

# ARTSANA

2019 Sustainability Report



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## Dear Stakeholder,

As an International group, committed in creating value globally, 2019 has been a positive year, with revenues growing to more than 1.5 bln euro as well as the many milestones achieved in terms of our sustainability approach.

Our international expansion continued with the opening of a new branch in Japan and the launch of Recaro first new product development and distribution for carseats and childcare articles after Artsana acquisition. These are new steps in our growing path as multi-brand company, continuously enriching its brand portfolio and consolidating its positioning in the market.

To support these changes our Group's mission has expanded to a new concept of sustainable parenting, in the meaning of taking care of others. We're used to speaking about parenthood from a biological perspective, but we do believe that parenting is a sharable journey and can include many people who are close to the children, taking care of them and the planet in which we all live in. It's all about care. We want to further enhance our commitment to future generations the same way they commit themselves to the world. This willingness is expressed by a strong focus on sustainability, to be intended as a necessary ingredient of parenting, where the Group actively takes care both of people and the planet through its long-established commitment.

As part of the worldwide community, since the beginning of 2020, Artsana has been facing the global emergency, caused by Covid-19. Also during the pandemic, due to the need to remain physically distant, Artsana have tried to be as connected as possible, strengthening the relationship not only with its employees, but also with clients and suppliers, believing that taking care of each other is the best way to start again. Artsana's attention towards sustainability themes allowed us to manage the crisis and guarantee people's health, safety and business continuity.

Aware that responsibility for integrating sustainability across all business processes

belongs to the whole organization, in 2019 we launched a dedicated training program to spread the sustainability culture across the Group, with the commitment of cross-functional teams. According to this, the subsidiaries have been involved in the annual review of most relevant sustainability topics for Artsana and our stakeholders.

Among Artsana's priorities, quality, safety and innovation are of fundamental importance: a new Crash Test Laboratory was inaugurated in Italy to test our car seats in accordance with the latest regulations and the strictest test protocols, implementing latest technology to support our product development and testing. Artsana, in line with its commitment to a responsible consumption and production, is engaged through the whole value chain in reducing the environmental impact, with specific initiatives, such as the research, application of new lower impacting solutions as well as the active contribution to multistakeholders roundtables, many of which are promoted by Global Compact Network Italy, as we're participating to UNGC as Signatory since 2017.

Looking to the future, we will continue to perform in order to achieve the global goals on which we chose to focus on, thus contributing to guarantee good health and well-being (SDG 3), to provide quality education (SDG 4) and to ensure responsible consumption and production (SDG 12). We will increasingly integrate these goals into our business strategy to create a more sustainable world for the parents of tomorrow.

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**Claudio De Conto**  
Artsana CEO

# OUR SUSTAINABILITY HIGHLIGHTS

## ARTSANA GROUP



37

Branches  
Worldwide



€ 1,584 mln

Net  
Revenues



8,537

People Employed  
Worldwide



€ 1,570 mln

Direct Economic  
Value distributed

## BABY CARE AREA\*



PARENTING  
FOR **GROWING  
TOGETHER**

>6,100  
family  
course  
attendees



about 1,000 liters  
of milk collected  
through the Human  
Milk Link Project



>8,000 children  
helped by  
solidarity  
initiatives



about 7,000  
visitors of the  
“Toy Horse  
Museum”



PARENTING FOR  
**STRENGTHENING  
OUR PEOPLE**

3,909  
workforce



68%  
of the workforce  
are women



93%  
employees with  
permanent  
contract



100%  
evaluations  
for eligible  
employees



PARENTING  
**THE EARTH**

1,743 tCO<sub>2eq</sub>  
avoided CO<sub>2</sub>  
emissions from  
projects



83%  
Non-hazardous  
waste sent  
to recovery



19,394 GJ  
energy savings  
from projects



100%  
finished product  
suppliers screened  
using environmental  
and social criteria

\* The information related to the Baby Care area includes the brands Chicco, NeoBaby, Boppy, Fiocchi di Riso, Fisiolact, Goovi and Recaro, and includes the commercial and production sites located in Italy and Romania, the commercial subsidiaries in Argentina, Brazil, Belgium, China, France, Germany, India, Japan, Mexico, Poland, Portugal, Russia, Spain, Switzerland, Turkey, UK and the USA, the Headquarters which are located in Grandate (Como) and the Italian owned shops.

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A woman with long blonde hair, wearing a white long-sleeved shirt and denim shorts, is captured in a dynamic pose as if running or jumping in a grassy field. The background is a soft-focus landscape with trees and a bright, hazy sky, suggesting a sunset or sunrise. The overall mood is energetic and positive.

# T

# How we parent

Since its birth in 1946, passion, people and innovation have been at the centre of Artsana activities, a Company that makes taking care of families and children its core business.





This approach is in line with the society evolution, in which we all are responsible for children, for men and women we love and for the planet itself. In this sense, the idea of responsibility is now the attitude of taking care not only of children, but also of the society and of the environment.

In this context, the philosophy of Artsana is taking care of people and the planet by integrating and spreading the value of sustainability in daily actions.

Artsana embraced this new mindset, combining it with the long-standing tradition of passion and enterprising spirit that have always characterised the Group, and transferred it in all its brands, both in the baby care and health & beauty care

industry, with the brands **Chicco**, **NeoBaby**, **Fiocchi di Riso**, **Boppy**, **Prénatal**, **Fisiolact** and in the most recent period the brands **Goovi** and **Recaro** and, for the adults' well-being, with the brand **Control**.

For Artsana, "taking care" means accompanying people along their path as parents.

Through the constant observation of the behavior of children and parents, Artsana developed a know-how **across** the different product categories (from car safety to dermo-cosmetics, from nutrition to clothing), aware that parenting is about developing a **deep care** not only of children but of the whole world in which they grow up.



# 1.1 The values for a sustainable parenting

Thanks to its heritage and knowledge and by a wide range of brands and competences, Artsana cares for people by promoting and supporting parents, families and children's well-being in every moment of their life.

The global success of Artsana is attributed to its strong **passion**, high sense of **responsibility**, **innovation** and its commitment to enhance its **people**, values that are common to the entire Group worldwide and all its brands that are inspiring a new vision of sustainable parenting.

In fact, even in its daily operations and initiatives Artsana embraces this vision, leveraging on its **specialist expertise**, consolidated by more than 70 years of experience, and its commitment for **sustainability**.

## ON THE WAY TO SUSTAINABLE PARENTING

Artsana has always been the reference point for families well-being, in particular through its brand Chicco, known in Italy and worldwide for its attention to children and their families. A brand that offers to parents a 360° support thanks to the knowledge of both children and parent's needs.

Today, Artsana continues to study and interact with parents to better understand their needs, incorporating also the **changes and new psychological and social tensions** in its vision. Based on these insights, the brand evolves its approach, starting from **parents** or, in a broader sense, **care givers**, offering them practical solutions to obtain also their to solve to tensions, additionally to the well-being of their children.

Today's parents experience a change of state: from just being parents to becoming parents, incorporating **parenting** into their own lifestyle, enriching it.

**Parenting** is something you learn step by step, since the first moments of your life, because parenting is more than being parents. It happens every time you have someone to look after: you learn and grow up while doing it.

Artsana, which is funded on the idea of parenting, does everything according to this purpose: **making parenting an accessible and desirable choice for everyone**. Parenting is becoming one of the main values, not only for Chicco, but for all Artsana ecosystem, where each brand applies it according to its specificity, meeting all of parent's vertical needs.


The new vision of the Group goes beyond the concept of **"being parents"**, believing that **parenting is a shareable attitude**: it involves parents but includes many people who live near children taking care of them. In accordance with this concept, **parenting** for Artsana **is a sustainable choice** and is promoted as a pillar for human culture.


In this sense, Artsana embedded **sustainability as a key company value**, meaning it as taking care of future, including new generations, the whole society and the environment.


Artsana wants to help people who parent or are about to embrace this way of living in order to help future generations, which are the ones who will become parents of society and planet more than anyone else, by a strong focus on **sustainability** as a **necessary ingredient of parenting**.

# Artsana Group Timeline

1946 Pietro Catelli founds Artsana, as a sales agency specialised in the production and distribution of products for venipuncture and medication.

1958  The entrepreneurial intuition of Mr. Catelli leads to the creation of **Chicco**, a brand specialised in baby care, from 0 to 36 months.

1961  Artsana launches **Pic brand**, a leading Italian brand in the Self Care sector.

1967  Artsana starts to expand globally, opening its first branches in Europe.

1974 Artsana has already become an internationally recognised company and its brands are distributed all over the world. Pietro Catelli receives the "**Cavaliere del Lavoro**" recognition by the President of the Republic in Rome.

**NeoBaby**, the mass market retail brand dedicated to early childhood, becomes part of the Artsana family.

1975 

Starting from 1977 Artsana entered the Condoms market taking over the brand of reference in Italy, Spain and Portugal.

1977  **CONTROL**  
Feel make feel

The opening of the Hong Kong trading subsidiary paves the way for the growth in the Asian markets.

1992 

Artsana adds with its brands portfolio the retail chain **Prénatal**.

1996 

Opening of US and Turkey branches.



19  
98

Artsana takes over the **Boppy Company**, the American market leader in nursing pillows, based in Colorado.



20  
08

The Company continues to expand worldwide by opening new branches in India, Mexico, Russia and Poland.



20  
11

Prénatal becomes part of MFE2 Group S.p.A., as a result of the union between the Giochi Preziosi Group and the Artsana Group.



20  
15

An investment subsidiary of Investindustrial becomes the main shareholder of Artsana Group. Moreover, Elledifri with the brand **Fiocchi di Riso** becomes part of the Group.



20  
16

Artsana acquires 100% control of Prénatal Retail Group S.p.A.



20  
17

**goovi**  
good. easy. natural

A new brand that takes care of the whole family with a range of products: natural, effective and safe.

20  
18

**RECARO**

Artsana acquires a long-term license for the exclusive, worldwide use the brand **RECARO**.

20  
19



Constitution of Artsana (Shanghai) Trade Co. Ltd in order to develop the business of Baby Care products on the Chinese market.

Opening of Artsana Japan branch.



## 1.2 The Group as of Today

Since 2016, Artsana Group's shares are owned by Baby Care International (60% of shares), a company indirectly participated in by funds managed by Investindustrial and by Catelli S.r.l. (40% of shares).



As of December 31, 2019, Artsana Group employs **8,537 people**, an increase of **314 employees** compared to the previous year. The 2019 approximate revenues are equal to **€ 1,584 million** with an increase of **37 million euros** compared to the previous year's revenues<sup>1</sup>.

<sup>1</sup>2018 data have been presented on a Pro Forma basis, considering consolidation of 100% of PRG and excluding Pikdare (the owner of Pic brand, that was demerged in August 2018 to another company held by the same shareholders of Artsana Group).

### 1.2.1 OUR BRANDS

Artsana operates in the **parenting area**, which means more than baby-care: our broad **brand portfolio** covers all of the tensions of people who do parent children, society and environment. Every brand applies parenting, a key value of the **Artsana ecosystem**, in a different way with a specific competence.

Artsana's **brands**:



Brand dedicated to the entire world of parenting. For over 60 years Chicco has been "wherever there is a baby" and is one of the top 10 Italian consumer goods brands. It is present in over 120 countries, with more than **360 single-brand stores** and has a **turnover of about 700 million euros**, equally divided between Italy, Europe and the rest of the world. The United States market is the second after Italy in terms of sales volume.



American brand acquired in 2008 and market leader in nursing pillows with over 30 years of experience. In the United States, the Boppy nursing pillow was voted the **"Children's Product of the Year" more than 15 times, a record!**



NeoBaby is the leading baby care brand for infant products in mass market retailers. Its mission is to make quality baby care products available to everyone at the right price. **100% of the soothers and feeding bottles are made in Italy.**



Ficchi di Riso is a cosmetic line designed for **infants** and **children** that respects the **physiological balance** of the skin thanks to the total absence of substances that hinder skin perspiration or that dehydrate/irritate it.



**FISIO LACT**  
giusto per il tuo latte

Fisiolact is a line of **professional electric breast pumps for hospital and home use**, which reflect child's physiological sucking. They are recommended both when starting to breastfeed and to support nursing mothers.



**RECARO**

Artsana develops, manufactures and distributes high-end child car seats and strollers under an **exclusive worldwide licence** with RECARO, which is a German brand synonymous with **quality, safety and innovation in design seating systems** developed for sectors such as the high-end automotive or aviation industries.



**PRE  
NATAL**  
RETAIL GROUP

Prenatal Retail Group is the leading international retailer, which provides a wide range of products to meet the needs of new families and children up to the age of 8. It markets its products through a network of over **700 stores**.



**goovi**  
good. easy. natural

Born from the collaboration between **Michelle Hunziker** and **Artsana Group**, the **Goovi** lines are designed for the **well-being of women**, family and home care by combining the benefits of natural ingredients with a "good vibes" philosophy.



**CONTROL**  
Feel make feel

Control is the number one brand in Portugal, the number two brand in the sexual wellbeing market in Italy and Spain, and has a strong brand awareness. For **over 40 years** Control has been researching, innovating and developing condoms, lubricants and sex toys of the highest quality and consolidated safety.



# RECARO

In 2018 **Artsana Group** and **Recaro Holding GmbH**, the holding company of the Recaro Group, signed a global license agreement relating to the development, production and distribution of premium child seats and strollers under the Recaro brand.

To manage this license agreement, Artsana announced the foundation of two dedicated **RECARO Kids** companies: the new RECARO Kids GmbH, established in Germany and the new RECARO Kids srl, located in Italy.

Recaro was born as **German brand** synonymous with quality, safety and innovation in design seating systems developed for sectors such as the **high-end automotive or aviation industries**. A brand characterised by high quality products, globally certified and exceeding the average European standards in terms of safety. Recaro shares with Artsana these priorities of **quality, safety and innovation**.

The partnership permitted to transfer engineering-based know how in the automotive and aviation sectors to the **child safety**, leveraging on a long-term expertise to achieve the highest standard of safety for children while travelling by car.

## RECARO BRANDS PILLARS:

- **INGENIOUS DESIGN** Ergonomic features and cleverness in functionality to improve parents and children lives;
- **SAFETY** Engineering know-how, long proven experience and reliability to protect the ones you love;
- **PRODUCT QUALITY** High quality materials, and efficiency.



Recaro key message is **ingenious parenthood** resulting from the combination of **ingenious design**, a Racaro brand key pillar and the Artsana's vision of modern **parenting**, where there is no more a baby-centric vision but parents and their real lives become the protagonists.

Recaro is aware that "No matter what you are, when it comes to protecting children you love, you all become more rational and ingenious, like never in your past".

Recaro has a minimalist design that evokes **simplicity, efficiency and linearity**, all indicators of a brand that can make people feel confident, smart and willing to enjoy performances.

The way Recaro speaks is **simple, direct and straight to the point**, always acting as **problem solver**.

Recaro takes the needs of parents and care givers and offers clever and fast solutions.

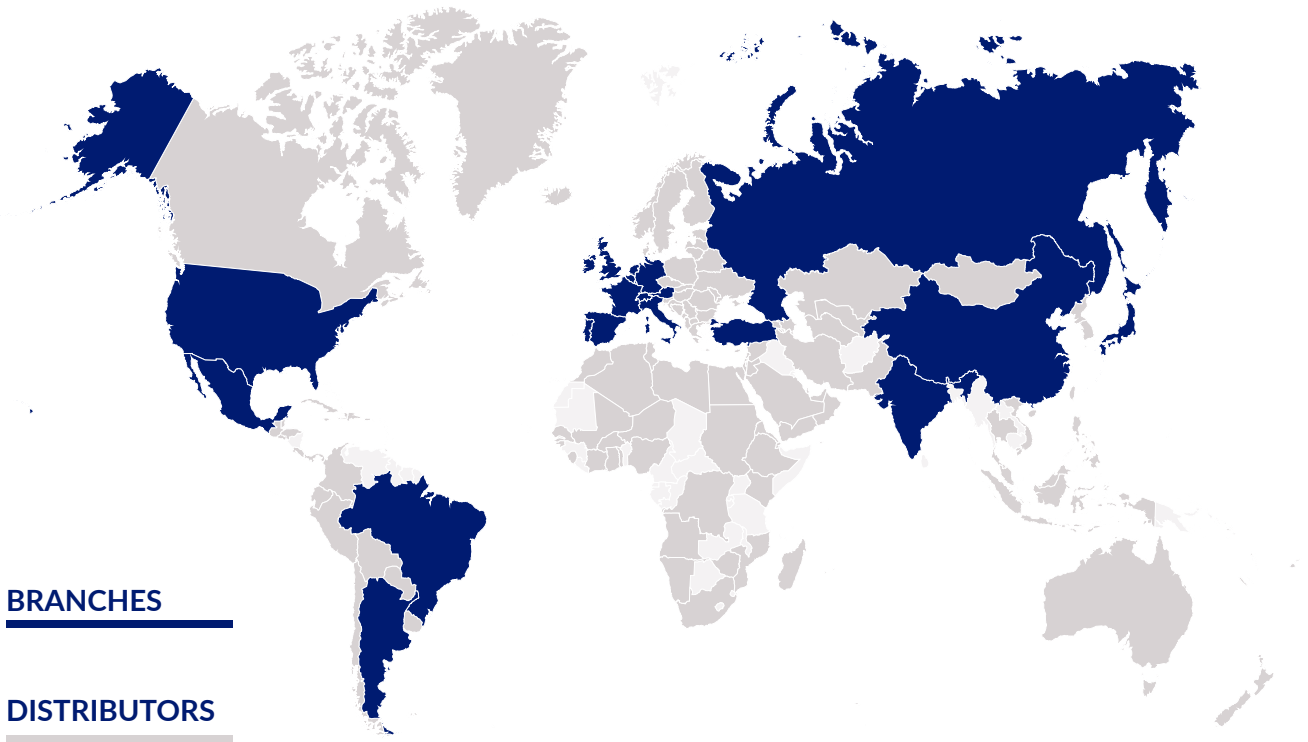
### **RECARO IS:**

- Know-how without being cocky.
- Quality is something you experience, no explanation needed.
- Innovation is long to achieve, but quick to understand.
- Functionality as easy as it comes.
- Premiumness that speaks for everyone.
- Trustworthy through simple facts.



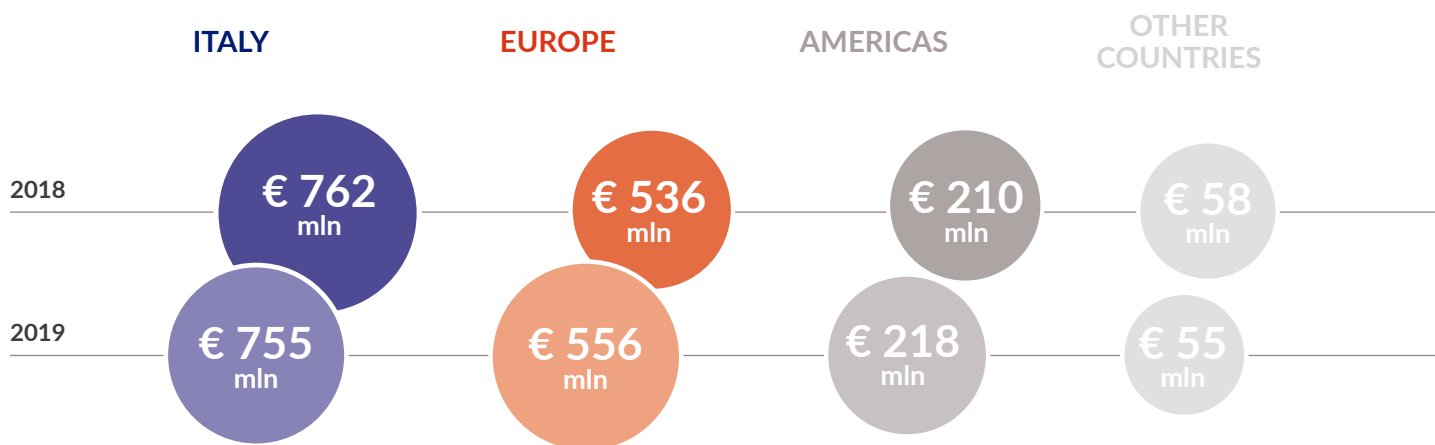
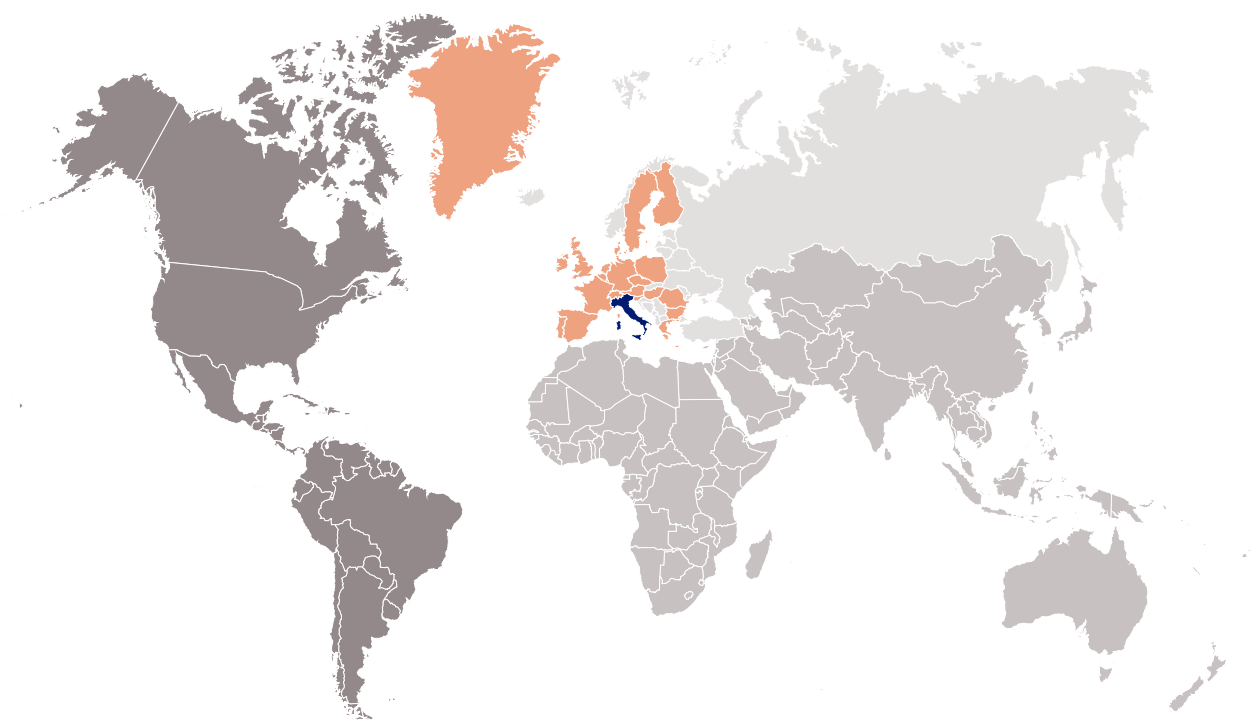
### 1.2.2 OUR MARKET PRESENCE

As of December 31, 2019, Artsana has **37 branches (24 Artsana and 13 PRG Group)** worldwide, **more than 360 points of sales** related to **Chicco** and **more than 700** related to **PRG Group**.



In addition, Artsana has established a global presence by leveraging the opportunities of online distribution channels, which are increasingly integrated in its core business.





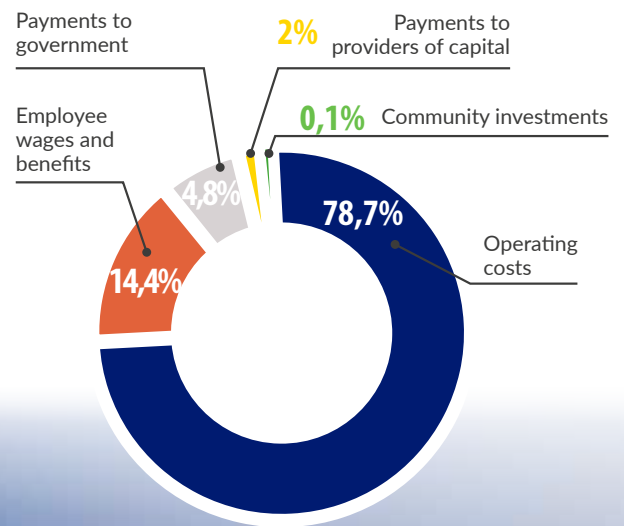
Considering the whole Group, **direct economic value generated and direct economic value distributed** amount respectively to € 1,628 million and € 1,570 million, in line with the previous year values.

	2018	2019
<b>Direct economic value generated [k€]</b>	<b>1,665,541</b>	<b>1,627,921</b>
<b>Direct economic value distributed [k€]</b>	<b>1,586,204</b>	<b>1,569,816</b>
Operating costs	1,241,233	1,235,827
Employee wages and benefits	228,444	226,543
Payments to providers of capital	33,639	30,494
Payments to government	81,444	75,761
Community investments	1,444	1,191
<b>Economic value retained [k€]</b>	<b>79,337</b>	<b>58,105</b>

\*2018 figures are updated as a consequence of a new methodology.

The creation and distribution of economic value provides a basic indication of how Artsana creates wealth for stakeholders. In particular, direct economic value is distributed to **suppliers** through operating costs (about 80.0%), to **employees** through wages and benefits (14.0%), to **governments** by means of taxation, to providers of capital and shareholders through financial interests and dividends and to the **community** thanks to investments in sponsorships and voluntary donations.

## 2019 Distribution of Direct Economic Value



### OUR HIGHEST GOVERNING BODY

The Board of Directors is Artsana's highest governing body, comprising nine board members (eight men and one woman) with the majority ranging from thirty to fifty years old, and the remaining more than fifty years old. In order to ensure the concept of "administrative responsibility", the Group has implemented its own Organizational, Management and Control Model, in accordance with the requirements of the Italian Legislative Decree no. 231 of 8th June 2001, approved by the Board of Directors of Artsana S.p.A. and continuously updated in order to comply with the latest legal provisions. Although no episodes of corruption were reported in the Group during 2019, Artsana is constantly engaged in improving the internal practices on topics relating to anti-corruption and whistleblowing.

As a firm and consolidated practice, a Code of Ethics is adopted, which formally establishes a set of fundamental ethical values that underpin the conduct of activities. Moreover, the Code highlights rights, duties and responsibilities with regard to all the stakeholders. In addition, in 2019, to emphasize the attention of the Company towards issues related to the protection of personal data, the employees of Italy, Romania, Germany, Spain and Recaro were trained on General Data Protection Regulation n. 2016/679 (GDPR), the European legislation on this field. The training course has been delivered in e-learning mode for a total of about 1,040 training hours.

# 1.3 Our Sustainability commitment

## 1.3.1 Our strategy

Sustainability in Artsana is more than an aspiration, it is a corporate determined approach that has its roots deep in the past and which extends to each and every one of the Artsana's brands.



Starting from 2016, Artsana decided to report its performances related to sustainability and published its first Sustainability Report, with the goal of introducing a framework to set sustainable priorities and targets.

In accordance to this evolutive path Artsana is making its approach to sustainability in a broad sense more transparent and effective, enriching the communication with its stakeholders about its goals and plans on economic, social and environmental challenges.

In the same year, to spread Artsana's sustainability culture and to lead the company's integration of sustainability throughout the business, the **Sustainability Committee** was created. It has been promoting collaboration among the top management of different key functions to assure effective governance of sustainability topics. It aims to raise internal and external awareness as well as to shape and implement its sustainability agenda. In this respect, Artsana's mission and goals revolve around wellbeing, knowledge and education, as well as respect for the environment. Furthermore, aware of its relevant role in developing a responsible business and of the crucial importance of positively impacting on social, environmental and economic scenarios at a global scale, Artsana has always been committed to **integrating sustainability also throughout the value chain**, from supplier selection, to the management of manufacturing activities and the distribution of products to customers.

Since 2017, Artsana is participating, as Signatory, to **United Nations Global Compact (UNGC)**, the world's largest corporate sustainability initiative, adopting its Ten Principles on human rights, labour rights, the environment and anti-corruption and integrating them in its strategy.

**WE SUPPORT**



## **THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT**

### **HUMAN RIGHTS**

- 01:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- 02:** make sure that they are not complicit in human rights abuses.

### **LABOUR**

- 03:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 04:** the elimination of all forms of forced and compulsory labour;
- 05:** the effective abolition of child labour; and
- 06:** the elimination of discrimination in respect of employment and occupation.

### **ENVIRONMENT**

- 07:** Businesses should support a precautionary approach to environmental challenges;
- 08:** undertake initiatives to promote greater environmental responsibility; and
- 09:** encourage the development and diffusion of environmentally friendly technologies.

### **ANTI-CORRUPTION**

- 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

## **DID YOU KNOW?**

Artsana is a member of the **Global Compact Network Italy Foundation** and actively participates in local working groups, round tables and activities within the network, aiming to address sustainability issues and to foster Sustainable Development Goals implementation, thanks to cross sectors cooperation.

In 2019, Artsana took part to specific initiatives focused on the four areas of the UNGC principles: human rights, labour standards, environment and anti-corruption.

## THE SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) were approved by the General Assembly of the United Nations on September 25, 2015, by the leaders of 193 countries at an historic UN Summit. Defined by 17 Goals and 169 targets, the SDGs call for bold actions and collaboration between all sectors of society to end extreme poverty and hunger, fight inequalities and address climate change, thus addressing the most relevant economic, societal and environmental issues of our time and ensuring that no one is left behind.

# SUSTAINABLE DEVELOPMENT GOALS



Artsana has aligned its goals with the **United Nations Sustainable Development Goals (UN SDGs)**, with the aim of contributing transversally to the whole 2030 agenda according to the UNGC principles. In particular, the Group's contribution is more focused on three specific SDGs, which are close to the Group's mission, nevertheless, without leaving behind other important SDGs such as gender equality, sustainable, productive and inclusive work conditions and economic growth, reduced inequality within and among countries.



### *Ensure healthy lives and promote well-being for all at all ages*

Guided by strong and shared values, Artsana has always had the health and well-being of the individual at its heart and it views sustainability as a daily promise to nurture children, families and people.



### *Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*

Artsana has 60 years' experience in the world of baby care and it continues to build on this expertise, aiming to understand and support children in every step of their growth, with professionalism, active passion and dedication into everything it does.



### *Ensure sustainable consumption and production patterns*

Meeting the needs of the present whilst helping future generations to do the same is the great challenge that, as a group and as individuals, motivates Artsana to lay down deep roots in order to support a more sustainable future, to be considered with renewed awareness.



A further step to state the commitment towards social, environmental and governance objectives has been **Artsana's ESG policy**, applicable to all Artsana Group processes and functions, as well as Artsana subsidiaries, that aims to positively contribute to and foster sustainable development globally. It is based upon the three dimensions: environmental, social and governance.

The first aims to ensure an environmentally responsible business by measuring, monitoring and reducing Artsana's environmental impact and setting challenging targets.

The second aims to foster babies and families' well-being by guaranteeing product quality, safety and innovation as well as promoting internationally established human rights, both



within the workplace and the supply chain. Finally, the last dimension assures effective governance of the sustainability topics, aiming to raise internal and external awareness on principles of anti-corruption, transparency and integrity, for a responsible business.

To underline the growing attention that the entire Company places on sustainability issues,

in 2019, ESG Policy has been issued to the Board of Directors. Further milestone of 2019 is represented by the new purpose towards which the Group is moving: **“sustainable parenting”**. The concept of parenting concerns also the environmental care, embedding above all sustainability. Parenting is more than “being parents”, it is about taking care of future.



### SUSTAINABLE PARENTING

Artsana Sustainable Parenting is the commitment to act responsibly, respecting people and environment, with an outlook to future and next generations.



### SUSTAINABLE PRODUCT

Artsana aims at designing and providing products and services with an improved sustainability profile, with a positive impact for people and environment.



### SUSTAINABLE PACKAGING

The packaging of Artsana products is designed and produced applying sustainability criteria, with the aim to reduce environmental impact and improve benefits for people.



### RESPONSIBLE VALUE CHAIN

Aware of its role in developing a responsible business, Artsana encompasses sustainability throughout its whole value chain, from supplier’s selection, to manufacturing activities and the distribution of products to customers, with the aim to positively impact on social, environmental and economic scenarios on a global scale.



### SOCIAL COMMITMENT

Artsana is committed to develop a comprehensive culture of parenting, promoting the dialogue with all its stakeholders to foster people health & wellbeing and develop social and environmental consciousness, by:

- supporting international human rights
- cooperating with local communities
- activating solidarity projects

*Artsana Sustainable Parenting commitment put in action according to Group key ESG priorities*



## ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

2019-2021 GOALS	◆ 2019 UPDATES
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### ARTSANA PEOPLE

<p><b>Awareness programmes on healthier behaviour for all Artsana Employees</b></p>	<ul style="list-style-type: none"> <li>◆ Continuation of the Behavior Based System project for fostering correct and safe behaviors among employees</li> <li>◆ Launch of new health and safety video to increase employees' awareness over correct and ergonomic movements at work</li> <li>◆ Conferences for employees and families on personal and professional relevant topics</li> </ul>
<p><b>Wellbeing &amp; worklife balance</b></p>	<ul style="list-style-type: none"> <li>◆ Benefit plan focused on flexible benefits for 100% of workers in Italy (WELFARE program)</li> <li>◆ Continuation of smart-working program</li> </ul>

### CONSUMERS

<p><b>Scientific approach, responsible innovation and high-quality solutions for consumers' good health &amp; wellbeing</b></p>	<ul style="list-style-type: none"> <li>◆ <b>New Crash Test Lab</b> in Verolanuova in a view of performing specific quality and safety tests on car seats</li> <li>◆ <b>Observatory Design Thinking for Business</b> to explore new business models and tools to support process and product innovation and customer centrality</li> <li>◆ Chicco <b>BebèCare easy-tech</b> universal anti-abandonment system</li> <li>◆ <b>Artsana's Innovation Platform</b> where everyone who has a brilliant idea can participate to contests for the creation of innovative products</li> <li>◆ <b>"PERFECT 5"</b> feeding bottle studied throughout the engagement of the scientific community</li> </ul>
<p><b>Healthy lifestyle promotion</b></p>	<ul style="list-style-type: none"> <li>◆ In deep analysis on the importance of kids' sleeping, in partnership with a research foundation</li> <li>◆ Goovi brand deep focus on women wellbeing</li> </ul>

### COMMUNITIES

<p><b>CSR projects for local communities</b></p>	<ul style="list-style-type: none"> <li>◆ Continued CSR initiatives, with local initiatives guided by Artsana branches:             <ul style="list-style-type: none"> <li>• Chicco di Felicità – CAF Association</li> <li>• Chicco dà Vida</li> <li>• Happiness goes from heart to heart – Mission Bambini Foundation</li> </ul> </li> <li>◆ <b>International crowdfunding campaign</b> started from 6 Artsana branches for raising funds for Mission Bambini Foundation</li> <li>◆ Launch of "Becoming Parents through Home Visit" project to support families</li> <li>◆ Support to CAF association significant projects</li> <li>◆ <b>Human Milk Link Project</b> allows to collect over 980 liters of milk from 190 mums</li> <li>◆ <b>"Toy Horse Museum"</b>: about 7,000 visitors and more than 2,000 laboratories</li> <li>◆ Corporate volunteering: about 130 people involved in activities supporting CAF Association</li> </ul>
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## ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

### 2019-2021 GOALS

### 2019 UPDATES

#### ARTSANA PEOPLE

##### People engagement on Sustainability Agenda

- ◆ Launch of **"How to spread sustainability culture"** project, involving employees in working groups
- ◆ Participation in **"Partita doppia"** project, aiming at sharing social responsibility values between employees
- ◆ Spreading the ESG Policy, directly approved by the Board of Directors

##### Training program development & implementation

- ◆ Provided **more than 35%** of soft skill courses
- ◆ Specific workshops carried out by Artsana employees for their colleagues (e.g. Finance per non Finance, purchasing)
- ◆ Adhesion to **Vivere Digitale** training program on digital skill enhancement, with the involvement of trainees and employees' teenage children or relatives

##### Performance evaluation for all employees

- ◆ Performance evaluation system (**WAVE project**) has been extended to Italian production units, warehouses and shops, involving more than 500 people

#### CONSUMERS

##### Integrate sustainability in the brand positioning

- ◆ Sustainability as a pillar of our new brand positioning
- ◆ Planning of iconographic project in a view of communicating sustainable topic to customers
- ◆ Promoting the circularity and sustainability of fashion products (Ecodown®, OEKO-TEX Certification, Fur Free)

##### Keep building transparent and trustworthy relationships

- ◆ **More than 600** courses organized for parents
- ◆ Development of **"Chicco Stories"**, the new Chicco concept store aiming at creating a meeting place for families, where they can share their stories and experiences
- ◆ PhysioForma™ communication campaign based on in-depth studies carried on by Chicco Research Centre together with paediatricians and orthodontists

#### COMMUNITIES

##### Creating a link between students and world of work

- ◆ Throughout different initiatives, Artsana aims at offering to young workers or students different opportunities to enter in the world of work

##### Spreading education starting from children

- ◆ **"Toy Horse Museum"**: 28 institutes, 64 classes and more than 1,200 students participated in educational activities

##### Increase communication of Artsana sustainability agenda to stakeholders

- ◆ Sharing Artsana knowledge and experience within multi-stakeholders' roundtables

## ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

### 2019-2021 GOALS

### ◀ 2019 UPDATES

#### RESPONSIBLE ENERGY MANAGEMENT

##### Climate change awareness and knowledge

- ◆ Participation in European Peer Learning Group on Climate Change, in a view of increase the awareness about the importance of adopting a corporate climate strategy and setting ambitious climate targets

##### Reduction of energy consumption and increase in renewable electric energy

- ◆ Production at full capacity of the Verolanuova trigeneration plant for all the 2019
- ◆ Installation of LED lights in Verolanuova plant
- ◆ Compressor revamping and HVAC system installation in Gessate plant
- ◆ LED lights installation and air compressor revamping in Romania plant
- ◆ Installation of energy meters in the Romania plant to measure the consumption of electricity and natural gas
- ◆ Planned purchase of renewable electricity (for Artsana Italy)

#### ENVIRONMENTAL FOOTPRINT REDUCTION

##### Responsible use of raw materials and Circular economy

- ◆ Adoption of a software to perform computer simulations on products mechanical tests, in order to reduce material use during testing phase
- ◆ Development of dedicated product lines, evaluation of materials sustainability and research of solutions for products & packaging to reduce environmental impact
- ◆ Participation in "Sustainability in the company" project, performing an LCA analysis over three cosmetic products

##### Integration of sustainability topics within products

- ◆ Development of sustainability assessment tool for product development process and pilot implementations
- ◆ Mapping of products' key sustainability attributes for inclusion in products information file (project planned)

##### Responsible environmental management

- ◆ ISO 14001:2015 certification at the Verolanuova plant
- ◆ Planned ISO 14001 certification for Romanian plant

#### SUPPLY CHAIN RESPONSIBLE MANAGEMENT

##### Sustainability awareness along the supply chain

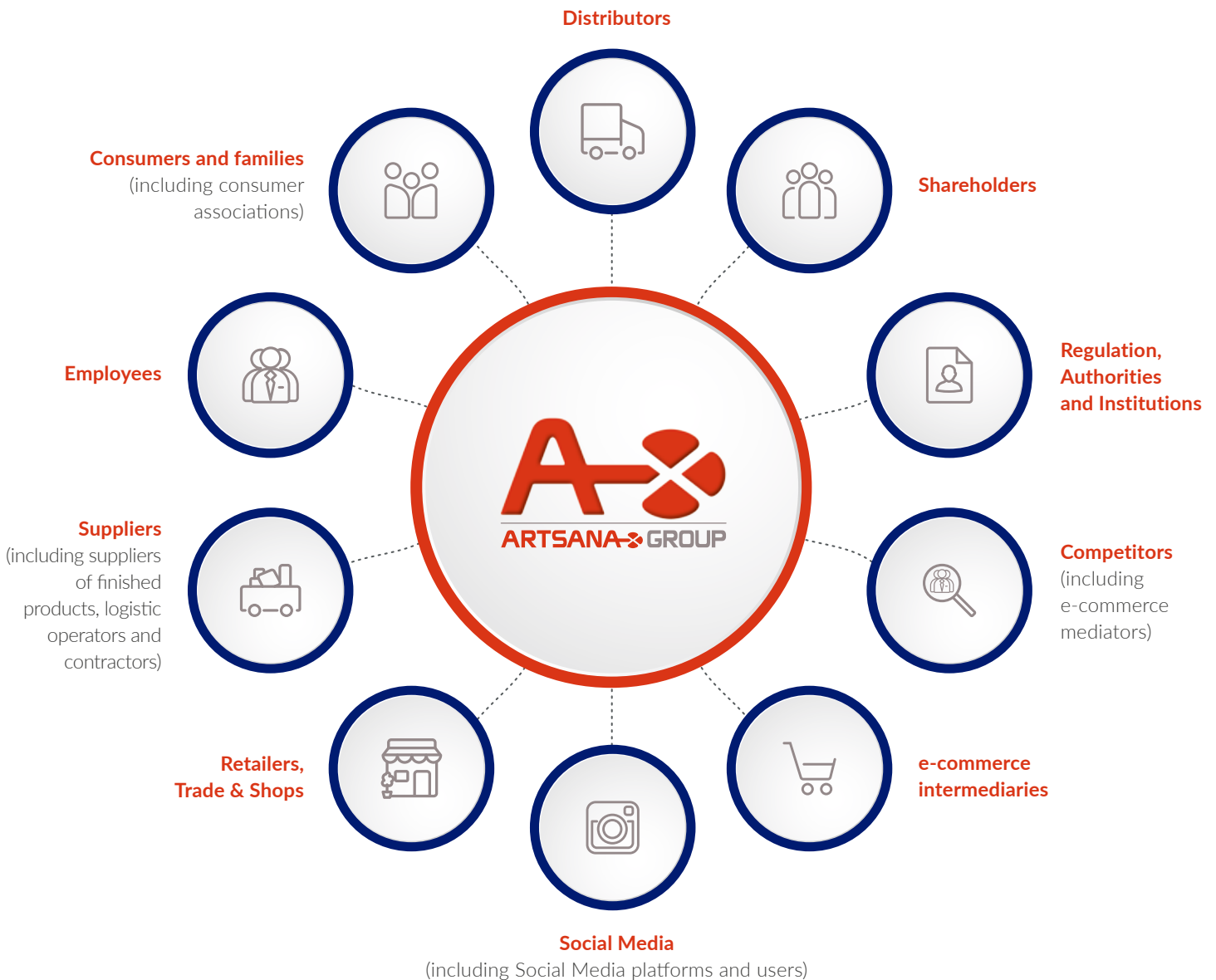
- ◆ Participation in Global Compact Network Italy collective actions platforms (2019: responsible supply chain management)
- ◆ Renewal of international agreements on responsible supply chain management (e.g. Bangladesh Accord for the Ready-Made Garment industry rules)
- ◆ Integrating ESG criteria in Manufacturing & Supply Agreement by 2020
- ◆ Dialogue with key suppliers to foster sustainability integration through the supply chain (through surveys, meetings and the development of dedicated checklist e.g. Fashion)
- ◆ Adoption of low sulphur emissions ships within Artsana supply chain

### 1.3.2 OUR STAKEHOLDERS

Artsana's Sustainability Committee is continuously receptive to changes in stakeholder groups, in order to determine effective and efficient ways to engage with them.

Artsana has different stakeholders that could be significantly affected by its operations or whose actions could be reasonably expected to affect the ability to implement its strategy.

Artsana has identified its stakeholders by analyzing the relationships between the Company and their different categories, and through interviews with the management team.



## DID YOU KNOW?











The strong commitment of Artsana in sustainability leads it to invest for engaging all the value chain on sustainability topics, starting from employees, suppliers and communities.

In this direction, this year, Artsana has initiated a very heartfelt project to spread the sustainability culture among its employees, through the creation of inter-functional working groups which have worked on sustainability topics with the aim of proposing initiatives that will be implemented in the Company to be more and more sustainable.

Furthermore, Artsana has decided to involve its suppliers in this path, starting a dialogue on sustainability topics, discussing their experiences and approaches and sharing ongoing projects. The goal is to start a process of constructive debate, with the aim of reaching, together, a positive impact on sustainable consumption and production.

Finally, the attention of Artsana at sustainability arrives on its territory with projects to involve local communities on these topics: Artsana participates to round table sessions with multiple stakeholders giving valuable insights about internal experiences.

## STAKEHOLDER ENGAGEMENT MODEL AT ARTSANA

MAIN STAKEHOLDERS		ENGAGEMENT	
	Consumers & Families (including consumer associations)	<ul style="list-style-type: none"> <li>• Meeting</li> <li>• Company website/e-commerce</li> <li>• Brochures</li> <li>• Customer service</li> </ul>	<ul style="list-style-type: none"> <li>• Courses at points of sale</li> <li>• Exhibitions and events</li> <li>• Focus Group</li> <li>• Social media</li> </ul>
	Employees	<ul style="list-style-type: none"> <li>• Intranet</li> <li>• Conventions and meetings</li> <li>• Trade unions</li> <li>• Conferences</li> <li>• Company volunteering</li> <li>• Benefits</li> <li>• Working groups</li> </ul>	<ul style="list-style-type: none"> <li>• Code of Ethics</li> <li>• Training</li> <li>• Surveys</li> <li>• Direct communication (email)</li> <li>• Policies</li> <li>• Annual Report</li> <li>• Sustainability Report</li> </ul>
	Suppliers (including suppliers of finished products, logistic operators and contractors)	<ul style="list-style-type: none"> <li>• Code of Ethics</li> <li>• Exhibitions and meetings</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Audits</li> <li>• Improvement plan</li> <li>• Collaborations and projects</li> </ul>
	Retailers, Trade & Shops	<ul style="list-style-type: none"> <li>• Meetings and events</li> <li>• Company website</li> <li>• Brochures and catalogues</li> </ul>	<ul style="list-style-type: none"> <li>• Exhibitions</li> <li>• Training</li> <li>• Targeted communication</li> </ul>
	Distributors	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Training</li> <li>• Events</li> <li>• Brand portal</li> </ul>
	Shareholders	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• ESG Summit</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborations</li> </ul>
	Regulators, Authorities and Institutions	<ul style="list-style-type: none"> <li>• Round table</li> <li>• Initiatives and projects</li> </ul>	<ul style="list-style-type: none"> <li>• Follow-up on request</li> </ul>
	Competitors	<ul style="list-style-type: none"> <li>• Round table with traders and industry trade groups</li> </ul>	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Exhibitions</li> </ul>
	e-commerce intermediaries	<ul style="list-style-type: none"> <li>• Projects</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Shopping assistance</li> </ul>
	Social media (including social media platforms and users)	<ul style="list-style-type: none"> <li>• Posts on social media</li> <li>• Campaigns</li> </ul>	<ul style="list-style-type: none"> <li>• Projects</li> </ul>

### 1.3.3 MATERIAL TOPICS

The aim of Artsana's Sustainability Report is to present the topics that are considered most relevant because they reflect the Group economic, environmental, and social impacts, or because they could influence the decisions of stakeholders.

The Sustainability Report has been prepared in accordance with the GRI Standards, Core option. To define the report contents, Artsana

followed the GRI Standards reporting principles (stakeholder inclusiveness, sustainability context, materiality and completeness).

Artsana engaged all its subsidiaries in topics prioritization sharing the materiality questionnaire, in order to take into consideration their internal relevance and subsidiaries' point of view about the related markets perspectives. The materiality definition process has included:

#### EXTERNAL RELEVANCE ANALYSIS

- A study on the **baby care sector** which includes an analysis on the sustainability trends that emerged during 2019;
- A **media analysis**, in which economic, social and environmental news related to Artsana were studied;
- A **benchmark analysis** on the major Group's competitors belonging to the following sectors: nursing, cosmetic, pharma, juvenile, toys, clothing, shoes;
- An analysis of **sustainability macro trends**;
- A **materiality questionnaire** distributed to Artsana's branches and Artsana's Corporate asking them to prioritize a list of topics from the point of view of Group's stakeholders (external relevance).

#### INTERNAL RELEVANCE ANALYSIS

- A **materiality questionnaire** distributed to Artsana's branches and Artsana's Corporate asking them to prioritize a list of topics from the Artsana point of view (internal relevance).

#### DEFINITION OF THE MATERIALITY MATRIX

- Positioning of the topics in the **Materiality Matrix**, on the basis of the internal and external relevance, and identification of the material topics to be included in the **Sustainability Report**.

The topics resulting as material for Artsana are those above the materiality threshold, set, according to GRI Standards guidelines with the aim of including the most relevant topics both from Artsana or its stakeholders' point of view, and will be reported in this report. In particular,

the 2019 materiality analysis and more in general the transformation process that involved Artsana in the last year towards the new and more inclusive concept of parenting, has led to the following results:



- The most relevant topics, both according to corporate and stakeholders, are **“Product Quality and Safety”**, **“Compliance with law and regulation”**, **“Innovation and R&D”** in line with the Group's priority of providing, in compliance with current regulation, high quality and safe solutions to families;
- “Employee care” and “Customer centrality” are among the most relevant topics for Artsana, underlining the importance that the company attributes to its people and customers;
- In line with Artsana’s commitment for responsible management in the supply chain and stakeholder requests the “Responsible Supply Chain” and also on the contiguous side of distribution the “Evolution of distribution channels” have been identified as relevant topics.
- “Environmental impact of products”, “Energy efficiency and climate change”, “Anticorruption and business ethics”, “Product responsible communication”, “Product affordability and fair pricing”, “Use of raw materials”, “Social initiatives” and “Product social responsibility”, always considered important from Artsana, mainly reflect the emerging sustainability issues felt by the different stakeholders and Artsana itself in terms of support for CSR initiatives and respect for environment;
- The topics concerning people, such as “Respect for human rights”, “Diversity and equal opportunities” and the protection of

people, such as “Occupational Health and Safety”, result with the same relevance for both Artsana and its stakeholders, underlining how these are essential requirements from both sides;

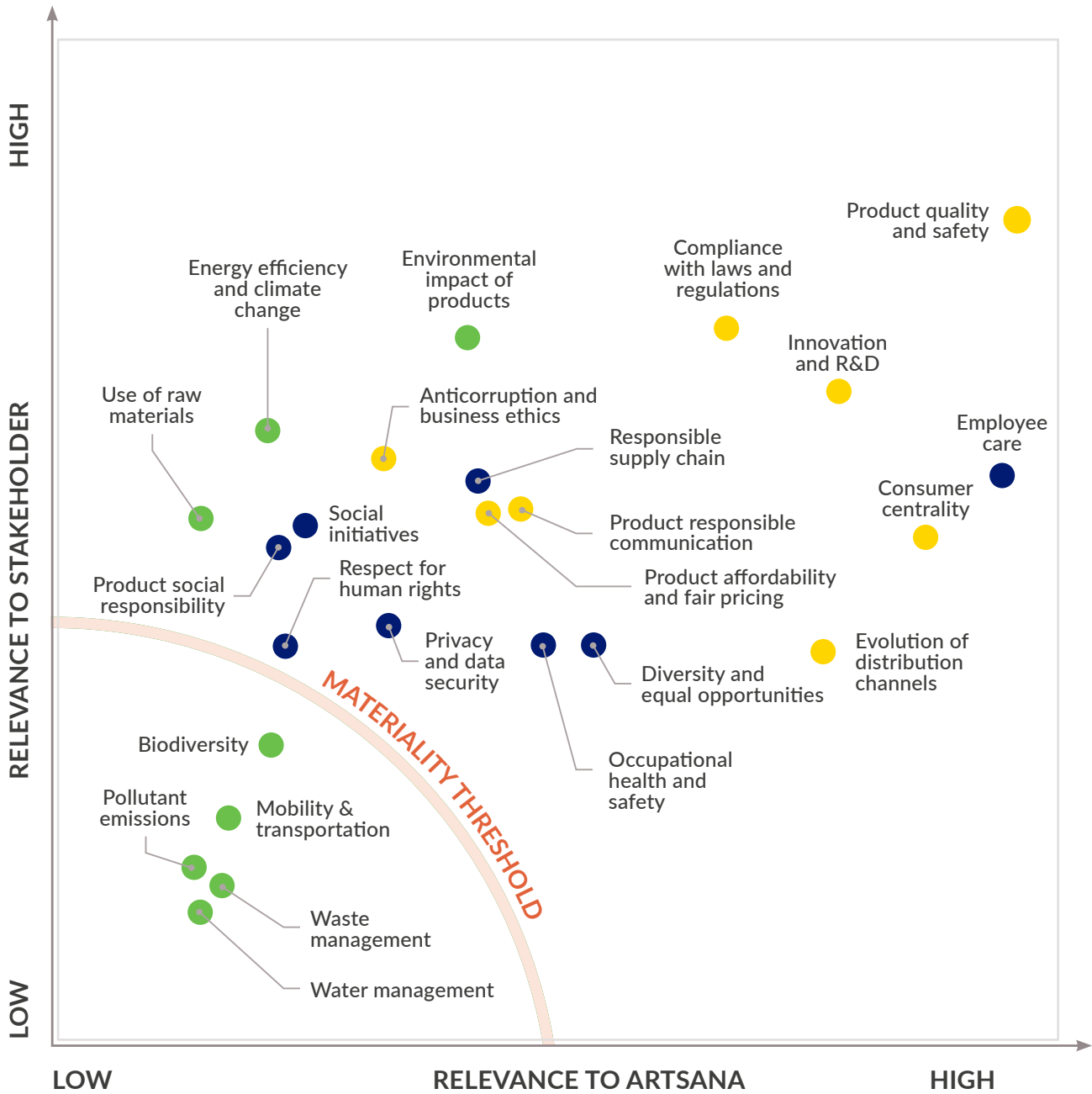
- **“Privacy and data security”** passed the threshold and has become a material topic because of the importance Artsana attributed it, as demonstrated by training on data protection delivered in 2019 and due to the last years growing attention to these issues.
- In line with the parenting mission that Artsana started embracing since 2019, **diversity and equal opportunities**, against any form of discrimination, have been addressed as relevant topics.

The topic “Freedom of association of employees” has been included into “Employee Care”. In addition, “Affordability and fair prices” has been renamed as “Product affordability and fair pricing”, “Employee care (includes employee training)” has been renamed as “Employee care” and “Environmental emissions” has been renamed “Pollutant emissions”.

Compared to 2018, the topic “Biodiversity” has been included among Artsana relevant topics, even if not material, because it concerns the direct or indirect impact of business processes on the integrity of the environment to preserve living species, a relevant topic in Artsana’s holistic vision about sustainability.



# ARTSANA MATERIALITY MATRIX



**Business topics**

**Social topics**

**Environmental topics**

## ARTSANA MATERIAL AND RELEVANT TOPICS:

<b>Anti-corruption and business ethics</b>	Ensure integrity and ethical behaviors, by avoiding anti-competitive practices, preventing corruption, fraud and money laundering in all the business operations.
<b>Compliance with laws and regulations</b>	Compliance with all national and international applicable legislation.
<b>Customer centrality</b>	Consider customers' and consumers' needs at the core of business processes management and decision making.
<b>Evolution of distribution channels</b>	Manage the evolution of distribution channels to meet or anticipate clients' needs and market trends (e.g. e-commerce).
<b>Innovation and R&amp;D</b>	Research and development of new products, services and technological solutions for customers.
<b>Product quality and safety</b>	Assure quality and safety of products to meet or exceed customer expectations.
<b>Product responsible communication</b>	Ensure fair and correct communication to customers on all channels (e.g. marketing claims, website, advertising).
<b>Biodiversity</b>	Protect and conserve biodiversity, considering the direct or indirect impact of business processes on the integrity of the environment to preserve living species.
<b>Energy efficiency and climate change</b>	Limit energy consumptions, fostering energy-efficient solutions and spreading energy saving culture within and outside Artsana, with the aim of decreasing the overall impact on climate change (e.g. GHG emissions reduction programs).
<b>Environmental impact of products</b>	Environmental impacts of products during their entire life cycle (design, production, use and disposal). Impacts can be reduced through material use reduction, use of more sustainable materials, eco-design for use/end of life, packaging.
<b>Mobility &amp; transportation</b>	Maximise the efficiency in transports to minimise costs and environmental impacts, optimising the transportation paths, and the number and size of the loads.
<b>Use of raw materials</b>	Use of sustainable materials from renewable sources (e.g. FCS certified paper), and/or recycled or bio-based (e.g. bioplastics).
<b>Pollutant emissions</b>	Contribute to the reduction of air pollutant emissions (e.g. NOx, SOx, PM) through concrete actions and process optimization.
<b>Waste management</b>	Follow an efficient waste management and disposal procedure, complying with all local laws and regulations and engage in a constant and continuous reduction of waste produced.
<b>Water management</b>	Optimize consumption and management of water resources, by reducing water spills or losses during the production processes and incentivizing the reuse of water.
<b>Diversity and equal opportunities</b>	Guarantee equal opportunities and combat all forms of discrimination (e.g. gender, religion, political opinion, nationality).
<b>Employee care</b>	Establish a welcoming, stimulating and positive working environment, caring for work-life balance, welfare and benefits programs and ensuring proper training and people empowerment.
<b>Occupational Health &amp; Safety</b>	Ensure a safe and healthy workplace, promoting structured safety management procedures and programs and spreading the knowledge of a safety culture.
<b>Privacy and data security</b>	Protect customers' sensitive information and personal data and prevent cyber-attacks, breaches, data losses and un-authorized diffusion of information.
<b>Product affordability and fair pricing</b>	Set prices with the aim of meeting customers' needs and life styles, for making them accessible and competitive.

<b>Product social responsibility</b>	Developing products with a positive social impact (e.g. wellbeing, education, responsible parenting).
<b>Respect for human rights</b>	Ensure and respect the protection of internationally proclaimed human rights.
<b>Responsible supply chain</b>	Promote sustainable management of the supply chain, by considering environmental and social criteria while selecting suppliers (including the choice of local partners), by monitoring and evaluating their performances and by managing potential environmental and social risks along the supply chain.
<b>Social initiatives</b>	Support local communities through sponsorships to local initiatives, projects or donations and actively contribute to the development of the communities in which Artsana operates.

### 1.3.4 SCOPE OF THE REPORT

The scope of this Sustainability Report corresponds to the Baby Care area brands Chicco, NeoBaby, Boppy, Fiocchi di Riso, Fisiolact, Goovi and Recaro.

It includes the commercial and production sites located in Italy and Romania, the commercial subsidiaries in Argentina, Brazil, Belgium, China, France, Germany, India, Mexico, Poland, Portugal, Russia, Spain, Switzerland, Turkey, UK and the USA, the headquarter located in Grandate (Como) and the Italian owned shops. From this year, it is also included the commercial subsidiary located in Japan.

Regarding the financial data reported in this document, the reporting scope corresponds to that of the entire Group's consolidated financial statement. In terms of temporal perimeter, this Sustainability Report comprises information referring to the period ranging from the 1st of January 2019 to the 31st of December 2019.

Information referring to previous years has also been included, when relevant, to provide a broader understanding of Artsana's sustainability performance and trends.





# 2

# Parenting for growing together

The constant study of new and effective solutions that can positively impact on family's lives is what drives Artsana's activities.



Each phase of a child's life is a wonderful adventure, characterised by unique challenges and opportunities to its development, education and well-being. Nevertheless, to live each of these moments with awareness and serenity, Artsana is here to give solutions that not only fit children needs, but all the parent's needs. In this sense all Artsana's products are **"problem solver"**, focusing not only on children needs, but also on those of the parents and care givers who look for brands able to give **practical solutions** to their daily tensions.

Artsana is a real ally for parents, easing parents' daily life while caring their children. The Group guarantees quality and safety in the development of all its products by responding to legislative requirements as well as to internal strict safety and quality standards.

Moreover, Artsana pursues product development through a multifunctional network based on strong internal expertise and on an R&D structure in continuous and open partnerships with universities, design schools, creativity training centers, designers and, primarily, with consumers.

Putting its expertise in the baby care and health care sectors at parents service, Artsana offers every year, in collaboration with experts, a wide

catalogue of courses to help parents answering to their main questions and concerns.

Artsana's researches, studies and innovative solutions, are also shared with community through **philanthropic initiatives** aimed at supporting and helping individuals and families in difficult situations all around the world.

Through Chicco and its other brands, Artsana always listens to the needs emerging from families in every phase of a child's life. Families nowadays are built around adaptability, inclusivity, experience and practicality.

Parenting is more than biological parenthood, it is an extended attitude, including also grandparents, uncles, friends and all the care givers of children in general.

In this context, the **Chicco Research Center (Osservatorio Chicco)**, located in Italy at the heart of Artsana's brand, enables the Group to be constantly updated and ready to offer innovative solutions.

The continuous collaboration with the medical and scientific research sector, as well as with associations and institutions operating in the field of childhood is fundamental to reveal pediatric and pedagogical findings and to identify solutions scientifically capable of ensuring the well-being of children and families.



Academic Institutions & Scientific Committees



Health Professionals & Independent Experts



Babies



Parents

Research and scientific evidence

Experiences, suggestions, dialogue

## Chicco Research Center

*Observing, Knowing, and Understanding*

INNOVATION • QUALITY • DESIGN • SAFETY

**Chicco Research Center** avails itself of the important collaboration of **parents**, who are the most attentive experts and an inexhaustible source of experience and effective suggestions. The main activities of center are as follows:

- analysis of scientific literature for continuous updates on the most recent evidence;
- studies to assess the validity of the proposed products;
- educational campaigns to spread the recommendations of pediatrics among families.

One of the elements that goes hand-in-hand with Artsana's research activities is the act of observing children to capture parent's tensions and babies' needs, by developing products specifically designed for their harmonious growth, learning process and supporting parents.

**Observation** is a skill that can be improved with practice, which is why experts from the Chicco Research Center have joined parents in their homes and at nurseries to observe the interactions and playtime of their children.

They have also engaged in interviews with parents and educators to understand the dynamics of the families' activities. All these observations are shared and analyzed in brainstorming activities and this work enables Artsana to develop solutions suitable for both parents and children.

Within the research process there is a first phase of observation, to intercept the relevant insights useful and replicable by parents in managing the routine in today's families home.

Then a second phase follows: all the observant participates to a workshop in order to generate and collect ideas. From this workshop, the most relevant concepts are used for the development of new Artsana's products.

For years now, Artsana has established a continuous relationship of dialogue and **collaboration with Universities** for targeted research studies related to the development of its products and to maintain a dialogue with the **new generations, the parents of tomorrow.**





## 2.1 Side by side with parents

Artsana promotes the value of taking care of others, not limitedly to parents but also extended to all the people near children, which will be themselves parents of the future generations, the entire society and the whole planet; in other words a choice of inclusion and sustainability.



### NEXT2YOU: DISTANT BUT CLOSE

During the Covid-19 pandemic, Artsana wanted to be as connected as possible to its people. Through its brand Chicco, which for 60 years has been close to parents, Artsana kept its closeness to the country and to all its families by offering a concrete support through online services and initiatives, believing that taking care of each other is the best way to start again.

A series of video designed by Chicco experts were published in order to continue giving useful advices and information especially to mums: exercises suitable for the pregnancy period, correct nutrition during pregnancy and the ABC of lactation, but also to families in general, as suggestions to turn this unexpected event into an opportunity to spend more time together doing new and even useful things. Artsana faced the



Covid-19 global emergency coordinating worldwide with its international branches, which activated similar initiatives locally, such as Spain and Portugal. Moreover Artsana supported, through a donation, the local hospitals engaged in the first line dealing with the unprecedented emergency crisis.

## DID YOU KNOW?

Chicco developed a new concept of store, inaugurated in 2019, that goes beyond the traditional shop, it is in fact a meeting place for families, where they can share their stories and experiences: its name is “Chicco Stories”.

It is the first flagship of a new concept, a space dedicated to families, developed to become a real incubator of stories: those of mums, dads, but also grandparents or uncles and all the people who accompany parents every day on this incredible journey. To transform the new store into an Experience center Chicco collaborated with The Politecnico of Milan, Italian hub for Kids product design innovation that, through its creative industries lab, supported the brand in redefining the store concept putting babies and parent’s experience at the center of the initiative. This idea is embodied not only in the products, but also in the services they provide, thanks to the presence of experienced professionals enthusiastic to spread their practical advices as pedagogists, nutritionists and midwives to support them and other useful services as, for instance, stroller maintenance and the nursery room.



Research and innovation allow for the development of solutions designed for every phase of a child's life and care, our broad brand portfolio covers all of the tensions of people who do parent children, society and environment.



*Pregnancy*

### **PREGNANCY**

As a mother offers the baby care and protection, Artsana cares about the mother's daily needs.



*Feeding*

### **FEEDING**

Artsana provides a concrete support towards parents for this delicate and special experience. Practical and easy solutions that ensure both child and parents well-being.



*Soothing, Relaxing and sleeping*

### **SOOTHING, RELAXING AND SLEEPING**

Artsana designs specific soothers promoting natural orthodontic development and supporting physiological respiration and cots designed to simplify parent's life: allowing babies to sleep in close proximity to their parents in safety, the sleep quality is enhanced for both of them.



*Cleansing and skincare*

### **CLEANSING AND SKINCARE**

Artsana designs practical solutions to support bath and change time, like bath seats and folding changing tables, as well as specific personal care products to clean, protect and nourish children's skin and satisfy its specific needs.



*Weaning*

### **WEANING**

Weaning is a fundamental step in a baby's life: it represents the first separation from its mother and an important step towards autonomy. Artsana accompanies baby's progress step by step, and provide the tools for a perfect balance between closeness and independence.



*Playing*

## PLAYING

Artsana designs games that stimulate children's creativity, manual coordination and shape recognition skills, essential for their development, ensuring safety to parents.

## OUT AND ABOUT

Spending time together in the open air is a source of new experiences and fun for both children and parents. For this reason Artsana develops solutions supporting them to enjoy each moment out and about together.



*Out and about*



*Traveling*

## TRAVELING

Artsana develops its car seats always focusing on research and technological innovation to guarantee the best quality of materials and the highest safety standards. The range follows the baby from birth along the entire growth journey, offering those who take care of the baby safe, easy to use and comfortable products.

## CLOTHING

Artsana constantly reviews clothing lines in order to ensure they respond to the specific needs of children, making them free to move and parents assured about the quality of the materials, and make kids fashion more and more sustainable.



*Clothing*



*First Steps*

## FIRST STEPS

Artsana's innovative range of shoes have soles featuring varying thicknesses, designed to guide the movement of the foot when taking a step and help babies to learn to walk properly.



## EASIEST WAY TO WEAR YOUR BABY



Artsana products are studied both through studies also carried out with the support of Chicco Research Center, and through valuable partnerships with publicly recognized organizations. In this context, Artsana, through its brand Boppy and in collaboration with **Italian Baby-wearing schools**, developed product such as the **“Adjust ComfyFit”**, a baby carrier designed to be **comfortable for parents and ergonomic for the baby**. In addition to the already acknowledged “hip-healthy” features owned by Adjust ComfyFit Boppy products, in 2019 the new model of Boppy’s baby carrier has new innovative features such as the functionality and adaptability from “one size fits it all”.

It guarantees the physiological “C” curve position of the baby’s back. At the same time, it guarantees comfort also for parents because of the long and wide shoulders straps that fit to each kinds of carrier’s body.

From a physiological point of view, as supported also by Chicco Research Center, the contact between mum and its baby makes breastfeeding easier, stimulating milk production and reduces anxiety.

In addition, the mum’s heartbeat comforts the baby, promotes sleep and reduces tears and irritability, in conclusion a very sensitive area of parenting on which to apply Artsana’s expertise and research.



## DID YOU KNOW?

More specifically Boppy’s research about family’s well-being brought new solutions such as the **“Infinity Nursing Scarf”** and the **“4&More Multi-Use-Cover”**.

The first is a special scarf with a double use: it allows for discreet breastfeeding or pumping or can be used as an accessory for the mom.

It supports breastfeeding by ensuring the privacy of both mother and baby while allowing the closeness between them also outside of home. The second is a versatile cover that solves parents’ on-the-go needs and which can be used in several different ways, as: nursing cover, high chair cover, car seat canopy and shopping cart cover.



## BIOFUNCTIONAL FEEDING FOR ALL NEWBORNS

Artsana is oriented to the health and safety of children and to the development of products for their well-being. **PERFECT 5** is the climax of the scientific Artsana commitment towards a healthy start of life, years of studies culminated into 2019 series of tests to prove the performance of a baby driven innovation: a **bio-functional feeding** bottle that adapts to the needs of each newborn and favors the sucking rhythm for a physiological and intuitive feeding. PERFECT 5, is the result of research activities, in collaboration with scientific sector organization that operate in the field of childhood. In particular, clinical studies, with the participation of the **Bio-Medical Campus University of Rome** professionals and in collaboration with the **Chicco Research Center**, have been performed to evaluate the effect of this feeding

bottle on the feeding capacity of 30 healthy infants during the first month of life. PERFECT 5 has been compared with a standard feeding bottle, instrumented with the FAM (Feeding Assessment Monitor) device to enable the **acquisition of quantitative data on feeding**. Nutritional sucking is very subjective and varies from child to child: everyone has its own feeding style which can change in frequency, duration and pressure.

The results demonstrated that PERFECT 5 favors the sucking rhythm, promotes an increase in the active phase of sucking, reduces interruptions allowing fluid feeding, helps to promote child's neuro-motor development process through prolonged repetition of sucking and reduces adverse events such as regurgitations and burps. As a consequence, this product, in addition to ensuring the well-being of the child, simplifies the life of the parent by offering concrete support.





## INNOVATING SUPPORTING PHYSIOLOGICAL RESPIRATION

**PhysioForma™** is the pacifiers shape chosen and implemented by Chicco in all its pacifier products. Its special shape, by respecting the physiological tongue position, contributes to the promotion of proper muscle tone, fundamental for the physiological development of the mouth and its functions, a correct breathing, which improves sleep quality and reduces irritability and respiratory tract disorders, and physiological development of the palate which is important during the permanent dentition period.

These characteristics guarantee the well-being of the baby allowing the one of their parents. Correct breathing and good orthodontic development of the child improve the quality of sleep, with a **direct benefit on the parents' rest**. This is why, while launching the product, Chicco carried out a vertical information campaign on this topic giving important insights about the benefits coming from pacifier use in general.

PhysioForma™ is the result of in-depth studies on the physiology of children's breathing, dentition and swallowing started in 2018 thanks to the collaboration of Chicco Research Center with pediatricians and orthodontists.

This Chicco's intense research activity, together with experts from the scientific community, continues to promote natural orthodontic

development and supports physiological respiration, two themes particularly important for the growth and well-being of the child.

In this context, in 2019, Artsana carried out an information campaign dedicated to different stakeholders:

- **Consumer Communication**, through high visibility on the major specialized magazines and dedicated editorials, videos, influencers involvement, dedicated content on social network and courses for parents aimed to debunk false myth about the soother and explain its correct use;
- **Scientific Communication**, through visits to specialists, participation at dedicated medical event and congresses, publication of specialized articles for pediatricians, orthodontists, and opinion leaders and a dedicated section on one of the major magazines distributed to all Italian pediatricians on pediatric dentistry;
- **Medical Congress**, specifically through participation at the XXXI National SIPPS (Italian Society of Social and Preventive Pediatricists) Congress, where a focus on benefits and risk of the soother has been presented underlining that the shape of the teat has an important role in the promotion of soother benefits and that the most correct shape is the anatomical – functional shape, like Physiophorma's one.

## DID YOU KNOW?

Chicco continuously supports parents on sleep as relevant topic for their children and them, providing information and solutions, in terms of products and services. In line with this, Chicco, through its Research Center, has started in 2019 a collaboration with the **Novella Fronda Foundation**, specialized in human and neuroscience research. The first outcome of this project is the realization of the booklet "**Good sleepy-bye**", which contains some information to set rules for a good sleep. The incomes from the sales will be used to support the Foundation's activities on the sleep's topic.



## PUTTING SKIN AT THE CENTER OF OUR RESEARCH

Within the constant research frame about parenting Artsana, through its Italian brand **Fiocchi di Riso**, proposes a line of products intended for newborns' and mothers' skincare before and after childbirth, which is a result of a **dermocosmetic approach** and constant research, involving experts in Functional Medicine.

The results are a dermo-hygiene line and a dermo-care line characterised by natural dermal and **bio-compatible formulations that respect and facilitate the functional and physiological activities** of the skin, that in a baby have obviously different needs. Indeed every single formulation is made with active ingredients chosen for quality and skin compatibility.





## INNOVATING FOR SAFE SLEEP

In 2019, Chicco has launched in the USA market a side sleeper named **“Close to You”**.

As same insight as Chicco Next2Me, Close to You is the **multifunctional product** that can be used as:

- Bedside Sleepers, gliding over the bed to keep baby close during the night;
- Portable Bassinet, rolling smoothly from room to room for convenient daytime use;
- Extended Use Changer, converting lower bassinet sides into an easy-access and height-adjustable changing table.

Close to You respond to families' needs offering to parents and care givers several advantages, such as: facilitating breastfeeding at night, allowing the comfort and proximity of side-sleeping between parents and children and simplifying parents' daily movements in the house. The use of Close to You as changer, by allowing to extend the product's life, also represents a sustainable choice for both parents and environment.



## LEARNING BY PLAYING

Too frequently children have a sedentary life with very few free playing occasions to move, run and get dirty. This doesn't help the **correct development of their motor, cognitive and emotional skills**. Therefore Chicco promotes a correct lifestyle to be set from early childhood that will have positive impact also on baby's health in the future. Every child has its own growth and development timing and Chicco knows this. Indeed Chicco Research Center experts are committed in providing valuable advises to parents on these topics, always taking into account the differences that naturally characterize every individual. Chicco produces varied toy lines **designed for each growth stages** and **focused on different skills**: from exercising balance to running, from stimulate coordination to teaching precision.





## DID YOU KNOW

Artsana has been chosen as partner by MSC Crociere, a shipping company dedicated to the cruise market. Each time a new ship is launched, Artsana is called to stage a **Chicco BabyClub**: an area dedicated to children from 0 to 3 years old, as well as to parents serenity.



### SIMPLICITY IN THE DAILY GESTURES OF EACH PARENT

Chicco launches **“Goody”**, a stroller thought to **simplify the life of parents** and care givers in general that are engaged every day to walk with their children. It is a lightweight stroller, that hides an amazing feature named One Touch: with a single movement it closes by itself, with zero efforts by the user. It's easy to close it but it's just as easy to open it, in fact, just one movement is enough to open the stroller. In addition, once closed, it stays upright: ready to be carried by hand, anywhere, even on public transport or stored where necessary, from the boot to the storage room.



### TRAVEL SAFETY AND EASINESS

Artsana's aim is to take care of parents by offering them products that work as “problem solver”, making life easier for them, never losing safety. Chicco proposes different lines of car seats designed to grow together with the child, allowing parents to buy one **long-lasting product** instead of four, a product that have also more than 10 years of safety and comfort. Thanks to the different adjustment possibilities, it accompanies children growth through every stage from 0 to 36 kg, **with a save both in economic terms and in terms of resources usage and waste**. In addition, Chicco's car seat is designed according to ingenious systems that allow a **quick and safe installation** and a rotation that simplify the child's positioning.





## MAKING KIDS FASHION CIRCULAR AND SUSTAINABLE

In order to pursue the goal of making kids fashion more sustainable, Artsana is constantly researching and developing alternative solutions, with an improved sustainability profile, including textiles made from recycled materials. The Ecodown® project, that in 2018 for the autumn/winter collection had seen the creation of the quilted jackets for kids made with 100% recycled PET (polyethylene terephthalate) plastic bottles, continues in 2019, introducing new variants.

The Ecodown® jackets by Chicco are a sustainable, high performing and versatile choice. Moreover, in 2019, Chicco kept up its commitment to responsible resources consumption and presented a **light and functional jacket in recycled nylon**.

This solution, besides being sustainable, is also practical, thanks to the pocket that transforms it into a comfortable backpack that you can carry with you all the time.



FUR FREE  
RETAILER



Animal Free  
a LAV label

### Chicco joins the Fur Free program at Fur Free Alliance and LAV

Chicco has a long-running commitment to avoiding the use of animal furs in its products and confirms its dedication to promoting sustainable fashion through the renewed adhesion to **fur free programs with LAV and the Fur Free Alliance**.

Chicco's commitment underpins the sense of responsibility driving the brand to spread and promote respect for the principles of animal wellbeing and protection.



### Sustainable textiles through OEKO-TEX Certification

Chicco layette kits, are certified according to international OEKO-TEX standards, confirming the quality of these items, which are designed specifically to be kind to delicate newborn skin. All Chicco garments featuring the **OEKO-TEX brand** on the label have the following certified features:

- they do not contain any harmful substances;
- all components are certified;
- tests certify the ecological safety at all stages of production.





### Little designers

Over 1,500 sketches were received in less than a month for the competition organised by Chicco in search of young designers. Little boys and girls from Italy, Spain and Portugal took part.

All of the sketches received featured beautiful designs and colours; 10 of these were selected to be transformed into a capsule collection, in Chicco Stores from July, as a little sample of new generations' free creativity and imagination. This underlines Artsana's fashion key message: drawing upon the everyday experience of children, free to be themselves.



### LITTLE SHOES FOR LITTLE ONES - HELPING BABIES FIND THE MOST NATURAL WAY TO LEARN HOW TO WALK

In line with its strategy of observing reality in order to adequately address needs, Chicco Research Center, in collaboration with experts in ergonomics and biomechanics, has broadened its range of innovative technical features to the world of footwear for children:

**TO CRAWL Chicco Start Up: Shoes to start with the right foot.** Designed to facilitate correct movement during the pre-crawling/crawling phase, helping babies to get to their feet and take their first steps in the most natural way possible.

**TO EXPLORE Chicco Imparo: The most natural way to learn how to walk.** Innovative little shoes with variable thickness sole, designed to help little ones to learn the correct movements when taking their first steps.

**TO RUN Chicco Run: Shoes that guide steps in a dynamic way.** Designed especially for children from 2 years upwards, with a sole featuring special inclined planes and slits with a support in the heel area, designed to guide the increasingly advanced movements of the foot and promote the child's mobility.



## 2.2 Quality, safety and innovation

Since its origins, aspects such as quality, safety and innovation, are the heart of each Artsana products and processes. Every day, with a constant commitment, Artsana experts are engaged to meet or exceed the strictest standards worldwide and to contribute to their future developments.



New Artsana Group **CRASH TEST LAB**

All Artsana products are designed, developed and tested to satisfy, exceed and, when possible, anticipate regulatory requirements as well as its strict safety and quality standards.

While all business processes are designed and constantly improved following ISO management system standards, Artsana is focusing its priorities following a risk-based approach to assure quality by design, state of the art technology and systems, preventive risk assessment on products and processes starting from design stage, a comprehensive testing program on materials and products, as well as product compliance certification by the most authoritative independent laboratories worldwide. Product quality and safety are also guaranteed through Artsana suppliers quality program, which includes their qualification and control through direct inspections, processes

monitoring and shared targets for continuous improvement. Artsana collaborates with the scientific community and international experts through **Artsana's Multidisciplinary Scientific Committee**, which has a dual function:

- managing the agenda of studies and research directly linked with Artsana's innovation process and quality education goals;
- organisation of all new evidence through published studies in the field of healthcare, baby care, feeding/nutrition, dermatology and toxicology.

Thanks to a constant relationship with the scientific and medical community, the Committee works as an internal crossfunctional roundtable, developing internal knowledge and competence, which represent one of Artsana's success factors in playing a leadership role in the well-being sector focusing on children and families.

## **CRASH TEST LAB: A TECHNOLOGICAL MASTERPIECE**

In November 2019, a **new Crash Test Laboratory** was inaugurated by **Artsana in Verolanuova**. The Lab, an innovative, cutting-edge facility that is the only one of its kind in Italy to be built by a player in the sector, is equipped with the very latest technology and is focused on the future. Starting from an idea born in 2017, the Lab was designed, evaluated and then developed, requiring **financial and human investments and a cross-functional team** devoted to integrating into a specially designed infrastructure the best technologies available. Among them, an acceleration sled, high speed cameras (capable of capturing 1000 frames per second) with an integrated acquisition system and a computer for checking the system and the software for recording, processing and analyzing data were included.

This complex and advanced system allows to **test car seats** on different types of impacts (lateral, frontal and rear) and to recreate and analyze these conditions in accordance with the

latest regulations and the strictest test protocols. Thanks to the above mentioned technologies, at the end of test session it is possible to **review each event in slow-motion** and analyze in detail all the elements that the human eye cannot perceive during the impact. This detailed scale, the great flexibility and the capacity of carrying out tests at any time and at any stage of the production (from prototyping to execution) enables every aspect of development to be more robust, with more efficient control processes and thus with an enhanced quality and safety of the product. The new crash test laboratory has aroused great interest among many internal and external stakeholders: Artsana received a large number of requests to visit the laboratory, and to provide customers with visibility of the new facility created. This is tangible evidence of how the safety and the quality of the Group's products are seen by customers not only as a requirement, but also as a source of value.

Artsana's goal for the future is to use the expertise and the results deriving from the Crash Test Lab to contribute to the development of rules and safety standards for child restraint systems.

Artsana believes in responsible and clear communication about its products and services based on transparency and reliability.

Marketing information and product labels illustrate information confirmed by specific tests and scientific studies.

From a perspective of continuous improvement, Artsana always guarantees an **open dialogue with its customers** through **after sales channels, including Social Media platforms**, as a precious input to listen to the voice of end customers and provide solutions for the best customer experience.

Artsana continues to be strongly committed to ensuring the safety of children and families through the constant monitoring of the performance of the products on sale and considers all feedback to be precious.

There is a structured responsive process in place to manage feedback promptly and with open communication, which includes dedicated posts and pages on Artsana brands' websites.

Safety communication to families is also integral part of Artsana's commitment and heartfelt responsibility. An example is the voluntary replacement program involving Chicco Oasys

i-Size child restraint systems distributed from 27th September 2018 to 4th April 2019, after the breakage of a component in the harness system was observed during a specific dynamic test conducted at ADAC (Allgemeiner Deutscher Automobil Club) with ICRT (International Consumer Research Organization), under loads exceeding safety requirements established by European Regulation.

Artsana, always committed to meeting or exceeding the highest quality standards and customer expectations, invited the users of the product to contact local Customer Service to receive a free of charge replacement spare part that would further enhance the product safety performance.

In US, the Boppy Company in cooperation with CPSC (Consumer Products Safety Commission), voluntarily recalled Boppy® Ebony Floral Head & Neck Support and Boppy® Heathered Gray Head & Neck Support ("Products").

The two products have been recalled due to overstuffing of some units, with the aim to prevent potential breathing difficulties during use, even if no incidents have been reported.

## DID YOU KNOW?

In 2018 Chicco, always committed to finding solutions to simplify the everyday life of families, launched the first two car seats with integrated **Chicco BebèCare sensors**, which become four models in 2019.

In addition to the seats with integrated anti-abandonment system, Chicco has developed **Chicco BebèCare easy-tech**, an accessory to be attached to the seat belts that is able to communicate with the Chicco BebèCare APP.

This is an independent **universal** device because it can be used on all models of seat, without compromising the safety performance and homologation characteristics of the seat on which it is applied.

Chicco BebèCare easy-tech got an independent certification issued by a third party laboratory specialized in car safety and recognised by many Homologation Authorities for child restraint systems.

**Artsana cooperates with an international network** of independent scientific advisors and testing laboratories for the assessment and approval of products and are actively engaged in European and international technical working groups worldwide for the standardization and the development of future product safety requirements and on sustainability.

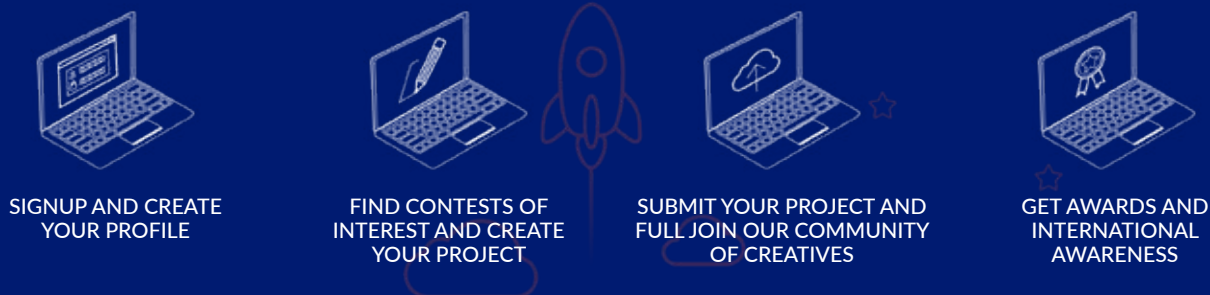
In general, these activities increase the level of knowledge inside and outside the company and allow Artsana to develop products engineered for safety and comfort, setting standards sometimes even prior to the entry into force of legal provisions governing the sector. **Artsana participates in multistakeholders tables**, including industries and associations, to create **valuable partnerships** for a common goal: contributing to the quality of life by developing practical, safe and innovative solutions and services. In line with this, Artsana has also experimented an **Open Innovation Program** cooperating with start-ups and young innovative companies. Selected start-ups had the chance to present their project proposal during a pitch event organized in Artsana Headquarter with the involvement of all the interested functions.



## DID YOU KNOW?

Artsana created an international **Open Innovation Platform** dedicated to the world of design and innovation, involving a wide range of users to reach different profiles with very different experiences, cultures and professional skills, including designers, architects, engineers and creatives from all over the world. It is a new way of dialoguing and a different way of sharing but with the same goal as ever: a "collective intelligence" to develop innovative solutions that meet the concrete and real needs of families.

### HOW ARTSANA INNOVATION PLATFORM WORKS





## 2.3 Sharing the knowledge

Knowledge is key to Artsana's ability to develop innovative and safe products capable of meeting the needs of a constantly evolving society.

For Artsana, **knowledge also means sharing, dialogue and exchanges with families and communities.** To closely support parents, Artsana relies on **all available channels, including its websites, social channels and its stores, as well as training courses.**

In particular, in 2019 Artsana organized training courses for new parents and individuals involved in children's lives to work together to answer many questions and concerns.

### NUMBER OF COURSES CARRIED OUT IN ITALY

	2017	2018	2019
<i>Pharmacies</i>	1.214	397	264
<i>Baby Shops</i>	215	104	410
<b>TOTAL</b>	<b>1.429</b>	<b>501</b>	<b>674</b>

Starting from 2018 the number of the available courses were rationalised and designed for a wider audience. The number of courses offered decreased if compared to 2017, but the number of people attending them has increased, reaching **more than 6,100 participants** in 2019, addressing numerous and various topics.

They start from the most common concerns, including how to become parents and everything else that goes along with it such as: weaning, nutrition, dental hygiene, car safety, as well as yoga during pregnancy and the Heimlich manoeuvre.

The **courses are held by experts** (pediatricians, obstetricians and pedagogists) as well as other specialists who collaborate with the Group. At the same time, Artsana organises training courses for pediatricians, directly at the hospital,

on how to use its products (for example Boppy pillows for breastfeeding). As mentioned above, training courses are also provided for vendors and traders concerning Artsana's products which are sold in pharmacies and shops in order to better understand and serve customers.

An alternative channel to reach more people is the Chicco website, where the Chicco Research Center publishes **several articles** that cover all areas of a child's life, as well as a pool of tools and resources that allows families to go deeper into specific topics and find useful information, insights, answers and advice.

Thanks to the collaboration with its team of experts, the Chicco Research Center writes **educational publications** offering valuable and educational information.



## A COMBINATION OF NATURAL INGREDIENTS WITH THE GOOD VIBES PHILOSOPHY

**Goovi** was born to bring “good vibes” to all generations of women and encourages them to always be themselves and approach the life positively. The brand, throughout its products, tells a path of wellness that starts from the care of themselves with natural food supplements, passing through skincare and the care of the body with natural cosmetics and arriving to the care of the family and the home with natural eco-cleasers. One of the distinctive features of the brand is the direct **relationship with its community of women**, which represents a **source of inspiration for new stories and new products to develop**. The Goovi community, that in a very short time reached about **550,000 members**, is characterised by a communication style typical of the Goovi identity: different and ironic. Throughout different formats such as "How Goovi are you" or "Skintales", women of the community that embody brand values are chosen to tell their stories, and from the needs that these women express, the brand draws inspiration for its products.

Some numbers:

+ **9,000,000** of women reached every month

+ **500,000** monthly interactions

+ **6,000,000** monthly video views

The brand is directly connected with its community to women and has a very active **e-commerce distribution channel** and is also present in the pharmacies. Moreover, in 2019, **over 700 pharmacists in Italy have been trained on the product and over 500 days of promotion were carried out in the pharmacies nationwide**.



## 2.4 Together with communities

The positive impacts that Artsana's presence has on the communities and territories in which it operates are primarily of an economic nature and derive from the fact that the added value produced by its activities is shared with local stakeholders.

Moreover, Artsana has always been strongly committed to supporting children and families in difficult situations through philanthropic initiatives, both in Italy and in the rest of the world, where its subsidiaries are based. These initiatives are undertaken in collaboration with non-profit organizations and local institutions in which Group employees are often involved.

An example is the **corporate volunteering initiative**, organized by Artsana in partnership with **CAF Onlus Association**, which in 2019 spontaneously involved more than 100 employees. Six days between July and November during which employees from Artsana and the Milan offices of CAF Onlus Association participated in the activities planned during working hours.

The association deals with hosting and taking care of children in difficulty who have been temporarily removed from their family of origin.

Also this year, the initiative was addressed to all Artsana employees and the turnout was excellent. Some employees who had already participated in the initiative last year, impressed by the experience, wanted to be present again. The corporate volunteering reached its double target of increasing the link between colleagues and helping an association dedicated to children, which is the core mission of Artsana's Social Responsibility projects.

Always in 2019, for the 8th consecutive year, Artsana Runners have participated in the **Milan City Marathon**. The Artsana team runs together for an honorable cause. The proceeds collected through this initiative are donated to **Magica Cleme Foundation** which organises different activities every week for young patients in the pediatric hemato-oncology department of the **San Gerardo Hospital of Monza and the Milan National Cancer Institute**.





## TOY HORSE MUSEUM



**6,972 visitors**  
in 2019



**28 institutes**



**64 classes and 1,274 students** participated in educational activities



**2,051 laboratories** organized



**12 Artsana events** hosted

*One year at the museum*

The **“Toy Horse Museum”** is a museum inaugurated by Artsana in 2000. It is the first and the only one in the world dedicated to one of the symbols of childhood in all ages and to Artsana's most famous toy, the toy horse Chicco Rodeo. The museum is a world that contains several toy horses of all shapes, rocking or on wheels, and where the things that really matter are imagination, playing and dreams. Started with a donation come from the Catelli family, the museum has been set up over the years thanks to the contribution of people who decided to donate the horses of when they were children. Anyone who donates their horse, also provides a few lines about its history and its name.

The museum conveys the **identity of the company**, where its unique and unmistakable values are perceived and promotes activities of **social responsibility** both towards the community and the Artsana employees.

The Toy Horse Museum has always been particularly attentive to those organizations that take care of children. In the firm belief that all children have a right to happiness, fun and culture, the Toy Horse Museum has developed the initiative **“Invitation to the Museum”** dedicated to children living in situations of neglect and hardship. It consists of a walk through the Museum to discover toy horses and an afternoon of games and creative activities.

For the participants of the project the invite to the museum entrance and creative workshops are free of charge. The Toy Horse Museum is convinced that growing up is a serious matter! That's why all year round is at the **service of schools** in support of the adventure of growing up, offering stimulating and fun educational activities. Among the many activities of the Toy Horse Museum, there are creative laboratories, where only recycled materials are used. The fabrics, yarns, buttons and applications are all leftover materials from Chicco production activities. A concrete way of teaching **sustainability and recycling**.

During the year the museum promotes activities for families, thanks to which it created a stable link with the territory by hosting continuously events in collaboration with local municipalities. The museum is a real playful, educational and cultural focal point, in synergy with Chicco Children Village, at service of company life, a place of loyalty and representation.

Artsana is actively engaged in several initiatives supporting and collaborating with local communities, such as:



Since 2011, Artsana has awarded 2 **scholarships**, named in memory of its founder Pietro Catelli, to deserving students of the Politecnico di Milano University.



Every Christmas day **Artsana donates 1,500 Chicco games** to the children of Como and the surrounding municipalities.



Through **Solidarity Christmas** every year Artsana celebrates Christmas donating to more than 380 families in need assisted by the Banco di Solidarietà di Como, basic foodstuffs directly at their homes.



During 2019 Easter period, a **sale of solidarity products** was organized in the entrance hall of the company restaurant by the "Banco di Solidarietà di Como" to support the Association that helps needy families in the Como area by delivering basic necessities to their homes.



A **food collection day** was organized at Artsana headquarters. Employees were able to directly deliver to the volunteers of "Banco di Solidarietà di Como" non-perishable food to donate it to the poor families of the area.





## DID YOU KNOW?

## SMALL ACT, GOOD HABIT

Artsana has the aim to support the development of social and environmental-consciousness among people, starting from new generations. According to this view, Chicco has developed the Chicco Drinky bottles, made of durable and long lasting stainless steel and designed to be reusable and practical, with the concept of “small act good habit”, aiming to favour behavior characterised by a small effort but a big impact on both child and planet health. This project works both on incentives for children, in this case teaching them to drink more water during the day, introducing a good and healthy habit through everyday gestures, that have also benefits for the environment. Following the path “Small act, good habits”, in 2019, Artsana Group collaborated with Alessandro Volta Foundation, with the patronage of the Municipality of Como to make citizenship aware about sustainable ways of using different materials and on the possibility of reuse products and recycling waste, distributing more than 2,000 Chicco bottles to the nursery and nursery school of Como.

## HUMAN MILK LINK PROJECT

Artsana supports with its brand Fiocchi di Riso the Human Milk Link project, which celebrated 4 years of operation in 2019. The project is an innovative system that allows the collection of donated human milk directly from the donor's home, and its safe and guaranteed delivery to the Milk Bank. Selected obstetricians, expert in breastfeeding, collect the donated milk, from donors' house to house, while giving mothers the advice and support they need.

The Milk Bank controls the milk collected and delivers to premature babies in need through the hospitals. The service, which is free, has been active in Milan since 2015 and was expanded to Turin in 2017. Only in 2019, over 190 mothers allow the collection of about 980 liters of human milk, showing an increase with respect to the last year.



human  
milklink ♥

# Chicco di Felicità

**Chicco di Felicità** (Chicco of Happiness) is the symbol of **Chicco's solidarity efforts** to stay close to less fortunate children. It was launched in 2010 and is renewed year after year because it is considered not only a simple solidarity initiative but also a ray of hope for vulnerable children and families.

The project consists of "solidarity gifts" which are then sold in all Chicco shops in Italy and on the online store where corresponding proceeds are donated, to support children who have been raised in difficult family environments, and to assist families in regaining parenting skills. In particular, since 2017, collected funds were donated to the **CAF Association** (Centro di Aiuto ai Minori e alla Famiglia in crisi) that provides assistance **to five caring centers supporting child victims of violence and abuse** thanks to a staff specialized in pedagogy and psychology, and **helps families in trouble**. The mission of the project – unchanged from the very beginning – summarizes the importance of each person's support: The more we are, the more we do! Using or gifting the Chicco di Felicità accessories, embodies people's closeness to the world of children and contributes to spreading our message and shared values. Chicco, in association with a new partner every year, designs and creates a special accessory in a different shape for each edition but always characterised by the Chicco di Felicità logo. Since the beginning of the project, **more than 600,000 people in Italy have chosen to wear the Chicco di Felicità** accessories, thus witnessing their tangible solidarity with children in need. During 2019, thanks to Artsana's donations, **11 families have been assisted through the "Becoming Parents through Home Visit" project service**, which consist of supporting fragile or isolated families, preventing the causes that can lead to the breaking of the parent-child relationship and, in the worst cases, the removal of the child from the family. Part of the contribution has also supported the **reception and care of 10 children aged between 3 and 6 years, welcomed into a care center** following serious traumatic events experienced in their family.



## DID YOU KNOW?

On the 5th and 6th October 2019, some selected **Chicco, Prénatal and Bimbostore stores** hosted the **"Banco per l'Infanzia"**.

The initiative, promoted by the **Mission Bambini Foundation**, has the aim of donating basic necessities to Italian children and families in difficulty.

For these two days, in over 40 stores throughout Italy it was possible to purchase children's products and deliver them to the Foundation's volunteers in the store.

**The goods collected were then distributed to as many organizations among children's homes, nurseries and play areas.**



*Happiness goes from heart to heart*

**“Happiness goes from Heart to Heart”** is an international project whose name comes from the concept that happiness can fill many hearts, particularly those of little ones who find themselves in difficult situations. It is a project within the **“Mission Bambini” Foundation** which is dedicated to saving the lives of children born with congenital heart diseases.

This Foundation has been operating since 2000 and has helped more than 1,400,000 children through 1,600 projects in Italy and in 75 countries around the world.

Since 2013, Artsana has supported the “Mission Bambini” Foundation and specifically the “Happiness goes from Heart to Heart” project, with the goal of:

- saving the lives of children with serious heart defects, most of whom are born in developing countries without access to medication, adequate health facilities and prepared medical staff;
- achieving autonomy of the local hospitals by developing a training program.

10 Artsana branches are involved in this international project: Argentina, Belgium, China, France, Germany, Russia, Spain, Switzerland, UK and the United States. Between 2013 and today, Artsana:

- supported 36 medical missions in 11 countries (Cambodia, Myanmar, Zambia, Uganda, Uzbekistan, Eritrea, Romania, Brazil, Kurdistan, Somalia and Kenya);
- delivered 1,304 hours of training for local doctors by an international medical team; and
- performed about 7,500 diagnostic screenings which resulted in 357 children receiving an operation and being saved from serious heart disease.

Additionally, in 2019, 6 Artsana branches challenged themselves by starting an **international crowdfunding campaign** engaging their teams, colleagues, professional and personal contacts to raise funds for Mission Bambini Foundation to finance surgical operations and screening on children affected by heart diseases and high-quality training for local medical staff.





Artsana is committed to staying close to its communities and, in particular, to those in need. Efforts are increasing year after year, strongly widespread at Group level and through branches which, via positive and virtuous interactions, promote specific and local CSR initiatives.



### USA

- Donations to charities such as:
  - Jim & Tabitha Furyk Foundation to help families and children in need
  - Jackson in Action 83 Foundation in support of military families.
  - Food+ Foundation to empower low-income families to break the cycle of poverty.
  - Delivering Good to provide people impacted by poverty with new merchandise.
- Donations of car seats for ensuring the safety of new-borns to the Children's Hospital of Philadelphia, an hospital dedicated exclusively to pediatrics.
- Community education program for Infant Safe Sleep, via First Candle: "Train the Trainer" program.
- Donations to Mission Bambini "From Heart to Heart" program, aiming at helping children in poor countries.

### Argentina

- Donations to Mission Bambini "From Heart to Heart" program, aiming at helping children in poor countries.

### United Kingdom, France and Belgium

- Donations to Mission Bambini "From Heart to Heart" program, aiming at helping children in poor countries.

### Spain

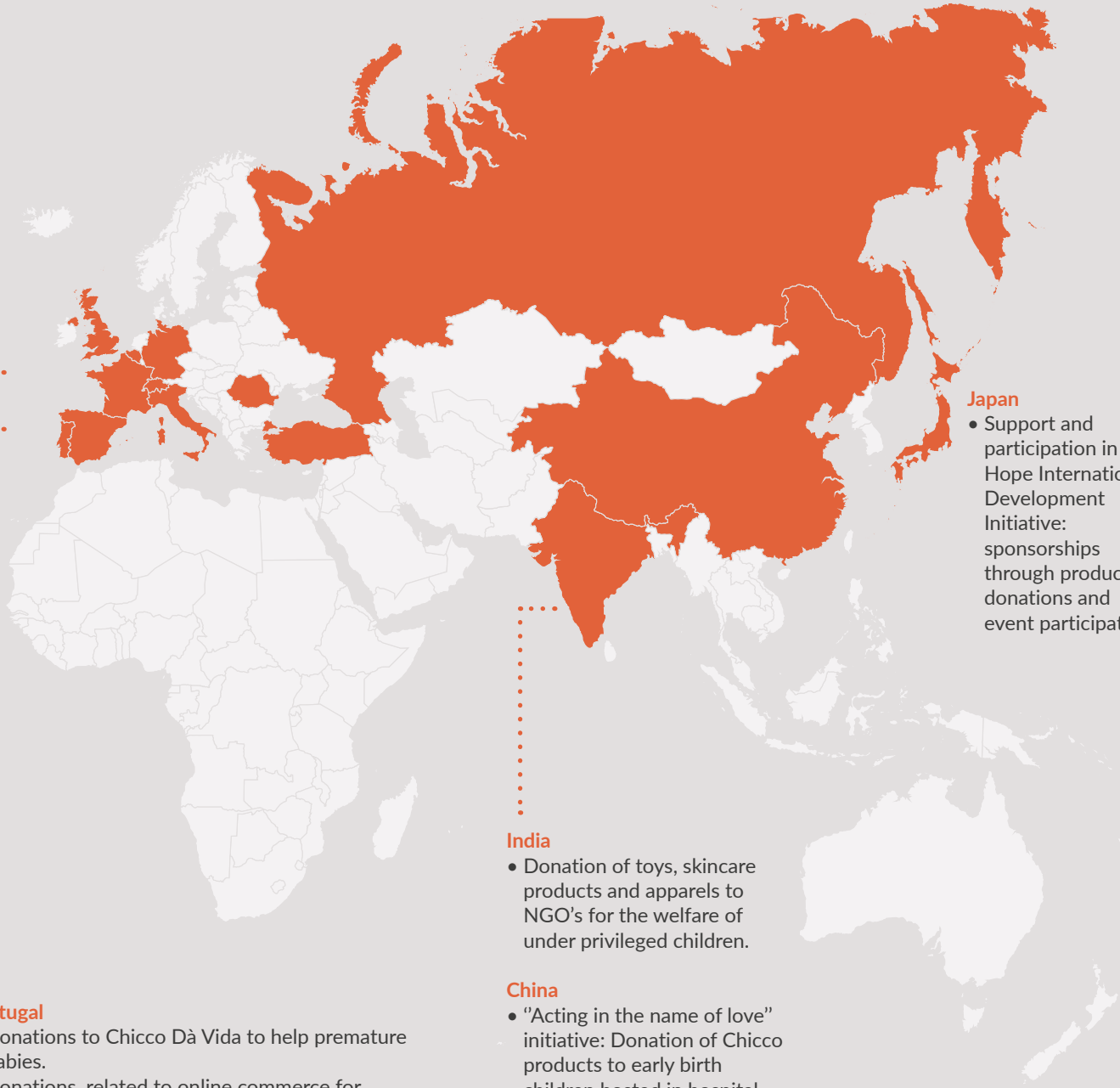
- Training courses to new families about some relevant topics, such as: breastfeeding, baby care, co-sleeping.
- Donations to Happiness goes from heart to heart project, through sold products in store.

### Turkey

- Sponsorship of Momtalks Conference to increase awareness of mothers' role in educating the future generations.
- Collaboration with Baby Coaches & Nurse, training courses for families and children.

### Russia

- Donations to Mission Bambini "From Heart to Heart" program, aiming at helping children in poor countries.



### Japan

- Support and participation in Hope International Development Initiative: sponsorships through product donations and event participation.

### India

- Donation of toys, skincare products and apparels to NGO's for the welfare of under privileged children.

### China

- "Acting in the name of love" initiative: Donation of Chicco products to early birth children hosted in hospital.
- Training courses for mothers and about the use of products.
- Donations to Mission Bambini "From Heart to Heart" program, aiming at helping children in poor countries.

### Portugal

- Donations to Chicco Dà Vida to help premature babies.
- Donations, related to online commerce for Christmas purchases, to Ajuda de Berço, an association that helps mothers and babies in need.

### Germany and Switzerland

- Donations to Mission Bambini "From Heart to Heart" program, aiming at helping children in poor countries.

# 3

## Parenting for strengthening our people

Parenting has always been a fundamental principle for Artsana: not just for clients but also for its people, the beating heart of the Group. As a person takes care of their body or an adult raises and protects a child, in the same way Artsana knows and believes that it cannot exist without the employees that work for it, with passion and commitment, and it continually cares for their own well-being and success.



Conscious therefore of the importance of its people, in Artsana there is a constant willingness to work as a team, as a family, dealing with every problem from different points of view, putting together all the resources, professional skills, personal experience and the potential represented by the young generation.

Artsana adopted a Code of Conduct several years ago, with the aim of guaranteeing respect for fundamental human and trade union rights, protection of the environment and employees' health and safety. The Code of Conduct commits the company to ensure that these rules are also respected in the companies with which Artsana collaborates for the manufacturing of its products: especially with regard to workers' health and safety, working hours, wages and child labour. At the end of 2019, the **total workforce** amounted to **3,909 people**, including interns and

agency workers. The total workforce has slightly increased over the last 3 years both for Artsana' employees and other workers (+4% in 2019 as compared to 2018 and +2% than 2017) due to the entry, within the Group perimeter, of Recaro Germany and Japan facilities. Group's employees rose from 3,483 to 3,599 (+3% respect to 2018). These data confirm the continuous growth of the Group, with a slight slowdown in 2018 due to an international reorganization, already overcome in 2019.

The number of agency workers and of interns has increased between 2018 and 2019, the former shifting from 223 to 250 individuals (increase of 12%) and the latter from 58 to 60 (increase of 3%), a choice based on the will to find higher flexibility and provide opportunities for youths, as shown by the increase in the number of young employees.

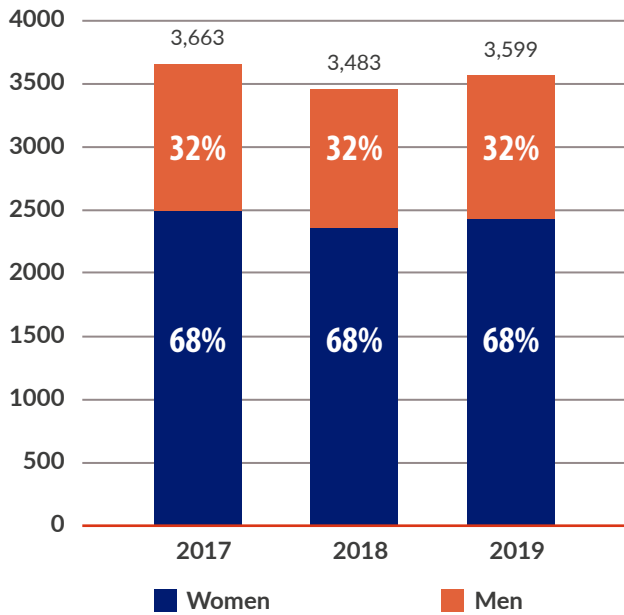
TOTAL WORKFORCE		UNIT	2017	2018	2019
<b>TOTAL</b>		<b>(n.)</b>	<b>3,823</b>	<b>3,764</b>	<b>3,909</b>
<i>Employees</i>		(n.)	3,663	3,483	3,599
<i>Agency workers</i>		(n.)	111	223	250
<i>Interns</i>		(n.)	49	58	60
<i>Workforce by gender</i>	<i>Women</i>	%	68%	68%	68%
	<i>Men</i>	%	32%	32%	32%

2017 and 2018 data do not include employees that are in parental leave at 31st December.

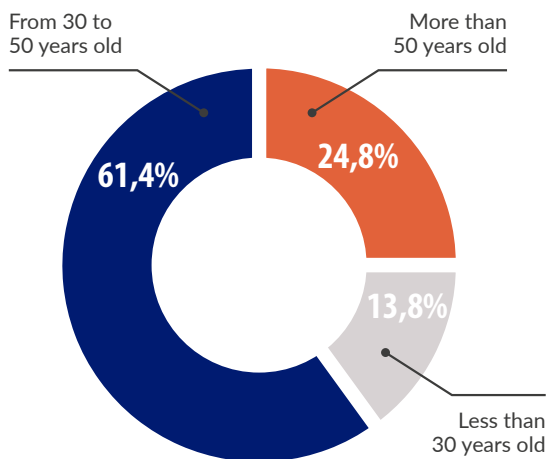


In Artsana most of the employees are women (2,469 against 1,130 men) and are between the ages of 30 and 50 years old (61.4%), in slightly decrease compared to 2018 (67.0%). Employees younger than 30 years old have increased from 2018 (from 12.2% to 13.8%) and the same happened for employees elder than 50 years old (24.8% with respect to 20.9%).

### Total employees by gender

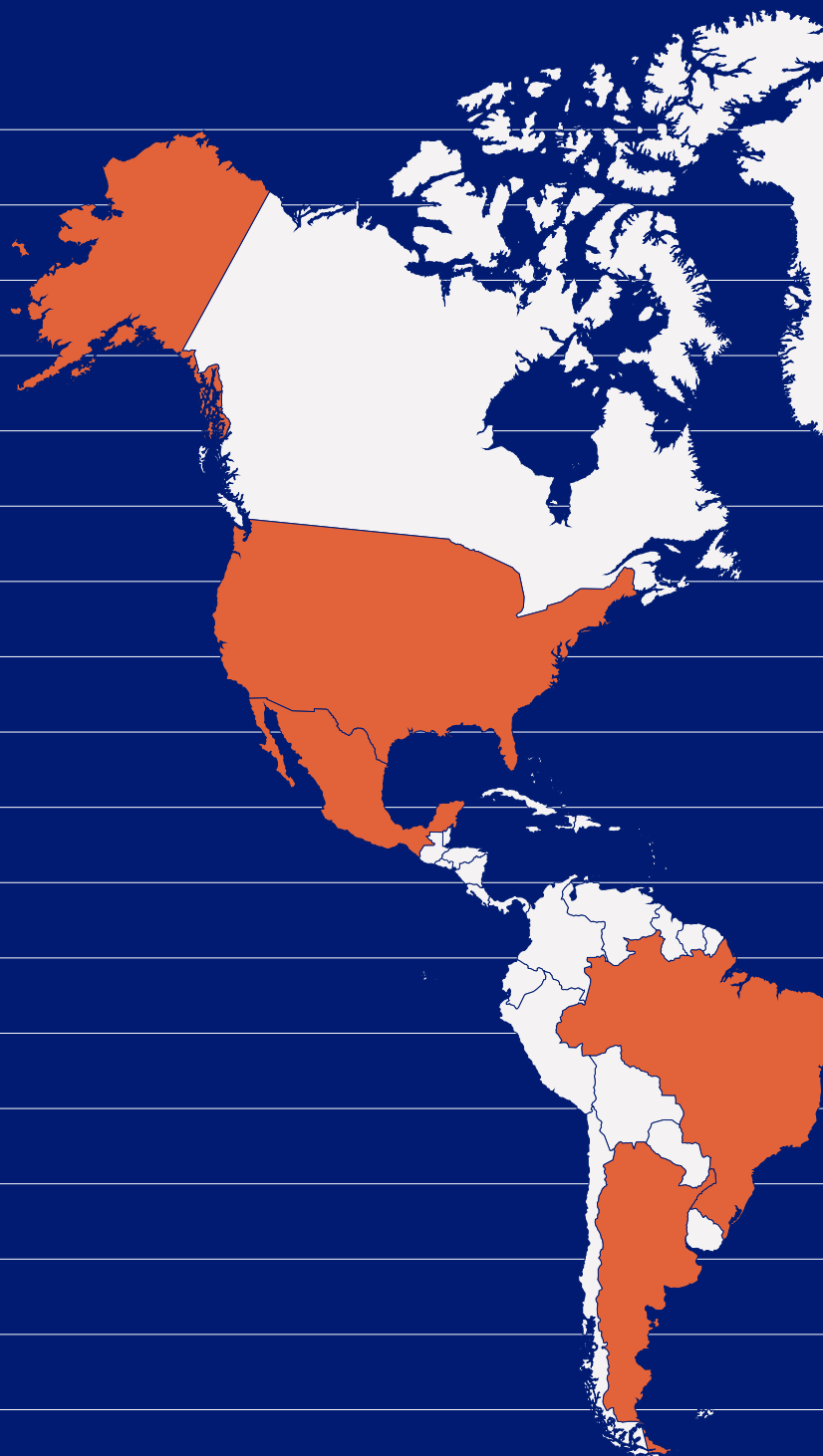


### Employees, by age group 2019

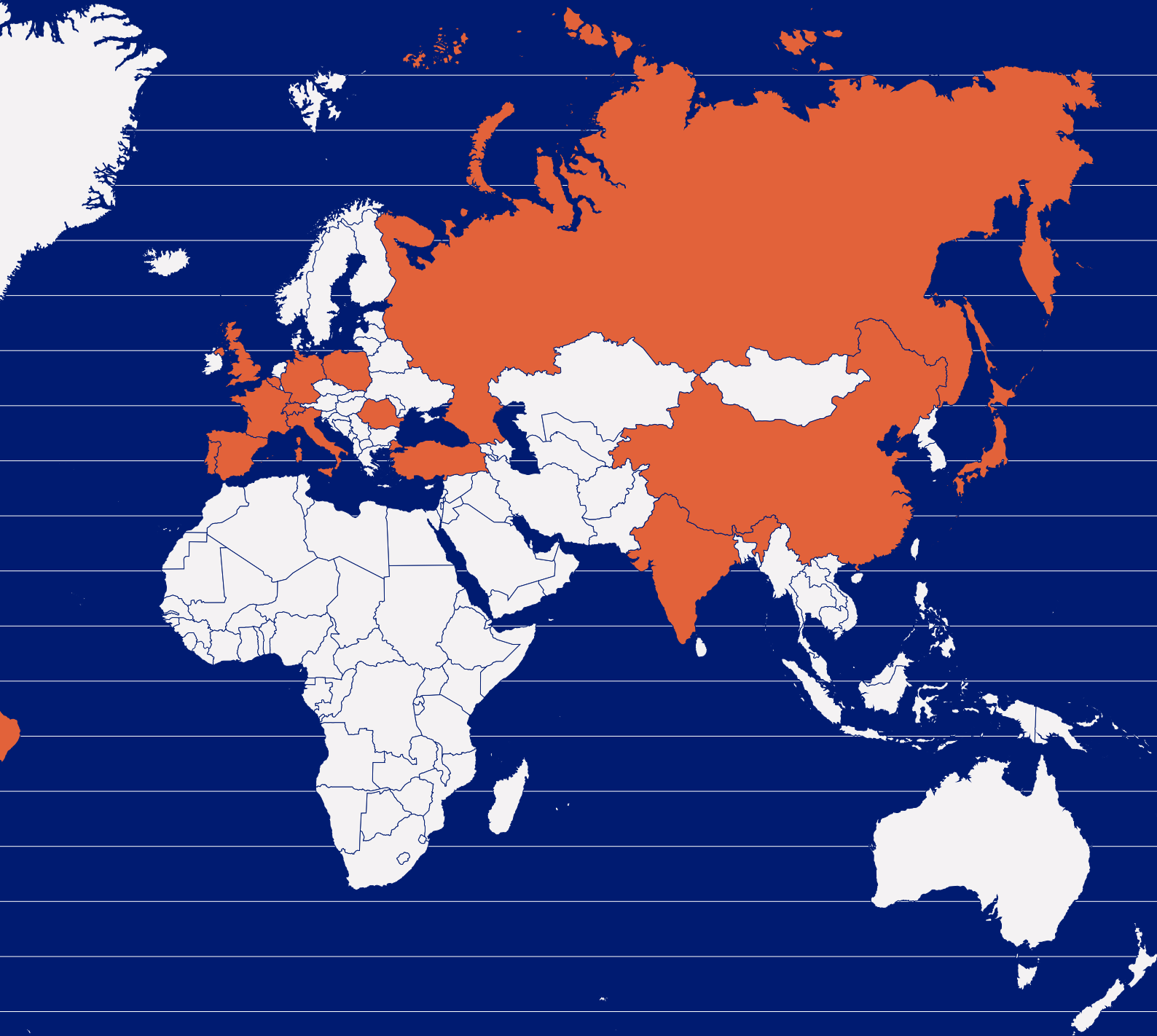


From a geographical perspective, employees are distributed all around the world and in particular in Italy, Romania, Portugal, Spain and China where there are more than of the 80% of Artsana workforce, and where the headquarter, factories, warehouses and a large number of shops are located.

EMPLOYEES BY COUNTRY	2017	2018	2019
ARGENTINA	1.1%	1.1%	0.7%
BELGIUM	0.3%	0.3%	0.3%
BRAZIL	3.4%	3.5%	3.3%
CHINA	5.1%	5.7%	5.7%
FRANCE	1.6%	0.9%	0.9%
GERMANY	0.7%	0.7%	1.2%
INDIA	2.0%	2.9%	2.9%
ITALY	35.1%	36.1%	36.3%
JAPAN	-	-	0.2%
MEXICO	1.3%	0.8%	0.8%
POLAND	0.4%	0.5%	0.5%
PORTUGAL	10.3%	10.9%	11.3%
ROMANIA	25.0%	22.1%	21.9%
RUSSIA	1.0%	1.1%	1.1%
SPAIN	7.0%	7.2%	6.9%
SWITZERLAND	0.4%	0.5%	0.4%
TURKEY	2.6%	2.8%	2.7%
UK	0.8%	0.7%	0.6%
USA	2.1%	2.3%	2.3%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



With respect to 2018, the geographical presence has widened, adding Japan within Artsana worldwide distribution (because of the acquisition of Recaro).





## ENGAGING YOUNG TALENT

**Artsana cares about the future** and so about future generations of young workers, for which in 2019 the company has set up different initiatives, both with universities and high schools, in order to promote integration and accessibility to the working world for young talents. For example, the Group takes part in a dedicated project that represents for Artsana a cultural revolution for the school, as well as an investment for the whole world that surrounds it and for those who **believe in the inclusion of young people** in the workplace. Even if for a limited time, qualified and prepared students have the opportunity to train themselves to face, after their studies, the working reality.

A deep and stable alliance with companies and public and private bodies is necessary, connected to the reality of the territory, a harmony in the **sharing of an educational responsibility** that is not only up to the school, but that involves professionals, entrepreneurs, workers and operators of associations.

Following this vision, Artsana established a **continuative program** in which it has been hosting students for years that have carried out their experience (mainly in IT, export, shipping,

graphics, customer service and administrative back office departments) in the company in conjunction with high-experienced employees who, as tutors, have overseen the development of basic work skills, for a period shifting from 15 days to 1 month. The results have been very satisfying, both for tutors and students.

Artsana also **builds synergic partnerships** with academic institutions. Indeed, Artsana managers often lead university training sessions for students sharing the company experience and bringing them business prospective. At the same time, the company has the opportunity to **dialogue with new generations**, involving them in project works.

Artsana engages universities and post-graduate students through Employer Branding activities organized by the Group. These activities are aimed at meeting and attracting young talents, and also increasing brand awareness, visibility and promoting and enhancing its corporate identity.

In 2019, Artsana took part to several initiatives with students, such as workshops and job careers open days.

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### **“Fiocchi di riso Workshop”, at Marketing Master of Catholic University del Sacro Cuore (Milan):**

Artsana and Catholic University del Sacro Cuore of Milan have collaborated in the realization of a Trade Marketing project for the Fiocchi di Riso brand, in order to identify possible new strategies for brand development. 55 students enrolled in the Master in Marketing and attending the Trade & Category Management course, interfaced with the Artsana company for a period of about two months, where they were able to develop analysis and business solutions to be presented at the end of the project to the managers of the company.

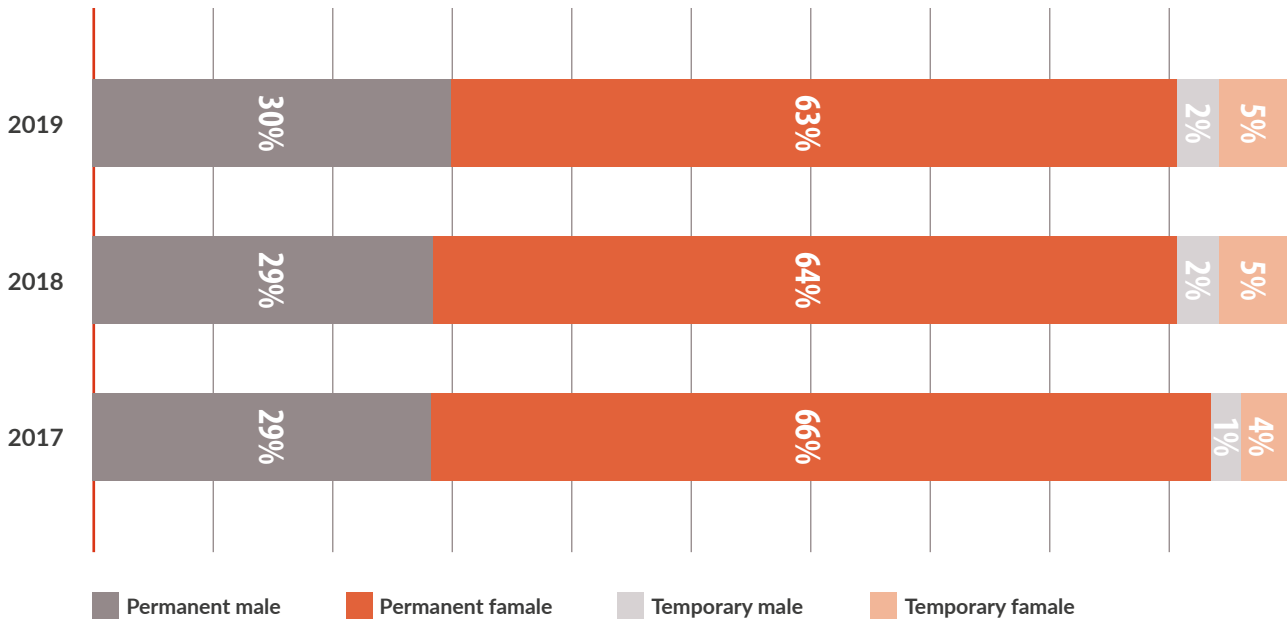
### **University open day for job careers.**

In 2019 Artsana met 350 students and undergraduates from different faculties of the Bicocca University to present itself and provide them several opportunities for internships by collecting CVs and offering selection interviews in occasion of the “Career day” held in the Milan.

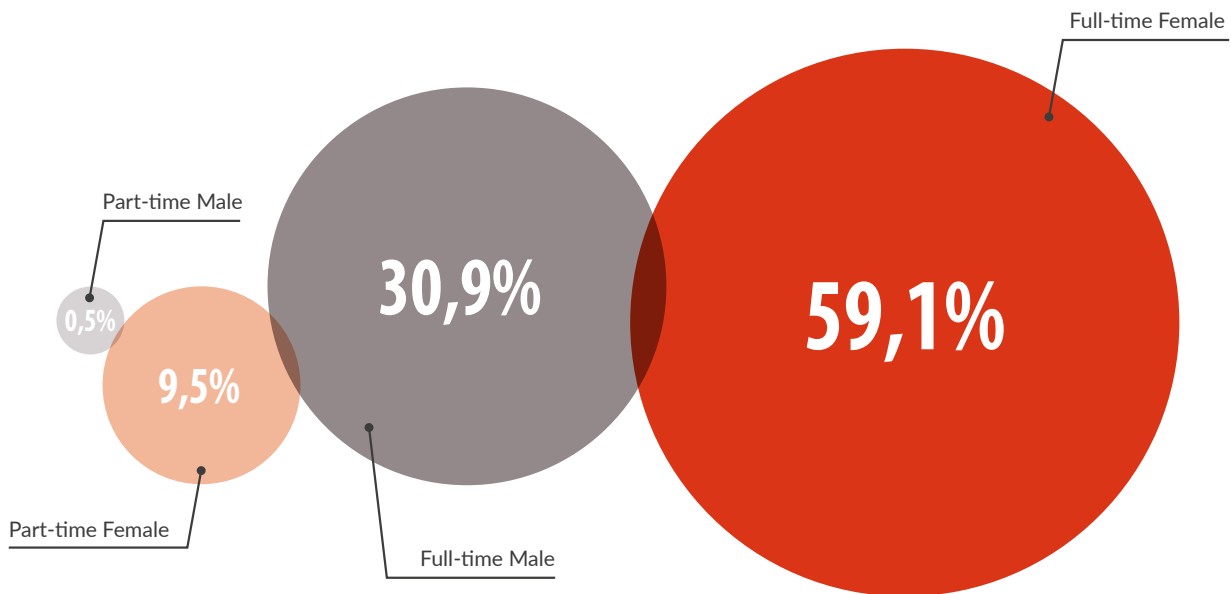
Moreover Artsana participated at a career event at the University of Italian Switzerland in Lugano and was able to meet more than 300 students and undergraduates to present its reality, its brands and career opportunities through dedicated workshops and one-to-one talks.

With respect to the type of contract, in 2019, 93% of employees worldwide had a permanent contract (of which 91% full time), in slight decrease compared to the 2018 figures (94%). The 95% of part-time employees (10% of the total) are women. Artsana considers part-time work to be one of the most important lever of flexibility linked to family caring the company implemented (and that will be deepened later on), given the prevalence of female staff, and this is particularly true in the store area.

### Employees per type of contract (temporary / permanent)



### Employees per type of contract (part time / full time)

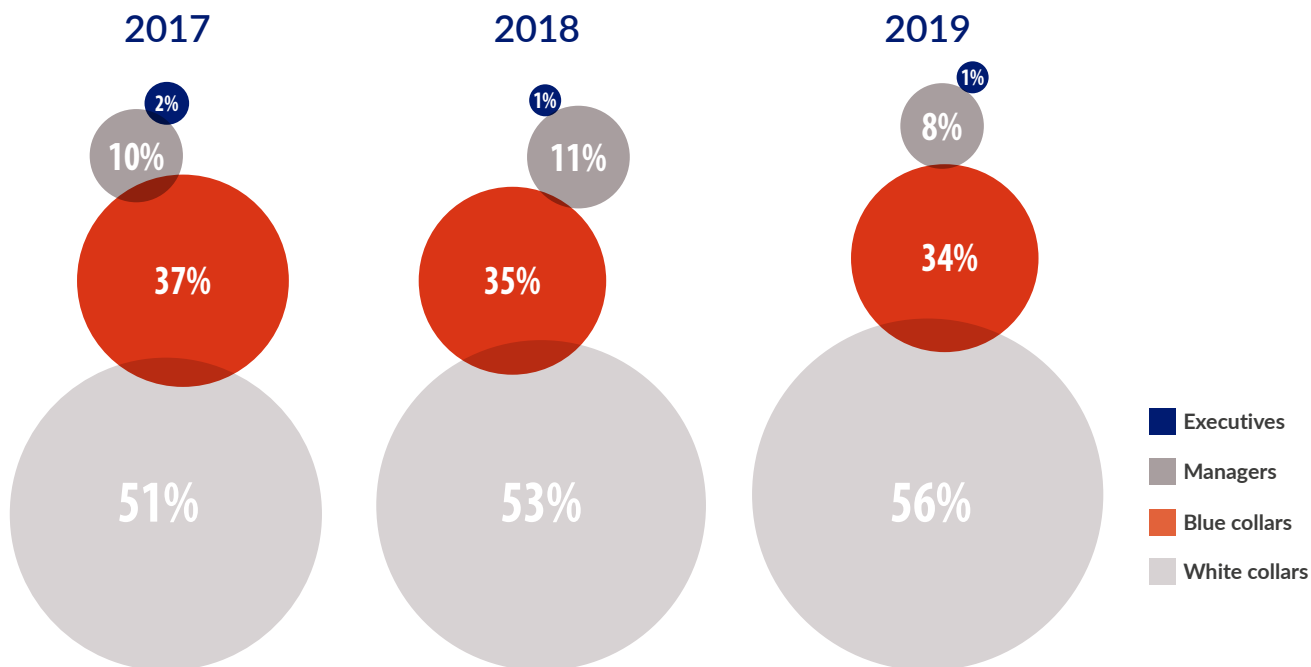


All employees of Artsana are covered by collective bargaining agreements, as required by national laws.

Regarding employee categories, 90% of total employees are blue and white collars, the remaining 10% is represented by executives and managers, of which respectively 18.4% and

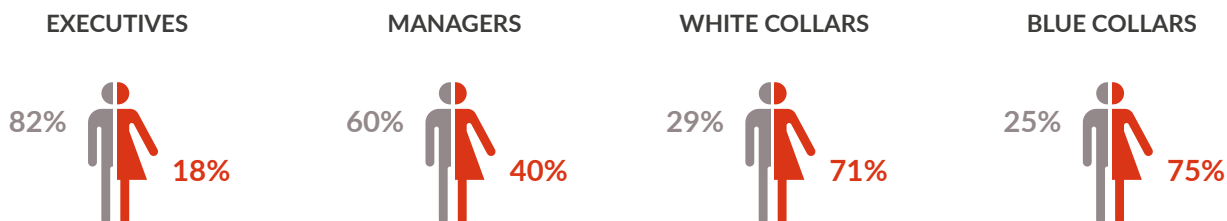
40.0% are women. For what concerns white collars and blue collars instead, the majority are women (70.7% and 74.2% respectively). Regarding age group classification, the most part of Artsana people are between 30 and 50 years old (61.4%), while 14% are younger than 30 years old and 25% are elder than 50.

### Employee per category



EMPLOYEES PER CATEGORY	Unit	2018	2019
EXECUTIVES	N°	49	49
MANAGERS	N°	369	305
WHITE COLLARS	N°	1,846	2,014
BLUE COLLARS	N°	1,216	1,231
<b>TOTAL</b>	<b>N°</b>	<b>3,483</b>	<b>3,599</b>

### 2019 Employee category by gender



	2019			TOTAL
	Younger than 30	Between 30 and 50	Older than 50	
EXECUTIVES	0	24	25	49
MANAGERS	11	218	76	305
WHITE COLLARS	351	1,241	422	2,014
BLUE COLLARS	135	726	370	1,231
<b>TOTAL</b>	<b>497</b>	<b>2,209</b>	<b>893</b>	<b>3,599</b>

The turnover rate, calculated as the number of voluntary and non-voluntary terminations in the reporting period over the total number of employees at the end of the same period, has decreased with respect to previous year, shifting from 22% in 2018 to 18% in 2019.

The hiring rate, calculated as the number of new hired employees per year over the number of total employees at the end of the reporting period, increased from 17% in 2018 to more than 18% in 2019. This happened in global socio-economic context that is experimenting a

decrease in the employment to population ratio, from 58,5% in 2018 to 58,3% in 2019 (Data from International Labour Organization), and this makes the results even more significant. Indeed, the turnover rate decreased than the value of the previous year.

In particular, the Romanian branch is characterised by a high turnover as it is inserted in the context of the textile industry. This sector is characterised by a high competitiveness among the various competitors that compose it, and this generates the high rate.

### Employee Hiring and Turnover rates



## 3.1 Taking care of Artsana People

Artsana has always cared about its people, they are the core of its values and mission. The culture of innovation, focus on professional growth, competence sharing, talent development and employee integration into the organization are a core part of the group's identity.

To valorize its people potential and foster competence development within the organization, Artsana promotes international experiences, transversal growth within different business units and functions, graduate programs and continuative training both for managers, professionals and universities. The numerous

initiatives and actions carried out by the Group share the objective of growing its people, enhancing their everyday life, and making them to feel part of Artsana' family. Aiming at engaging its employees and spreading sustainability culture as essential pillar, in 2019 Artsana has proposed to its people various initiatives and projects.

### DID YOU KNOW?

In November 2019, Artsana started a series of meetings between its young employees and Artsana CEO. The aim of this initiative was to involve Artsana people under 30 years old (or that are within the Group since less than 3 years) from all the Artsana department for participating in a discussion about different sustainability topics. This project aims also at sharing each one experience in Artsana, in order to collect possible points of improvement, and make sure all the parts of the organization are involved in this confrontation process. Many topics were discussed in these meetings such as product sustainability, responsible supply chain, people wellbeing and sustainable behavior, diversity & inclusion, communication & digital evolution.

These meetings were organized as an informal sharing moment, to make the idea sharing easier and more spontaneous, nevertheless with a significant impact on the organization. Indeed following to these sessions the company has launched specific interfunctional working groups aiming to analyze and propose ideas on the described topics.

Artsana offers to its employees not only projects and initiatives, but also several benefits, aiming at easing their working and personal lives. In 2019, Artsana has continued to implement actions to favor and help the parents-to-be between its employees.

For this reason, on the occasion of a birth between its people, the Group expresses its welcome by providing a range of useful products for free. Among these, it's possible to find all the

products that represent the different types of brands within Artsana.











During 2019, Artsana was pleased to donate Bebé Boxes to those of its employees who had a newborn coming, wishing them all the happiness for this new chapter of their lives. In addition, Artsana continues to supply free diapers for all its employees' newborns in the first 6 months of the child's life. All mothers and fathers after the birth of their babies receive a kit with Chicco

products and can take advantage of a 40% discount on the purchase of Artsana products for the first 12 months of the child's life as well as a free BebèCare Easy-Tech device system for baby car seats. Another element to take care of families promoted by Artsana has been the extension of smart-working during pregnancy as well as a special parking dedicated to pregnant employees. Moreover, other benefits are provided to Artsana employees. For example, to encourage work-life balance, Artsana offers its employees a series of "family tools" like the "Children Village", a nursery school which has been specifically studied to meet

Artsana's and local families' needs. Thanks to the initiative called "Coffee with the pedagogist", during working hours, employees have access to counseling from a specialist on issues such as maternity and children care.

In order to support the psycho-physical well-being of its employees and their families, Artsana offers them easier access to sport and wellness facilities across Italy and abroad. Lastly, employees can use their performance bonus, which is subject to a preferential tax rate, as "Flexible Benefits" using a dedicated web portal to acquire personalized vouchers, services, goods and allocate shares to pension funds.

## Artsana's employees benefits for new parents and families

- |   |   |   |  |
|---|---|---|--|
|    | Free diapers                            |    | Bebè box                                     |
|    | Special parking                         |    | Children village                             |
|   | Extra sales on Artsana's brand products |   | Coffee with pedagogist                       |
|  | BebèCare Easy-Tech                      |  | Easier access to sport & wellness facilities |
|  | Smart-working during pregnancy          |  | Flexible benefits                            |



## 3.2 Improving our people knowledge

In the same way a carer teaches to a child how to become an adult, Artsana whole-heartedly promotes the development of its people offering a series of activities with the aim of encouraging their personal and professional growth.

In particular, the Group strives to foster the promotion of international experiences and transversal competencies, and it offers the necessary training and tools to allow for continuous learning.

Artsana provides employees with both technical and non-technical training courses on various subjects such as innovation, negotiation, entrepreneurship and the international management of different communication channels, problem solving, decision-making and finally English courses.

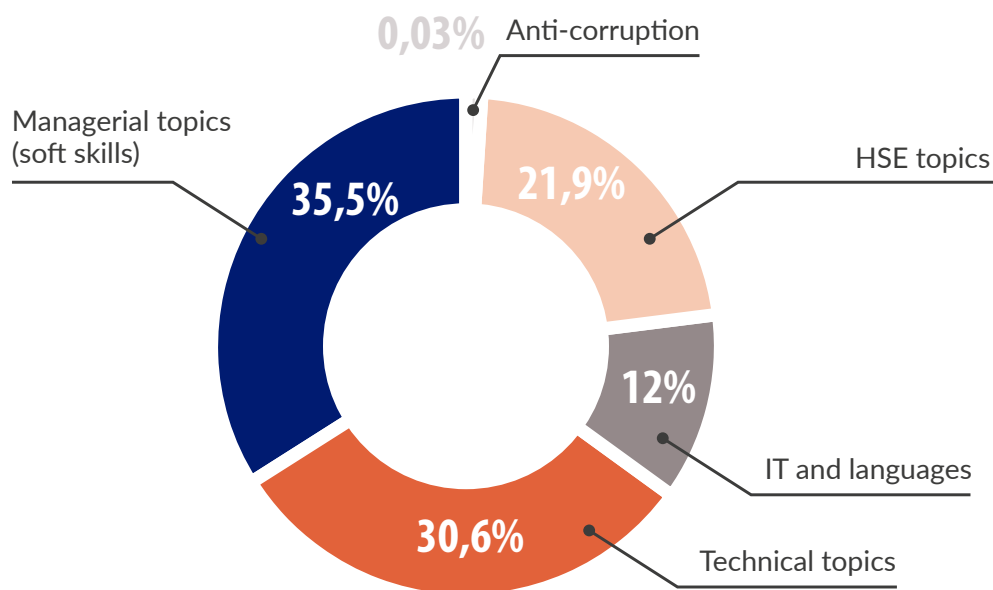
In order to offer to employees the specific

training they need, based on their role, skills, and competencies, Artsana has designed a training program based on the specific career paths within the organization.

This program has been conceived to develop employees' leadership and managerial skills, and it represents the biggest portion of training hours by topic (35.5%).

The Group strives to strengthen their professional profile also through the advancement of their soft skills with a particular focus on team working, inter-functional collaboration, self-empowerment and entrepreneurial capabilities.

2019 Percentage of training hours by topic



Between 2018 and 2019, the total number of training hours increased from 26,760 hours to 29,210 with a corresponding increase in per capita training hours from 7.7 to 8.1, partly due to the reporting scope extension, confirming the Artsana's desire to offer an ever better professional development plan to its employees. In order to increase the knowledge of its employees and to enhance their specific skills, Artsana has also organized a series of training sessions, over different specific topics.

These sessions were led by competent personnel in a specific field (e.g. economy and finance) and were destined to employees that are not familiar with these topics.

During 2019, it has been organized the "Finance - per non-finance" sessions, aiming at giving the basic knowledge about economy and finance to employees that usually work on other topics, the "Purchasing" sessions, aiming at spreading knowledge about the purchasing world, its management and characteristics and a chapter dedicate to Country of Origin process and

guidelines. Moreover, since the Group believes that sustainability is a core component of its mission and of its strategical vision (indeed as reported in ESG Policy and in Sustainability Report), it has been decided to propose a project that spreads the sustainability culture among employees, favors the ESG Policy implementation and the sustainability integration within the production processes, make sustainability a fundamental part of the corporate culture, and promote people's awareness and involvement on these issues.

The name of this initiative, risen in 2019, in Artsana is "How to spread sustainability culture". The aim of this initiative is to create a sustainable thinking, making sustainability a core component of Artsana People' DNA.

To achieve these goals, the Group started organizing a series of working groups, each one covering a defined sustainability topic, on a head quarter level, with the aim of extending the initiative progressively into the whole organization.

TOTAL TRAINING	UNIT	2017	2018	2019
<b>TOTAL HOURS</b>	<b>h</b>	<b>52,380</b>	<b>26,760</b>	<b>29,210</b>
<i>Average hours</i>	<i>h/employee</i>	14.3	7.7	8.1

2017 data excludes Argentina. Data on training provided excludes France.

TRAINING - Average training hours by gender and employee category	UNIT	2017	2018	2019
<i>Men</i>	<i>h/employee</i>	13.6	11.6	11.8
<i>Women</i>	<i>h/employee</i>	14.5	5.9	6.4
<i>Training provided to Executives</i>	<i>h/employee</i>	66.9	61.2	78.7
<i>Training provided Managers</i>	<i>h/employee</i>	16.2	10.0	11.7
<i>Training provided to White collars</i>	<i>h/employee</i>	5.8	6.4	8.9
<i>Training provided to Blue collars</i>	<i>h/employee</i>	15.7	0.9	3.2

Data on employee category excludes training on health and safety offered in Italy for 2017.



Another significant initiative related to employees' education is "Vivere Digitale" a training program promoted by Facebook that, in Italy, provides training courses on digital skills to 13,000 young people every year. Artsana has decided to join the program, giving the possibility to 17 trainees and 24 employees' teenage children or relatives to participate in the training workshop on the following topics:

- **Innovation:** to know and understand the basics of design thinking, the creative approach to problem-solving, the importance of receiving and giving relevant feedbacks;
- **Use data to make decisions:** identify the factors to be considered in the use of data and interpret them to make decisions;
- **Artificial intelligence:** address the issue of AI application, understand the connections between AI, automation and algorithms.

The workshop, which included all 3 modules, was highly interactive, allowing to stimulate the digital mindset, to educate on the correct use of digital technologies and to develop new skills.

At the end of the training the participants received a certificate of participation.

Aiming at improving skills and knowledge of its youngest employees, Artsana has continued a Coaching & Tutoring path. This approach has different objectives such as enhancing the Group's resources by strengthening the self-confidence of employees, autonomy and planning capacities, but also integrating learning activities with professional experience. This initiative is very useful because it allows new employees to start their professional career under the guidance of more competent people, promoting a quick and safe integration into the work environment and also ensuring an immediate learning of Artsana rules and practices. In a view of continuous improvement for its employees, Artsana has launched the assessment & individual plan for new joiners at all levels, aiming at evaluating its people both from a technical skills knowledge point of view and from soft skills and transversal competence point of view.

This initiative integrates the personal evaluation and development plan applied to the whole population in Italy, called Wave.

## WE ARE THE VALUE OF THE ENTERPRISE. THE WAVE PROJECT

The Wave project, acronym of We Are the Value of the Enterprise, is a soft skills evaluation system that allows to measure the performance of employees against the 4 company values (Passion, Responsibility, Innovation and Person) and the associated behaviors. Wave's objectives are multiple: to enhance, motivate and involve them in improving their performances and to guide them according to common guidelines; increase the sense of fairness and recognition of merit, improve the communication between colleagues and lastly to guide people's development.

On a wider level the project testifies Artsana's commitment in promoting internal dialogue, debate and growth. In 2019, the project involved Artsana employees from HQ, Italian production units, warehouses and shops, with permanent

and fixed-term contracts and company seniority of more than 6 months. The assessment was carried out on three levels: self-assessment, direct manager assessment and customer/internal supplier assessment.

In 2019, 572 employees were evaluated, of which 419 evaluated by both the manager and internal customers (73%) and 153 evaluated only by the direct manager (27%). The total number of evaluation sheets carried out amounted instead to 3,193, of which 572 related to self-assessments, 602 to evaluations of additional bosses and managers and 2019 to internal customers / suppliers. The average evaluation rate met completely the company target and originates individual plan for training and development in the following year.



## PARTITA DOPPIA, SOCIAL RESPONSIBILITY ON STAGE

This project is a significant example of Italian employee engagement, where Artsana organized in November 2019 an event involving more than 200 employees, aiming at spreading sustainability and social responsibility culture.

In this event, that was hosted in Artsana auditorium, an Italian actress Laura Curino put on stage an imaginary dialogue, "Partita doppia", between entrepreneurs who, in different historical periods and in different geographical and cultural contexts, have tried to combine the dimension of economical profit generation with a social and environmental vision.

These entrepreneurs were visionaries, courageously engaged in creating a new economical vision and their example is useful to fertilize the new protagonists of business world

with sustainable idea, in order to increase the awareness of the importance of these aspects.

Also, the show was accompanied by an itinerary exhibition, showing the experiences of these entrepreneurs that, between Italy and Switzerland, created international-relevance companies that were able to merge economical aspects with a significant social and environmental impacts, especially on the local communities where these companies rose.



## 3.3 Creating a culture for a safe and healthy work environment

Ensuring a safe and healthy work environment is one of Artsana's main objectives. For this reason, a large number of initiatives have been implemented aimed at creating a cultural transformation within employees, by increasing awareness on health and safety issues.

To maintain a safe work environment, every year the Group provides training courses for all employees, dedicated to health and safety. In 2019, the total number of health and safety training hours offered was 6,393, in slightly decrease with respect to 2018 (1.8 hours per employee). Training provided was more and more customized on the basis of the function's responsibilities in order to create more specific and tailored sessions and increase the efficacy and effectiveness of the courses.

Training on health and safety topics	UNIT	2017	2018	2019
<b>TOTAL HOURS</b>	<b>h</b>	<b>7,034</b>	<b>6,773</b>	<b>6,393</b>
<i>Average hours</i>	<i>h/employee</i>	1.9	1.9	1.8

Furthermore, the Group introduced a project to improve health and safety perception within its employees. Indeed, in 2019 Artsana decided to share with its people some videos regarding the correct behaviors that any employees should follow in order to avoid health problems. These videos were taken within Artsana plants and they aim at reducing health problems related to ergonomic problems. In a view to spreading the H&S information and procedures in an easier way and to innovating the Artsana internal procedure, from 2019 the Group has decided to make available all the health and safety management system documents on the corporate internal

SharePoint, subdivided also for specific site or working group. With the same idea, Artsana implemented a project aimed at managing HSE control audit and defining corrective actions to be carried on by delegate staff. Moreover the platform allows to access real time updated KPIs referred to audit progress and corrective action assigned. This innovative tool offers the possibility of an effective management of inserted data, creating also ad-hoc reports, checklists and action plans. The goal of the project was to structure a clear and always updated vision over the state of the plants and an historical report of the past, and also to monitor all the processes directly on site.

### BEHAVIOR BASED SAFETY

The Behavior Based Safety System is a program implemented within Artsana production plants since 2018. It consists of a series of checklists on health and safety, that allow to monitor the employees' behaviors. By compiling these tools, it is possible to generate advices based on the incorrect behaviors and, consequently, to act in order to avoid them in the future.

The objective of this program is developing a security culture based on reciprocal observation within operators and the implementation of active action plans as demonstrated by 2019 data:

Plant	Checklists completed	Safe behaviors monitored	Actions generated	State of completion
Verolanuova Plant	297	90%	44	87%
Gessate Plant	613	94%	125	63%

For what concerns numeric data, starting from 2019 Artsana reports figures in accordance with the new GRI Standards, related to Health&Safety topics. In a view of a continuous improvement, from 2019 the Group has started to collect H&S

data related to the other workers, aiming at better understanding the safety aspects within Artsana workplaces. This aspect also testifies Artsana's willing to take care of all the people involved in its value chain and not only of its employees.

Health and safety - employees		UNIT	2017	2018	2019
	Number of injuries	n.	44	36	43
	Injury rate [number of injuries/hours worked x 1,000,000]	n.	7.0	6.1	7.3
	Number of high-consequence work-related injuries	n.	1	0	0
	High-consequence Injury rate [number of injuries/hours worked x 1,000,000]	n.	0.16	0	0
	Number of fatalities	n.	0	0	0
	Fatality rate [number of fatalities / hours worked x 1,000,000]	n.	0	0	0
	Lost day rate [number of lost days for injuries/hours worked x 1,000]	n.	0.2	0.2	0.2
	Hours worked	n.	6,312,132	5,969,412	5,888,235

Health and safety - other workers		UNIT	2017	2018	2019
	Number of injuries	n.	0	0	2
	Injury rate [number of injuries/hours worked x 1,000,000]	n.	0	0	8,0
	Number of high-consequence work-related injuries	n.	0	0	0
	High-consequence Injury rate [number of injuries/hours worked x 1,000,000]	n.	0	0	0
	Number of fatalities	n.	0	0	0
	Fatality rate [number of fatalities / hours worked x 1,000,000]	n.	0	0	0
	Lost day rate [number of lost days for injuries/hours worked x 1,000]	n.	0	0	0
	Hours worked	n.	0	0	250,664

*Injury rate and lost day rate are calculated taking into account only work-related accidents. Lost days are calculated as calendar days and the day of the event is not accounted. 2017 data not included Argentina.*

## COVID-19 CRISIS MANAGEMENT

Without any doubt, Covid-19 has been the most critical situation that the worldwide community has to face since many years. Italy, and especially Northern Italy, has been one of the most affected countries and Artsana had to properly manage this crisis to guarantee both people health and safety and business continuity. In the first phases, the group has organized specific management meetings, in order to better response to the crisis, assessing risks and possible consequences on processes operativity and employee safety, and it has decided to implement smart-working in order to reduce the contact between people. To better manage the situation, Artsana created a specific committee that was in charge of managing all the aspects impacted by Covid-19 (such as relationships with clients, physical stores, storage facilities management, and employees H&S).

Even if it has been, and it still is, a difficult situation, Artsana has been able to minimize the impact on its activities, thanks to the Group reactivity and its already advanced process automation system, guaranteeing the business continuity and always keeping people's health and safety as first priority.

# Human Resources data appendix

## Hirings and terminations

	HIRINGS				TERMINATIONS			
	Unit	2017	2018	2019	Unit	2017	2018	2019
<b>WOMEN</b>	n.	597	445	498	n.	599	553	481
<b>MEN</b>	n.	241	159	166	n.	269	203	168
<b>Less than 30 years old</b>	%	52	54	52	%	43	46	41
<b>From 30 to 50 years old</b>	%	43	45	45	%	47	47	47
<b>More than 50 years old</b>	%	5	1	3	%	10	7	12
<b>ARGENTINA</b>	n.	0	10	7	n.	0	14	17
<b>BELGIUM</b>	n.	0	1	2	n.	0	1	2
<b>BRAZIL</b>	n.	17	48	49	n.	37	48	52
<b>CHINA</b>	n.	19	31	34	n.	22	19	27
<b>FRANCE</b>	n.	15	7	8	n.	20	9	7
<b>GERMANY</b>	n.	1	1	15	n.	0	2	5
<b>INDIA</b>	n.	27	57	35	n.	19	32	30
<b>ITALY</b>	n.	108	78	122	n.	153	108	86
<b>JAPAN</b>	n.	-	-	1	n.	-	-	0
<b>MEXICO</b>	n.	7	5	5	n.	26	24	5
<b>POLAND</b>	n.	0	4	6	n.	1	1	5
<b>PORTUGAL</b>	n.	110	120	128	n.	113	119	101
<b>ROMANIA</b>	n.	361	103	103	n.	335	240	171
<b>RUSSIA</b>	n.	8	5	1	n.	4	2	4
<b>SPAIN</b>	n.	79	71	74	n.	80	75	58
<b>SWITZERLAND</b>	n.	2	4	0	n.	2	4	1
<b>TURKEY</b>	n.	62	50	52	n.	37	48	53
<b>UK</b>	n.	7	3	3	n.	7	7	10
<b>USA</b>	n.	15	6	19	n.	12	3	15
<b>TOTAL</b>	n.	838	604	664	n.	868	756	649

	HIRINGS				TERMINATIONS			
	Unit	2017	2018	2019	Unit	2017	2018	2019
<b>WOMEN</b>	%	16	13	14	%	16	16	13
<b>MEN</b>	%	7	5	5	%	7	6	5
<b>Less than 30 years old</b>	%	12	9	10	%	10	10	7
<b>From 30 to 50 years old</b>	%	10	8	8	%	11	11	8
<b>More than 50 years old</b>	%	1	0	0	%	2	2	2
<b>ARGENTINA</b>	%	0	0	0	%	0	0	0
<b>BELGIUM</b>	%	0	0	0	%	0	0	0
<b>BRAZIL</b>	%	0	1	1	%	1	1	1
<b>CHINA</b>	%	1	1	1	%	1	1	1
<b>FRANCE</b>	%	0	0	0	%	1	0	0
<b>GERMANY</b>	%	0	0	0	%	0	0	0
<b>INDIA</b>	%	1	2	1	%	1	1	1
<b>ITALY</b>	%	3	2	3	%	4	3	2
<b>JAPAN</b>	%	-	-	0	%	-	-	0
<b>MEXICO</b>	%	0	0	0	%	1	1	0
<b>POLAND</b>	%	0	0	0	%	0	0	0
<b>PORTUGAL</b>	%	3	3	4	%	3	3	3
<b>ROMANIA</b>	%	10	3	3	%	9	7	5
<b>RUSSIA</b>	%	0	0	0	%	0	0	0
<b>SPAIN</b>	%	2	2	2	%	2	2	2
<b>SWITZERLAND</b>	%	0	0	0	%	0	0	0
<b>TURKEY</b>	%	2	1	1	%	1	1	1
<b>UK</b>	%	0	0	0	%	0	0	0
<b>USA</b>	%	0	0	1	%	0	0	0
<b>TOTAL</b>	%	23	17	18	%	24	22	18

**Note:**

2017 Hiring and Terminations data for Argentina were not available.











2017 and 2018 termination data do not consider Pikdare employees, that instead are included within workforce data.

2018 termination figures have been updated with respect to the 2018 Artsana Sustainability Report.

2017 and 2018 employees' data do not include employees in parental leave at 31st December.

## 2019 figures for work-related injuries

### Employee data by region:

	Number of Injuries	Injury rate [number of injuries/hours worked x 1,000,000]	Number of high-consequence work-related injuries	High-consequence Injury rate [number of injuries/hours worked x 1,000,000]	Work-related fatalities
UNIT	n.	n.	n.	n.	n.
 ARGENTINA	0	0	0	0	0
 BELGIUM	0	0	0	0	0
 BRAZIL	3	10.5	0	0	0
 CHINA	0	0	0	0	0
 FRANCE	0	0	0	0	0
 GERMANY	0	0	0	0	0
 INDIA	0	0	0	0	0
 ITALY	17	8.7	0	0	0
 JAPAN	0	0	0	0	0
 MEXICO	0	0	0	0	0
 POLAND	0	0	0	0	0
 PORTUGAL	18	26.1	0	0	0
 ROMANIA	0	0	0	0	0
 RUSSIA	0	0	0	0	0
 SPAIN	5	13.6	0	0	0
 SWITZERLAND	0	0	0	0	0
 TURKEY	0	0	0	0	0
 UK	0	0	0	0	0
 USA	0	0	0	0	0
<b>TOTAL</b>	<b>43</b>	<b>7.3</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Employee data by gender:

<b>MEN</b>	13	6.4	0	0	0
<b>WOMEN</b>	30	7.8	0	0	0
<b>TOTAL</b>	<b>43</b>	<b>7.3</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Other workers (interns and agency workers) data by region:

	Number of Injuries	Injury rate [number of injuries/hours worked x 1,000,000]	Number of high-consequence work-related injuries	High-consequence Injury rate [number of injuries/hours worked x 1,000,000]	Work-related fatalities
UNIT	n.	n.	n.	n.	n.
 ARGENTINA	0	0	0	0	0
 BELGIUM	0	0	0	0	0
 BRAZIL	0	0	0	0	0
 CHINA	0	0	0	0	0
 FRANCE	0	0	0	0	0
 GERMANY	0	0	0	0	0
 INDIA	0	0	0	0	0
 ITALY	1	not available	0	0	0
 JAPAN	0	0	0	0	0
 MEXICO	0	0	0	0	0
 POLAND	0	0	0	0	0
 PORTUGAL	0	0	0	0	0
 ROMANIA	0	0	0	0	0
 RUSSIA	0	0	0	0	0
 SPAIN	0	0	0	0	0
 SWITZERLAND	0	0	0	0	0
 TURKEY	0	0	0	0	0
 UK	0	0	0	0	0
 USA	1	27.1	0	0	0
<b>TOTAL</b>	<b>2</b>	<b>8.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: Worked hours by other workers data in Italy is not available.

## Other workers (interns and agency workers) data by gender:

<b>MEN</b>	1	9.3	0	0	0
<b>WOMEN</b>	1	7.0	0	0	0
<b>TOTAL</b>	<b>2</b>	<b>8.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: Worked hours by other workers data in Italy is not available.



A large, bold, orange number '4' is positioned on the left side of the page. The background is a blurred image of a beach with waves crashing onto the shore under a clear sky. The top of the page has a dark blue horizontal bar, and the bottom has a dark blue background with an orange vertical bar on the right side.

# Parenting the Earth

Everyone, from the single person to the largest organization, has an impact on the planet with its activities and decisions. Therefore, it is fundamental to make each decision by taking into consideration the effects that it may produce for the Planet and the heritage that it may leave for the next generations.

SAVE THE  
PLANET



Parenting for Artsana is not just a claim, it means feeling responsible for taking care of the world that surrounds us, monitoring and mitigating all the possible impacts on the environment in all its business activities and operations.

The values of sustainability must be embedded throughout the entire value chain, studying and actively engaging in developing and implementing new and innovative solutions to protect all the relevant environmental aspects: energy and water resources, materials, waste generation and GHG emissions. Following the willingness and embracing the commitment towards the preservation of our home, Artsana has formalized its guiding principles into the Artsana's environmental sustainability policy, based on the following principles, which translate into long-term objectives (linked to the Sustainable Development Goals) and planned actions, the implementation of which is reported year after year in the sustainability report:

- ◆ **implementing effective environmental management systems**, to integrate environmental principles to assure effective monitoring, reviews and evaluation of policies, procedures, activities;
- ◆ **performing environmental risk and impact assessment** for processes and new products (e.g. product lifecycle assessments, evaluation of raw materials profile);
- ◆ **adopting new technologies and business models** to assure environmental efficiency (new materials, circular economy principles, renewable energies);
- ◆ **implementing projects and initiatives** aiming to reduce environmental footprint throughout the whole value chain;
- ◆ **starting and participating to collective actions, programs and initiatives** to assure, sustain and promote environmental impact reduction and the arising of environmental consciousness.

Sharing the responsibility towards our planet represents and summarizes the Artsana's strong willingness to play an active role in preserving the environment, natural resources and ecosystems for the well-being of future generations.



# 4.1 A sustainable production

Over the years, Artsana has built a strong and enduring network of commercial and production units, suppliers and distribution channels.

The production units for the baby care area consist in four manufacturing facilities located in Italy and Romania:

- ◆ the **Verolanuova** (Brescia, Italy) facility produces juvenile, nursing and toys products. In particular this year, the Verolanuova facility obtained the environmental certification according to the international standard ISO 14001:2015;
- ◆ the **Gessate** (Milan, Italy) production unit is dedicated to cosmetic products. This facility also has an environmental management system certified in 2018 according to the international standard ISO 14001:2015;
- ◆ The production unit located in **Grandate/Casnate** (Como, Italy), an external plant of the Verolanuova production unit, is specialized in natural rubber semi-finished nursing products and includes a laboratory for products and prototype quality tests;
- ◆ the **Botosani** (Romania) production unit produces both finished products and semi-finished textile linings used in the Verolanuova plant.



## ITALY



### Grandate (CO)

- Rubber nursing products



### Gessate (MI)

- Cosmetics



### Verolanuova (BS)

- Feeding and soothing
- Indoor, Outdoor and Car Safety



## ROMANIA



### Botosani

- Feeding and soothing
- Indoor, Outdoor and Car Safety

All the Artsana's production units have a certified management system according to the ISO 9001:2015 system international standard. In addition, Artsana relies on three **warehouses** located in Italy: **Casnate**, which hosts the storage of raw materials and finished and semi-finished products before their international distribution, **Reggio Emilia** and **Verolanuova**, where storages of garments, shoes and juvenile products are based.

Inbound and outbound transportation from/to production units and warehouses mainly occurs via trucks and cargo ships.

Artsana is committed to constantly maximize the reliability and efficiency of the distribution networks and to minimize the relative costs and environmental impacts. In particular,

logistics is carefully organized for optimizing the transportation paths in terms of number and load size. Also, the distribution network from suppliers to the production sites and from proprietary facilities to the end consumers, is designed with the aim of minimizing the potential impacts of Artsana's global network.



## DID YOU KNOW?

The **ISO 14001 certification** refers to the international standard that specifies requirements for an effective environmental management system (EMS). Applying this standard the company is able to reduce waste, improve resource efficiency and costs.

This certification confirms the commitment of the Group towards a better understanding and a more efficient management of the environmental impacts of the plant.

## 4.2 A responsible supply chain

Artsana's idea of parenting is about taking care of others, therefore also trust and collaboration are pillars of long lasting relationships with suppliers established in a common growth path.



With the intent to create and cultivate a solid relationship with its suppliers, the Group requires them to adhere to its **Code of Ethics**, which represents Artsana's ethical values and outlines the rights, duties and responsibilities that they need to maintain for a positive relationship built on responsible business management.

The Group keeps up with key facts and trends, monitoring multiple sources of public information on human rights and health & safety at work, to adequately address them throughout the supply chain. Indeed, Artsana exercises active monitoring and controlling of its suppliers in line with ILO conventions on Human Rights topics,

including child or forced labour. Such assessments are made also through independent international auditing companies and through the adhesion to specific industries' ethical programs, such as the International Council of Toy Industries (ICTI) Ethical Toy Program and the Bangladesh Accord for the Ready-Made Garment industry. Artsana also recognises other international programs for other product categories, such as SA8000, BSCI and SEDEX. 100% of finished product suppliers undergo a specific assessment, which includes also the engagement of suppliers to proactively apply Artsana's conduct rules in their own supply chain. A risk-based approach is adopted to make direct inspections also on suppliers' own supply chain, to assure the effective adoption of the conduct rules beyond Artsana's direct suppliers. Artsana carries out social audits on suppliers located outside Italy and Europe every 2 years or, in higher risk countries from the point of view of human rights, child labour or forced labor, at least every 12 months. In India, Pakistan, Bangladesh and Egypt, Artsana carries out third-party audits on building integrity and fire and electrical safety according to specific rules, which are a voluntary extension of Bangladesh Accord for the Ready-Made Garment industry rules, with a 100% audit coverage. In order to share good behaviors and best practices, the Group continues to meet and engage suppliers to make them part of its sustainability strategy and projects, more recently even with an environmental scope (e.g. Sustainability Report and ESG Policy), and to go through how they are managing sustainability issues and which programs or projects they implemented. This process aims at creating a responsible and constructive collaboration with all the actors of Artsana's value chain, by sharing ideas, projects, objectives, and best practices.

## DID YOU KNOW?

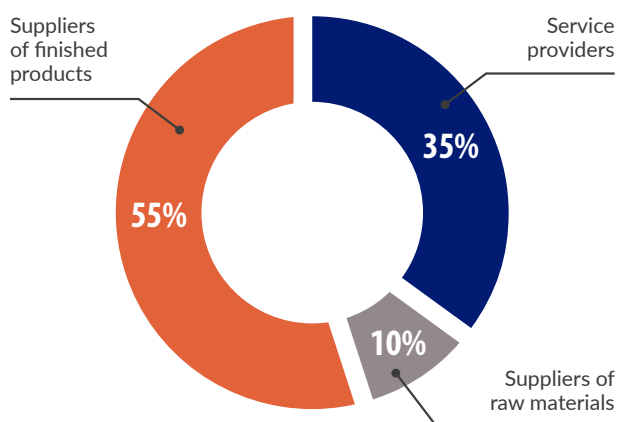
In 2016, the Global Compact Network Italy (GCNI) started a path to promote the 17 United Nations Sustainable Development Goals. As part of this path, the GCNI has launched two national hubs aimed at investigating and enhancing the contribution of Italian companies to the implementation of the UN Agenda 2030: the **Business & SDGs High Level Meeting** and the **Italian Business & SDGs Annual Forum**.

The former consists of a traveling round table reserved for CEOs and Presidents of large Italian companies, while the second brings together, every year, professionals and practitioners of sustainability with the aim of encouraging a coordinated approach to the 2030 challenges. Between the end of 2018 and 2019, as a further step on the path to support Agenda 2030, the GCNI launched several collective actions, among which, one on **responsible and sustainable supply chain management** supply chain management, joined also by Artsana.

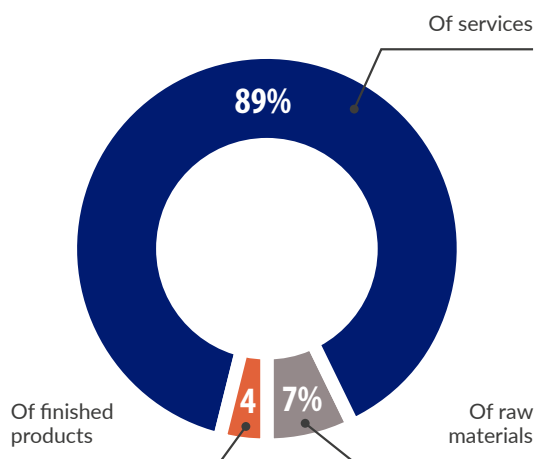
This initiative addressed big organizations, PMIs or start-ups, NGOs that are engaged in sustainability topics, public entities, national or local administrations, universities and research centers, for promoting sustainability topics along the entire supply chain, strengthening strategies, policies and business tools for **sustainable supply chain management** and for sharing good practices.

In 2019, the Group spent **€ 482.7 million** on **5,415 suppliers**. Of the total purchased value, 55% was spent on suppliers of finished products, which represent only the 4% of the total number of suppliers, since Artsana relies on few trustworthy and qualified suppliers for products that are purchased and directly sold through its distribution network. The largest number of suppliers belongs to the service provider category, on which Artsana spends 34% of the total purchased value.

### 2019 Purchased value



### 2019 Number of suppliers



SUPPLIERS CATEGORY BY NUMBER AND BY SPENDING		UNIT	2017	2018	2019
Of raw materials	suppliers (n.)		192	197	206
	spending (%)		58%	54%	55%
Of raw materials	suppliers (n.)		390	400	397
	spending (%)		10%	11%	10%
Of services	suppliers (n.)		3,757	4,352	4,812
	spending (%)		32%	35%	35%
<b>TOTAL</b>	<b>suppliers (n.)</b>		<b>4,339</b>	<b>4,949</b>	<b>5,415</b>

Artsana sells its products through several **distribution channels**, which include both direct interactions with the end consumers (through Artsana branches and its owned and franchising shops) and indirect exchanges (by means of intermediaries such as distributors or traders).

In order to anticipate market trends and to meet clients' needs in terms of higher flexibility, Artsana is continuously exploring new distribution channels, optimizing the efficiency of its distribution networks and leveraging the opportunities of new technologies.

The Group has indeed reinforced its e-commerce, In particular, in 2019 Artsana launched the US Boppy e-commerce platform, in order to make the connection with its American customers even easier.

Consistently with the US market digitalization, it has been registered an 84% increase in users on Boppy's ecommerce compared to the informative website, in addition to a significant impact on revenues.



## DID YOU KNOW?

Following 2020 low sulfur regulation, from the 1st January 2020, the **International Maritime Organization** asked that all ships worldwide reduce their sulfur emissions. To do that, the sulfur in the fuel oil has been reduced from 3.50% to 0.50% and this reduced the amount of produced sulfur oxide emissions and generated global health and environmental benefits, including improvement of air quality and reduction of ocean acidification risks. In this context, Artsana has turned all its ship fleet into a lower sulfur emissions one.



## 4.3 Monitoring our environmental footprint

Evaluating and monitoring its own performances are the basis for starting to know itself and are fundamental elements for processes continuous improvement and for the reduction of the environmental footprint. Artsana pays special attention to its energy, raw materials and water usage, and implement implements constantly new initiatives to reduce consumptions and decrease the amount of GHG emissions and waste produced.

Artsana has focused its effort during recent years on implementing **environmental management systems (EMS)** in its production units designed according to the ISO 14001 international standard. As a result of these efforts, in 2018 and 2019 respectively, EMSs of Gessate and Verolanuova units were certified according to **ISO 14001:2015**. Moreover, in a continuous improvement perspective, Artsana carries out internal audits related to health, safety and environmental aspects, and discusses the results of such audits during monthly management meetings.

### 4.3.1 ENERGY CONSUMPTION AND EFFICIENCY

Artsana's energy consumptions are mainly related to electricity purchased from the national grid (more than 35%) and to the consumption of natural gas (more than 55%), which is used for heating purposes in the production units and offices, for combustion process within trigeneration plant in Verolanuova site, and for industrial purposes

in the production of steam in the Gessate site. In 2019, the total energy consumption has increased of about 5% with respect to 2018, due to an increase in the production, that caused an higher energy demand.

The evident drop in the electricity consumption and the increase in the natural gas consumption are mainly due to the Verolanuova trigeneration plant, fully operative for the whole 2019, that was able to produce 16,999 GJ of electric energy, consumed internally.

#### DID YOU KNOW?

In order to share its know-how and best practices, in 2019, Artsana participated to the **European Peer Learning Group on climate change**, with other 19 European organizations. The initiative was organized by the German, French, Spanish, Italian, Swiss and Danish Local Global Compact Networks. The aim is to promote dialogue between companies from different national contexts and to encourage the comparison of their experiences on the importance of adopting a corporate climate strategy and setting ambitious climate targets, which are in line with the target defined by the Paris Climate Agreement to limit the increase in global warming to 1.5°C.

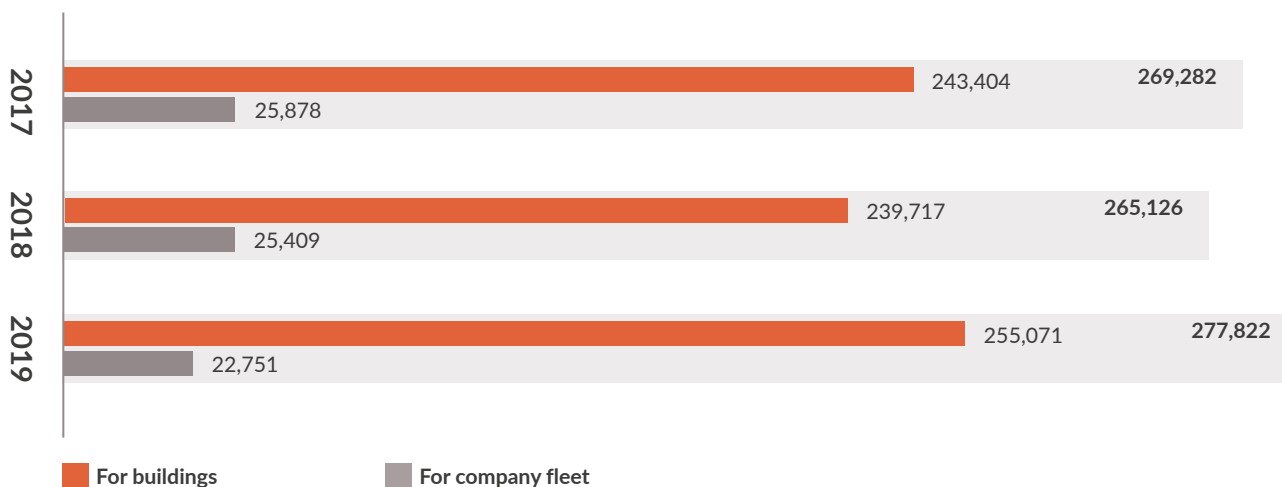
ENERGY CONSUMPTION	UNIT	2017	2018	2019
<b>Energy consumption - for buildings</b>	<b>GJ</b>	<b>243,404</b>	<b>239,717</b>	<b>255,071</b>
<i>Of which from natural gas</i>	GJ	121,181	120,087	153,974
<i>Of which from diesel</i>	GJ	6,875	6,878	7,703
<i>Of which from LPG</i>	GJ	90	89	63
<i>Of which from petrol</i>	GJ	431	423	604
<i>Of which electricity from the national grid</i>	GJ	114,827	112,240	92,727
<b>Energy consumption - for Company fleet</b>	<b>GJ</b>	<b>25,878</b>	<b>25,409</b>	<b>22,751</b>
<i>Of which diesel vehicles</i>	GJ	24,751	24,304	21,222
<i>Of which gasoline vehicles</i>	GJ	1,127	1,105	1,529
<b>TOTAL</b>	<b>GJ</b>	<b>269,282</b>	<b>265,126</b>	<b>277,822</b>

**Note:** Tecnilatex's consumptions are included. 2017 data not available for Mexico and 2019 data not available for Belgium. For France only electricity consumption data was available.

## ENERGY CONSUMPTION (GJ)

It is therefore evident how **energy management** and efficiency play a crucial role. Indeed, energy efficiency represents one of Artsana's key priorities, and for this reason energy consumptions are carefully monitored in order to identify and quantify improvement areas and opportunities for energy savings, and to better embed sustainability in all the production processes.

According to this vision, in 2019, Artsana implemented several initiatives to reduce energy consumptions, both in the Italian and foreign facilities.



MAIN ENERGY EFFICIENCY INITIATIVES	COUNTRY	ENERGY SAVING (GJ)	CO2 SAVING (TON CO2)
<i>Trigeneration plant</i>	Italy (Verolanuova)	11,876	1,181
<i>LED lights installation</i>	Italy (Verolanuova)	3,995	302
<i>Compressor revamping</i>	Italy (Gessate)	1,895	143
<i>HVAC system installation</i>	Italy (Gessate)	377	18
<i>Compressor revamping and LED lights installation</i>	Romania	1,248	99
<b>TOTAL</b>		<b>19,394</b>	<b>1,743</b>

With respect to Italy, one of these initiatives is the **trigeneration plant** in the **Verolanuova** unit, which is operative since December 2018, and in 2019 it has been able to produce at full capacity. Thanks to this technology, it was possible to produce electricity, cooling and heating from the combustion of natural gas with a recovery circuit of thermal energy. Since its implementation, this intervention has allowed overall savings in terms of total primary energy consumption of around 11,876 GJ (equal to 1,181 tons of avoided CO2 emissions in 2019), due to the fact that the trigenerator reuses the heat produced in the power generation processes. In particular, during the winter season, it uses the heat to warm-up

the water of the heating circuits (thus causing a lower boiler fuel consumption), while, during the summer season, it cools down the water in the cooling circuits (with a consequent lower chiller consumption). Another significant action related to energy management in the Verolanuova site is the **installation of LED lights**, that allows to spare almost 4,000 GJ of primary energy and to avoid the generation of more than 300 tons of CO2.

A business plan for the installation of a trigeneration plant in the Gessate unit was also presented in 2018 and is currently under evaluation. In the **Gessate** unit a compressor has been revamped, with a new model of 90

kW: this innovation has reduced the primary energy consumption of almost 1,900 GJ and has reduced the CO2 emissions of almost 150 tons. Again, in Gessate, an HVAC system has been installed, reducing the primary energy consumption of about 380 GJ and the CO2 emissions of almost 20 tons. Measuring consumption is one of the first ways through which organizations can monitor performances and determine improvement action plans. In 2019, Artsana installed a **metering system in the Romanian plant** to measure the consumption of electricity and natural gas, the same system already installed in 2018 in the **Italian facilities**. The metering systems are positioned in strategic points for the specific monitoring of energy consumption data, with the aim of detecting and proposing ad hoc solutions and improvement actions. Only in 2019, the analyses of the metering system figures permitted to identify possible improvement solutions to be implemented, such as the installation of a free cooling system and the right maintenance of the existing chiller system. Regarding the Romanian site, **metering system** has allowed to engage energy efficiency initiatives to save more than 1,200 GJ of primary energy, thanks to the revamp of the air compressor and to the LED lights installation. Consequently, almost 100 tons of CO2 have been avoided. Many other initiatives

have been planned for the next years and they testify the commitment of Artsana towards the energy resources consumption reduction and optimization, in a view of preserving the world for the future generations.

#### 4.3.2 GREENHOUSE GAS (GHG) EMISSIONS

In 2019, Artsana drafted its fourth **carbon footprint** according to the **Greenhouse Gas Protocol**, one of the most important internationally recognized standards for the accounting and reporting of greenhouse gas emissions. According to this standard, Artsana included in the calculations **direct GHG emissions (scope 1)**, related to direct energy consumption and to the refrigerant gases refilling of air-conditioning systems, and **indirect emissions from energy purchase (scope 2)**, mainly related to electricity purchased from the national grid. In addition to these categories and on a voluntary basis, Artsana also calculated other **indirect GHG emissions (scope 3)** deriving from employees' business travels by plane and train and from the logistics of its products and materials.

According to this classification, detailed emissions categories have been considered in the calculation of the carbon footprint, and the related trends in the three-year period in terms of tons of CO2eq have been analyzed.

	GHG EMISSIONS	UNIT	2017	2018	2019
<b>Direct Emissions (Scope 1)</b>		tCO <sub>2</sub> eq	<b>9,958</b>	<b>9,964</b>	<b>10,783</b>
<i>emissions from fuels for heating and other purposes</i>		tCO <sub>2</sub> eq	6,978	7,094	8,253
<i>emissions from fuels used for Company's car fleet</i>		tCO <sub>2</sub> eq	2,793	2,721	2,235
<i>Emissions from refrigerant gases refilling of air-conditioning systems</i>		tCO <sub>2</sub> eq	187	149	295
<b>Indirect Emissions from energy purchase (Scope 2)</b>		tCO <sub>2</sub> eq	<b>10,935</b>	<b>10,672</b>	<b>9,131</b>
<i>emissions from electricity purchased from national grid (location-based approach)</i>		tCO <sub>2</sub> eq	10,935	10,672	9,131
<b>Other indirect Emissions (Scope 3)</b>		tCO <sub>2</sub> eq	<b>18,482</b>	<b>20,543</b>	<b>21,388</b>
<i>emissions from employees' business travels</i>		tCO <sub>2</sub> eq	3,437	3,389	2,642
<i>emissions from logistics</i>		tCO <sub>2</sub> eq	15,045	17,154	18,746
<b>TOTAL</b>		tCO <sub>2</sub> eq	<b>39,375</b>	<b>41,179</b>	<b>41,302</b>

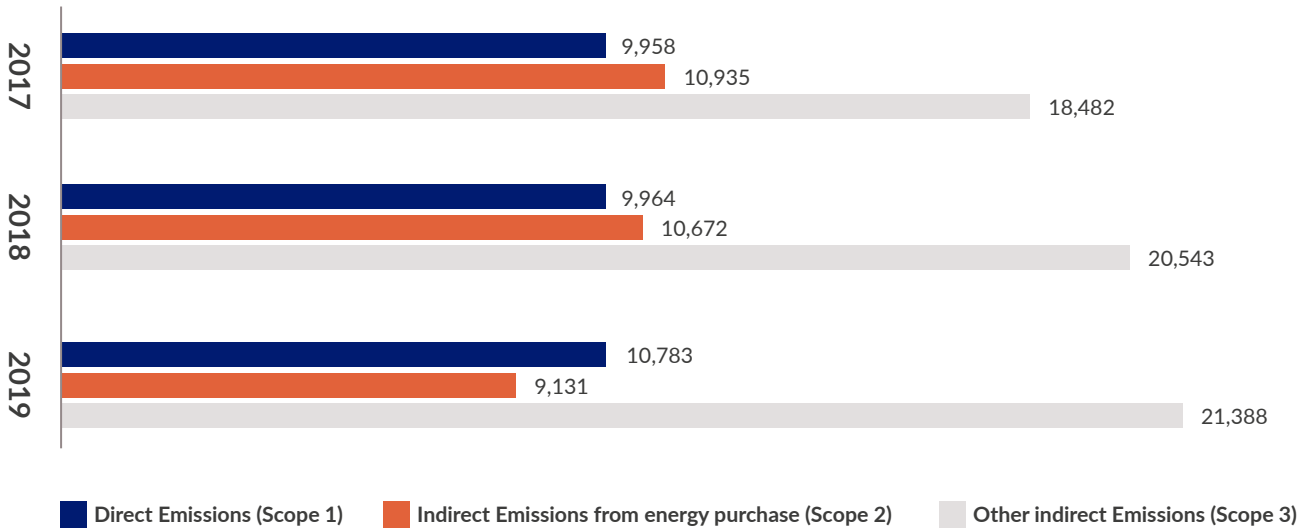
**Note:** Scope 1 and 2 emission data include Tecnilatex's emissions.

**Scope 1 emission:** 2019 data not available for Belgium and France.

**Scope 2 emission:** 2017 data not available for Mexico and 2019 data not available for Belgium.

**Scope 3 emission:** 2017 data for travel by train not available for Spain and 2019 data for travel by train not available for Belgium and France. 2017 data for logistics include only the commercial subsidiaries located in France, Spain, Portugal and USA. 2018 data have been updated in 2019.

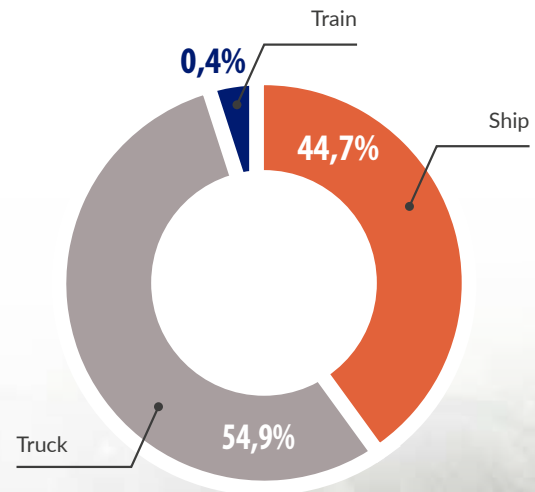
## GHG EMISSIONS (tCO<sub>2eq</sub>)



With respect to 2018, the 2019 Scope 1 emissions increased of about 8%, however the Scope 2 emissions decreased of more than 14% thanks to the installation of the new trigeneration plant in Italy and to the installation of new energy efficient LED light fixtures in the Romanian plant. Regarding the Scope 3 emissions, values increased in the reporting period between 2017 and 2019 (+15%) because of an increase in the logistic activities due to the broadening of the routes considered. Considering the comparison between 2018 and 2019, the Scope 3 emissions increased of 4% due to a significant increase in transportation by truck related to an increase in the sales.

Emissions resulting from logistics represent 45% of the total GHG emissions in 2019 and include inbound and outbound transportation of raw materials and finished and semi-finished products to and from Artsana's production units and warehouses. Logistic activities are completely outsourced, and they are carried out mainly by truck (54.9%) and by cargo ship (44.7%).

## 2019 Emissions from logistics by mean of transport



### 4.3.3 RAW MATERIALS AND PACKAGING

Considering the variety of the production processes, the main materials Artsana uses in its production units are:

- **plastics**, mainly used in manufacturing activities carried out in the production unit in Verolanuova (Italy);
- **chemicals**, mainly used for the production in the plant in Gessate (Italy);
- **metal components**, needed for making products' components;
- **textiles**, used in the production unit located in Romania.

Furthermore, the Group outsources part of its finished products to external vendors, which always undergo a strict qualification process in order to ensure they fully meet Artsana's quality and safety requirements.

In 2019, the Group used about 7,200 tons of materials for production purposes (-4% compared to 2018 and -13% compared to 2017), of which 3,962 tons of plastics (55% of the total) and 2,179 tons of chemicals (30%).

Aware of the importance of reducing its environmental footprint, Artsana took part to a multi-stakeholders initiative, organized by GS1 and Scuola Universitaria Superiore of Pisa (University of Pisa), to identify a specific check-up tool to measure the circularity level of a product, identifying the different steps of the life cycle, from sourcing to recycle.

The aim of this tool is to identify and to maximize the circularity opportunities within productive process and consequently identify possible improvement actions (e.g. in terms of efficiency or innovation).

MATERIAL USED	UNIT	2017	2018	2019
Plastics	ton	5,137	4,162	3,962
Chemicals	ton	1,727	2,157	2,179
Metal components	ton	840	725	753
Textiles	ton	518	421	279
<b>TOTAL</b>	<b>ton</b>	<b>8,222</b>	<b>7,465</b>	<b>7,173</b>

### DID YOU KNOW?

In 2019, Artsana decided to invest on a new software platform that allows to perform computer mechanical simulations, generally made during the product development phase. With this innovative approach, the Group is able to anticipate any criticality that typically arise during industrialization and production phases, thus reducing the impact in terms of use of materials and related costs.

For spreading a wide company culture on these topics, Artsana has trained all the people involved in the product design phase, aiming at making this tool a core component of all Artsana's production processes.

For this reason, this initiative has been extended to all the hard goods business units and to the industrial department.

Considering the offices environmental impacts, in 2019 Artsana started to collect data related to primary plastic packaging consumption (e.g. plastic bottles), and that was equal to 450 ton, in order to identify potential improvement areas.

At the same time, Artsana has also initiated a dematerialization process, by fostering the use of digital documents and tools in every daily processes, or selecting recycled materials.



## PLASTIC & SUSTAINABILITY

In 2019, Artsana has launched a new project called **Plastic & Sustainability**. This project is linked to the SDG 12 (Responsible consumption and production) and aims at:

- eliminating all what is considered unnecessary plastics;
- innovating to ensure that plastic that is used within Artsana is reusable, recyclable or compostable;
- circulating all the plastic items into the economic cycle and outside the environment.

To pursue these goals, Artsana has started evaluating the substitution of actual materials used in the existing product lines with regenerated, compostable, biodegradable, organic or recyclable ones.

It is also adopting solutions to foster reuse, recycle, and waste reduction, such as padding and fabrics from recycled plastic bottles.

This project is bringing Artsana towards a new approach to product design, characterised by eco-design principles adoption (e.g. easily disposable components), ecological information about the products for customers, and new dedicated products lines.

In addition to the materials used in the production processes, Artsana used **cardboards, pallets** and other materials for the packaging of its finished products before distributing them to clients. Unlike what has been highlighted for production materials, packaging materials (cardboards and pallets) show a different trend in terms of

consumption with respect to 2018. Indeed, despite cardboards use has increased (+22%), pallets consumption is almost constant with respect to the previous year (around 1.6% of increase), thanks to a project of constant reuse of pallets.

MATERIAL USED	UNIT	2017	2018	2019
Cardboards	ton	4,431	3,736	4,569
Pallets	ton	1,512	1,526	1,550
<b>TOTAL</b>	<b>ton</b>	<b>5,943</b>	<b>5,262</b>	<b>6,119</b>

In continuity with the care Artsana has about packaging, the company is looking beyond products to address the environmental impact of its packaging and informative materials.

Therefore, as for 2018, Artsana continued to implement **FSC (Forest Stewardship Council) certified** product labels and tags for some collections belonging to fashion sector, in order to guarantee and assure to the client the sustainable origin of the packaging. Moreover,

in 2019, Goovi has also implemented packaging made of FSC paper and the elimination of leaflets has started for some products. In this context, the switch to tubes made of 50% recycled material has been realized and airless bottles have been adopted to minimize the waste of material.

On the e-commerce side, again with a view to reducing material consumption, some packaging components, such as tissue paper and adhesive labels, have been eliminated.

## DID YOU KNOW?

Promoted by Cosmetica Italia, Green Economy Observatory of Bocconi University *Sostenibilità in azienda* ("Sustainability in the company") is a project that aims at supporting companies interested in setting up or further enhance their strategy on environmental and sustainability issues, supporting them through a dual path, consisting both in training and in direct operational assistance.

For its second year of participation to this long-term innovation path focused on sustainability, Artsana decided to expand the life cycle assessment studies on new products. Compared to what was done the last year (LCA on packaging), in 2019 the company wanted to quantify and compare the environmental performances related to the life cycle of three products of the Chicco Baby Moments line.

The aim was to consolidate a methodology to systematically evaluate and compare along all the product life cycle the environmental performances, from production and sourcing of raw materials to the end of life.

#### 4.3.4 OTHER ENVIRONMENTAL ASPECTS

In its production units, the Group monitors its water consumption and the waste produced in order to strengthen processes and improve performances in terms of efficient and environmental impacts.

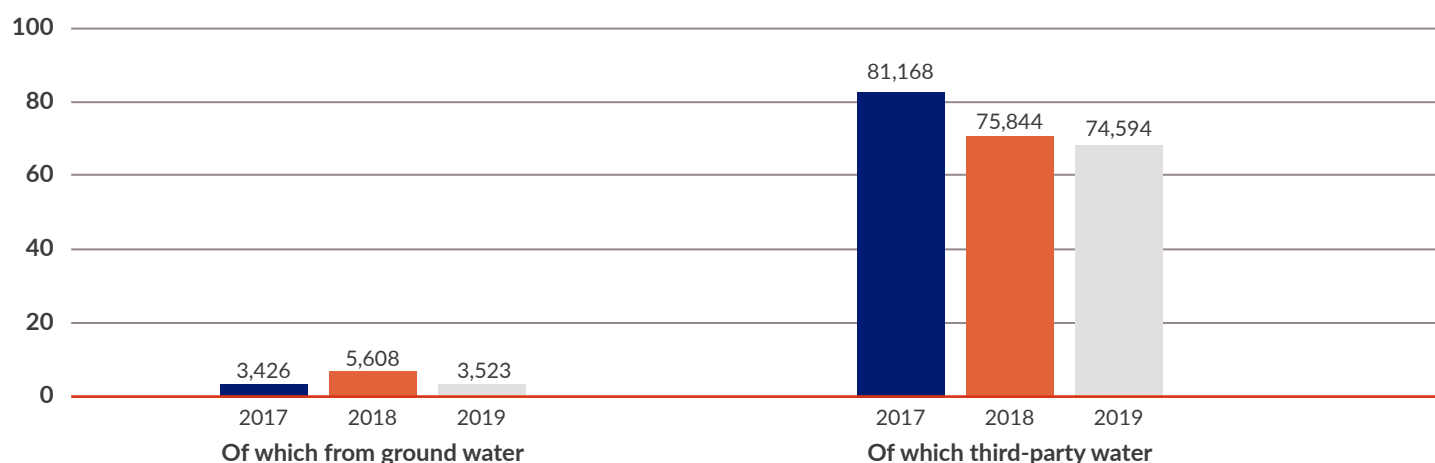
The total water consumption for 2019 has been equal to 78,117 m<sup>3</sup>, in slightly decrease than 2018 (-4%).

From all four production units, the Grandate

plant consumed the most amount of third-party water, equal to the 56% of the total, even if respect to previous year the water consumptions of Verolanuova plant increased due to the high demand for water required by the trigenerator for the operation of its evaporative towers.

Instead, for what concerns withdrawal from wells, in 2019, Artsana has been able to reduce the related consumption of 37% with respect to 2018.

### Water consumption (thousands m<sup>3</sup>)

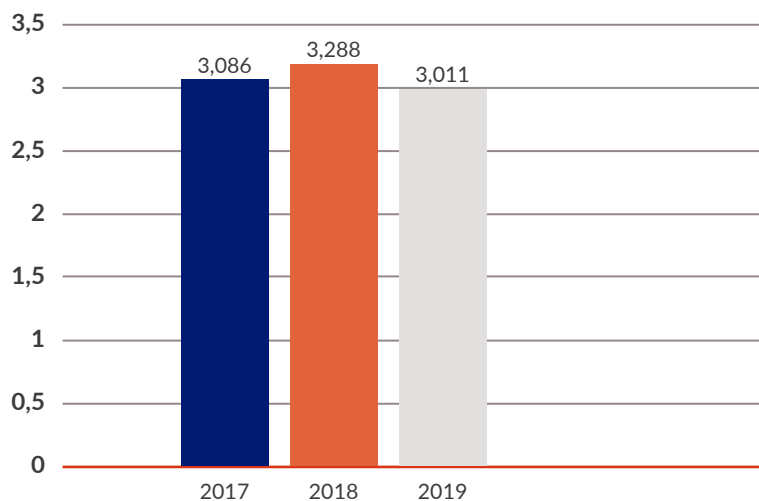


**Note:** The boundary only includes the four production units located in Verolanuova, Gessate and Grandate/Casnate (Italy) and Botosani (Romania). The 2019 water consumption of Grandate/Casnate from public network has been estimated due to metering system breakdown.

The only production unit with industrial water discharges was Gessate, in which cosmetics are produced. According to the environmental authorization (AUA - Autorizzazione Unica Ambientale) obtained by this unit in compliance with Italian regulations, Artsana constantly monitors the quality of discharged water with specific tests that consider parameters such as pH and COD (Chemical Oxygen Demand).

In addition, to reduce the wastewater sent to disposal, this production unit is equipped with a water treatment system that guarantees purified water. All the wastewater produced by Artsana plants are discharged into third-party facilities. In terms of performance, from 2018 to 2019 the Group experienced a decrease of produced wastewater of 8%.

### Water discharge (thousands m<sup>3</sup>)



**Note:** The boundary only includes the four production units located in Verolanuova, Gessate and Grandate/Casnate (Italy) and Botosani (Romania).

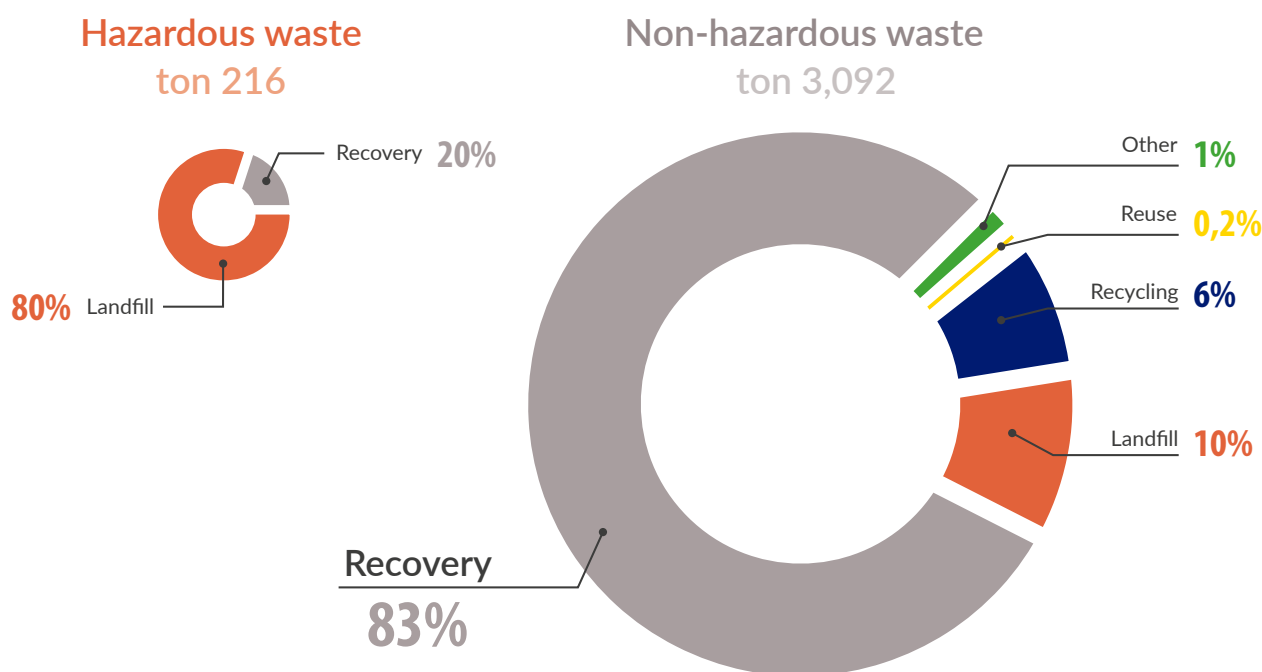


The results related to **waste production and management** activities are monitored during monthly management meetings in order to address improving actions. The waste produced by the industrial processes is mainly non-hazardous (almost 94% of the total amount of waste produced in 2019).

WASTE PRODUCTION	UNIT	2017	2018	2019
Hazardous waste	ton	162	154	216
Non-hazardous waste	ton	3,363	2,959	3,092
<b>TOTAL WASTE</b>	<b>ton</b>	<b>3,525</b>	<b>3,112</b>	<b>3,308</b>

To achieve the goal of reducing its environmental impact and thanks to its accurate waste management activities, in 2019 Artsana succeeded in sending a very high percentage of non-hazardous waste to recovery (83%) which also includes energy recovery. Additionally, regarding hazardous waste it was able to achieve a 20% rate of recovery.

### 2019 Waste production



### WASTE MANAGEMENT PROJECTS-ARTSANA ON A PURSUIT OF FOOTPRINT REDUCTION.

Artsana has started various projects related to waste management within its diversified business operations, in order to reduce the waste production and to enhance the recycling. These projects cover a wide range of recyclable or reusable materials such as electric and plastic toys components, washable cloths, cosmetic products, metallic product parts, silicon and paper. Here we have some examples of some initiatives carried out by Artsana in order to properly dispose, reuse or recycle the waste produced.



Specific recycling process over toys electrical components aiming at segregating plastic from electric parts. **Nearly 14 tons of electric waste separated** in 2029.



In the Verolanuova plants, **washable cloths**, usually intended for disposal, are used as rags, **extending the life of product that are still usable**.



Cosmetic products reused internally or resold or the CRA. **Avoided the disposal of 1.5 tons of product** and **recovered 180kg of soap** for internal use.



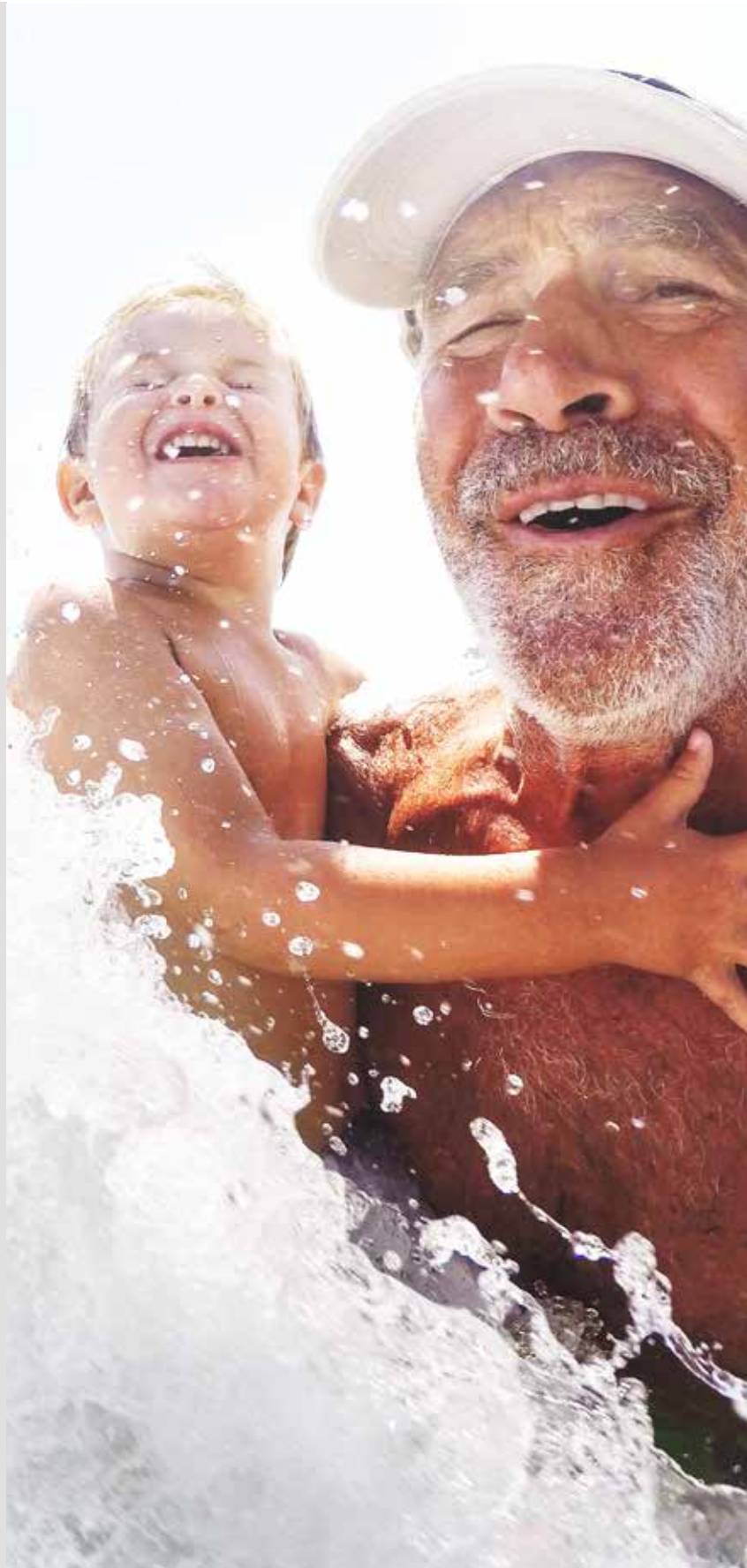
Specific recycling and disposal of **stroller components** aiming at segregating metallic, plastic and tissues wastes. 7 tons of metallic components separated in 2019.



Separation of the **silicon paper streams** (paper used as a label holder). **10 tons of paper recovered** in 2019.



**Separation** of fabric from the **plastic of car seats**, disposing such waste as plastic for recycling.





# Methodological note

Artsana's Sustainability Report has been prepared in accordance with the GRI Standards: Core option.

The contents of this report reflect the results of the materiality analysis, as required by GRI Standards and described in Chapter 1.



Artsana mapped the links between its material issues and the related GRI Standards topics and identified the reporting boundaries for each material topic, i.e. the impacts generated both within and outside the Group. The economic performance is related to the whole Artsana Group, while the social and environmental information refer to the brands Chicco, NeoBaby, Boppy, Fiocchi di Riso, Recaro and Goovi and comprise data related to:

- the production sites located in Italy and Romania;
- Italian owned shops;
- The headquarter located in Grandate (Como);
- Artsana's commercial subsidiaries in Argentina, Belgium, Brazil, China, France, Germany, India, Japan, Mexico, Poland, Portugal, Romania, Russia, Spain, Switzerland, Turkey, UK and the USA.

OUR MATERIAL ASPECTS	GRI MATERIAL TOPICS	ASPECT BOUNDARY	
		Within the organization	Outside the organization
Product affordability and fair pricing	GRI 201: Economic performance 2016	Artsana Group	-
Anti-corruption and business ethics	GRI 205: Anti-corruption 2016	Artsana Group	-
Compliance with laws and regulations	GRI 419: Socio-economic compliance 2016 GRI 307: Environmental compliance 2016	Artsana Group	-
Customer centrality	-	Artsana Group	-
Diversity and equal opportunities	GRI 405: Diversity and Equal Opportunity 2016	Artsana Group	-
Employee care	GRI 401: Employment 2016 GRI 404: Training and Education 2016 GRI 405: Diversity and Equal Opportunity 2016	Artsana Group	-
Energy efficiency and climate change	GRI 302: Energy 2016 GRI 305: Emissions 2016	Artsana Group	Suppliers
Evolution of distribution channels	-	Artsana Group	-
Respect for human rights	GRI 408: Child Labor 2016 GRI 409: Forced or Compulsory Labor 2016 GRI 412: Human rights assessment 2016	-	Suppliers
Innovation and R&D	-	Artsana Group	-
Occupational Health and Safety	GRI 403: Occupational Health and Safety 2018	Artsana Group	Suppliers
Environmental impact of products	GRI 301: Materials 2016 GRI 302: Energy 2016 GRI 303: Water and effluents 2018 GRI 305: Emissions 2016 GRI 306: Effluents and waste 2016	Artsana Group	Final consumers Suppliers
Privacy and data security	GRI 418: Customer Privacy 2016	Artsana Group	Final consumers
Product responsible communication	GRI 417: Marketing and Labeling 2016	Artsana Group	-
Product social responsibility	GRI 417: Marketing and Labeling 2016	Artsana Group	-
Product quality and safety	GRI 416: Customer Health and Safety 2016	Artsana Group	-
Responsible supply chain	GRI 308: Supplier Environmental Assessment 2016 GRI 412: Human rights assessment 2016 GRI 414: Supplier Social Assessment 2016	Artsana Group	Suppliers
Social initiatives	-	Artsana Group	-
Use of raw materials	GRI 301: Materials 2016	Artsana Group	Suppliers

Any exceptions to the reporting boundary are indicated in the text. GHG emissions are the only impact incurred outside our organizational boundary described in this report. In the coming years we are committed to improving the reporting with external boundaries qualitative and quantitative information.

# 5.1 GHG calculation methodologies

In order to calculate GHG indicators included in our Sustainability Report, we have used the methodologies and assumptions described in this section. Conversion factors used in emissions calculations:

<b>Fuel density</b>	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2018 and 2017
<b>NCV (Net Calorific Value)</b>	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2018 and 2017

Greenhouse gas emissions calculations have been carried out based on principles included in the GHG Protocol Corporate Accounting and Reporting Standard.

GHG EMISSIONS SCOPE 1			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Diesel, natural gas and LPG for heating and other purposes	Fuel consumption	MATTM (Ministero dell'Ambiente e della Tutela del Territorio e del Mare), Tabella parametri standard nazionali, 2017, 2018, 2019	Only CO <sub>2</sub> emissions were considered
Company's car fleet	Fuel consumption	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2018 and 2017	Only CO <sub>2</sub> emissions were considered
Leakages from air-conditioning systems of refrigerant gases	Leakage	-	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2018 and 2017
GHG EMISSIONS SCOPE 2			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Electricity purchased from national grid - location-based method	Electricity consumption	Terna, Confronti Internazionali, 2017 (Total gross production)	Only CO <sub>2</sub> emissions were considered
Electricity purchased from national grid - market-based method	Electricity consumption	For European countries: AIB - European Residual Mixes, 2018. For non-European Countries: Terna, Confronti Internazionali, 2017 (Total gross production) For USA: Green-e Energy Residual Mix	Only CO <sub>2</sub> emissions were considered
GHG EMISSIONS SCOPE 3			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Business travels by air	Distance per passenger	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors 2018 - Full set, 2019, 2018 and 2017	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2018 and 2017
Business travels by train	Distance per passenger	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors 2018 - Full set, 2019, 2018 and 2017	Only CO <sub>2</sub> emissions were considered
Logistics (trucks, train and cargo ships)	Distance/ Distance per weight transported	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors 2018 - Full set, 2019, 2018 and 2017	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2018 and 2017

## 5.2 GRI Content Index (with reference to UNGC)



GRI Standard	Disclosure	Paragraph
<b>GRI 101: Foundation 2016</b> General Disclosures		
<b>ORGANIZATIONAL PROFILE</b>		
<b>GRI 102:</b> General Disclosures 2016	<b>102-1</b> Name of the organization	<b>1.2</b> The Group as of today
	<b>102-2</b> Activities, brands, products, and services	<b>1.1.2.1</b> How we parent <b>1.2</b> The Group as of Today <b>1.2.1</b> Our Brands
	<b>102-3</b> Location of headquarters	<b>1.3.4</b> Scope of the report <b>5.2</b> Contacts
	<b>102-4</b> Location of operations	<b>1.2.2</b> Our market presence
	<b>102-5</b> Ownership and legal form	<b>1.2</b> The Group as of today
	<b>102-6</b> Markets served	<b>1.2.2</b> Our market presence
	<b>102-7</b> Scale of the organization	Our sustainability highlights
	<b>102-8</b> Information on employees and other workers	<b>3.</b> Parenting for strenghtening our people
	<b>102-9</b> Supply chain	<b>4.2</b> Our responsible supply chain
	<b>102-10</b> Significant changes to the organization and its supply chain	<b>1.2</b> The Group as of today <b>4.2</b> Our responsible supply chain
	<b>102-11</b> Precautionary Principle or approach	<b>1.3</b> Our Sustainability commitment



<b>102-12</b> External initiatives	<b>2.4</b>	Together with communities
<b>102-13</b> Membership of associations	<b>1.3.1</b> <b>2.2</b>	Our strategy Quality, safety and innovation

## STRATEGY



<b>102-14</b> Statement from senior decision-maker		CEO message
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## ETHICS AND INTEGRITY

<b>102-16</b> Values, principles, standards, and norms of behavior	<b>1.3.1</b>	Our strategy
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## GOVERNANCE

<b>102-18</b> Governance structure	<b>1.2.2</b> <b>1.3.1</b>	Our market presence Our strategy
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## STAKEHOLDER ENGAGEMENT



<b>102-40</b> List of stakeholder groups	<b>1.3.2</b>	Our stakeholders
<b>102-41</b> Collective bargaining agreements	<b>3.</b>	Parenting for strengthening our people
<b>102-42</b> Identifying and selecting stakeholders	<b>1.3.2</b>	Our stakeholders
<b>102-43</b> Approach to stakeholder engagement	<b>1.3.2</b>	Our stakeholders
<b>102-44</b> Key topics and concerns raised	<b>1.3.3</b>	Material topics

## REPORTING PRACTICE

<b>102-45</b> Entities included in the consolidated financial statements	<b>1.3.4</b> <b>5.</b>	Scope of the report Methodological note
<b>102-46</b> Defining report content and topic Boundaries	<b>5.</b>	Methodological note
<b>102-47</b> List of material topics	<b>1.3.3</b> <b>5.</b>	Material topics Methodological note
<b>102-48</b> Restatements of information		2018 emissions from logistics data have been updated due to a change in methodology.
<b>102-49</b> Changes in reporting	<b>1.3.4</b>	Scope of the report
<b>102-50</b> Reporting period	<b>1.3.4</b>	Scope of the report
<b>102-51</b> Date of most recent report		2018 Sustainability Report
<b>102-52</b> Reporting cycle		Annual
<b>102-53</b> Contact point for questions regarding the report	<b>5.3</b>	Contacts
<b>102-54</b> Claims of reporting in accordance with the GRI Standards	<b>5.</b>	Methodological note
<b>102-55</b> GRI content index	<b>5.2</b>	GRI Content Index
<b>102-56</b> External assurance		This report is not subject to external assurance.



GRI Standard	Disclosure	Paragraph	Omission/Note
Material Topics GRI 200 Economic Standard Series			



## ECONOMIC PERFORMANCE

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5.	Material topics Methodological note
	103-2	The management approach and its components	1.2.2	Our market presence
	103-3	Evaluation of the management approach	1.2.2	Our market presence
GRI 103: Management Approach 2016	201-1	Direct economic value generated and distributed	1.2.2	Our market presence



## ANTI-CORRUPTION

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5.	Material topics Methodological note
	103-2	The management approach and its components	1.3.1	Our strategy
	103-3	Evaluation of the management approach	1.2.2	Our market presence
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	1.2.2	Our market presence

During the reporting period, the Company did not register any confirmed incident:

- of corruption;
- in which employees were dismissed or disciplined for corruption;
- when contracts with business partners were terminated or not renewed due to violations related to corruption.

The Company did also not register any public legal cases regarding corruption brought against the organization or its employees.



## MATERIALS

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note
	<b>103-2</b>	The management approach and its components	<b>4.3.3</b>	Raw materials and packaging
	<b>103-3</b>	Evaluation of the management approach	<b>4.3.3</b>	Raw materials and packaging
<b>GRI 301: Materials 2016</b>	<b>301-1</b>	Materials used by weight or volume	<b>4.3.3</b>	Raw materials and packaging



## ENERGY

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note
	<b>103-2</b>	The management approach and its components	<b>4.3.1</b>	Energy consumption and efficiency
	<b>103-3</b>	Evaluation of the management approach	<b>4.3.1</b>	Energy consumption and efficiency
<b>GRI 302: Energy 2016</b>	<b>302-1</b>	Energy consumption within the organization	<b>4.3.1</b>	Energy consumption and efficiency No renewable energy consumed.



## WATER

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note
	<b>103-2</b>	The management approach and its components	<b>4.3.4</b>	Other environmental aspects
	<b>103-3</b>	Evaluation of the management approach	<b>4.3.4</b>	Other environmental aspects
<b>GRI 303: Water and Effluents 2018</b>	<b>303-1</b>	Interactions with water as a shared resource	<b>4.3.4</b>	Other environmental aspects
	<b>303-2</b>	Management of water discharge-related impacts	<b>4.3.4</b>	Other environmental aspects
	<b>303-3</b>	Water withdrawal	<b>4.3.4</b>	Other environmental aspects All the water withdrawn by Artsana is fresh water (≤1,000 mg/l of total dissolved solids). The Company does not take water from water-stressed areas.



## EFFLUENTS AND WASTE

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note
	<b>103-2</b>	The management approach and its components	<b>4.3.4</b>	Other environmental aspects
	<b>103-3</b>	Evaluation of the management approach	<b>4.3.4</b>	Other environmental aspects
<b>GRI 103: Management Approach</b>	<b>306-2</b>	Waste by type and disposal method	<b>4.3.4</b>	Other environmental aspects



## EMISSIONS

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note
	<b>103-2</b>	The management approach and its components	<b>4.3.2</b>	Greenhouse gas (GHG) emissions
	<b>103-3</b>	Evaluation of the management approach	<b>4.3.2</b>	Greenhouse gas (GHG) emissions
<b>GRI 305: Emissions 2016</b>	<b>305-1</b>	Direct (Scope 1) GHG emissions	<b>4.3.2</b>	Greenhouse gas (GHG) emissions
	<b>305-2</b>	Energy indirect (Scope 2) GHG emissions	<b>4.3.2</b>	Greenhouse gas (GHG) emissions
	<b>305-3</b>	Other indirect (Scope 3) GHG emissions	<b>4.3.2</b>	Greenhouse gas (GHG) emissions

## ENVIRONMENTAL COMPLIANCE

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note
	<b>103-2</b>	The management approach and its components	<b>1.3.1</b>	Our strategy
	<b>103-3</b>	Evaluation of the management approach	<b>1.3.1</b>	Our strategy
<b>GRI 307: Environmental Compliance 2016</b>	<b>307-1</b>	Non-compliance with environmental laws and regulations	-	During the reporting period, the Company did not identify any non-compliance with environmental laws and regulations.



## SUPPLIER ENVIRONMENTAL ASSESSMENT

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note	
	<b>103-2</b>	The management approach and its components	<b>4.2</b>	Our responsible supply chain	
	<b>103-3</b>	Evaluation of the management approach	<b>4.2</b>	Our responsible supply chain	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	<b>308-1</b>	New suppliers that were screened using environmental criteria	<b>4.2</b>	Our responsible supply chain	100% finished product suppliers are screened using environmental criteria (24 out of 206 are new suppliers).

## GRI 400 Social Standards Series



## EMPLOYMENT

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note	
	<b>103-2</b>	The management approach and its components	<b>3.</b>	Parenting for strenghtening our people	
	<b>103-3</b>	Evaluation of the management approach	<b>3.</b>	Parenting for strenghtening our people	
<b>GRI 401: Employment 2016</b>	<b>401-1</b>	New employee hires and employee turnover	<b>3.</b>	Parenting for strenghtening our people - Human Resources data appendix	



## OCCUPATIONAL HEALTH AND SAFETY

<b>GRI 103: Management Approach 2018</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note	
	<b>103-2</b>	The management approach and its components	<b>3.3</b>	Creating a culture for a safe and healthy work environment	
	<b>103-3</b>	Evaluation of the management approach	<b>3.3</b>	Creating a culture for a safe and healthy work environment	

<b>GRI 403: Occupational Health and Safety 2018</b>	<b>403-1</b>	Occupational health and safety management system	-	
	<b>403-2</b>	Hazard identification, risk assessment, and incident investigation	<b>3.3</b>	Creating a culture for a safe and healthy work environment
	<b>403-3</b>	Occupational health services	<b>3.3</b>	Creating a culture for a safe and healthy work environment The company has a Health & Safety Management System to manage all the H&S aspects, even if not certified.
	<b>403-4</b>	Worker participation, consultation, and communication on occupational health and safety	<b>3.3</b>	Creating a culture for a safe and healthy work environment
	<b>403-5</b>	Worker training on occupational health and safety	<b>3.3</b>	Creating a culture for a safe and healthy work environment
	<b>403-6</b>	Promotion of worker health	<b>3.3</b>	Creating a culture for a safe and healthy work environment
	<b>403-7</b>	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<b>3.3</b>	Creating a culture for a safe and healthy work environment
	<b>403-9</b>	Work-related injuries	<b>3.3</b>	Creating a culture for a safe and healthy work environment Human Resources data appendix



## TRAINING AND EDUCATION

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3</b> <b>5.</b>	Material topics Methodological note
	<b>103-2</b>	The management approach and its components	<b>3.1</b>	Taking care of Artsana People
	<b>103-3</b>	Evaluation of the management approach	<b>3.1</b>	Taking care of Artsana People
<b>GRI 404: Training and Education 2016</b>	<b>404-1</b>	Average hours of training per year per employee	<b>3.1</b>	Taking care of Artsana People



## DIVERSITY AND EQUAL OPPORTUNITY

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3</b> <b>5.</b>	Material topics Methodological note
	<b>103-2</b>	The management approach and its components	<b>1.3.1</b> <b>3.</b>	Our strategy Parenting for strengthening our people
	<b>103-3</b>	Evaluation of the management approach	<b>1.3.1</b> <b>3.</b>	Our strategy Parenting for strengthening our people

<b>GRI 405: Diversity and Equal Opportunity 2016</b>	<b>405-1</b>	Diversity of governance bodies and employees	<b>1.2.2</b> <b>1.3.1</b> <b>3.</b>	Our market presence Our strategy Parenting for strengthening our people
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## CHILD LABOR

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3</b> <b>5.</b>	Material topics Methodological note
	<b>103-2</b>	The management approach and its components	<b>1.3.1</b> <b>4.2</b>	Our strategy Our responsible supply chain
	<b>103-3</b>	Evaluation of the management approach	<b>1.3.1</b> <b>4.2</b>	Our strategy Our responsible supply chain
<b>GRI 408: Child Labor 2016</b>	<b>408-1</b>	Operations and suppliers at significant risk for incidents of child labor	<b>1.3.1</b> <b>4.2</b>	Our strategy Our responsible supply chain



## FORCED OR COMPULSORY LABOR

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3</b> <b>5.</b>	Material topics Methodological note
	<b>103-2</b>	The management approach and its components	<b>1.3.1</b> <b>4.2</b>	Our strategy Our responsible supply chain
	<b>103-3</b>	Evaluation of the management approach	<b>1.3.1</b> <b>4.2</b>	Our strategy Our responsible supply chain
<b>GRI 409: Forced or Compulsory Labor 2016</b>	<b>409-1</b>	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<b>1.3.1</b> <b>4.2</b>	Our strategy Our responsible supply chain



## HUMAN RIGHTS ASSESSMENT

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3</b> <b>5.</b>	Material topics Methodological note
	<b>103-2</b>	The management approach and its components	<b>4.2</b>	Our responsible supply chain
	<b>103-3</b>	Evaluation of the management approach	<b>4.2</b>	Our responsible supply chain
<b>GRI 412: Human Rights Assessment 2016</b>	<b>412-1</b>	Operations that have been subject to human rights reviews or impact assessments	<b>4.2</b>	Our responsible supply chain



## SUPPLIER SOCIAL ASSESSMENT

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note	
	<b>103-2</b>	The management approach and its components	<b>4.2</b>	Our responsible supply chain	
	<b>103-3</b>	Evaluation of the management approach	<b>4.2</b>	Our responsible supply chain	
<b>GRI 414: Supplier Social Assessment 2016</b>	<b>414-1</b>	New suppliers that were screened using social criteria	<b>4.2</b>	Our responsible supply chain	100% finished product suppliers are screened using social criteria (24 out of 206 are new suppliers).

## CUSTOMER HEALTH AND SAFETY

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note	
	<b>103-2</b>	The management approach and its components	<b>2.2</b>	Quality, safety and innovation	
	<b>103-3</b>	Evaluation of the management approach	<b>2.2</b>	Quality, safety and innovation	
<b>GRI 416: Customer Health and Safety 2016</b>	<b>416-2</b>	Incidents of non-compliance concerning the health and safety impacts of products and services	<b>2.2</b>	Quality, safety and innovation	Confidentiality constraints: sensitive information for the business, only qualitative information reported.

## MARKETING AND LABELING

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note	
	<b>103-2</b>	The management approach and its components	<b>2.2</b>	Quality, safety and innovation	
	<b>103-3</b>	Evaluation of the management approach	<b>2.2</b>	Quality, safety and innovation	
<b>GRI 417: Marketing and Labeling 2016</b>	<b>417-1</b>	Requirements for product and service information and labeling	<b>2.1</b>	Side by side with parents	Only qualitative information reported.

## CUSTOMER PRIVACY

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note	
	<b>103-2</b>	The management approach and its components	<b>1.2.2</b>	Our market presence	
	<b>103-3</b>	Evaluation of the management approach	<b>1.2.2</b>	Our market presence	
<b>GRI 418: Customer Privacy 2016</b>	<b>418-1</b>	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-		During the reporting period, the Company did not receive any substantiated complaints concerning breaches of customer privacy.

## SOCIO-ECONOMIC COMPLIANCE

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note	
	<b>103-2</b>	The management approach and its components	<b>1.3.1</b>	Our strategy	
	<b>103-3</b>	Evaluation of the management approach	<b>1.3.1</b>	Our strategy	
<b>GRI 419: Socioeconomic Compliance 2016</b>	<b>419-1</b>	Non-compliance with laws and regulations in the social and economic area	-		We have not identified any significant non-compliance with laws and regulations related to social and economic area.

## CUSTOMER CENTRALITY

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note	
	<b>103-2</b>	The management approach and its components	<b>2.</b>	Parenting for growing together	
	<b>103-3</b>	Evaluation of the management approach	<b>2.</b>	Parenting for growing together	

## EVOLUTION OF DISTRIBUTION CHANNELS

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note	
	<b>103-2</b>	The management approach and its components	<b>2.1 4.2</b>	Side by side with parents Our responsible supply chain	
	<b>103-3</b>	Evaluation of the management approach	<b>2.1 4.2</b>	Side by side with parents Our responsible supply chain	



## INNOVATION AND R&D

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note
	<b>103-2</b>	The management approach and its components	<b>2.1 2.2</b>	Side by side with parents Quality, safety and innovation
	<b>103-3</b>	Evaluation of the management approach	<b>2.1 2.2</b>	Side by side with parents Quality, safety and innovation

## SOCIAL INITIATIVES

<b>GRI 103: Management Approach 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundary	<b>1.3.3 5.</b>	Material topics Methodological note
	<b>103-2</b>	The management approach and its components	<b>2.4</b>	Together with communities
	<b>103-3</b>	Evaluation of the management approach	<b>2.4</b>	Together with communities

## Contacts

For further information about this Sustainability Report, please contact:

### **ARTSANA S.P.A.**

Via Saldarini Catelli 1  
22070 Grandate (CO) - Italy  
Tel. +39 031 382291  
e-mail: [sustainability@artsana.com](mailto:sustainability@artsana.com)

**ARTSANA  GROUP**

ARTSANA S.p.A. - Via Saldarini Catelli, 1 - 22070 Grandate (CO) Italy  
Tel. 031 382111 - Fax 031 382400 - [www.Artsana.com](http://www.Artsana.com)