software

Distribution

- Supply of films, machinery and software to food producers, retailers and packaging facilities
- Customization of packaging solutions based on customers' needs

Assistance

- Technical support and after-sale services
- Training dedicated to machine operators, technicians and staff (Fabbri Academy)
- Innovation and testing to develop new solutions (Fabbri InnoPakLab)

Downstream

Outbound logistics

- Product delivery to customers
- Management of distribution and deliveries

Professional Dealers

- Professional, specialized resellers or retailers selling the Group's solutions to end users

Product life cycle

- B2B clients use machinery or films for food packaging
- Films can be disposed of or recycled based on their materials
- Idle machinery is recovered or recycled



Quality and safety



Quality and safety are non-negotiable values.



Fabbri Group operates **in compliance with the highest international standards** to ensure safety, reliability and transparency along the supply chain.

We obtained the following certifications: ISO 9001 (Quality), ISO 14001 (Environment), ISO 45001 (Health and Safety) and EMAS (Eco-Management and Audit Scheme) – a proof of our structural and ongoing commitment.



All our production sites have **integrated control systems that monitor** product conformity, emissions, consumption and material traceability **in real time**.



We have a cross-cutting approach on quality: it involves suppliers, that are selected and monitored based on ESG criteria, customers, who are the recipients of tailored solutions, and employees, who are trained to actively promote a culture of quality.

We have recently strengthened internal audit processes and implemented new digital procedures to improve production efficiency.



Ensuring food safety of our packaging machinery and materials is also a way to safeguard the trust of consumers. For this reason, we constantly invest in tests, laboratories and validations that ensure high, long-lasting and safe performance for any use.



People



People are our most valuable asset.

~400

Employees

99%

Retention rate

onboarding

programs

work-life
balance

initiatives

We have approximately 400 employees and a retention rate of over 99%. Fabbri Group places **its employees' wellbeing and growth** at the centre of its business model.

The Fabbri Academy has so far offered hundreds of hours of technical and management training dedicated to newly hired employees, technical staff and managers.

An ongoing training programme and a safety & welfare scheme at a company level are the key pillars of our action.

We promote trust and listening, as well as welfare measures, flexible working hours, onboarding programmes and work-life balance initiatives.

Since 2024 **programmes aimed at improving mental and physical wellbeing** have been

strengthened and new **measures to support vulnerable employees** have been implemented, by paying particular attention to families and parenthood.

Finally, **we strengthened our relationships with schools and universities**, by participating into projects of a different nature (technical training, work experiences, school-work programme – so-called *alternanza scuola-lavoro* in Italian) with the aim of attracting young people and developing tangible skills.



Governance and transparency



Good governance is fundamental to a reliable and future-oriented business.

Fabbri Group's **management system fully integrates the principles of legality, responsibility and sustainability**. We launched audit and training programmes on ethical, anti-corruption and sustainable reporting topics.

Fabbri Group's Code of Ethics is the reference document for all our staff as far as company values are concerned, while Model 231/01 includes conduct guidelines to be used for sensitive processes. The internal whistleblowing system is safe and ensures the anonymity while reporting non-compliant behaviour, thus fostering a culture of integrity.

Strategic monitoring of ESG issues is entrusted to the Board of Directors, which is supported by a sustainability and compliance team.

Fabbri Group intends to progressively strengthen oversight on environmental, social and reputational risk management by integrating it in the decision-making process and audit systems.

For us, transparency means acting, reporting, and building trust over time.



Next steps



Guiding transition towards increasingly sustainable packaging.

Goals for 2030

– emissions

+ renewable energies

+ compostable and recyclable films

ISO 50001

certification for all our production sites

The journey ahead of us is challenging and stimulating. For this reason, we issued our first sustainability report considering **sustainability topics**, which are an essential component of our business model, **as strategically relevant**.

We defined the environmental goals we aim to achieve by 2030: **cutting emissions, increasing the use of renewable energies and the offer of compostable and recyclable films**, and obtaining the ISO 50001 certification for all our production sites.

We are preparing a roadmap aimed at fully integrating ESG topics into business strategies, relationships with stakeholders and managers' incentive schemes.

We will continue to invest in research, digitization and automation, in order to anticipate market needs and reduce impacts along the supply chain.

For us, sustainability is a continuously evolving process rather than a static achievement. And every choice, no matter how small, can make a difference.



75 years ago we started a journey
driven by innovation, respect, and
forward-looking vision.
Our goal is unchanged: preserving
resources and reducing waste.



Fabbri Group Vignola S.p.A.



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