

ARTSANA

2021 Sustainability Report





CEO message

Dear Stakeholder,

I am thrilled and honored to have started this journey with Artsana, and to have found a Company that is extremely aware of this world's challenges and enthusiastic to address them by committing to strong ethical values and sustainability principles. Indeed, in 2021, with a worldwide presence and a family of **more than 3 thousand people**, Artsana has focused its energy on protecting the **health and safety of its employees**, engaging in a **constant dialogue with all its stakeholders**, and ensuring its **business continuity**, while always integrating **sustainability** into every decision and action.

To be close to its employees, Artsana guaranteed the possibility to **work remotely**. The Group is indeed aware that this is a fundamental tool not only during a health crisis, but also in normal times to improve Artsana people's work-life balance and thus wellbeing, which is of paramount importance. In Artsana we are also committed to nourishing a sense of community and belonging, by creating channels for dialogue with our employees. Therefore, in 2021, we launched an **internal newsletter**, aimed at involving and keeping everyone updated on the Company's activities and initiatives.

The concept of **sustainable parenting** is at the core of Artsana's strategy: the idea that a love for children naturally evolves into a love for the Planet and for Society, is a powerful fuel for change. Indeed, taking care of the future generations requires everyone to put an effort into creating an environmentally and socially sustainable world for them to grow up in.

With the aim of contributing to creating an inclusive and prejudice-free society, Artsana, through our brand Chicco, has launched the **MammaE campaign**, aimed at spreading a message of support to women who still face discrimination and are too often forced to choose between motherhood and their career and passions. The campaign travelled the world through Artsana's subsidiaries and social media, raising awareness on the importance of **fighting discrimination** and **promoting gender equality**.

Environmental sustainability and the fight against climate change are also at the forefront of our priorities, and therefore in 2021, we worked to promote environmental sustainability along our whole value chain. In particular, we have worked to improve the **environmental impact of our products and packaging**, by investing in the choice of sustainable materials, such as organic cotton and recycled plastic. We have also continued our work on **energy saving initiatives**, with the goal of reducing our overall greenhouse gas emissions. Our efforts towards a more environmentally sustainable business approach have been acknowledged with the award of the **Silver EcoVadis medal**, as well as the **"Climate Conscious Company Award"**, by Corriere della Sera and Statista.

In Artsana we are also aware of the importance of partnerships and collaborations which are aimed at furthering society's efforts towards a sustainable future, and this is why the Group has been a signatory of the **United Nations Global Compact** since 2017. This Report was indeed prepared in line with the guidelines of the Global Compact, with which we collaborated, in 2021, to the creation of two round tables which gave birth to two papers on the topics of **decarbonisation and diversity**.

It is thus with great pleasure and honour that I present the **2021 Sustainability Report**, which has been prepared with the aim of sharing with our stakeholders our journey towards ever-increasing sustainability, and communicating our progress on addressing economic, social, and environmental challenges.

We can guarantee you that Artsana will always be on the side of families, customers, and all stakeholders with the aim of promoting a **more sustainable world and future**.

Nicola Zotta
Artsana CEO



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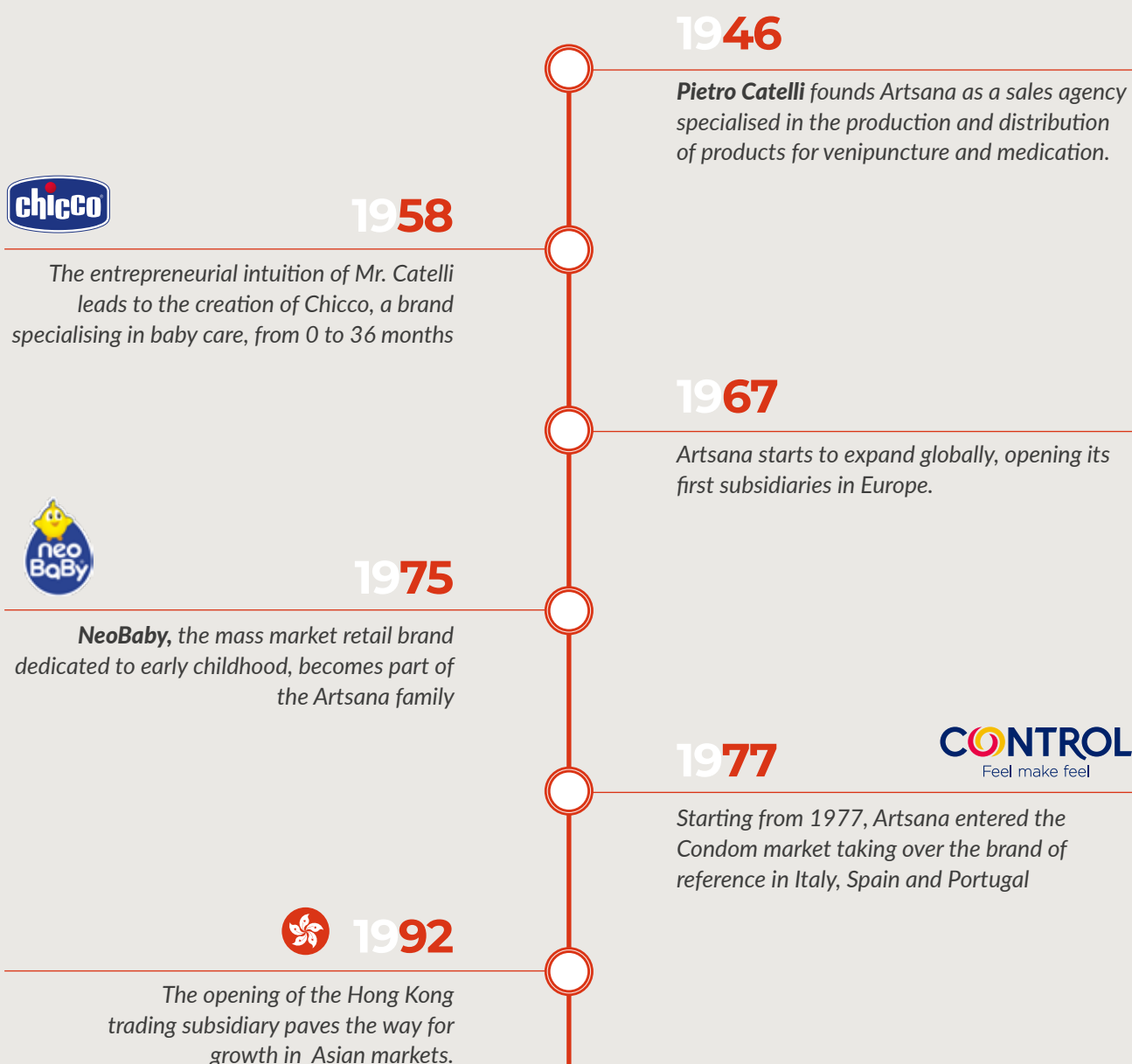
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ARTSANA GROUP

It should be noted that all the information reported in this chapter refers to the whole Group, which at a consolidated level also includes Prenatal Retail Group S.p.A. and its subsidiaries.

TIMELINE

Artsana was created in Italy in 1946 and, over the years, it has developed a transversal knowhow thanks to the continued observation of children's and parents' behaviours and the creation and acquisition of specialised brands that can tackle parents' needs as a whole.



Prénatal

1996

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

1998

Opening of subsidiaries in the US and Turkey.



2008

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



2016

Artsana Group was indirectly acquired by a fund managed by Investindustrial, a leading European group of independently managed investment, holding and advisory companies. Elledifri, with the brand **Fiocchi di Riso**, becomes part of the Group.

2011

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

2017

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



RECARO goovi

2018

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

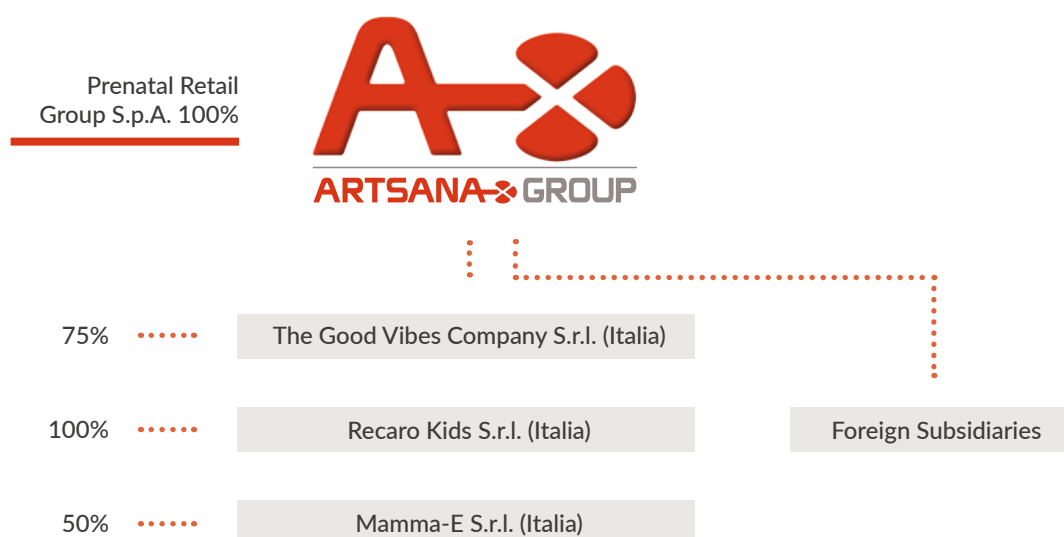
Artsana acquires a long-term license for the exclusive, worldwide use of the brand **RECARO**.

2019

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

THE GROUP AS OF TODAY

Since 2016, Artsana S.p.A.'s shares are directly owned by (i) Baby Care International Development Sarl (60% of shares) - a company indirectly controlled by funds managed by Investindustrial - and by (ii) Catelli S.r.l. (40% of shares).



Artsana S.p.A. is the parent company of the Artsana Group, which at a consolidated level also includes Prenatal Retail Group S.p.A. and its subsidiaries.

ARTSANA GROUP WORLDWIDE

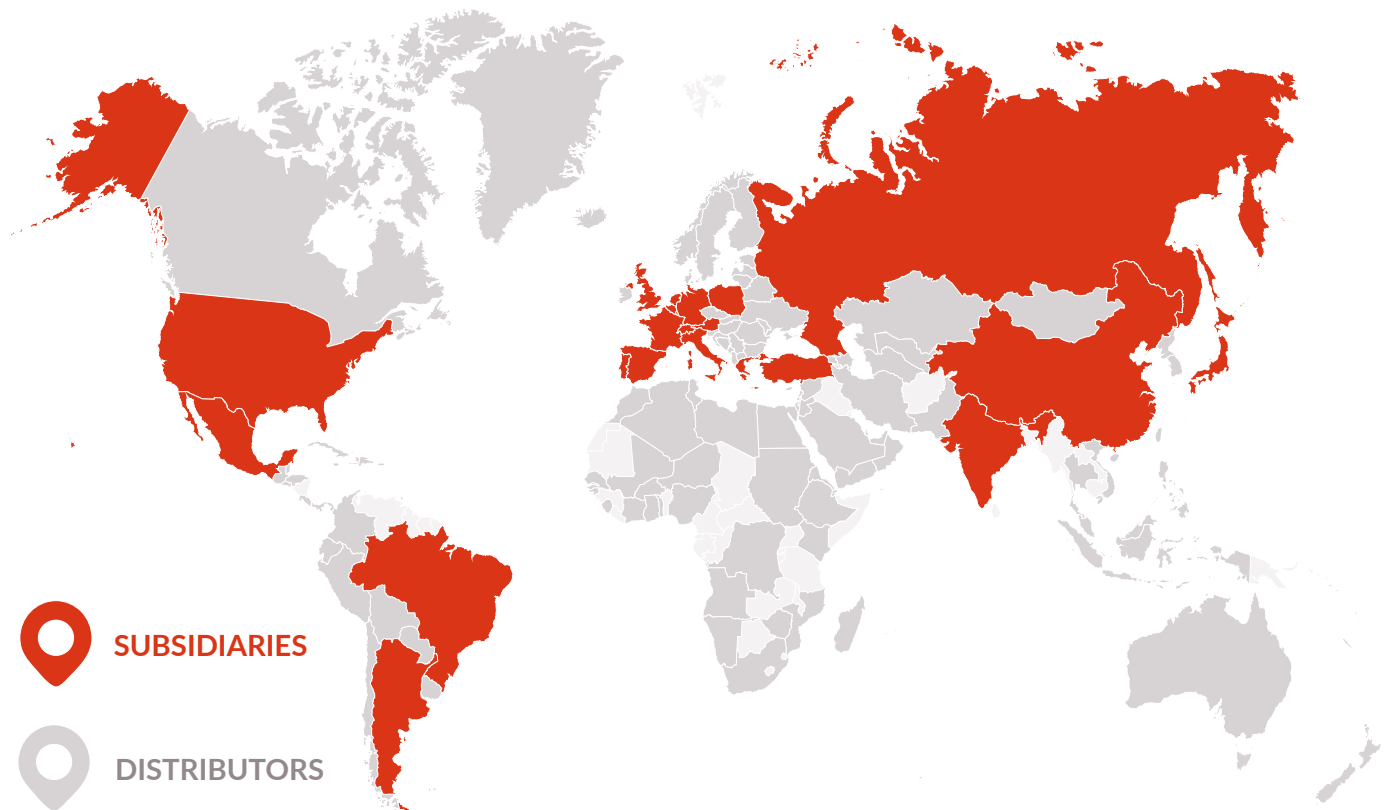


Consolidated financial statement data of Artsana Group, including Prénatal Retail Group

Our market presence

As of December 31, 2021, the **whole Artsana Group**, which includes not only the brands covered in the scope of Artsana's Sustainability Report but also PRG, has **43 subsidiaries worldwide**, (28 Artsana and 15 PRG Group), more than 300 points of sale related to Chicco and more than 900 related to PRG Group.

Artsana subsidiaries and distributors worldwide

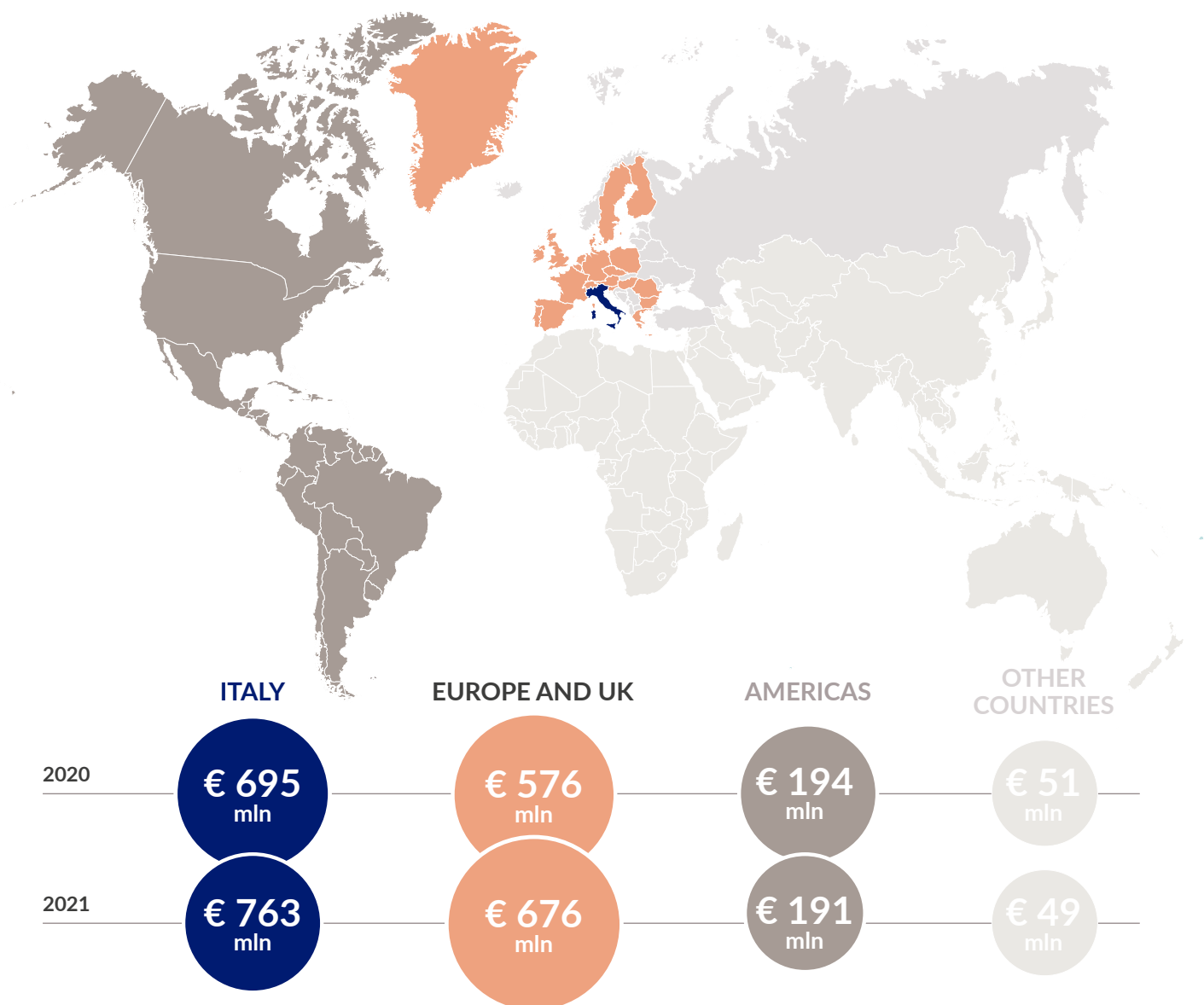


Thanks to its rich brands and products portfolio, the Group is present in all the most important **distribution channels** at a worldwide level: baby shops, pharmacies, international distributors, mass market and e-commerce, as well as Artsana shops. In recent years, Artsana has been receptive to the evolution of distribution channels, and, in particular, to the increased demand for online shopping opportunities.

Therefore, Artsana has been focusing on e-stores launches in many different countries and is currently present in the US, Italy, Spain, Portugal, Turkey and India and foresees several other openings in the next months.



Net sales by region



Considering the whole Group, **direct economic value generated** and **direct economic value distributed** amount respectively to € 1,720 million and € 1,591 million.

	2019*	2020	2021
Direct economic value generated [k€]	1,628,577	1,542,618	1,719,601
Direct economic value distributed [k€]	1,498,419	1,430,166	1,591,375
Operating costs	1,146,481	1,098,033	1,227,095
Employee wages and benefits	226,543	211,272	234,442
Payments to providers of capital	48,444	48,640	45,228
Payments to government	75,761	70,977	83,506
Community investments	1,191	1,244	1,103
Economic value retained [k€]	130,158	112,453	128,226

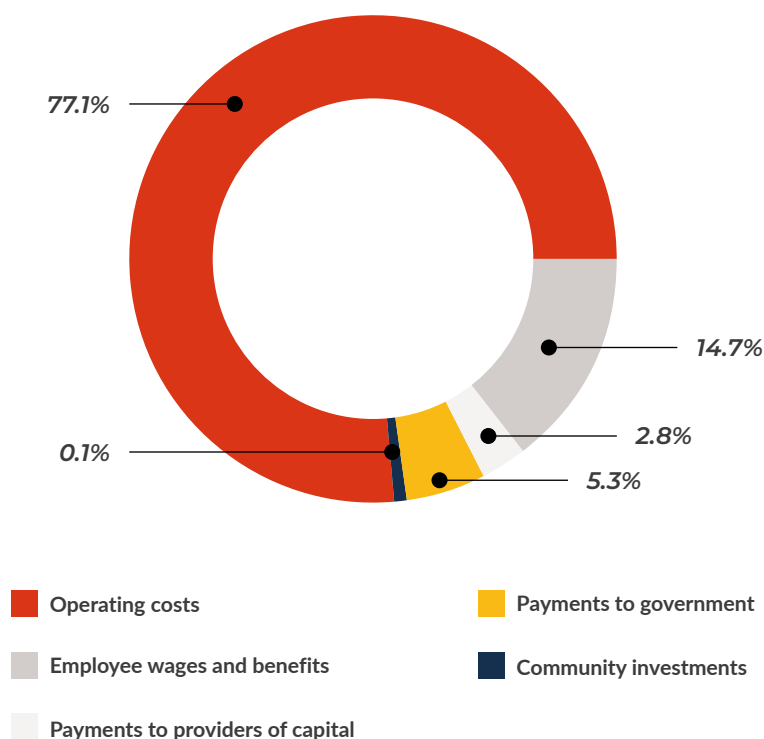
*2019 figures are updated according to a different accounting methodology.

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 77.1%), to **employees** through wages and

benefits (14.7%), 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.

2021 Distribution of Direct Economic Value



Scope of the report

The scope of this Sustainability Report corresponds to the whole Artsana Group, with the exception of PRG. Therefore, the Report covers the following brands: Chicco, NeoBaby, Boppy, Fiocchi di Riso, Fisiolact, Goovi, Recaro and Control. It includes the commercial and production sites located in Italy, Romania and Spain, the commercial subsidiaries in Argentina, Brazil, Belgium, China, France, Germany, India, Japan, Mexico, Poland, Portugal, Russia, Spain, Switzerland, Turkey, the UK and the USA, the headquarters located in Grandate (Como) and the Italian-owned shops. As a consequence, starting

from the following chapter, for the purposes of Artsana sustainability reporting, "Artsana Group", "Artsana" or "Group", means Artsana S.p.A. and its subsidiaries, excluding Prénatal Retail Group S.p.A. and its subsidiaries.

In terms of the timeline, this Sustainability Report comprises information referring to the period ranging from the 1st of January 2021 to the 31st of December 2021.

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

1

How we parent

Since its birth in 1946, Artsana has always had a clear goal: to care for families and children. Over time, this vision has progressed and grown along with changes in society. For this reason, Artsana's concept of **care** today is broader and includes **society** and the **environment**.



Artsana's philosophy is to **take care of people and the planet** by integrating and spreading the value of sustainability in daily actions.

The Group's long tradition has been carried over to a new and broader scope, transferring it to all its brands both in the baby care sector and in the health and beauty sector, with the Chicco, NeoBaby, Fiocchi di Riso, Boppy, Prénatal, Fisiolact, Goovi and Recaro brands and, for the wellbeing of adults, with the Control brand.

The new concept of "caring" for Artsana today

concerns not only parents and children, but also the plethora of figures who are involved in the care and love of children.

This listening to broader needs has allowed the Group to develop know-how across the various product categories (from in-car child safety to dermocosmetics, from nutrition to clothing); to be aware that being a parent, in the broadest sense of the term, means developing a **deep care**, not only for children, but for the whole world in which they grow up.



1.1 THE VALUES FOR SUSTAINABLE PARENTING

Thanks to its heritage, knowledge and a wide range of brands and competences, Artsana always stays close to people by promoting and supporting parents, families and children's wellbeing 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 know-how and expertise through its **people**. These values 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 its **specialist expertise**, consolidated by more than 70 years of experience, and its commitment for **sustainability**. Parenthood is one of the main values of the entire Artsana brands

ecosystem: each brand applies it according to its specificity, satisfying all the vertical needs of parents. **Parenting** is a **sustainable choice** and is promoted as a pillar of human culture.

In this sense, Artsana has incorporated **sustainability as a key corporate value**, understanding it as caring for the future, including the next generation, **society** as a whole, and the **environment**.

Because **sustainability** is a critical **ingredient** not only for **parenting**, but also for preserving the planet and for those who will inhabit it in years to come.

1.1.1 Our Brands

Artsana operates in the **parenting sector**, which means more than baby-care. That is why, through its wide brands portfolio, it inclusively embraces parenting as a

key value of its **ecosystem**. The concept of parenthood that has been adopted is broad and all-encompassing: this feature is reflected by the variety of



Chicco is a multi-specialised parenting brand with a common vision running through each of its business areas. These include juvenile, nursing, toys, fashion and baby shoes. Chicco prides itself on innovation in each market thanks to its Research Center. It has a presence in over **120 countries**, with more than **360 single-brand stores**, making around 700 million euros net revenue. The United States market is the second after Italy in terms of sales volume.



Boppy is an American brand acquired in 2008 by Artsana Group, it is the market leader in nursing pillows with over 30 years of experience. In the United States, the Boppy nursing pillow was voted as the "Children's Product of the Year" more than 15 times.



NeoBaby is the market leader brand in Mass Market channel, with a complete range of nursing products dedicated to baby and parents first needs.



Flocchi di Riso is a cosmetic line designed for infants and children. The brand promise is skin physiological balance, achieved thanks to the total absence of substances that hinder skin perspiration or dehydrate/irritate it.

Artsana's brands, whose markets range from individual care to couples' wellness, passing through childcare. According to this, every brand applies

parenting in a different way with a specific competence, making Artsana a multi-specialized and transversal company.



FISIOLACT
giusto per il tuo latte

Fisiolact provides professional electric breast pumps for hospital and home use, which reflect a child's physiological sucking.



RECARO

Recaro Kids is the new addition to the Artsana baby brands and it specialises in car seat and strollers. Born in Germany, with over 100 years of expertise in seat engineering, it is strengthened by vertical automotive expertise (even more relevant due to a long-term partnership with Porsche) and the knowledge in aircraft seats.



goovi
good. easy. natural

Digital native brand, Goovi, was born from the collaboration between Michelle Hunziker and Artsana Group. The Goovi lines are designed for the wellbeing of women, family and home care by combining the benefits of natural ingredients with a "good vibes" philosophy.



CONTROL
Feel make feel

Control is a leading brand within sexual wellbeing in the European market. It is the market leader in Portugal and second in Italy and Spain. Developing condoms, lubricants and sex toys, always leveraging research and innovation for 40 years, Control guides consumers through the journey towards pleasure through a free, well-informed, happy sexuality.

OUR SUSTAINABILITY REPORTING

The information corresponds to the scope of this Sustainability Report: the whole Artsana Group, with the only exception of PRG (which has its own Sustainability Report). Therefore, the Report covers the following brands: Chicco, NeoBaby, Boppy, Fiocchi di Riso, Fisiolact, Goovi, Recaro and Control. It includes the

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



€ 625 mln
Net Revenue



3,616
Workforce

PARENTING FOR GROWING TOGETHER



6,399

family course
attendees



>2,600

members of Artsana
Open Innovation
Platform



€1,103 mln

distributed to the
community



>2,500

products distributed
thanks to "Baby Spesa
SOSpesa"

PARENTING TO STRENGTHEN OUR PEOPLE



68%

of the workforce
are women



95%

employees with
permanent contract



60%

Employees between
30 and 50 years old



17,095 h

of training
for employees

PARENTING THE EARTH



1,604 tCO₂

avoided CO₂
emissions from
projects



82%

non-hazardous waste
sent to recycling



14,968 GJ

energy savings
from projects



100%

finished product
suppliers screened
using environmental
and social criteria

1.1.2 Our governance

The **Board of Directors** of Artsana consists of nine board members (eight men and one woman) with the majority ranging from thirty to fifty years old, and the remaining over than fifty years old.

To ensure the implementation of the concept of “administrative responsibility”, the Group has implemented its own **Organisational, Management and Control Model**, in accordance with the requirements of the Italian Legislative Decree no. 231 of 8th June 2001. The 231 Model is approved by the Board of Directors of Artsana S.p.A. and is regularly updated to comply with the latest legal provisions.

Artsana is constantly engaged in improving internal practices on topics related to anti-corruption and whistleblowing.

On this matter, it should be noted that **no episodes of corruption** were reported in the Group in the three-year period 2019-2021. Artsana has also adopted a **Code of Ethics**, which formally establishes the set of fundamental ethical values that underpin Artsana’s activities, as well as rights, duties, and responsibilities of all the stakeholders.

Moreover, Artsana has a **Privacy Policy** for the protection of personal data in compliance with the provisions of EU Regulation 2016/679 General Data Protection Regulation (**GDPR**) and has appointed a Data Protection Officer (DPO) to inform both the Board of Directors and the Board of Statutory Auditors on the activities that are carried out.

When it comes to security, Artsana is committed to ensuring that its data and information are also protected. In 2021 the Group invested in enhancing this aspect of the company, after the **cyber-attack** that occurred in October, which affected the entire Group worldwide.

The breach caused a data blockage and encryption which put at risk the security of Artsana's sensitive information. The damage lasted for a week before it was possible to go back to day-to-day activities. This event accelerated the improvement of security practices and the rationalisation of machines. The setup of security systems and practices were increased with structural intervention, with a significant increase in security.

1.1.3 Business continuity in our value chain

The year 2021, as the one before, was challenging for most industries in terms of **business continuity**; in particular, Artsana faced some difficulties in raw material supply and product purchasing. Indeed, the Covid-19 crisis has led to not only an extreme surge in prices, but also a stark slowdown in the timings for delivery connected to lockdowns, blockages of harbors and scarcity of empty containers. These two phenomena have mainly affected the relationships with suppliers in China, where the situation worsened following intermittent lockdowns in many regions. This volatile situation has negatively impacted Artsana’s capability of ensuring business continuity.

In order to address the uncertainty which characterizes the supply chain in this historical period, Artsana has been planning to adopt some strategies, such as nearshoring and Available-to-promise (ATP) management.

The former refers to a reshoring of products to countries that are closer to the distribution market; this strategy would address the logistical problems connected to the delivery timings.

On the other hand, investments on ATP management systems would allow Artsana to more efficiently analyze customer demands and adjust the required production and purchasing schedules accordingly.

This would help optimize the efficiency of the

supply chain and make it less vulnerable to uncertainty and volatility.

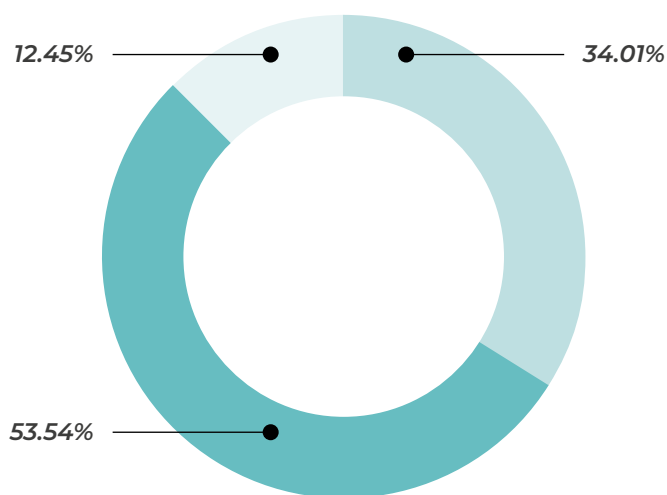
In 2021, Artsana purchased goods for a total value **€ 409 million** on **4,279 suppliers**.

Of the total purchased value, 53,5% was spent on suppliers of finished products, which represent only 5% of the total number of suppliers.

Indeed, Artsana relies on a few trustworthy and qualified suppliers for products that are purchased and directly sold through its distribution network.

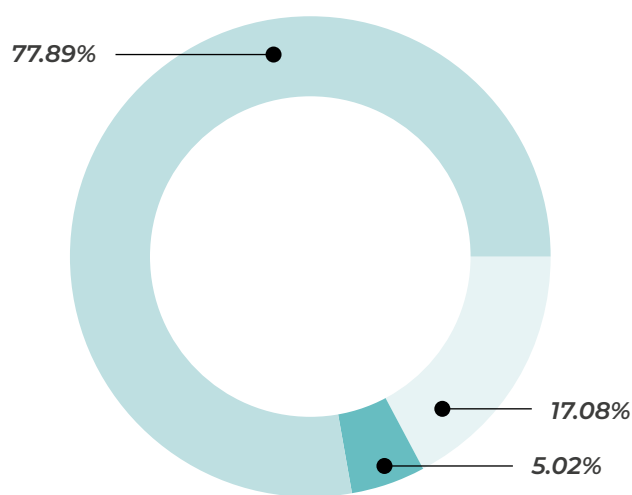
The largest number of suppliers consists of the service provider category, on which Artsana spends 34% of the total purchased value.

**Purchased value in 2021,
by suppliers**



- Of finished products
- Of services
- Of raw materials

**Number of suppliers in 2021,
by category**



- Of finished products
- Of services
- Of raw materials

SUPPLIERS CATEGORY BY NUMBER AND BY SPENDING		UNIT	2019	2020	2021
Of finished products	suppliers (n.)		206	218	215
	spending (%)		55%	51%	54%
Of raw materials	suppliers (n.)		397	375	731
	spending (%)		10%	11%	12%
Of services	suppliers (n.)		4,812	4,563	3,333
	spending (%)		35%	38%	34%
TOTAL		suppliers (n.)	5,415	5,156	4,279

Note: the differences in the 2021 data compared to 2020 are determined by a change in the methodology for suppliers' classification.

Artsana sells its products through two main types **of go-to-market strategies**.

On the one hand, there are direct interactions with end consumers, mainly through Artsana's subsidiaries and its owned and franchising shops and website.

On the other, Artsana sells through indirect deliveries, by means of intermediaries such as distributors or traders. One of the biggest changes in this context is connected to the increased relevance of e-commerce channels.

The Covid-19 pandemic has indeed incentivized a shift in the demand for products to be increasingly sold online, and it stimulated Artsana to improve and enlarge its online platforms as to accommodate consumers' requests. Therefore,

in the last two years, Artsana has been heavily focusing on its digital identity and strategy, by exploring the opportunities of social media and digital platforms.

Two subsidiaries, in Turkey and India, already hold a direct online presence through their e-commerce channels, and Artsana is planning to expand this digitalization project by increasing the number of subsidiaries which directly manage their e-commerce platforms.

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

1.2 OUR SUSTAINABILITY COMMITMENT

1.2.1 Our strategy

Sustainability in Artsana is a concrete approach to the present, with a look to the future and deep roots in the past, which extends to each and every one of Artsana's brands.

Artsana's aim is to strengthen its commitment to future generations year after year, the same way they commit themselves to looking after the world. This is expressed by a strong focus on sustainability, considered a necessary ingredient of parenting and actively caring for people and the planet through a long-term commitment.

For this reason, Artsana decided to report its performance via its **Sustainability Report**, starting from 2016, with the goal of introducing a framework to set sustainable priorities and targets and enriching year after year the communication with its stakeholders about its goals and plans on future 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 with the purpose of raising internal and external

awareness and implementing its sustainability agenda. Since 2017, Artsana became a signatory member of **the United Nations Global Compact (UNGC)**, the world's largest corporate sustainability initiative, adopting its Ten Principles on human rights, labour rights, environment, and anti-corruption, and integrating them into its strategy. Additionally, 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 topics and to foster **Sustainable Development Goals (SDGs)** implementation, thanks to cross-sector cooperation. In particular, Artsana has aligned its goals with the 17 SDGs approved in 2015 by the General Assembly of the United Nations, with the aim to call for action and collaboration between all sectors of society to end extreme poverty and hunger, fight inequality and address climate change, thus addressing the most relevant economic, social and environmental issues of our time.

Artsana's contribution is visible especially on four specific SDGs, n. 3, n. 4, n. 12 and n. 13, which are close to its mission and on which Artsana has chosen to focus on:



Ensure healthy lives and promote wellbeing for all at all ages

Guided by strong and shared values, Artsana has always had the health and wellbeing of the individual at its heart: solid passion for life summarises the group's mission, 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 through every stage of their development with professionalism, active passion and dedication in everything it does.



Ensure sustainable consumption and production patterns

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



Ensure a world for future generations, mitigating climate change impacts

Climate change is and will be one of the most critical challenges humankind has to face in XXI century. Artsana has always focused its efforts on energy consumption reduction and energy efficiency and will continue to increase its commitment on this topic, in order to preserve the world for future generations, mitigating the severe effects of this phenomenon.



Artsana aims to positively contribute to and promote sustainable development globally.

In line with this commitment, Artsana has defined its **ESG policy**, applicable to all subsidiaries and all processes and functions of Artsana. In this way, Artsana aims to ensure responsible business both from an **environmental** point of view by measuring, monitoring, and reducing Artsana's impact, and from a social and **governance** point of view by guaranteeing quality in the production and management of its business.

RESPONSIBLE COMMUNICATION AND TRANSPARENCY

Artsana's **Sustainable Parenting** is a commitment to act responsibly, to respect people and the environment, with a vision for future generations. Artsana assigns great importance to correct communication on the sustainability characteristics of products, through claims and icons placed on packs or other communication and marketing tools. In order to avoid unsubstantiated claims, communication on sustainability features of materials and products is reviewed internally and with the support of external laboratories and advisors, taking into consideration, for example, rules and criteria set by international standards on environmental claims and labelling. Starting from 2020, Artsana decided to **extend its claims portfolio** by making it more detailed.



SUSTAINABLE PARENTING

Artsana Sustainable Parenting is a commitment to act responsibly, to respect people and the environment, with a vision for future and next generations.



SUSTAINABLE PRODUCT

Artsana aims to design and provide 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 by applying sustainability criteria, with the aim of reducing its environmental impact and improving 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 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 developing a comprehensive culture of parenting, promoting dialogue with all its stakeholders to foster people's health & wellbeing and developing social and environmental consciousness, by:

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

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

In 2020 Sustainability Report, Artsana reported its commitment towards key sustainability topics, introducing 4 **ESG Pillars** of its **Sustainability Strategy**, shaping future reporting in terms of achievements and plans on each pillar and topic.

In the following pages a summary of the achievements (up to year 2020, and specific to the 2021 reporting period) plans and goals for each of the pillars and topics is represented.

This aims to give a clear overview and to communicate its approach and commitment to strategic aspects of Artsana's sustainability performance to all **stakeholders**.

GHG Emissions & Climate Change

KEY TOPICS & APPROACH	ACHIEVED 2020	YEAR 2021	PLANS AND FUTURE TARGETS
ENERGY USE AND EFFICIENCY	12,133 GJ e 1,665 tonCO2e saved as a result of initiatives for energy consumption reduction	14,968 GJ and 1,755 tonCO2e saved as a result of initiatives for energy consumption reduction Development of a plan including multiple initiatives, based on various technologies, to progressively reduce energy consumption	Progress in the planned initiatives and technological improvements, completing feasibility assessments for each initiative and implementing solutions to further reduce energy consumption
	65% renewable energy purchased (16,000 MWh renewable energy)	73% renewable energy purchased (17,720 MWh renewable energy)	Increase the % of renewable energy purchased, through GOs/I-RECs, in the countries in which Artsana operates. Targets: 80% renewable energy purchased by 2023 100% renewable energy purchased by 2025
RENEWABLE ENERGY	12 MWh of electricity have been generated thanks to Artsana photovoltaic systems	59 MWh of electricity have been generated thanks to Artsana photovoltaic systems	Installation of further photovoltaic systems in Artsana plants in Italy (900 kWp) and in Romania (200+ kWp)
	> 80% reduction in years 2018-2020 for Scope 2 emissions* 44% reduction in years 2018-2020 for Scope 1 and 2 emissions* *(Market-Based approach)	> 77% reduction in years 2019-2021 for Scope 2 emissions* 38% reduction in years 2019-2021 for Scope 1 and 2 emissions* *(Market-Based approach)	Deploy the plan for energy consumption reduction, also through the increase of renewable energy production, and for renewable energy purchase Report the positive effects on Scope 1 and Scope 2 emissions, taking into consideration science-based approaches and targets Target: energy consumption reduction initiatives in 3 years plan could allow to avoid generation of >2,000 tonnes of CO2eq p.y.
	Around 60% reduction from 2019 in emission intensity (Scope 1 and Scope 2, tonCO2e/Mln € revenues), from 14,3 tonCO2e/Mln€ to 9 tonCO2e/Mln€	7% reduction from 2020 in emission intensity (Scope 1 and Scope 2, tonCO2e/Mln€ revenues), from 9 tonCO2e/Mln€ to 8,38 tonCO2e/Mln€	Measure and report on the emission intensity, aiming at further reduction in coming years
	Scope 3 GHG emissions: measurement and reporting on 7 categories	Scope 3 GHG emissions: measurement and reporting on 8 categories of Scope 3 GHG emissions	Complete measurement and reporting on all relevant categories of Scope 3 GHG emissions (11 applicable categories out of 15) Identify priorities and pathways for reduction
	Scope 3 - Category 1 (purchased goods and services) GHG emissions: first measurement and reporting, related to materials used within production processes at Artsana manufacturing plants	Development of a model to perform first complete screening of Scope 3 - Category 1 GHG emissions	Screening of Scope 3 - Cat. 1 on the whole product range to identify hotspots and define reduction pathways and priorities
	Carbon neutrality through offsetting of residual Scope 1 and Scope 2 GHG emissions	Carbon neutrality through offsetting of residual Scope 1 and Scope 2 GHG emissions	Develop a plan for net-zero carbon footprint, including Scope 3 GHG emissions, aligned with science and good business practice

Environmental Sustainability of Product & Packaging

KEY TOPICS & APPROACH	ACHIEVED 2020	YEAR 2021	PLANS AND FUTURE TARGETS
PRODUCT & PACKAGING	<p>Introduction of criteria to assess sustainability of products during new product development process, and to support communication on products' sustainability features</p> <p>LCA study in Juvenile area, in collaboration with Bocconi University, to assess nature and relevance of impacts during the intire lifecycle</p>	<p>Assessment of products following sustainability criteria during new product development process</p> <p>LCA study, in collaboration with Bocconi University , on a top selling toy, to assess nature and relevance of impact during the whole lifecycle</p>	<p>Update and align the tools and criteria for product sustainability assessment, to future standards supporting the development of standards on durability, repairability and recyclability for the relevant product categories</p>
	<p>Multiple initiatives to reduce environmental impact of products, including use of recycled or compostable materials in Juvenile, Nursing Toys and Fashion lines, including launch of specific product lines, like the new Eco+ by Chicco Toys line</p> <p>Study and research for the introduction of rPET and rLDPE in Cosmetics line packaging, targeting 50% to 100% recycled material, and for revision of cosmetics formulation to increase use of natural ingredients</p>	<p>Continued efforts to test and introduce recycled materials into products and packaging to reduce their environmental impact:</p> <ul style="list-style-type: none">- in 2021, as a result of these actions, 759,343 kg of virgin plastics were replaced with recycled materials in Juvenile, Toys and Nursing range;- in Clothing and Shoes product ranges, increased use of recycled materials, sustainable cotton and plant-based materials, together with the introduction of more sustainable processes in denim production, allowed further progress in the environmental impacts reduction (see details in chapter 2) <p>Introduction of information on packaging materials to support correct management of packaging waste disposal</p> <p>Analysis of the full product range to quantify use of single-use plastics in packaging, in order to determine future actions to reduce/replace materials with recycled plastics where feasible</p> <p>Continued and extended use of paper/cardboard from responsibly managed forests in product packaging. The repacking of Chicco Nursing Cin Cin line involved around 60% of the delivered products in 2021.</p>	<p>Introduction of sustainability attributes in the company ERP to support measurement of KPIs and reporting on use of sustainable materials in products and packaging</p> <p>Continue studies and tests to increase use of recycled materials, while maintaining the established high quality and safety requirements</p> <p>Implement priority actions deriving from the screening of indirect GHG emissions (Scope 3) in order to improve the environmental footprint of products</p> <p>Evaluate and adopt certification schemes, applicable to materials and/or products, supporting Artsana's commitment to environmental sustainability of products</p> <p>Implement Extended Producer Responsibility schemes as applicable to product categories and distribution activities</p>
	<p>Wide use of paper/cardboard from responsibly managed forests</p> <p>Introduction of testing programme for e-commerce-proof packaging, made available on a wide set of products, not requiring further logistic packaging for delivery to consumers</p>	<p>Continued and extended use of e-commerce-proof packaging, to reduce use of supplementary packaging in downstream distribution</p> <p>CONAI Award in Italy for eco-sustainable packaging of two Goovi products</p>	

Social & Human Rights

KEY TOPICS & APPROACH	ACHIEVED 2020	YEAR 2021	PLANS AND FUTURE TARGETS
OUR PEOPLE'S WELLBEING, WORK-LIFE BALANCE AND PROFESSIONAL SKILLS' DEVELOPMENT	15,279 total training hours	17,095 total training hours	Continuously support our people know-how and competence through training. Launch in 2022 of new Artsana Learning platform to empower our people's professional growth through access to a wide collection of training material with 24-7 free access, open to all employees from Italy, Spain Turkey and China. Roll out on all the other sister companies within 2024
	2,757 hours dedicated to training on job skills (e.g., technical topics, IT, machinery operations)	5,979 (+117% compared to 2020) hours dedicated to training on job skills	Integrate the self-training platform with selected traditional training to further reinforce the professional skills development of our employees
	5,585 hours of health and safety training for our people Covid initiatives (Artsana's Covid-19 Protocol, Crisis management mailboxes, specific Company Committee)	5,792 hours of health and safety training for our people Continued management of Covid-related topics, to minimize impact on the organisation and assure continuity in business processes	Keep a focus on training on health & safety topics as a key factor to pursue a 0 injuries target in the organisation
	Set of initiatives implemented to create a sustainability culture/sustainable thinking in the organisation, to promote the integration of sustainability in all business processes. Workshops involving both management and employees, with several working groups dedicated to new initiatives on sustainability across the company	Continued engagement of the organisation, involving both HQ and sister companies, on sustainability, including wide participation in workshops and streaming events Circular economy topic in the agenda of the annual company international convention, with participation of keynote speaker from Bocconi/Sant'Anna University New internal newsletter (Artsana people) supporting our people's involvement and a common awareness on initiatives and key facts	Keep and increase the involvement of our people to grow and continuously move forward in our sustainability roadmap, starting from an update of Artsana organisation values through the engagement of our people, leveraging the international culture and footprint of the company and fostering inclusive leadership and equal opportunities
	Development and implementation of an evaluation process for our people (WAVE - We Are the Value of the Enterprise), to promote company values and the growth of each employee, as well as the organisation as a whole	Resumption of the training and professional development WAVE, after its interruption in 2020 due to Covid-19	Expand WAVE programme to promote values and behaviours to sister companies, and extend the evaluation from 180° to 360°
	To support our people's wellbeing and work-life balance, “family tools” like the Children Village (a nursery school close to Artsana headquarters) and other initiatives supporting family needs are in place	In addition to existing initiatives and “family tools”, with the slow-down of the pandemic emergency and related contingency measures, smart working has been maintained both at Artsana HQ and at most subsidiaries, offering to employees working in-office the opportunity to work from home for one or two days a week	Develop a new package of initiatives for welfare and work-life balance (product supplies for newborns, contributions to nursery school, contributions to green mobility, training and services for parents and caregivers, specific support for maternity leave, services for employees' children, smart working, expert advice on wellness and healthcare, training and support to continuous learning)
CONSUMERS' AND FAMILIES' GOOD HEALTH AND WELLBEING	Expertise in children's and parent' psychophysical, emotional and social needs through the continuous collaboration of Baby Research Center and innovation teams with a wide network of medical experts, health care professionals and researchers, universities, hospitals, associations and consumer research groups across different cultures and nations, to support innovation and communication	Continued commitment on a responsible approach to innovation and communication, as detailed in chapter 2 of this report	Customer-centric and scientific approach to innovation and communication
	Consolidated active role in standardisation activity to adopt high quality and safety requirements in product innovation	Active contribution to the development of multiple new childcare safety standards in EU and abroad, including EN/ASTM/ISO standards	Maintain and leverage expertise for innovative, effective and safe solutions.
	More than 2000 members in Open Innovation Platform	More than 2600 members in Open Innovation Platform	Maintain and develop Open Innovation Platform to support and promote innovation
	4,800 family courses attendees #NEXT2YOU initiative to offer advice from experts, workshops and tips to support parenting	6,399 family courses attendees #NEXT2YOU initiative to offer advice from experts (with 45 educational articles published on the website), workshops and tips to support parents through social media channels	Maintain and further develop family courses to support parents, through additional services and new content formats
SUSTAINABILITY, CULTURE AND EDUCATION	New sustainable parenting value proposition	MammaE campaign to promote women, motherhood and equal opportunities	Increase internal and external communication on sustainability topics, through institutional reporting and brands' communication to promote sustainability culture and communication
	Control's campaign “Sex is beautifully Imperfect” for diversity and inclusion and in particular to promote inclusive sexuality without prejudices.	Control took part in the initiative for the 40 th anniversary of the fight against HIV promoted by Anlaids with the photo exhibition “IF YOU LOVE FREEDOM, PROTECT IT.”	Continue promoting diversity and inclusion
	Participation to UN Global Compact Network Italy activities aiming to address sustainability topics and to foster Sustainable Development Goals (SDGs) implementation by a wider target	Participation in UN Global Compact Network Italy tables on decarbonisation (Artsana's case on governance of sustainability) and on diversity and inclusion (Artsana's case on equal opportunities and youth)	Actively participate to round tables and peers groups on sustainability topics, to contribute to and to continuously learn using state-of-the-art approaches to sustainability topics
COMMUNITIES AND SOLIDARITY	Established CSR initiatives close to the company's purpose (Chicco di Felicità, Mission Bambini), with more than 8000 children helped by solidarity initiatives	Continued support to established CSR initiatives, close to the company's purpose, as detailed in this Sustainability Report	Continuous support and commitment to CSR initiatives close to the company's purpose and to the needs of communities, both at corporate level and by local subsidiaries in the countries
	> 10,000 products distributed thanks to Baby Spesa SOSpesa	2,500 products distributed thanks to Baby Spesa SOSpesa	

Responsible Value Chain



KEY TOPICS & APPROACH	ACHIEVED 2020	YEAR 2021	PLANS AND FUTURE TARGETS
ESG RATING	Building of indicators and reporting tools to track and report practices and performance of multiple sustainability indicators	<p>First ESG assessment at group level on EcoVadis platform, with assignment of "Silver Medal" rating and with a particularly high performance score on Environmental topics and on Labour & Human Rights practices</p> <p>Artsana was awarded with the "Climate Conscious Company" award in Italy by Corriere della Sera and Statista, ranking 100 Italian companies based on the screening of 2018-2020 GHG emissions intensity reduction of 700+ large companies; Artsana ranked 22nd in the general ranking and 1st in the consumer goods category</p> <p>Obtaining the "Legality Rating" (issued by the Antitrust Authority to companies that are ethical, transparent and operate within the law) with the highest score</p>	Participate in selected initiatives dealing with ESG performance rating, to continuously track progresses, identify improvement opportunities and benchmark performances on key sustainability topics
ESG GOVERNANCE & MANAGEMENT SYSTEMS	<p>New ESG policy for the integration of sustainability in the company mission, deploying "how to" for Environmental, Social and Governance topics</p> <p>"Sustainable Parenting" to promote a more sustainable and inclusive idea of parenting</p> <p>Adoption of a Code of Ethics, establishing fundamental ethical values in business conduct and rights, duties and responsibilities with regard to all stakeholders. No episodes of corruption reported.</p> <p>Introduction of a Sustainability Committee to lead the integration of sustainability throughout the business</p> <p>Adhesion to UN Global Compact and identification of priority Sustainable Development Goals (SDGs 3, 4, 12, 13)</p> <p>Full-scope reporting on sustainability according to GRI reporting standard, covering the whole industrial and commercial perimeter and the full company brands portfolio</p> <p>Multiple certifications for Artsana's management systems, according to international standards addressing quality, good manufacturing practices and environment</p>	<p>Review and update of the Organisational, Management and Control Model which refers to, inter alia, "bribery act" and anti-corruption laws and regulations. No episodes of corruption reported</p> <p>Development and updating of a tool to verify compliance with GDPR and privacy laws and regulations</p> <p>Development and adoption of new tool to support whistleblowing process, using OneTrust application</p> <p>Maintenance and continuous improvement of management systems according to best-practices dealing with quality management, environmental management, good manufacturing practices, health & safety, cyber security</p> <p>Development of new Crash Test Laboratory quality management system following ISO 17025 standard</p>	<p>Review and update of Code of Ethics</p> <p>Deployment of training throughout the organisation on the Organisational, Management and Control Model, including anti-corruption, through new ad hoc e-learning platform (2022)</p> <p>New policy and tool to support whistleblowing process, based on OneTrust application, available to users (2022)</p> <p>Maintenance and continuous improvement of management systems according to best-practices dealing with quality management, laboratory quality management, environmental management, good manufacturing practices, health & safety, cyber security</p>
WASTE & WATER	<p>Total waste generation decrease of 7% between 2018 and 2020.</p> <p>83% non hazardous waste sent to recovery</p> <p>Decrease of produced wastewater of 2% from 2019 to 2020</p>	<p>13% decrease in total waste generation between 2019 and 2021</p> <p>83% non hazardous waste sent to recovery</p> <p>Multiple initiatives to reduce footprint through waste reduction/reuse/recycling/recovery, as detailed in chapter 4 of this report</p> <p>Study and approval of investment for new, more efficient reverse osmosis plant</p>	<p>Developing of initiatives, activities, and projects aimed at progressively reducing the total amount of generated waste and increasing the portion of recycled/reused/recovered waste materials</p> <p>Replacement of reverse osmosis plant allowing a 10% reduction of water withdrawn from the water network</p>
TRANSPORT & DISTRIBUTION	Local for Local supply chain in selected areas (main development in India)	<p>Continued efforts to reduce the impacts of lockdowns in the supply chain (factories, warehouses, transport) to ensure availability of products on the distribution markets</p> <p>50% of products for indian market produced locally</p>	<p>Develop and implement initiatives to strengthen supply chain resilience and agility to support business growth and to grant distribution efficiency</p> <p>Revision of the production footprint and logistics, with the aim to reduce the time to market, the impacts of the operational costs increase and the environmental impacts of upstream and downstream distribution (2022-2025)</p>
SUPPLIERS ETHICAL MANUFACTURING & ENVIRONMENTAL FOOTPRINT	<p>100% finished products suppliers qualified according to social and environmental criteria</p> <p>Building integrity and electrical safety inspections in the value chain following risk-based approach</p> <p>Suppliers' engagement to share their sustainability strategies and policies with Artsana and to evaluate their approach to sustainability</p>	<p>100% finished products suppliers qualified according to social and environmental criteria</p> <p>Renewed participation in Bangladesh Accord for ready-made garments</p> <p>Collection of primary data from suppliers to support sustainability assessment of products and packaging</p>	<p>Continued engagement of suppliers to promote the integration of sustainability/ESG topics in business processes</p> <p>Maintain systematic adoption and verification of Suppliers' Code of Conduct and qualification through social and environmental criteria</p> <p>Further extend the adoption of ethical manufacturing schemes to textile supply chain (from 2022)</p> <p>Review and update the due diligence process on human rights and climate change in the supply chain (2022-2025)</p>

1.2.2 Our Stakeholders



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. To identify them, Artsana has analysed the relationships between the Company and the various categories of stakeholders, with the direct involvement of

the management team and a constant and open dialogue with stakeholders.


Additionally, Artsana's Sustainability Committee is continually receptive to changes in stakeholder groups to determine effective and efficient ways to engage with them, with the aim to involve the entire value chain in sustainability topics.

As part of this constant effort, Artsana has created, in 2021, a newsletter, which keeps **employees** updated on the Company's activities with the aim of constantly informing and involving them. Furthermore, Artsana works with its **suppliers** to discuss their experiences on

sustainability projects, with the aim of reaching a positive impact on sustainable consumption and production.

Finally, Artsana involves **local communities** on these topics, participating to round table sessions with multiple stakeholders.

Stakeholder engagement model at Artsana

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

1.2.3 Material topics

The aim of Artsana's Sustainability Report is to present the topics that are considered most relevant because they reflect Artsana's 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**, and to define the report contents, Artsana followed the **GRI Standards reporting principles**: stakeholder inclusiveness, sustainability context, materiality and completeness.

For the Sustainability Report 2019, Artsana implemented an **external relevance analysis** including: a study on the baby care sector which consists of an analysis of the sustainability trends that emerged during 2019; a media review, for which economic, social and environmental news related to Artsana were studied; a benchmark analysis on the Artsana's major competitors (in the sectors of nursing, cosmetic, pharma, juvenile, toys, clothing, shoes); an analysis of sustainability macro trends, and a materiality questionnaire distributed to Artsana's subsidiaries and Corporate asking them to prioritise a list of topics from the point of view of Artsana's stakeholders.

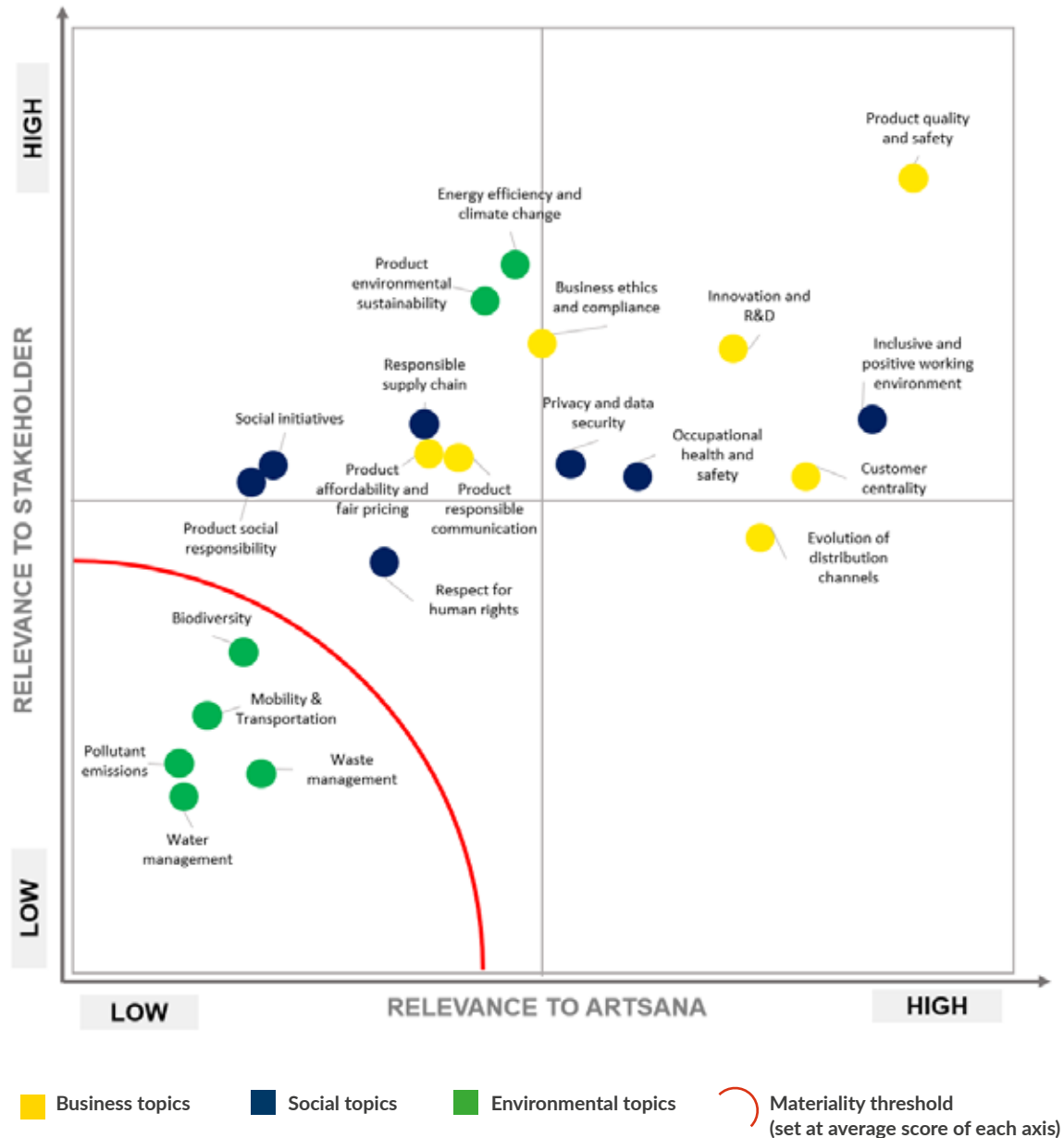
For the **internal relevance analysis**, Artsana's subsidiaries and Corporate were also asked to prioritise the same list of topics from Artsana's point of view. The intersection of the results of these two analyses led to the definition of the Materiality Matrix 2019.

In 2020 and 2021, in order to determine the relevance of topics from the stakeholder point of view, the following analyses were carried out: a study of the Artsana sector, a media review, a benchmark analysis and a macro trends one. The relevance of topics from the Company point of view has been investigated through meetings with members of the Sustainability Committee and other employees.

Compared to last year, the Artsana Materiality Matrix 2021 presents the following movements and mergers:

- the topic **"Privacy and data security"** has moved along both the x-axis and y-axis, as a result of the increased awareness raised on this issue by the cyber-attack undergone by Artsana in 2021;
- the topics "Compliance with laws and regulations" and "Anti-corruption and business ethics" have been merged into one single topic, now called **"Business ethics and compliance"**, which reflects Artsana's commitment to conducting business in accordance with laws and regulations, including those related to anti-corruption, and ethical values;
- the topic **"Respect for human rights"** has been moved right along the x-axis following the increased commitment of Artsana in ensuring the respect of human rights along its supply chain;
- the topics "Use of raw materials" and "Environmental impact of products" have been unified into one topic, now called **"Product environmental sustainability"**, with the goal of integrating initiatives in this area under one single action framework linked to EcoDesign, and to highlight Artsana's ever-increasing commitment to choosing sustainable alternative materials for its products.
- The topics "Employee care" and "Diversity and equal opportunities" have been merged and named **"Inclusive and positive working environment"** to reflect Artsana's commitment to promoting diversity and inclusivity as well as creating a stimulating and engaging working environment.
- The topic **"Evolution of distribution channels"** has moved along the y-axis, as a result of changes in the global scenario, mainly related to Covid-19, which increased the relevance of online distribution channels, and along the x-axis, as a result of Artsana's commitment to investing in these new distribution channels.

ARTSANA'S 2021 MATERIALITY MATRIX



The topics on which the report is based are those included in the Materiality Matrix and, in particular, are the ones above the **materiality threshold**, which is set, according to GRI Standards guidelines, with the aim of including the most relevant topics both from Artsana's and its stakeholders' point of view.

In particular:

- the most relevant topics, both according to corporate and stakeholders, are **"Product Quality and Safety"** and **"Innovation and R&D"** in line with Artsana's priority of providing

innovative and high quality and safe solutions to families;

- **"Inclusive and positive working environment"** and **"Customer centrality"** are the most relevant topics for Artsana, underlining the importance that the company attributes to its people and customers;
- as mentioned above, the new position of **"Privacy and data security"** and **"Evolution of distribution channels"** reflects the importance Artsana attributed to it, and the past years growing attention to these issues.

- “Energy efficiency and climate change”, “Product environmental sustainability”, “Business ethics and compliance”, “Product responsible communication”, “Product affordability and fair pricing”, “Social initiatives”, “Responsible supply chain”, and “Product social responsibility”, always considered important by Artsana, mainly reflect the emerging sustainability issues felt by the various stakeholders and Artsana itself in terms of support for CSR initiatives and respect for environment;
- The increased importance for Artsana of the topic “Respect for Human Rights” reflects its ever-increasing commitment to ensuring human rights in the workplace and throughout its supply chain.

The aspects **Business Continuity** and **Group Governance** are not reported as topics in the Materiality Matrix, since they are essential for the existence of the Company and transversal to all the topics reported in the Materiality Matrix itself.

Due to the Covid-19 pandemic, in 2020 and 2021, these two aspects have been widely impacted, increasing their relevance not only from an external point of view, but particularly from the internal one, due to the commitment and effort demonstrated this year by Artsana in contrasting this critical situation and guaranteeing the Group continuity. Therefore, these two aspects are considered highly material by definition.

Artsana’s material topics:

Business ethics and compliance	Ensure integrity and ethical behaviour, by avoiding anti-competitive practices, preventing corruption, fraud and money laundering in all business operations, and compliance with all national and international applicable legislation.
Customer centrality	Consider customers' and consumers' needs at the core of business processes management and decision making.
Evolution of distribution channels	Manage the evolution of distribution channels to meet or anticipate clients' needs and market trends (e.g., e-commerce).
Innovation and R&D	Research and development of new products, services, and technological solutions for customers.
Product quality and safety	Assure quality and safety of products with meet or exceed customer expectations.
Product responsible communication	Ensure fair and correct communication to customers on all channels (e.g., marketing claims, website, advertising).
Business continuity	Ensure, through preventative action and correct business management, that Artsana operations are not impacted by business risks and threats.
Group Governance	Ensure that Corporate Governance is transparent and in line with Artsana ethical values.
Energy efficiency and climate change	Limit energy consumption, 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 programmes).
Product environmental sustainability	Consider the environmental impact of products through their entire life cycle (design, production, use and disposal). Impacts can be reduced through material use reduction, eco-design for use/end of life, and use of sustainable materials from renewable sources (e.g., FSC certified paper) and recycled or bio-based (e.g., bioplastics).
Inclusive and positive working environment	Establish a welcoming, inclusive, positive and stimulating working environment, by guaranteeing equal opportunities and combat all forms of discrimination (e.g. gender, religion, political opinion, nationality) and by caring for work-life balance, welfare and benefits programmes and ensuring proper training and people empowerment.

Occupational Health & Safety	Ensure a safe and healthy workplace, promoting structured safety management procedures and programmes and spreading the knowledge of a safety culture.
Privacy and data security	Protect customers' sensitive information and personal data and prevent cyber-attacks, breaches, data losses and unauthorised diffusion of information.
Product affordability and fair pricing	Set prices with the aim of meeting customers' needs and lifestyles, to make them accessible and competitive.
Product social responsibility	Developing products with a positive social impact (e.g. wellbeing, education, responsible parenthood).
Respect for human rights	Ensure and respect the protection of internationally proclaimed human rights.
Responsible supply chain	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.
Social initiatives	Support local communities through sponsorships of local initiatives, projects or donations and actively contribute to the development of the communities in which Artsana operates.

Other relevant topics:

Biodiversity	Protect and conserve biodiversity, considering the direct or indirect impact of business processes on the integrity of the environment to preserve living species.
Mobility & transportation	Maximise efficiency in transport to minimise costs and environmental impacts, optimising transportation paths, and the number and size of the loads.
Pollutant emissions	Contribute to the reduction of air pollutant emissions (e.g. NOx, SOx, PM) through concrete actions and process optimisation.
Waste management	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.
Water management	Optimise consumption and management of water resources, by reducing water spills or losses during the production processes and incentivising the reuse of water.



2

Parenting for growing together

Each phase of a child's life is a wonderful adventure, characterised by unique challenges and opportunities to its development, education and wellbeing.



Becoming a parent means living alongside a new life, learning to deal with its ever-changing needs in different situations, and making the best choices for the formation of her or his personality on this journey. In addition, parenthood is also a shared experience not only with one's partner, but with all those who take part in the different moments of the child's life, taking care of her or him, passing on values and helping children grow up. Therefore, Artsana, through its brands portfolio, has introduced the philosophy of parenting, a concept that means taking care of those you love with the involvement that parents have. A value that is thus shared by all people who care for children in various ways, and by Artsana in caring for present and future generations. In fact, the family model is evolving, becoming more fluid and inclusive than in the past. As a result, parenting is no longer just biological, but is an expanded attitude, including grandparents, uncles and aunts, friends and all caregivers who gravitate towards the family. Regardless of one's role, caring for children entails many responsibilities and concerns, which can generate doubts and uncertainties. Consequently, Artsana takes care of parents and caregivers by becoming a real ally, with products and solutions designed to live alongside every moment of a child's growth with awareness and serenity. In this sense, all products are "problem solvers," responding to children's needs and facilitating the daily lives of all those who care for them. Each product is the result of a synergy between great internal expertise and targeted

research, based on constant dialogue with a **multifunctional network** of universities, design schools, creativity training centres, professionals and the consumers themselves. In this way it is possible to give a precise and timely response to the ever-changing needs of the new generations, guaranteeing quality and safety while complying with regulatory requirements.

The **Chicco Research Center** is Artsana's research unit dedicated to identifying the psychophysical, emotional and social needs of children and parents. The centre is located in Italy but involves an international network of doctors, researchers, academics, and a qualified panel of parents, which allow the Group's brands to be constantly updated and ready to offer innovative and effective solutions. Moreover, collaborations with Universities and Hospitals for clinical research or scientific evaluation of products guarantee Chicco's reliability in developing "science-based" solutions and content, consistent with parents' insights. Artsana coordinates the research agenda with its own **innovation and quality goals** and this cross functional approach also represents a way to develop internal knowledge, one of Artsana's success factors in playing a leadership role in the wellbeing sector, focusing on children and families. Thanks to this experience and expertise in baby care and healthcare, Artsana can help parents answer their main questions and concerns, as well as through an extensive catalog of courses in collaboration with various experts.



2.1 SIDE BY SIDE WITH PARENTS

For Artsana the concept of caring has no limits. Caring for others also means taking care of future generations and the planet they will live in. That is why Artsana's brands aim to support not only parents but caregivers in general, promoting a more sustainable and inclusive idea of parenting.

#MUMAND (#MAMMAE), TO BE MOTHERS AND MORE

Chicco is a brand historically close to families, which it has always supported with products, services and activities in the territory.

It has long adopted an approach that revolves around the concept of parenting, which is translated into a commitment to support all dimensions of having sons and bringing them up with concrete solutions and initiatives.

With this in view, in June 2021 Chicco launched the **#mumAND (#mammaE) campaign** in several countries to spread a message in support of women and their freedom of choice. The intent was also to generate a debate on this topic, affirming the rights and possibilities of women to reconcile professional goals with the desire to be a mother.

The idea of the campaign stems from an especially current issue for today's society. Motherhood is still very often perceived as a crossroads, requiring a choice to be made between being a mother and pursuing one's dreams and passions. With this action, Chicco has become the reference point for all women who want to be mothers and more, providing an answer to the socio-cultural need to promote personal affirmation without giving up.

A film was also produced and it went on air in Italy and Portugal on major TV channels along with a digital campaign. The film tells the story of the lives of an athlete, an architect, and a musician, united by the desire to achieve their dreams and throughout pregnancy. The result is an emotional tale of three women who do not want to choose who to become, because they want to be able to be themselves and mothers at the same time.

In this sense, the initiative represents a desire to move toward change by stimulating cultural debate, nationally and internationally, on a controversial issue so that women are no longer faced with this choice.

The campaign core value in a logo

To make the campaign recognizable and communicate its meaning, a logo was created: one for Italy and one global, creatively reinterpreting the symbol par excellence of femininity. In this way, the intent to symbolically transform all "or" into "and" (Italian version) and "infinity" (global version) by supporting women who want to be mothers AND all they want to be is immediately clear.



360° Development

Many countries were involved, implementing the campaign in different ways, depending on local strategies and realities.

In Italy, a dedicated landing page was created on Chicco's Italian site, populated with in-depth videos and editorial content approaching the topic from different perspectives, through direct testimonies and in-depth articles by the Chicco Research Center.

In terms of press office activity, the campaign was covered by all types of media with qualitative articles covering all #mumAND (#mammaE) topics, with excellent results. More than 70 influencers were involved, and through social channels, testimonials were posted, even involving four female Olympic athletes who became testimonials for the project. Women who work for the brand every day also contributed to the campaign, giving interviews about their experience. Moreover, in collaboration with Chicco stores, one-on-one consultations and free online webinars were organized on many topics connected to maternity offering useful advice on how best to deal with each situation.

Those activities were carried out in collaboration with a network of experienced professionals focusing on each need related to pregnancy, wellness and postpartum, body and mind care, physical and mental resources management and return to work.

Some examples of other countries' projects: Portugal implemented a social network activity in collaboration with four influencers and six mothers; then, a live event was organised to discuss the issue. Spain, after consumer research, issued a press release and planned a social media strategy aimed at making women more aware.

Finally, in Mexico more than twenty influencers were involved and interviews were conducted with the campaign ambassadors; a collaboration was created with a working group for women entrepreneurs and a communication strategy was planned through social media and newsletters. In all these cases, user feedback has been positive, continuing to fuel discussion on the topic and drawing community attention to the project.



WOMEN: BETWEEN MOTHERHOOD AND SPORTS

With the launch of the #mammaE campaign in June 2021, Chicco also addressed the issue of sporting activity during pregnancy, continuing to support women who want to become mothers, without having to give up on themselves.



CONI (the Italian National Olympic Committee) and Artsana, with the brand Chicco, have compiled a study on the effects that sports have during pregnancy, as well as after childbirth, on professional female athletes. The goal of the initiative was to communicate the importance of physical activity during pregnancy and postpartum.

Input began with the Chicco Research Center, who followed the entire research project, step by step, offering expert advice and practical guidance throughout on how to exercise properly. The study has, in fact, shown that exercise in pregnancy is safe and advisable because of its many benefits on both mothers and babies.

The study involved a team of professionals consisting of three sports physicians, a gynaecologist, two athletic trainers and a statistical analyst. The study was conducted on a sample of 55 female Olympic athletes, who had children during their competitive careers and continued to train during pregnancy under professional supervision and in complete safety, and then returned to compete at a high level. The analysis found that one in two female athletes returns to the same international level after giving birth, 40% place on the podium, and 30% win a gold medal.

The results of this study confirm that the conscious choice of pregnancy should be protected in all respects, and sporting activity, in the absence of disease, should be considered as a useful tool for protecting the health of the mother and the baby or child.

Pregnancy can be an opportunity to maintain or improve one's lifestyle by adopting healthy behaviors and taking care of oneself as well as the baby or child one is carrying, and this principle applies whether one is an athlete or a non-athlete woman.

From research to concrete action

Starting from the research results, materials and decalogues were developed in collaboration with experts to stimulate and support pregnant women in sports activity, with customised programmes. In Italy, a landing page dedicated to Motherhood and Sport has been created on Chicco's official website, populated with informative content aimed at promoting physical activity during pregnancy, with advice by doctor and gynaecologist Giovanna Testa and athletic trainer Luca Bonaguidi, the same specialists who participated in the research.

To support women in a practical and effective way, workout programmes were produced with sequences of exercises to be performed, diversified by level of physical preparation and time of pregnancy (pre-birth or post-birth). The activity was also included in the Advice section of Chicco's website, with in-depth articles on the topic written by the Chicco Research Center. All the material has also been made available for all other countries.

Social media communication and activities on the ground

The research results were presented with an institutional press conference held in Rome and shared with media through media relations activities. In addition, engaging and inspiring content published on Chicco's social media channels helped to spread informative messages about the topic, thus reaching many people.

Furthermore, dedicated communication activities were organised to inform gynaecologists about research findings, along with free courses dedicated to families, which could be attended online. Each course was designed to address a different aspect related to the practice of sports during pregnancy, involving specialists from various fields such as gynaecologists, athletic trainers and nutritionists. The project has had a very positive response, informing and reassuring expectant and new mothers about the positive effects of exercise during pregnancy and after childbirth. The information, combined with practical support in managing workouts safely, has led many women to become more aware of the topic and decide to adopt a more active lifestyle.





Did you know?

To give maximum support to parents and to all those who deal with parenting, Boppy International actively collaborates with two associations: **Amati Prima** and **Baby Wearing Italia**.

Amati Prima is a portal dedicated to prematurity. It is made up of "premature parents", doctors, psychologists, consultants, psychotherapists, trainers, pedagogists, all specialised in the subject of prematurity, with the goal of supporting and informing parents of preterm babies, as well as conducting awareness-raising activities in hospitals. The Boppy® ComfyHug® Newborn Carrier has been approved by the association, which sponsors its use by parents, under the previous recommendation of a paediatrician. It is suitable both for babies during their first days of life (from 2.5 kg up to 9 kg) and for premature babies, who often have a prolonged need for emotional, human and intimate skin-to-skin contact.

Baby Wearing Italia is a Social Promotion Association that aims to promote babywearing as a care practice by sharing its benefits with parents and their babies, helping them, and supporting them through informative meetings, workshops, group courses and individual consultations, carried out by babywearing consultants and experts. Boppy also presents some of its products to the association so that they can discuss them on their platform and make itself known as baby carrier experts. For example, in July, 15 Babywearing Italia members received the Boppy Baby Carriers: ComfyFit, Adjust Comfyfit and Comfyhug. Once the products were received, they were then tested and reviewed, and posted on their social media channels.

All testers turned out to be very satisfied with the products and provided some interesting suggestions to improve future models.

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 parenting, as well as takes care of future generations and the planet they will live in.



PREGNANCY

As mothers offer their baby care and protection, Artsana care about mothers' daily needs.



FEEDING

Artsana provides concrete support towards parents for this delicate and special experience. Practical and easy solutions that ensure both child and parents' wellbeing.



SOOTHING, RELAXING AND SLEEPING

Artsana designs specific soothers promoting natural orthodontic development and supporting physiological respiration. Artsana also designs cots that simplify parent's lives; by allowing babies to safely sleep in close proximity to their parent, sleep quality is enhanced for both of them.



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 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 a baby's progress step by step and provides the tools for a perfect balance between closeness and independence.





PLAYING

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



TRAVELING

Artsana develops its car seats with a focus on research and technological innovation, to guarantee the best quality of materials and the most updated 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, giving them the freedom to move and assuring parents of the quality of the materials, all the while making kids fashion more and more sustainable.



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 helping babies learn to walk properly.



BOPPY ORGANIC PRODUCTS

Since 2019, the Boppy brand keeps promoting its Organic items, which have grown significantly over the years. This was especially apparent in 2021, when Boppy experienced growth of 154%, primarily focused on Boppy organic nursing support products. The line began with the most gentle 100% organic cotton jersey fabric covers, constructed with dual-sided coordinating prints and matching piping. The Boppy Organic Cover comes in several styles to coordinate seamlessly with the nursery.

Due to the demand for Organic products, Boppy is adding an Organic fabric Bare Naked Support, two Organic Covered Supports, plus an Organic line of prenatal products.



Did you know?



Since the very beginning, Boppy has been committed to the safety of infants, and in line with this constant attention, to ensure that its products are being used correctly and confidently, in 2021 created the “**Boppy Pledge**”. Through this, Boppy asks parents and caregivers to use products safely and to ask others to do the same by sharing the pledge with their peers. The aim is to spread safe product use information and safe infant sleeping practices.

With each pledge, Boppy will donate \$1 to **First Candle**, a leading national nonprofit dedicated to the survival of babies throughout the first year of life, since 2015. First Candle also contributed to educating Boppy caregivers through Safe Sleep tips and tools over the years.

Did you know?

In 2021, the **Human Milk Link project**, sponsored by Artsana with its Fiocchi di Riso brand, returned to its original objective, despite many restrictions due to the Covid-19 pandemic. It was possible to resume contact with mothers who donated breast milk and to deliver it to Milk Banks. Fiocchi di Riso managed to make **57 deliveries** of breast milk to the Banks, collected from several donors, and about **160 free consultations** in attendance providing information on breastfeeding, nutrition, vaccines and psycho-motor development.

During the several lockdowns during the year, the project was continued through some **60 online consultations**, with the aim of supporting mothers in their parenting journey.



PhysioForma® PREMATURE PACIFIERS

The new **PhysioForma pacifier**, a medical device for babies born prematurely, is now available. In 2021, in order to assess the acceptability and safety of the new product, a study was conducted, comparing the new pacifier with the devices already in use. This was done under the supervision of Prof. Massimo Agosti, Director of the School of Paediatrics at the University of

Insubria's medical department. This pilot study suggests that there are no differences in stimulation between the two different pacifiers in the timing of attainment of exclusive enteral feeding and attainment of autonomous feeding; infants stimulated with the new silicone pacifier also benefit from the new device by presenting, both at attainment of autonomous feeding and at the end of the study, a significantly higher weight.

The new PhysioForma Silicone Preterm Infant Pacifier also proved to be safe from the first week of stimulation to the end of the study: substantial stability of vital parameters was observed during oral stimulation.

Overall, this pilot study demonstrates a good acceptability of the silicone pacifier for both smaller and larger infants.





SUSTAINABLE FOR ATOPIC SKIN

Atopic Dermatitis is the most common skin condition in Europe during childhood, especially among children under 5 years of age, and it can be manifested in the form of intense itching, redness, irritability and dryness. The causes may be various: hereditary, dietary, medication, or environmental pollution, which should not be underestimated. According to the World Health Organization (WHO), skin problems in toddlers are more frequent in unhealthy and polluted environments in which children of the new millennium live. Among skin conditions, Atopic Dermatitis increased over the last 30 years, a period during which pollution and environmental conditions have progressively worsened, especially in industrialised countries.

Fiocchi di Riso has therefore decided to respond

to the ever-increasing need for products dedicated to alleviating this particular condition, and in collaboration with the Department of Paediatric Dermatology of the University of Padua, has created the **new cosmetic line Dermo-Atopia**, entirely dedicated to assisting in the treatment of skin with atopic tendency in daily life.

This line focuses on the wellbeing of the skin and aims to prevent the main conditions of skin with atopic tendency: xerosis (extreme dryness), increased permeability (the skin is more irritable and sensitive to allergens) and alteration of the skin's bacterial flora. Four preparations with dermo-fine ingredients and prebiotic active ingredients were formulated to preserve the balance of skin microbiota, with specific dermocentric properties; it is also fragrance-free, to help repair, rebalance and naturally moisturise the most delicate and vulnerable skin of babies, children and adults.





BABY MOMENTS: THE NEW NATURAL COSMETIC LINE

The products of the **Baby Moments** line are designed to meet the needs of all skin types and with a strong focus on the environment.

Indeed, to increase the sustainability of the proposed products, new formulations have been created with the aim of containing a high percentage of natural origin ingredients - up to 96% - and at the same time guaranteeing safe use. Similarly, extreme attention was also dedicated to the choice of packaging materials: product bottles are made of 100% recycled plastic (R-PET) and tubes of 50% recycled plastic (R-PET).

It has also reduced the use of paper cases, and it has chosen to use recycled paper cases only

where strictly necessary, to ensure product integrity. All R-PET bottles from the Chicco Baby Moments line are recyclable again through proper disposal in separate waste collection. The total quantity of virgin plastic saved in 2021 is about 130,000 kg.



Did you know?

CONAI (the Italian 'Consorzio Nazionale Imballaggi'), through an annual competition, rewards innovative and eco-sustainable packaging solutions, evaluating the containment of carbon dioxide emissions into the atmosphere, the reduction of energy consumption and the saving of water, through a simplified LCA 'Life Cycle Assessment' analysis. In the 2021 edition, 326 cases were submitted and 185 were awarded, **two** of which included **products from Goovi** the body cream pack solutions and the hair mask.





ENSURING SUSTAINABLE PACKAGING THROUGH CIN CIN LINE

During 2021, the **Cin Cin dishes and weaning set by Chicco** were repackaged with special attention to plastic reduction: the new packaging is entirely made out of paper from sustainable sources. Chicco is committed to acting responsibly, respecting people and the environment, with a vision for our future and next generations, and together with its customers tries to give its contribution.

In numbers, 59% of the products delivered in 2021 were made with paper packaging, and the company's goal for 2022 is to replace 100% of product packaging. In other words, in the current year, the amount of plastic saved thanks to the replacement with paper is about 6,600 kg.



HEALTHIER FOR THE WORLD



Chicco's commitment to developing increasingly sustainable toys is tireless. It is precisely for this reason that **Eco+ Toys** were born: designed for consumption that is sensitive to the needs of Nature. Eco+ products were, in fact, made using recycled plastic and bio plastic, i.e., plastic materials produced from renewable sources, such as vegetable fats and oils, corn starch, straw, wood shavings, sawdust, etc. For their packaging, paper from sustainably managed forests and controlled sources is used.

Chicco Eco+ toys are designed and produced in Italy, with an attention to product quality and safety, and are characterised by a contemporary design, with simple and ergonomic shapes to offer a suitable experience for the youngest children. The colours are soft and accompany the child's play experience with naturalness and positivity towards the future.

Some of the new products presented in 2021 by the Eco+ are:

- the **BALANCE BIKE** (18 months+), the first bike with a frame and saddle made from 80% recycled plastic, conceived and designed to be used both outdoors and indoors;
- **ALL AROUND YOU** (1-3 years), a Rideable made from 75% recycled plastic from industrial waste, great for developing children's motor coordination skills;
- **2IN1 STACKABLE CUPS** (6-36 months), it is the 2in1 version of the traditional cup games: it helps children to develop hand-eye coordination skills and become familiar with colours and shapes. All the cups are made of 80% recycled plastic from industrial waste.





EDUCATIONAL TOYS: EDU4YOU AND SENSE&FOCUS

Thanks to the continuous collaboration between the Chicco Research Center, Universities, ANPE (Italian Association of Pedagogues) and other scientific centres, such as the Aita Centre for Child Neuropsychiatry, Chicco created two new lines of educational toys: Edu4You and Sense & Focus. **Edu4You** is a line that guides children into the world of learning, from letters to numbers, from logic to problem solving skills, through play and interaction with evolutionary stimuli inspired by educational and didactic approaches such as STEM (Science, Technology, Engineering and Mathematics) and the Montessori method. According to STEM, these toys consist of an educational process based on real and authentic applications that have proven to be very valuable in the acquisition of skills related to numerical intelligence. Additionally, in line with the principle of the Montessori method linked to experience, they are projected to give immediate feedback to the child who performs a wrong action and suggest how the action can be

correctly repeated. Each toy in the line provides children from 2 to 6 years a comprehensive and multidisciplinary education that includes pre-reading, writing, and even coding.

Since today's children are already subjected at an early age to increasingly rapid visual and auditory stimuli, the **Sense & Focus** line is designed to train their attention from early childhood.

The line was designed and developed to offer activities aimed at sensory, tactile, visual and auditory development, as the senses are the first means by which children begin to experience reality. The activities are calibratable and modulable by the parent, who has, for example, the possibility to choose to let their children play without sounds and music, helping them focus on light stimuli only.

For the Sense & Focus line, Chicco works on designing activities with the aim of stimulating the capacity for attention and concentration in children with autism. This is done in collaboration with Prof. Mazzone, Head of Child Neuropsychiatry at the Tor Vergata Polyclinic, Full Professor of Neuropsychiatry at the Tor Vergata University of Rome, and a specialist in autism.





THE NEW CHICCO BABY CARRIER: MYAMAKI FIT

Babywearing is a very widespread and popular nursing practice because it offers benefits for both baby and parents. It is much more than just a child carrying technique; babywearing is being aware of and responding to a child's needs. It respectfully acknowledges parents and their expertise, and it is a sustainable, eco-friendly solution that fosters loving contact. At a glance, it is a teaching aid that encourages the physical and psychological wellbeing of the family.

However, babywearing must be practised correctly with 'ergonomic' products. With the aim of guaranteeing the wellbeing of children and parents, Chicco has started a collaboration with the Scuola del Portare, the main Italian training centre in the field of babywearing, recognised for its historical experience and the quality of the training offered.

The result of this collaboration is **Myamaki fit**, Chicco's first ergonomic baby carrier approved by babywearing experts. In addition, Myamaki Fit is approved by the International Hip Dysplasia Institute as a "hip-healthy product".



ENSURING COMFORT AND SAFETY WITH RECARO

Design, safety and functionality are the hallmarks of Recaro brand products. In 2021, there are three new products for customers who want to travel and stroll in total comfort: the **Lexa** and **Lexa Elite** pushchairs, and the **Toria Elite** car seat. In particular, the buggies can be used for children up to 4 years of age and, in addition to having numerous adjustment options and thanks to their light weight, they can be easily stored anywhere: in the car behind the driver's seat, or in public transport. Alternately, the Toria Elite combines the latest safety standards with the best travel comfort and a unique design. Equipped with an integrated ventilation system, a padded seat and a reclining backrest, it offers unbeatable travel comfort, complemented by integrated headrest speakers, which allow your child to have fun while travelling while keeping his or her head in the correct position.





ALLY FOR PARENTS AND THE ENVIRONMENT

The new **Black Re-Lux capsule collection** is a result of Artsana's constant commitment to research and development of innovative products with a reduced environmental impact. In fact, the new Chicco Black Re-Lux collection is made using 100% recycled polyester for the high-quality fabric materials that make up 60% of the cover. Sustainability combines with style, thus Black Re-Lux pairs the elegance of the colour black with golden highlights and recycled fabric.

The seats of the Black Re-Lux strollers are made from **100% recycled Twill**, while the canopies are made from **100% recycled Jersey**, allowing waste to be reduced, giving new life to post-consumer waste and extending the life cycle of materials. In addition, each stroller is able to provide total UV50+ solar protection and is waterproof thanks to the design of the canopy, thus ensuring children's wellbeing.

In this way, Chicco continues to care for present and future generations, seeking solutions that meet the needs of parents and children with

a full offer of stroller and carrycot models to support parents and children with what best fits their needs, while also keeping an eye on the world in which they will grow up:

- Best Friend Pro stroller: with 77% of fabric made from 100% recycled polyester, it is a stroller approved for use from birth;
- Best Friend Pro Light carrycot: with 62% of fabric made from 100% recycled polyester, it is compatible with the frame of the Best Friend Pro Black Re-Lux stroller;
- Goody Plus lightweight stroller: with 61% of fabric made from 100% recycled polyester, it is a stroller approved for use from birth up to 22 kg;
- Ohlala 3 lightweight stroller: with 63% of fabric made from 100% recycled polyester, it is the ultra-light stroller easy to lift, drive and carry with its 4,2 kg of weight.

The whole **Black Re-Lux capsule collection** is one among many of the Chicco products part of the **Eco+ products** category, created using more sustainable materials (e.g. from **recycled plastic**). The ECO+ logo in clothes, footwear and many other Chicco products, marks the company commitment to using quality materials with a lower environmental impact.



Did you know?

Safety always comes first for Artsana. With Recaro Kids, a Group company, great strides have been made in the design and development of innovative, high-performance solutions dedicated to **in-car safety**. Despite the awareness that is being raised in this regard, many children nowadays are still carried without using the appropriate safety systems, and in any case, safety systems only work if used properly. In order to address the topic of car safety, Recaro Kids launched **an awareness campaign** on the issue. Fedez was a special partner for the initiative, a young father and celebrity for the new generation both nationally and internationally. It was a valuable collaboration to send a message to today's and tomorrow's parents, in order **to inform and educate** them on the importance of travelling safely, which is all the more important when you have children.



SUSTAINABLE AND ETHICAL CLOTHES FOR KIDS

Chicco's philosophy of taking care of child wellness in all its aspects is also demonstrated in its concrete commitment to producing more sustainable fashion using alternative materials that are environmentally friendly.

All children's garments and shoes are developed and designed with great attention to detail, taking into account the different needs of each age group and using different types of fabrics and materials, always ensuring high quality and comfort, as well as style, and taking into consideration the environment with many different sustainable clothing and shoes in in both the latest Autumn-Winter and Spring-Summer collections.

Examples include several models of jeans made with **recycled yarns** and outerwear in **recycled polyester**; jackets featuring DuPont's Sorona® Aura filling, a high-performance fibre partially made with renewable plant-based materials, with an innovative insulation technique making garments breathable and resistant over time; the Spring-Summer collection also included a laser-decorated denim project, using a sustainable technique that, in addition to reducing the use of water, totally eliminates the use of chemicals, reducing the environmental impacts of the manufacturing process.

Besides clothing, the study on innovations with reduced environmental impact concerns the footwear sector as well. Thus, the Autumn-Winter Chicco Children's Footwear Collection features a capsule ECO+ collection boasting soles and lining containing recycled materials, as well as insoles in organic cotton.

The footwear collection includes shoes such as Casual ankle boots in technical material with a cloudy nubuck leather effect, insoles in organic cotton, 100% recycled polyester lining and soles made with 80% recycled materials, or cute pink boots with a side bow and knitted collar, the upper part in printed technical material, insoles in organic cotton, 100% recycled polyester lining and soles made with 80% recycled materials.



Certification



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 adherence to fur free programmes with LAV and the Fur Free Alliance.



Chicco also has the **OEKO-TEX certification**, which guarantees the application of high product safety standards and limits the use of harmful chemicals in the processing of textile products.

Did you know?

In 2021, Chicco launched a thesis project for the students of the Fashion Design, Fashion Communication and Fashion Marketing courses at Istituto Europeo di Design (IED Milano). Students, divided into three work teams, were tasked with investigating and studying one of the trends of the moment in the Fashion Industry: **gender neutral fashion**.

The idea of involving students in the development of a **#genderless** concept for the 2023 children's collection 0-8 years was born with the aim of investigating and imagining a fashion reality free from gender stereotypes. In the first phase, each group shared with the brand the results of the research carried out of the current landscape, generating a valuable moment of dialogue on the insights to be developed in the second phase, which saw the creation of the collection's garments and the definition of the marketing and communication strategy.



NEOBABY PRODUCTS IN RECYCLED MATERIALS

In September 2021, NeoBaby carried out an important **research and innovation project** for the development of increasingly sustainable products and packaging, resulting in the presentation, of products with reduced plastic content in packaging, and of products composed of recycled plastic. In particular, NeoBaby potties and the toilet reducer are composed 80% of recycled plastic from industrial waste, reducing the use of virgin fossil-based plastic by more than 5 tonnes in one year.



Did you know?

For **Control**, it is essential to find the best form of dialogue on prevention, in order to succeed in transmitting a culture of sexuality that is safe and aware to younger people.

For this reason, on the **World AIDS Day**

on December 1st, the 40th anniversary of the fight against the virus, Control was a proud partner of Anlaids, who organised the photo-exhibition "*se ami la libertà, proteggila*" ("if you love freedom, protect it"). By supporting this initiative, Control wanted to contribute, with content and activities, to the affirmation of positive sexuality; thanks to protection, it can be a shared pleasure and promote free and mutual understanding among people, based on respect for oneself and others. It was an evocative and engaging moment that reiterated the message of a co-branded campaign communicating the importance of preventing HIV with prophylaxis and other protective tools.

In fact, on that day, Control was able to distribute prevention kits and information materials, helping to raise awareness on the importance of using condoms as a form of protection. In addition, Control donated 1 Euro to Alains Lombardia for each online sale during the week of the initiative, thus supporting research on the topic. This is part of the brand's tireless commitment to informing and educating people through different projects, content and activities. There are still so many taboos that fuel misinformation, but knowledge can truly save lives.



2.2 QUALITY, SAFETY AND INNOVATION

Quality, safety and innovation have been at the core of Artsana's DNA since its origins. All Artsana products are designed, developed and tested to satisfy and, when possible, anticipate or exceed regulatory requirements. All business processes are designed and continuously improved following ISO management system standards. To assure product and processes quality, Artsana applies a risk-based approach starting from the

design stage, with a comprehensive testing programme on materials and products, as well as product compliance certification by the most authoritative independent laboratories worldwide. Additionally, product quality and safety are also guaranteed through the quality programme that Artsana applies to its suppliers, for their qualification and control, through direct inspections and processes monitoring.

Did you know?

With a constant commitment to product quality and safety, Artsana experts participate in **technical committees** and **working teams**, as well as **standardisation projects** worldwide for the development of **future safety requirements**.

Artsana also participates in various technical committees and many working groups of the **European Committee for Standardization (CEN) in Europe**, including many regulatory committees worldwide, such as the **ASTM (American Society for Testing and Materials)**, **technical committees ISO (International Standardisation Organisation)** and many other **national standardisation technical and regulatory committees**.

A concrete example of Artsana's commitment to safety is the **Crash Test Laboratory**. Implemented in 2019 in Verolanuova (BS), it is the only one of its kind in Italy to be built by a player in the sector. The Lab is equipped with the latest generation technologies to recreate and analyse different types of impact, according to the latest regulations and the most severe test protocols, for **Chicco's and Recaro's car seats**. The laboratory is engaged in daily continuous testing activities, both on new products and prototypes, as well as on current production to constantly monitor production quality. Product homologation tests were entrusted to independent accredited laboratories (Technical Services), as well as the tests required by European regulations on individual production batches.

Artsana monitors the performance of its

products on sale through a structured responsive process to manage customers feedback, which includes dedicated posts and pages on Artsana brands' websites. Artsana believes in responsible and clear communication about its products and services and guarantees an open dialogue with its customers through after sales channels, including social media platforms, as a precious input to listen to end customers voices and provide solutions for the best customer experience.

Open after sales channels are key to reach out to the market, and in particular to consumers, in a recall scenario; in 2021, Artsana and The Boppy Company in the US launched a **product recall** involving Boppy loungers in the US and the Boppy Hug&Nest distributed outside the US, in cooperation with the U.S. Consumer



Product Safety Commission, following reported incidents in the USA associated with the use of infant loungers in the sleeping environment, against instructions and warnings. In addition to its established commitment to promoting and communicating the importance of proper use of products through awareness campaigns, Boppy is co-chairing the ASTM subcommittee which aims to develop a voluntary standard for infant support and nursing support products, which is included in the US Consumer Product Safety Commission 2022 Operating Plan.

Artsana participates in many **multistakeholders tables**, including **industry and trade associations**, to create valuable partnerships for a common goal: contributing to the quality of life by developing practical, safe and **innovative solutions and services**.

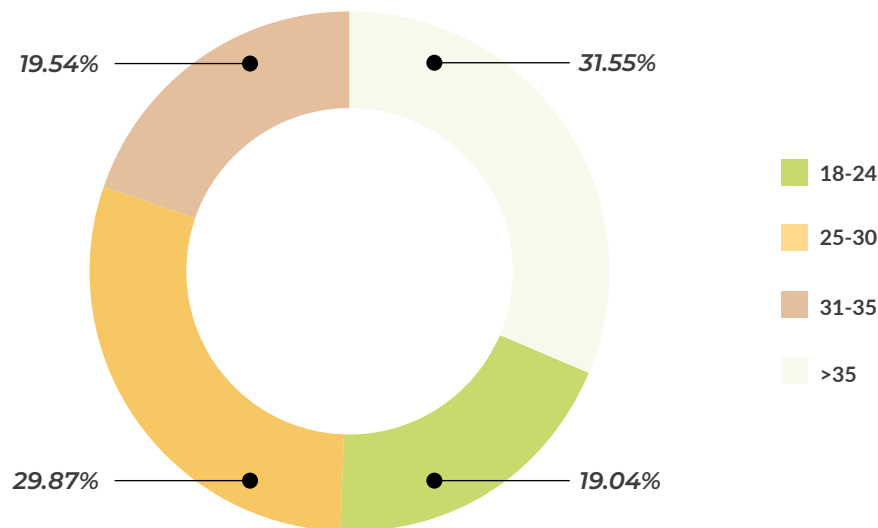
Innovation is one of the most important

values for Artsana, whose products have been supporting millions of families for over 70 years. It is the result of grand visions and lots of research. Artsana has always been open to listening and gathering new ideas and points of view and continues to believe in collective intelligence as mutually beneficial.

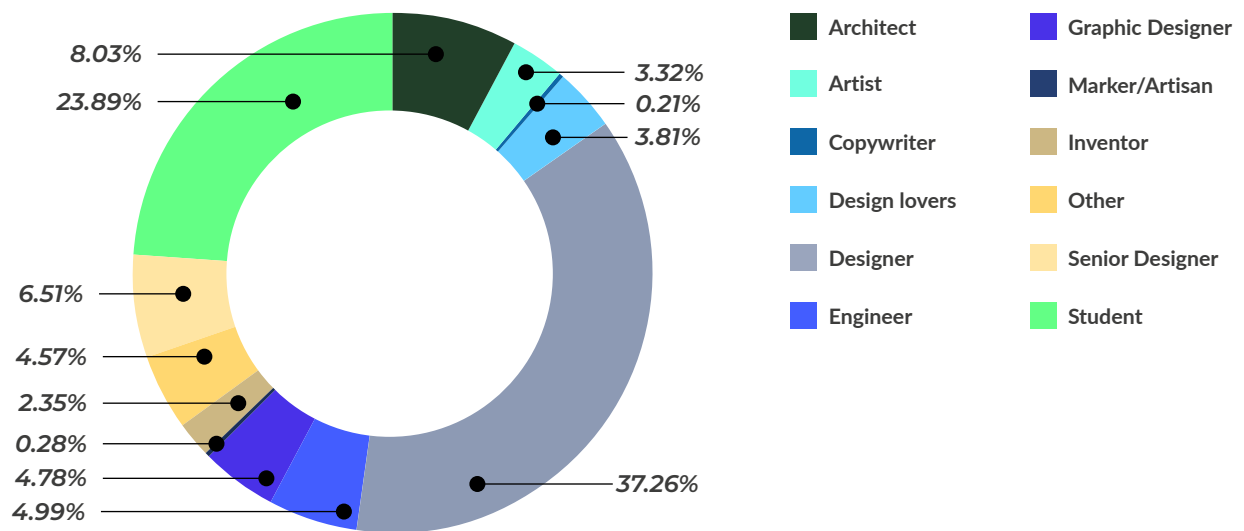
The open innovation approach enhances collective expertise and intuition, stimulates spontaneous participation and encourages connection with creative people from all over the world. According to this approach, in 2018, Artsana created an international **Open Innovation Platform** dedicated to the world of design and innovation, involving a wide range of users to reach various profiles with very different experiences, cultures and professional skills, including designers, architects, engineers and creatives from all over the world.

Indeed, the purpose of the platform is to bring together excellence from various fields to find practical solutions that can solve the complex problems that parents and children face.

Artsana Open Innovation Platform: Members by Age



Artsana Open Innovation Platform: Profiles



The activity on the platform continues to be fuelled and the community of innovators is growing thanks to the continuous stimulus provided by the various contest launches, reaching more than 2600 members among students, young designers and more senior profiles in 2021.

Since the launch of the platform, eight contests have been published with the participation of 403 designers and inventors. The results of each of them have been included in the product development plan. In 2021 Artsana launched two new contests: *Clothing gift experience* and *Back to the future of playing*.

In the first contest, Chicco invited all creatives to submit their ideas to design an engaging and exciting gift experience, both for those who choose to gift Chicco clothing and for those who receive it, while in the second contest, all the

creatives were invited to immerse themselves in a child's world to develop new play concepts that encourage children to take care of themselves or other people, objects and environments, at home or in the open air.

Did you know?

Chicco is always looking for new talent to find solutions which are innovative, who are in line with market trends and are able to meet new generations' needs.

For this reason, in 2021, a collaboration was launched with the Design for Kids & Toys Master at the Politecnico di Milano, in order to launch a project involving 15 teams of students from more than 10 universities around the world, to develop a product for the **mobility of children** to be marketed in short to medium term.

The workshop ended with the selection of two relevant projects: the one of the Ningbo Tech University team has been officially awarded with the purchase of the project's development rights, while the one of the Politecnico di Milano team is now bringing its idea into a phase of feasibility, triggering a close collaboration with Chicco experts and stakeholders, together with a team of researchers and professional engineers from The Playful Living.

This has been an exciting result that confirms how different skills joined together can lead to brilliant R&D projects for a more and more #sustainable future.



2.3 SPREADING KNOWLEDGE

Continuous dialogue with mothers and fathers has always been a **priority** for Artsana, as it enables us to better understand both their needs and those of their children and help them in their everyday lives through advice and **continued support**.

To do this, the Group relies on **all available channels**, including its websites, social media channels and its stores, as well as training courses.

NUMBER OF COURSES CARRIED OUT IN ITALY

	2019	2020	2021
<i>Pharmacies</i>	264	165	242
<i>Baby Shops</i>	410	127	197
TOTAL	674	292	439

In 2021, the total number of course participants was 6399.

Several **video contents** have been offered by different brands of the Group, such as Chicco, Fiocchi di Riso and Boppy, covering a range of topics from weaning to breastfeeding, through sleeping safety and car safety.

Both courses and video contents have been held by **experts** (paediatricians, midwives and pedagogues) and **specialists** who collaborate with the Group, such as nutritionists.

At the same time, Artsana has continued to

organise training courses for paediatricians directly in hospitals on how to use its products, and for vendors and traders on Artsana products sold in pharmacies and shops, in order to better understand and serve customers by offering the right products according to their needs.

Among the different channels, there is also the **Chicco website**, where the Chicco Research Center, in collaboration with its team of experts, drafts and publishes **several educational articles** offering valuable information covering different areas of the child's and parents' life.



2.4 TOGETHER WITH COMMUNITIES

Artsana has always been strongly committed to philanthropic initiatives for supporting children and families in difficult situations, and collaborating with non-profit organisations and local institutions of the communities and territories in which it operates. In 2021, Artsana has continued to propose two solidarity initiatives, enabling the Group to stay close to children in need, and positively impacting their lives both locally in Italy and around the world. These initiatives, based on long-term partnerships with transparent goals and results, are: **Happiness goes from heart to heart** and **Chicco di Felicità**.

CHICCO DI FELICITÀ PROJECT – CHICCO IN FAVOR OF CAF ASSOCIATION

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.

The project consists of “solidarity gifts” which are 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 staff specialised in pedagogy and psychology, and helps families in trouble. The mission of the project – unchanged from the very beginning – summarises the importance of each person's support: **The more we are, the more we do!**

Since the beginning of the project, **more than 700,000 people in Italy have chosen to wear the Chicco di Felicità accessories**, thus witnessing their tangible solidarity with children in need.

In 2021, thanks to the support provided by Artsana, it was possible to give continuity to the work of taking in and professionally caring for about 20 children between the ages of 3 and 9, who live in serious hardship conditions since they come from very fragile family backgrounds. Thanks to the important work of psycho-pedagogical support carried out by specialised professionals, it was also possible to support the parents of the children taken in to recover their parental functions and improve their emotional relationship with their children. The project, financed by Chicco di Felicità, also focused on helping 6 children, placed in the CAF Association's Communities, to face the delicate moment of embarking on a family fostering programme. This would allow them to leave the institutional care circuit and experience the affection and warmth of a real family.



HAPPINESS GOES FROM HEART TO HEART CHICCO IN FAVOUR OF MISSION BAMBINI FOUNDATION

Happiness goes from heart to heart is an international project within the **Mission Bambini Foundation**, which is dedicated to saving the lives of children born with congenital heart diseases. Since 2013 Artsana has supported the Mission Bambini Foundation 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 programme.

SOME NUMBERS (2013-2021):

9 Artsana subsidiaries are involved in this international project: Belgium, China, France, Germany, Russia, Spain, Switzerland, the UK and the US.

Between 2013 and today, Artsana:

- **supported 36 medical missions** in 12 countries (Nepal, Zambia, Myanmar, Cambodia, Uganda, Uzbekistan, Eritrea, Romania, Brazil, Kurdistan, Somalia and Kenya);
- **delivered 1,304 hours of training for local doctors** by an international medical team;
- **performed 7,810 diagnostic screenings** which resulted in **425 children receiving an operation** and being saved from serious heart disease.

SUPPORTED PROJECTS IN 2021:

- In **Kenya**, Artsana supported the follow-up for **85 children** and also financed the cost of an echocardiograph;
- in **Nepal**, Artsana financed the travel cost to Kathmandu for **40 children** awaiting surgery, as well as room and board for the caregiver, for the entire duration of the hospital stay. It also supported a medical camp for the **cardiological screening of 277 children**;
- in **Zimbabwe**, the follow-up for about **61 children** operated on in the past years was supported, as well as the continuous monitoring of drug therapy;
- in **Uganda**, Artsana supported the consumables cost for the heart surgery of **12 young patients**;
- in **Italy**, the reception of **1 child from Albania** to be surgically treated at the Niguarda Hospital in Milan was supported. Artsana also financed **1 scholarship for a local professional from Albania**.



OTHER SOCIAL INITIATIVES

In addition to annual solidarity projects, in order to support those who need it most, Artsana follows several initiatives and offers its contribution through different donations.

Chicco has renewed its commitment to supporting children in difficulty, consolidating its collaboration with the Mission Bambini Foundation. Furthermore, in 2021, Chicco stores hosted **"Baby Spesa SOSpesa"**. The initiative had the aim of donating basic necessities to Italian children and families in difficulty. Chicco staff invited customers to add basic necessities to their purchases to give to families in difficulty and their children.

Over 2500 products were collected and distributed to **about 100 families** in Milan, Bari and Naples.

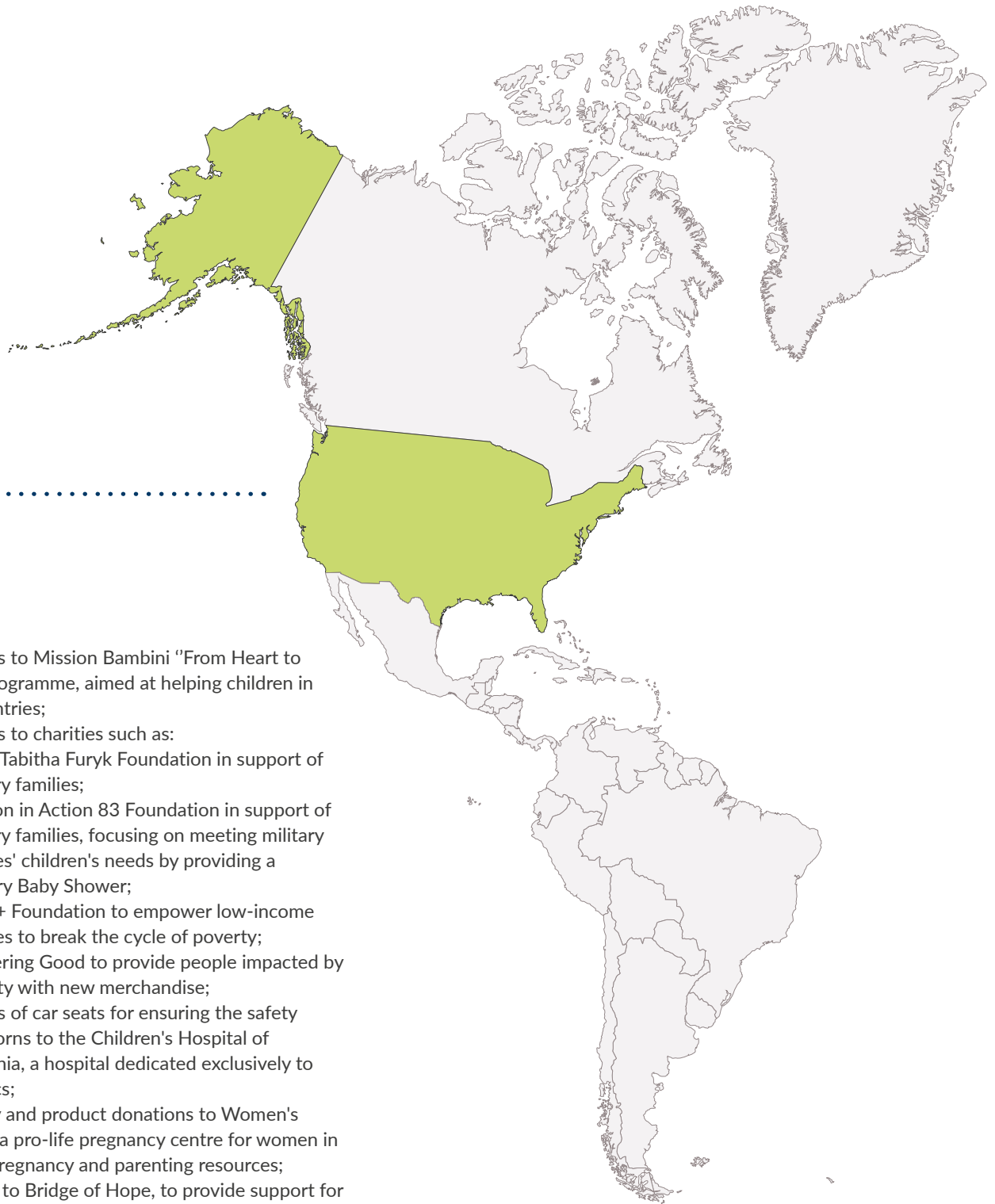


During the Christmas period, Artsana donated **Chicco toys** to needy children and families of the city of Como and the surrounding municipalities.

Additionally, in 2021, as in previous years, for Christmas Artsana made a **donation to the Banco di Solidarietà di Como**, thanks to which families received essential foodstuffs, brought directly to their homes.

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

Artsana subsidiaries are also committed to staying close to their communities, promoting specific and local CSR initiatives.



USA

- Donations to Mission Bambini "From Heart to Heart" programme, aimed at helping children in poor countries;
- Donations to charities such as:
 - Jim & Tabitha Furyk Foundation in support of military families;
 - Jackson in Action 83 Foundation in support of military families, focusing on meeting military families' children's needs by providing a Military Baby Shower;
 - Good+ 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, a hospital dedicated exclusively to paediatrics;
- Monetary and product donations to Women's Concern, a pro-life pregnancy centre for women in need of pregnancy and parenting resources;
- Donation to Bridge of Hope, to provide support for single moms and their children for 24-36 months.

France

- Donations to Mission Bambini "From Heart to Heart" programme, aimed at helping children in poor countries;

Belgium

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

Switzerland

- Donations to Mission Bambini "From Heart to Heart" programme, aimed at helping children in poor countries;

Turkey

- Sponsorship of Baby Breastfeeding Camp 2021, an event that explains the benefits of breast milk to mothers, bringing together prominent experts in the field of pedagogy, nurses and influential mothers.
- Sponsorship of the "Child Growth Child" event, with the aim of explaining the benefits of doing the same things at the same time with baby and a better understanding of babies and their patterns.

Japan

- Support to Hope International Development Initiative through product donations and event participation;
- Donation of discontinued child seats to nine nursery facilities in Osaka.

Spain

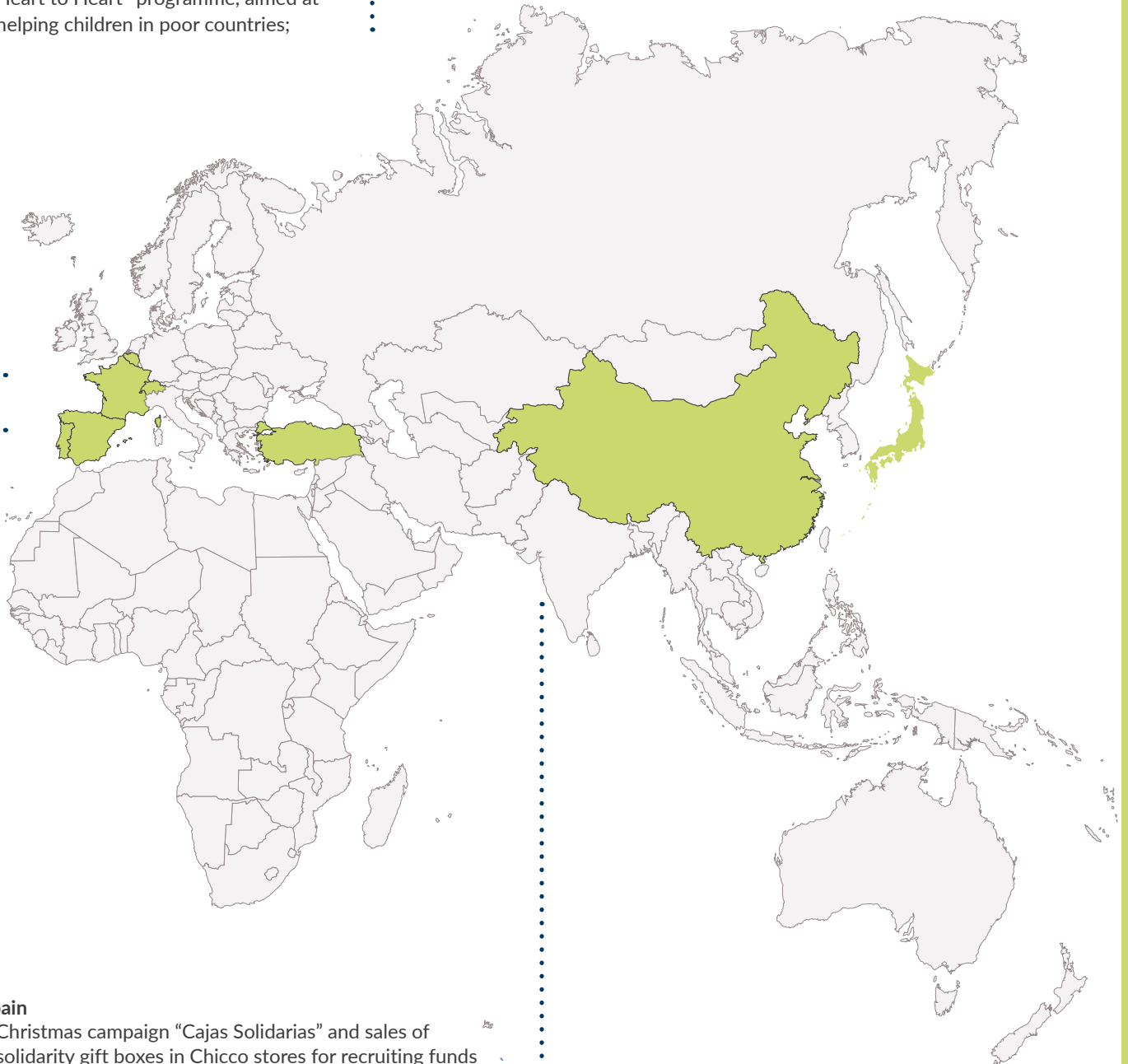
- Christmas campaign "Cajas Solidarias" and sales of solidarity gift boxes in Chicco stores for recruiting funds for the Happiness goes from heart to heart project;
- Christmas solidarity gift cards in which a corresponding amount is donated for each one sent;

Portugal

- Chicco has been active in the Chicco dá Vida project since 2006. The initiative aims to improve the quality of life of **premature babies**.

China

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



3

Parenting to strengthen our people

Artsana is always committed to parenting, not only as a core element for its clients, but also for its people.



Parenting means care and commitment; Artsana truly knows and believes that without its employees there's no way to deliver such a fundamental principle to others. And for this, caring for their **wellbeing** is essential. These aspects represent the key elements in the Group's management, especially in 2021, a year that witnessed a return to "business as usual" after the pandemic while still dealing with its consequences. In addition, throughout this year, Artsana did its best to **protect** its people, both from a **health point of view** – with the introduction of several initiatives to fight the spread of the virus – and from a **working point of view** – with the application of different solutions in order to preserve and guarantee work continuity.

Besides the crisis, in Artsana, the continued willingness to work as a team, 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 has remained and persisted in this particular moment. The culture of innovation, the care for **professional growth**, competence sharing, **talent development** and employee integration into the organisation are the pillars of the Group's identity. The responsibility assumed by Artsana to ensure the wellbeing of its employees and an inclusive and positive work-environment is also reflected by Artsana's **ESG policy**, which sets out the values of social, environmental and governance sustainability implemented by the company. In addition, following the Covid-19 experience, everyone has learnt the importance of their time and above all the value of the significant moments of life. Starting from this reflection, in 2021 Artsana decided to implement a series of initiatives aimed at improving **the work-life balance** of its employees, a concept that found renewed importance for Artsana. For example, the Headquarters and most of its subsidiaries regularly offer its employees two days a

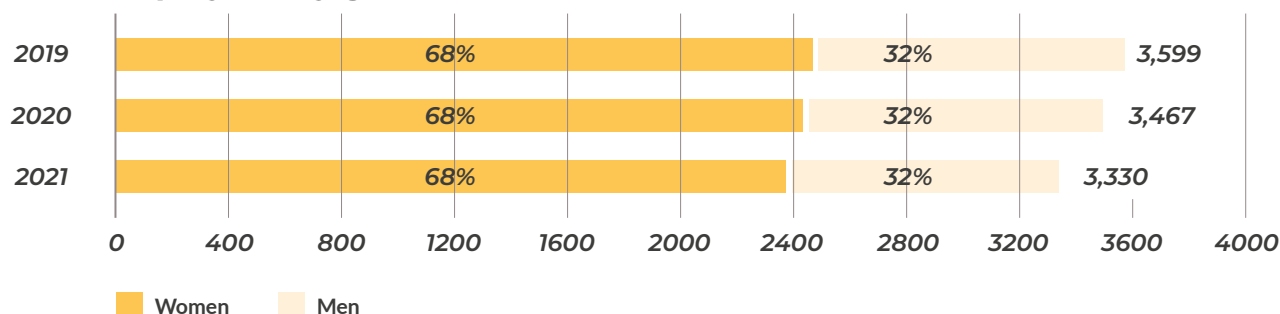


week for smart working. At the end of 2021, the **total workforce** amounted to **3,616 people**, including interns and agency workers, a slight decrease with respect to 2020 (-6%), as well as the Group's total

number of employees, which decreased by 4%. In both cases, the reduction is still mainly linked to the consequences of the Covid-19 crisis, which slowed down the Group's growth process.

TOTAL WORKFORCE		UNIT	2019	2020	2021
TOTAL		n.	3,909	3,853	3,616
Of which	Employees	n.	3,599	3,467	3,330
	Agency workers	n.	250	340	238
	Interns	n.	60	46	48

Total employees by gender

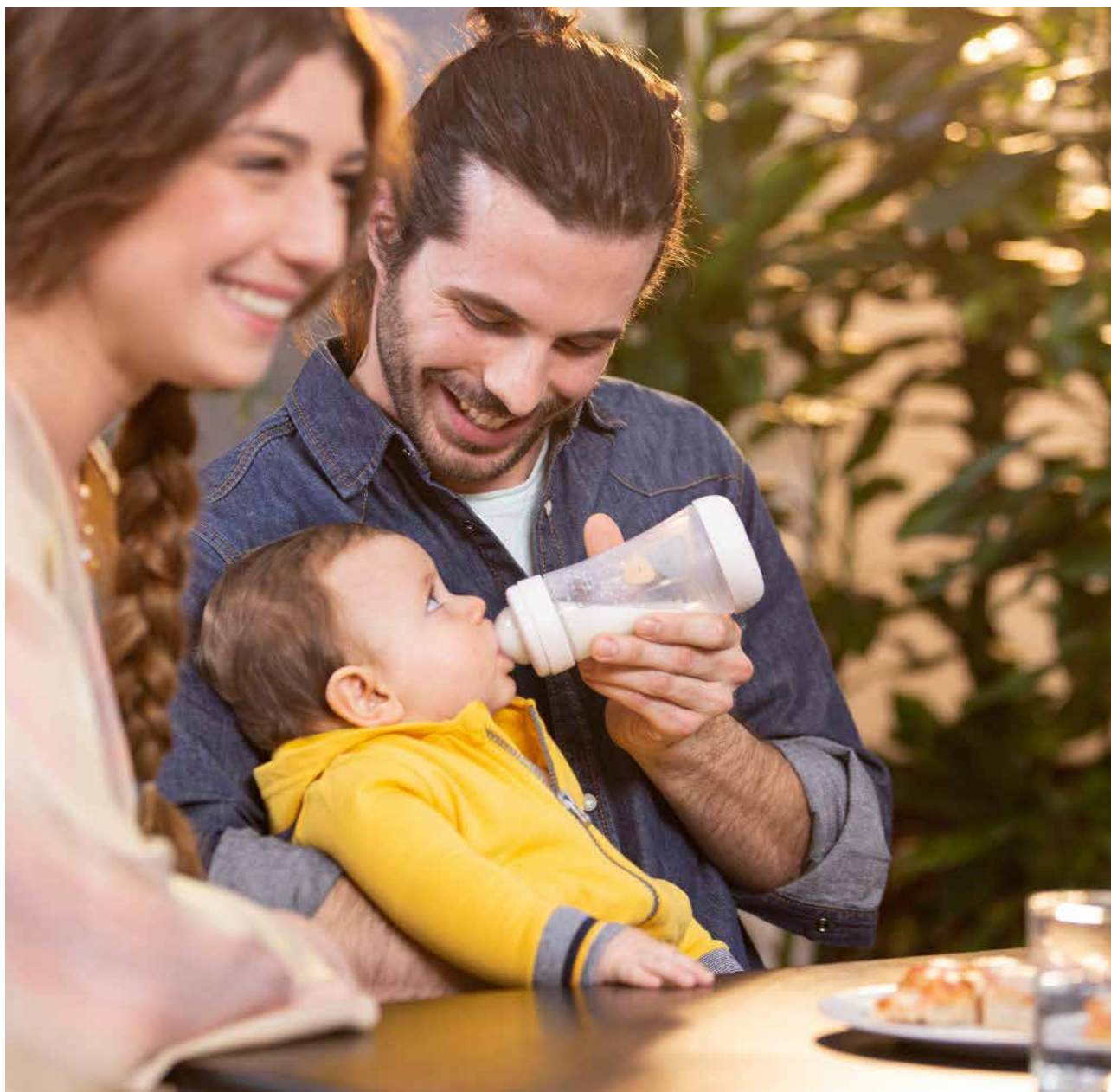


From a geographical perspective, employees are distributed **all around the world** but most of them are located in Italy, Romania, Portugal, Spain and China, which cover more than 83% of the Artsana workforce, and where the headquarters, factories, warehouses and a large number of shops are located.

EMPLOYEES BY COUNTRY	2019	2020	2021
ITALY	36.3%	36.7%	37.3%
ROMANIA	21.9%	22.8%	20.5%
PORTUGAL	11.3%	11.3%	11.1%
SPAIN	6.9%	7.8%	7.6%
CHINA	5.7%	5.8%	6.1%
INDIA	2.9%	3.1%	3.1%
USA	2.3%	2.6%	2.8%
TURKEY	2.7%	2.5%	2.4%
MEXICO	0.8%	0.9%	2.2%
BRAZIL	3.3%	1.0%	1.2%
GERMANY	1.2%	1.1%	1.2%
RUSSIA	1.1%	1.0%	1.1%
FRANCE	0.9%	0.9%	0.9%
UK	0.6%	0.5%	0.6%
ARGENTINA	0.7%	0.6%	0.6%
POLAND	0.5%	0.5%	0.5%
SWITZERLAND	0.4%	0.4%	0.5%
BELGIUM	0.3%	0.3%	0.3%
JAPAN	0.2%	0.2%	0.2%

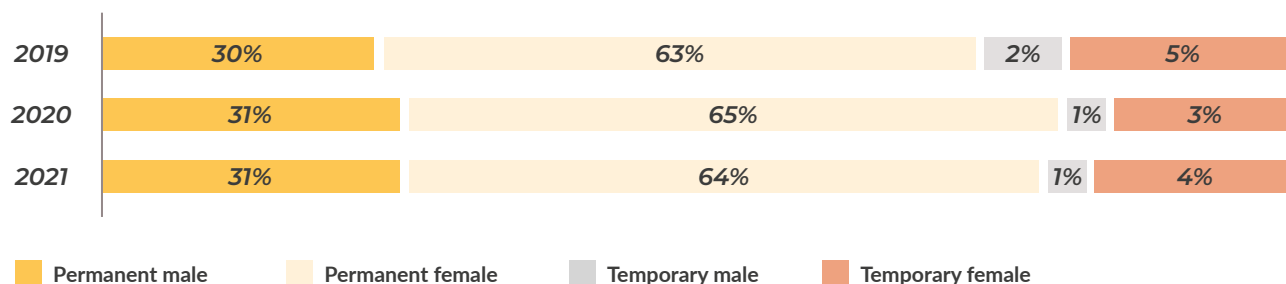
2020 and 2021 Germany data include both Artsana Germany and Germany Recaro employees.
 2020 and 2021 Spain data include both Artsana Spain and Tecnilatex employees.
 US data includes both Artsana USA and Boppy employees.





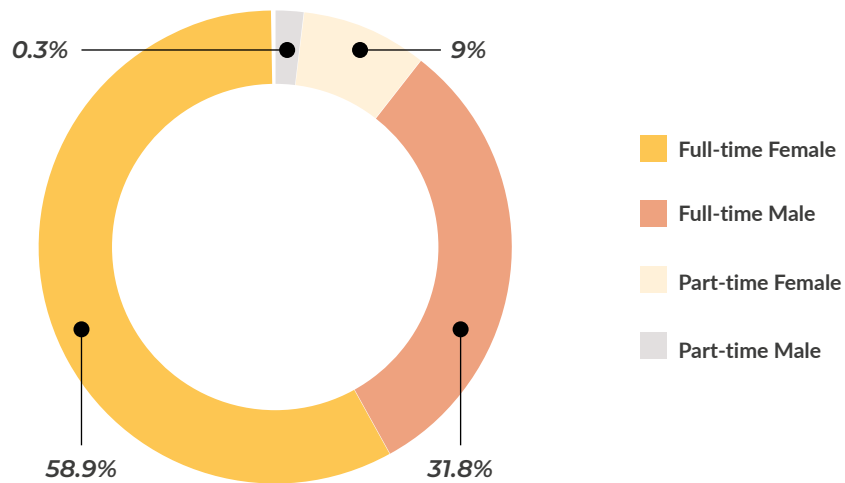
With respect to the **type of contract**, in 2021, 95% of employees worldwide had a permanent contract (of which 92% full time), a stationary value compared to 2020, while 5% of employees had a temporary contract.

Employees per type of contract (Permanent or temporary)



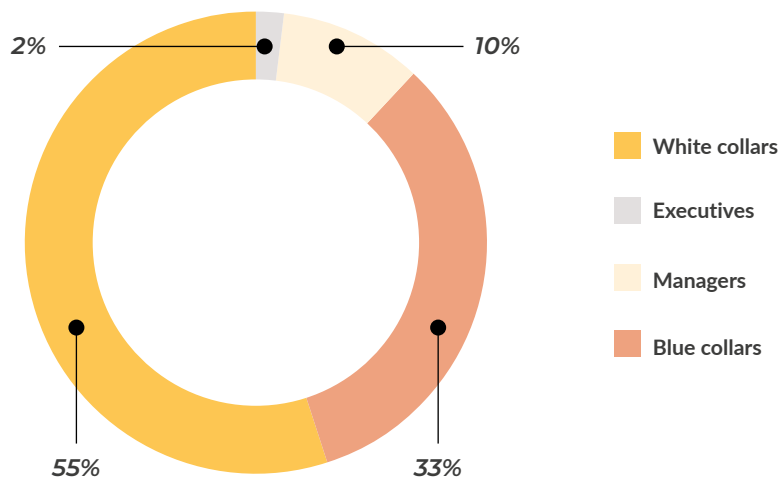
9.3% of employees have a **part-time contract**. Artsana considers part-time work to be one of the most important levers of flexibility, an option for employees to better manage their personal life, including family care.

Employees per type of contract

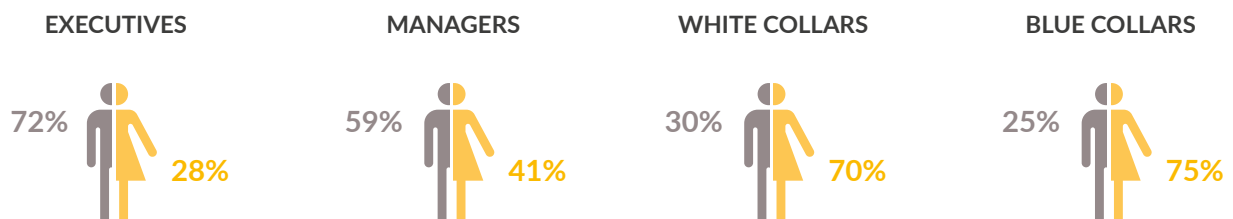


All employees are covered by **collective bargaining agreements**, as required by national laws. Regarding **employee categories**, 88% of total employees are blue and white collars, the remaining 12% is represented by executives and managers.

Employees per professional category



2021 Employee category by gender

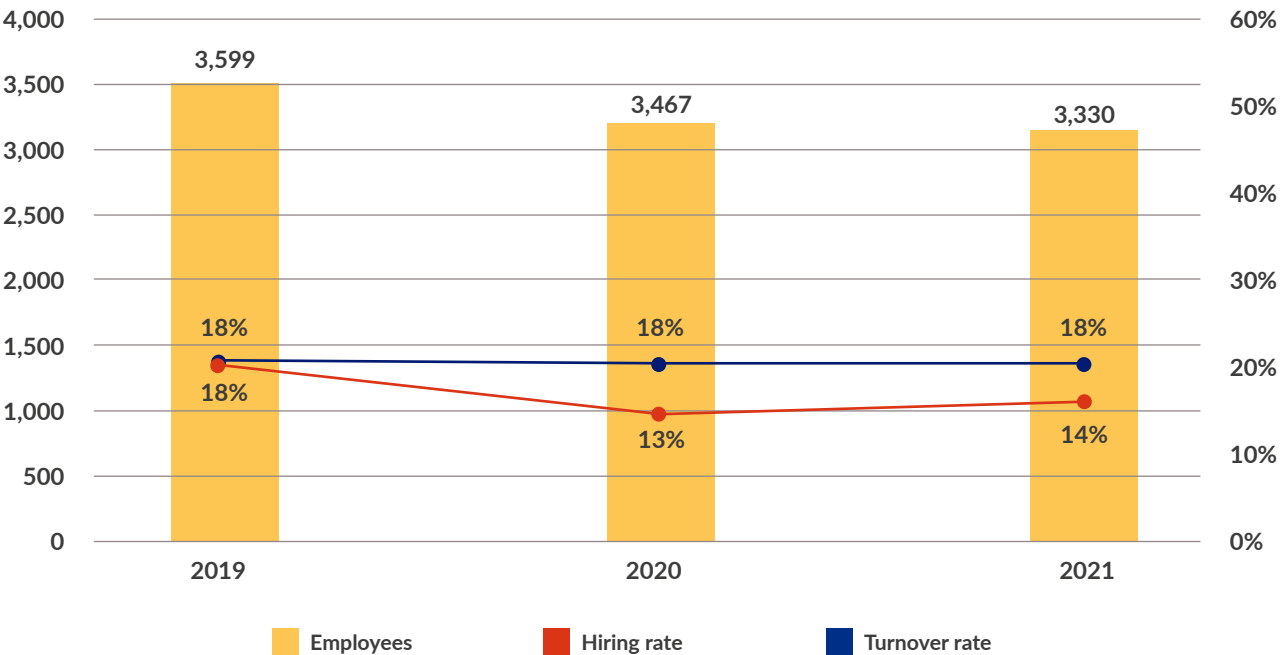


Regarding **age group classification**, the largest group of Artsana people are between 30 and 50 years old (60%), while 12% are younger than 30 years old and 28% are older than 50.

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 remained aligned with 2020 and 2019 and is

equal to 18%. **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, registered a slight increase from 13% in 2020 to 14% in 2021, as Artsana has put a lot of effort into recruiting new staff, but is still lower to 2019 due to the impact of the pandemic (before Covid-19, the hiring rate was in fact equal to 18%).

Employee Hirings and Turnover rates



3.1 TAKING CARE OF ARTSANA PEOPLE

To value its people's potential and to foster development within the organisation, Artsana promotes international experiences, transversal growth within different business units and functions, graduate programs and continued training both for managers, professionals and universities.

In 2020, activities promoted by Artsana for its employees were interrupted due to Covid-19.

In 2021, the Group was able to implement a number of initiatives to **guarantee fulfilment of employees' work lives**, balancing in-person work and smart working.

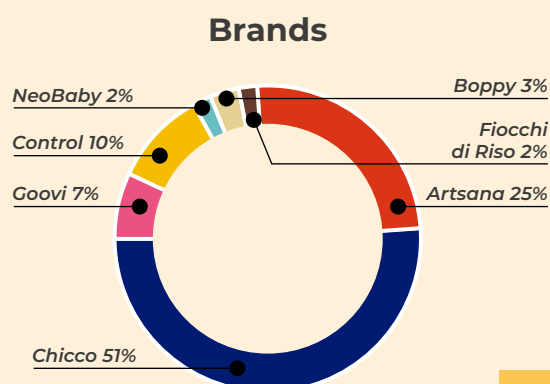
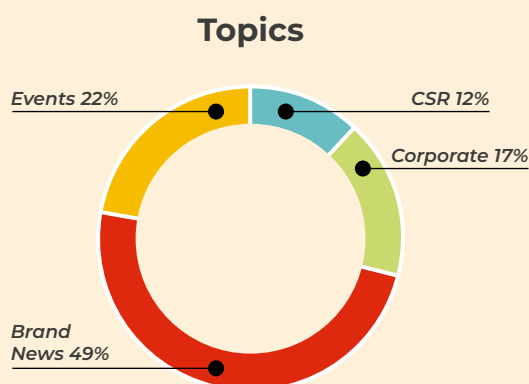
In 2021, Artsana worked on strengthening internal communication, and sharing news, information and events with the people working in the company. The main goal is to promote a growing sense of belonging and engagement.

Did you know?

In 2020, Artsana launched a process aimed at deepening the major areas of interest of young employees. In 2021, 7 specific projects devoted to sustainability, digitalisation and internal communication were launched. One of the projects concerning internal communication includes **"Artsana People"**, the internal newsletter conceived to increase employees involvement in Company life. It was set up in September 2021 with the aim of keeping all the internal stakeholders continually informed and engaging people, so that everyone can have an active part and propose content to concretely communicate in an interactive and transparent way.

The main topics covered in the newsletter are the following: **Corporate Social Responsibility** (donations, fundraising activities for charity, news related to continued support to CAF Association and Mission Bambini Foundation, Chicco di Felicità product launches), **Brand News** (product launches, new communication materials, brand campaigns, brand collaborations), **Events** (people or brand participation to shows, exhibitions, conferences, sponsorship of events and happenings) and **Corporate** (news about the workplace, employees, corporate updates and releases, mission and values, people engagement).

Furthermore, all Artsana brands are reported on in the newsletters. In order to enable interaction with readers and to promote the continuous improvement of the initiative, feedback was requested after the first trimester and 10% of people consulted gave their opinion. The responses were very positive since 78% read all the released newsletters and 20% proactively took part in sending news to the newsletters, but even more significant was the satisfaction rating which registered that more than 75% gave more positive feedback on the content of the newsletter.



Artsana offers several **benefits to its employees, aimed at easing their working and personal lives.** In 2021, Artsana has continued to implement actions to favour and help the parents-to-be among its employees. For this reason, on the occasion of a birth among its people, the Group expresses its welcome by providing a range of useful products for free.

For example, in 2021, 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 in their lives. 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**, an innovative anti-abandonment system by Chicco that alerts parents to the presence of their child in the car. Artsana also continues to supply **free diapers** to all its employees' newborns in the first 6 months of the child's life.

To encourage work-life balance, Artsana offers its employees a series of “family tools” such as the **“Children Village”**, partially closed in 2020 due to the Pandemic and reopened in 2021. Children Village is a nursery school which has been specifically created to meet Artsana's and local families' needs.

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



3.2 IMPROVING OUR PEOPLE KNOWLEDGE

Investing in its own **people** is a priority matter to make them feel rewarded as the part of a family. This is why Artsana whole-heartedly promotes their development, offering a series of activities with the aim of **encouraging** their **personal and professional growth**.

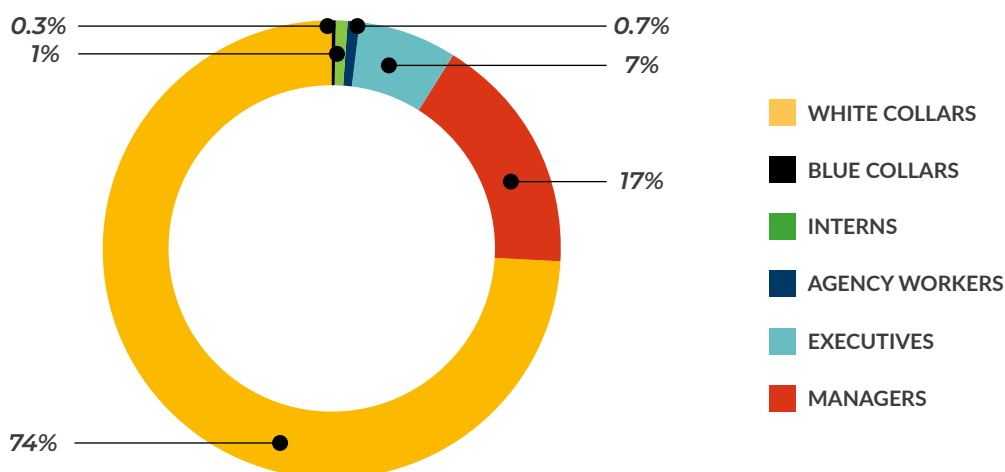
In particular, the Group strives to foster transversal competencies, and to this end, it offers the necessary training and tools to allow for continuous learning. Artsana provides employees with both technical and non-technical training courses on various subjects such as innovation, negotiation, entrepreneurship and the international management of different communication channels, problem solving, decision-making, English courses, and employees' performances.

Guidance of all training and professional development of Artsana people is conducted through WAVE (**We Are the Value of the Enterprise**), a crucial activity resumed in-person in 2021, after the interruption of the previous year due to Covid-19. This is an evaluation programme created in 2018 to support the continuous

improvement of employees, a personal assessment based on Company values and behaviours followed by a personal development plan. The aim is to measure employees' performance in achieving the organisation's objectives during a set period, through a performance evaluation system of employees' soft skills with respect to the company values (**Passion, Responsibility, Innovation and People**) and the behaviours associated with them.

The evaluation is carried out on three levels: self-assessment, assessment by direct managers, and assessment by clients and/or internal suppliers, centred on the performance of employees from the previous year. WAVE is a path in which employees discover and foster their soft skills through intensive interaction with colleagues in a context where integration, personal and professional growth are encouraged. Based on this process, each person is engaged in the relevant training and coaching and specific programmes are set up for young and key people. In 2021, 584 people were involved in the project; 55% of them were women and 45% were men.

WAVE 2021 Participant overview

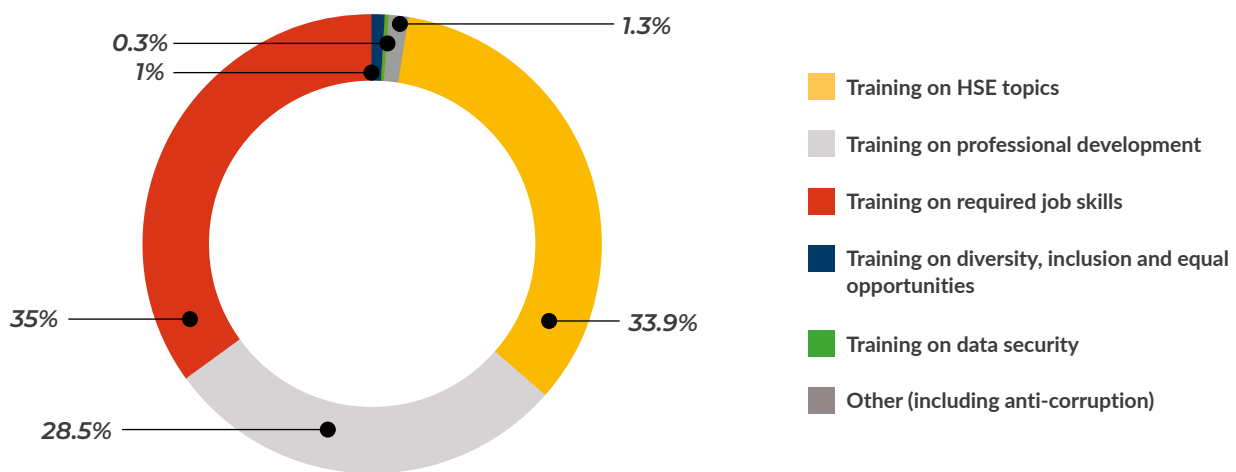


The development of all the aforementioned initiatives has been very difficult in 2020, but in 2021 Artsana has done its best in order to guarantee all possible courses and professional development experiences. To offer to employees the specific training they need, based on their role, skills, and competencies, Artsana designed

a **training programme** based on the specific career paths within the organisation.

This programme was conceived to develop employees' required job skills, which represent one of the most discussed topics during the training courses (35%).

2021 Percentage of training hours by topic



Successfully, from 2020 to 2021 the total number of training hours increased from 15,279 hours to 17,095. Consequently, per capita training hours increased from 4.4 to 5.1.

Aiming to improve 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, while also ensuring 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 hires at all levels**, aimed at evaluating its people, both from a technical skills and knowledge point of view and from soft skills and transversal competence point of view.

This assessment plan allows young employees to understand which are their strengths and which are areas for improvement, in order to best perform and improve.

Furthermore, it promotes the development of individual responsibilities and fosters proper management of their career in Artsana. Lastly, it helps them to follow individual and specific training, as well as a development plan.

A PATH TO FOSTER THE INDIVIDUAL'S LEADERSHIP STYLE

In 2021 an individual assessment laboratory, managed by Artsana and an external consulting company, was carried out with the aim of fostering awareness of individual leadership styles, stimulating personal responsibility with regard to a self-development and conscious career management programme, as well as supporting the individual in finalising a specific development programme consistent with personal needs.

This path is called the **Lead Lab**, and was divided into different phases in which the participants were assisted by a coach, who supported them in identifying specific leadership competences, filled-in questionnaires and used leadership tools, such as LEA - Leadership Effectiveness Analysis - a set of tools for individual and organisational development, designed around a common model of leadership behaviour.

Finally, they evaluated the progress made through meetings with the Company and together, established a future action plan.



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 are implemented every year, with the aim of strengthening employees' awareness on health and safety issues. To preserve a safe work environment, every year

the Group offers **training courses** devoted to health and safety to all employees, amounting to 5,792 hours in 2021 (1.7 h/employee). The number registered a slight increase compared to 2020 as Artsana resumed training activities with the easing of Covid-19 restrictions.

Did you know?

In order to make health and safety training more practical and straightforward, Artsana decided to film a brief **story** that simulates daily work situations, **demonstrating correct and incorrect behaviour**, to ensure the employee's own safety and that of other people in the workplace, and made it available on several platforms.

The story is set inside every Chicco store, which includes the sales area (including the display areas, the shop windows and the checkout area), the transit areas, the stairs and the warehouse. This story was written throughout 2020, but the video was produced and distributed in 2021. To the same end, Artsana is planning to create an ad hoc e-learning module, including cartoons and interactions for better employee involvement in the above topics by 2022. Similar training projects are planned for management offices, warehouses and headquarters.

Concerning numbers, starting from 2019, Artsana reports figures in accordance with the new GRI Standards, related to Health & Safety topics. In view of continuous improvement, from 2019 the Group started to collect H&S data related to other (third party) groups of workers as well (e.g. transporters, maintenance workers, cooperative members, visitors), aimed at

better understanding the safety aspects within Artsana's workplace. This aspect is testimony to Artsana's willingness to take care of all the people involved in its value chain and not only its employees. The main causes of injuries within Artsana in 2021 are related to slips, stumbles, bumps, uncoordinated movements, incorrect lifting and falls.



Health and safety - employees		UNIT	2019	2020	2021
	Number of injuries	n.	43	57	54
	Injury rate [number of injuries/hours worked x 1,000,000]	n.	7.3	11.0	10.3
	Number of high-consequence work-related injuries	n.	0	1	0
	High-consequence injury rate [number of injuries/hours worked x 1,000,000]	n.	0	0.2	0
	Number of fatalities	n.	0	0	0
	Fatality rate [number of fatalities / hours worked x 1,000,000]	n.	0	0	0
	Hours worked	n.	5,888,235	5,189,591	5,244,399

Note:

2019 data does not include Control plant (Spain).

2021 hours worked do not include Russia.

Health and safety - other workers		UNIT	2019	2020	2021
	Number of injuries	n.	2	5	5
	Injury rate [number of injuries/hours worked x 1,000,000]	n.	8.0	24.6	32,7
	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
	Hours worked	n.	250,664	203,396	152,715

Note:

Worked hours by other workers data in Italy not available.

Concerning Covid-19, Artsana continued to **protect its employees** through several initiatives, which included: the drafting of 19 revisions of Artsana's Covid-19 Protocol, the installation of equipment for automatic measurement of body

temperature and for green pass verification, the implementation of daily sanitisation of all spaces, as well as the implementation of targeted sanitisation of spaces for each positive subject identification.

Did you know?

In December 2021, the UN Global Compact Network Italy, in collaboration with *ILO – International Labour Organization (Italian Office)* and the *AIDP – Italian Association of Staff Management*, launched the paper “Guidelines on Diversity & Inclusion in the workplace”, as the final output of the D&I Observatory, established in the same year by the UNGCN Italy. The guidance paper comprises several business best practices related to “**Principle 6**” of the **UN Global Compact**, which promotes the **elimination of all forms of discrimination** with respect to employment and occupation: 17 Italian companies contributed with business cases to the paper, including Artsana. The paper shows business initiatives, projects and strategic approaches on the topics of inclusive leadership, disability management, equal opportunities, and treatment, considering specific groups of people: women, migrants and young people. The paper cites and analyses two case studies concerning Artsana's policies in relation to how the Company deals with diversity: “*Equal opportunities: encouraging diversity to create value*” and “*Nurturing talent to foster innovation*”.

3.4 SOCIAL COMMITMENT IN OUR SUPPLY CHAIN

The concept of **taking care of People**, which Artsana puts into practice every day in its activities, also extends to the 'suppliers' category, with whom there is a relationship of mutual trust and collaboration, whilst ensuring proper monitoring and control efforts at the same time.

The attention to ethical and social aspects along the supply chain starts at the supplier selection phase and continues with awareness-raising and monitoring, including auditing activities. In order to ensure observance of the social principles Artsana upholds, it applies certain precautions.

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 embodies Artsana's ethical values. This Code of Ethics outlines the rights, duties and responsibilities which need to be respected for a positive collaboration built on responsible business management, and the adoption of Artsana's **Code of Conduct**, which is part of the contractual obligations for suppliers of products and components. Artsana implemented its **Code of Conduct** in the supply chain many years ago, with the aim of **guaranteeing the respect of fundamental human rights**, including employees' health and safety, working hours, wages, child labour, and protection of the environment.

Additionally, to ensure that human rights and health and safety standards are adequately assessed throughout the supply chain, Artsana monitors key facts and trends in these subject areas.

To make sure that the conduct rules are consistently implemented in the supply chain, 100% of finished product active suppliers have undergone a specific assessment. The audit plan, which includes both third party audits and

direct inspections, is conducted according to a risk-based approach: Artsana conducts onsite audits on suppliers which are located outside Italy and Europe on a two year basis; in countries potentially presenting higher risks in terms of human rights, child labour or forced labour, audits and inspections are carried out at least every 12 months; in India, Bangladesh and Egypt, Artsana performs third-party audits on building integrity and electrical safety according to specific rules, which are a voluntary extension of the above-mentioned Bangladesh Accord, with a 100% audit coverage.

In addition to the rigorous adoption of its Code of Conduct, Artsana participates to selected initiatives adopting industry or multi-stakeholder schemes and ethical programs, such as the International Council of Toy Industries (ICTI) Ethical Toy Program and the RMG Sustainability Council (formerly Bangladesh Accord) for the Ready-Made Garment industry in Bangladesh. Other certifications, such as SA8000, BSCI and SEDEX, which also include accreditation audits made by independent international organisations, are taken into consideration for supplier evaluation and qualification.

Throughout 2021, Artsana invested in its commitment to becoming a member of the Sustainable Apparel Coalition in 2022, a global, multi-stakeholder non-profit alliance for the fashion industry, which has developed the Higg Index, a suite of tools that standardises value chain sustainability measurement for industry participants.

The above process aims at assuring and promoting the adoption of ethical manufacturing principles and of continuous improvement through corrective action programmes in such way engaging suppliers in a common path for sustainability.

HUMAN RESOURCES DATA APPENDIX

Diversity


















EMPLOYEES PER CATEGORY	Unit	2019	2020	2021
EXECUTIVES	n.	49	51	53
MANAGERS	n.	305	298	320
WHITE COLLARS	n.	2,014	1,906	1,846
BLUE COLLARS	n.	1,231	1,212	1,111
TOTAL	n.	3,599	3,467	3,330

	2021			TOTAL
	Younger than 30	Between 30 and 50	Older than 50	
EXECUTIVES	0	24	29	53
MANAGERS	11	210	99	320
WHITE COLLARS	268	1,154	424	1,846
BLUE COLLARS	109	613	389	1,111
TOTAL	388	2,001	941	3,330



Hirings and terminations

	HIRINGS				TERMINATIONS			
	Unit	2019	2020	2021	Unit	2019	2020	2021
WOMEN	n.	498	341	322	n.	481	151	447
MEN	n.	166	98	134	n.	168	460	146
Less than 30 years old	n.	347	197	194	n.	265	208	162
From 30 to 50 years old	n.	300	212	244	n.	304	317	315
More than 50 years old	n.	17	30	18	n.	80	86	116
ARGENTINA	n.	7	0	0	n.	17	6	1
BELGIUM	n.	2	1	0	n.	2	0	2
BRAZIL	n.	49	13	14	n.	52	97	11
CHINA	n.	34	13	27	n.	27	18	25
FRANCE	n.	8	1	4	n.	7	2	6
GERMANY	n.	15	3	4	n.	5	7	3
INDIA	n.	35	20	33	n.	30	17	38
ITALY	n.	122	90	84	n.	86	126	114
JAPAN	n.	1	2	0	n.	0	1	0
MEXICO	n.	5	11	71	n.	5	9	26
POLAND	n.	6	5	4	n.	5	4	6
PORTUGAL	n.	128	54	66	n.	101	68	87
ROMANIA	n.	103	163	61	n.	171	160	171
RUSSIA	n.	1	0	8	n.	4	5	6
SPAIN	n.	74	28	39	n.	58	49	56
SWITZERLAND	n.	0	1	3	n.	1	2	1
TURKEY	n.	52	18	12	n.	53	27	19
UK	n.	3	2	2	n.	10	4	0
USA	n.	19	14	24	n.	15	9	21
TOTAL	n.	664	439	456	n.	649	611	593

	HIRINGS				TERMINATIONS			
	Unit	2019	2020	2021	Unit	2019	2020	2021
WOMEN	%	14	10	10	%	13	13	13
MEN	%	5	3	4	%	5	4	4
Less than 30 years old	%	10	6	6	%	7	6	5
From 30 to 50 years old	%	8	6	7	%	8	9	9
More than 50 years old	%	0	1	1	%	2	2	3
 ARGENTINA	%	0	0	0	%	0	0	0
 BELGIUM	%	0	0	0	%	0	0	0
 BRAZIL	%	1	0	0	%	1	3	0
 CHINA	%	1	0	1	%	1	1	1
 FRANCE	%	0	0	0	%	0	0	0
 GERMANY	%	0	0	0	%	0	0	0
 INDIA	%	1	1	1	%	1	0	1
 ITALY	%	3	3	3	%	2	4	3
 JAPAN	%	0	0	0	%	0	0	0
 MEXICO	%	0	0	2	%	0	0	1
 POLAND	%	0	0	0	%	0	0	0
 PORTUGAL	%	4	2	2	%	3	2	3
 ROMANIA	%	3	5	2	%	5	5	5
 RUSSIA	%	0	0	0	%	0	0	0
 SPAIN	%	2	1	1	%	2	1	2
 SWITZERLAND	%	0	0	0	%	0	0	0
 TURKEY	%	1	1	0	%	1	1	1
 UK	%	0	0	0	%	0	0	0
 USA	%	1	0	1	%	0	0	1
TOTAL	%	18	13	13	%	18	17	18



Training

TOTAL TRAINING	UNIT	2019	2020	2021
TOTAL HOURS	h	29,214	15,279	17,095
Average hours	h/employee	8.1	4.4	5.1




















2019 Data on training provided excludes France.

TRAINING – Average training hours by gender and employee category	UNIT	2019	2020	2021
Men	h/employee	11.8	6.4	5.9
Women	h/employee	6.4	3.5	4.8
Training provided to Executives	h/employee	78.7	23.9	9.5
Training provided to Managers	h/employee	11.7	6.5	3.7
Training provided to White collars	h/employee	8.9	5.2	7.1
Training provided to Blue collars	h/employee	3.2	1.9	2.0




















2019 Data on training provided excludes France.

The number of training hours provided to Executives decreased in 2020 and 2021 due to the restrictions caused by Covid-19, which did not allow in-person courses. These courses were therefore postponed to 2022.

Work-related injuries, Employee data by region:

	2021	Number of Injuries	Number of high-consequence work-related injuries	Work-related fatalities
	UNIT	n.	n.	n.
 ARGENTINA		0	0	0
 BELGIUM		0	0	0
 BRAZIL		0	0	0
 CHINA		0	0	0
 FRANCE		1	0	0
 GERMANY		0	0	0
 INDIA		0	0	0
 ITALY		13	0	0
 JAPAN		0	0	0
 MEXICO		0	0	0
 POLAND		0	0	0
 PORTUGAL		16	0	0
 ROMANIA		0	0	0
 RUSSIA		0	0	0
 SPAIN		23	0	0
 SWITZERLAND		0	0	0
 TURKEY		0	0	0
 UK		0	0	0
 USA		1	0	0
TOTAL		54	0	0

Other workers data by region:

	2021	Number of Injuries	Number of high-consequence work-related injuries	Work-related fatalities
	UNIT	n.	n.	n.
 ARGENTINA		0	0	0
 BELGIUM		0	0	0
 BRAZIL		0	0	0
 CHINA		0	0	0
 FRANCE		0	0	0
 GERMANY		0	0	0
 INDIA		0	0	0
 ITALY		5	0	0
 JAPAN		0	0	0
 MEXICO		0	0	0
 POLAND		0	0	0
 PORTUGAL		0	0	0
 ROMANIA		0	0	0
 RUSSIA		0	0	0
 SPAIN		0	0	0
 SWITZERLAND		0	0	0
 TURKEY		0	0	0
 UK		0	0	0
 USA		0	0	0
TOTAL		5	0	0

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

2021 FTE data

HUMAN RESOURCES	UNIT	MALE	FEMALE	TOTAL
<i>Total number of employees</i>	FTE	1,051.7	1,953.4	3,005.1
<i>Number of part-time employees</i>	FTE	5.1	191.7	196.8
<i>Number of permanent employees</i>	FTE	1,009.2	1,852.6	2,861.8
<i>Number of temporary employees</i>	FTE	42.5	100.8	143.3



4

Parenting the earth

Continuing from previous years, Artsana has preserved its deep motivation to pursue environmental sustainability in all its facets.



Without a doubt, environmental sustainability is integrated into the concept of **sustainable parenting**: the love for a child naturally evolves into love for the world that surrounds them, thus translating into attention to the environmental impacts of daily choices and activities.

Therefore, Artsana places primary importance on its environmental responsibility and impact,

by monitoring and mitigating the negative externalities that its activities might generate, alongside the entire value chain. Indeed, Artsana knows that everyone, from the individual citizen to large multinational corporations, have the opportunity and the responsibility to improve sustainability and to protect the place we all call **home**.



4.1 SUSTAINABLE PRODUCTION

Artsana has five manufacturing facilities located in Italy, Romania, and Spain; each of them is dedicated to different products and brands:

- ◆ The facility in **Verolanuova** (Brescia, Italy) produces juvenile and nursing products, toys and medical devices. This facility runs management systems certified according to the international standards ISO 14001:2015 (environment) and ISO 9001:2015 (quality);
- ◆ The production unit in **Gessate** (Milan, Italy) focuses on cosmetic products and medical devices. This facility also runs management systems certified according to the international standards ISO 14001:2015 (environment), ISO 13485:2016 (quality), ISO 9001:2015 (quality), and ISO 22716:2007 (good manufacturing practices).
- ◆ The facility located in **Grandate/Casate** (Como, Italy) is specialised in semi-finished nursing products made with natural rubber and includes a laboratory for finished products testing and quality control inspection, as well as a workshop for juvenile and toys prototyping;
- ◆ The **Botosani** (Romania) production unit produces both finished products and semi-finished textile linings that are then employed by the Verolanuova plant. This facility runs a quality management system certified according to the international standard ISO 9001:2015;
- ◆ The **Alcorcon** (Spain) production unit is mainly dedicated to the production of condoms for the brand Control. This facility runs a quality management system certified according to ISO 13485:2016.



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

SPAIN



Alcorcon

- Condoms

In addition, Artsana relies on three **warehouses** located in Italy: the facility in **Casate**, which hosts the storage of raw materials, finished and semi-finished products before they are internationally distributed, and the warehouses in **Reggio Emilia** and **Verolanuova**, dedicated to garments, shoes and juvenile products.

TECNILATEX PRODUCTION PLANT

Control is one of the most famous brands in the sexual wellness sector within the European market. It is the market leader in Portugal and in Paraguay, the second player in Italy and Spain, and a positive presence in the Middle East. For over 40 years, Control has been committed to producing high quality condoms, gels, and toys, while always pursuing the highest standards of safety and innovation. Embracing the concept of **sustainable parenting**, wellbeing and sexual protection are the key principles around which the brand revolves.

The production is based at the Tecnilatex Factory in Madrid and the Artsana Italian factory in Gessate is the core of the Control

manufacturing asset. The production process involves all the phases, starting from the latex mixing to the dipping, electronical testing, foiling and packaging. All these phases are subject to strict quality rules, compliant to the strictest international standards.

This is why Control has been channeling its efforts into other activities, in order to reduce its footprint. In particular, it has been focusing on bringing the production process as close as possible to the distribution market.

Control also aims at reducing the environmental impact of its packaging and is thus carrying out research around sustainable alternatives for packaging materials.

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

Artsana is committed to progressively and continuously increasing the reliability and efficiency of the distribution networks and to reducing the related costs and environmental impacts. In particular, logistics is carefully organised for optimising the transportation paths in terms of numbers and load size.

Additionally, the distribution network from its suppliers to its production sites and from its facilities to the customers is designed with the aim of reducing the potential impacts of its global network. The Group has started to study and evaluate specific actions to be implemented in order to reduce GHG emissions generated by the logistic channels and to be able to reduce the environmental impact related to product distribution.



4.2 ENVIRONMENTAL COMMITMENT IN OUR SUPPLY CHAIN

Artsana places trust, quality and collaboration at the core of its relationship with suppliers.

This is why it is continuously working to build a responsible supply chain which is capable of progressively reducing its own negative environmental impacts, while at the same time, granting the highest quality products and services. To share best practices and disseminate a culture of sustainability, Artsana meets and engages suppliers with the aim of illustrating its sustainability strategy and projects, starting from its ESG Policy.

It is also a good opportunity to discuss the approach to sustainability topics and which programmes or initiatives they implement.

The objective of this process is to build a responsible and constructive collaboration with all the actors of Artsana's value chain, by sharing ideas, projects, objectives and best practices.

The involvement of suppliers is also a key

factor for the analysis and reduction of the environmental footprint of the products, from packaging reduction to the introduction of recycled materials, with the aim of increasing the circularity of products. The *Local for Local* strategy, already implemented for some product lines in some regions, such as India and Mexico, is one of the initiatives implemented to reduce the environmental impact of Artsana's supply chain. As of today, 50% of Artsana's products sold in India are produced locally. By moving production closer to the distribution market, it is possible to significantly reduce the emissions related to distribution and logistics.

Another important initiative addressing the environmental sustainability of Artsana is the one related to the EcoVadis assessment that, among the other criteria, also evaluates the environmental performance of Artsana: carried out in 2021, it awarded Artsana with a silver medal.

EcoVadis certification: silver category for Artsana



EcoVadis provides sustainability ratings thus allowing companies to assess their ESG performance. A wide range of Corporate Social Responsibility issues are assessed, grouped into four pillars: "Environment", "Labor & Human Rights", "Ethics" and "Sustainable Procurement". The assessment is carried out on criteria that are specifically relevant to the company's activities, as well as its geographical location and size. In 2021, Artsana underwent its first EcoVadis assessment and achieved a very good result by obtaining a Silver sustainability rating, resulting in the 71st percentile, which implies that it performed better than 71% of the companies in its category. Artsana obtained a particularly high score in relation to its environmental performance and quality of labour practices and human rights. Being committed to continuously enhancing its sustainability performance, Artsana aims at further improving its rating in the EcoVadis assessment in coming years.

4.3 MONITORING OUR ENVIRONMENTAL FOOTPRINT

Artsana is committed to managing its environmental impact and working to progressively reduce it.

Artsana pays special attention to its energy, raw materials and water usage, and implements new initiatives to reduce consumption and decrease the amount of GHG (Greenhouse Gas) emissions and waste produced. As a first step, Artsana has focused its efforts in recent years on implementing **environmental management systems (EMS)** in its production units, according to the ISO 14001 international

standard. As a result of these efforts, in 2018 and 2019 respectively, the EMSs of Gessate and Verolanuova units were certified according to ISO 14001:2015. Certification of the Artsana plant in Romania is planned for 2023.

Internal audits and management reviews are key aspects in the governance of processes, projects and objectives and enable continuous improvement.

UN Global Compact Network: Artsana's participation to decarbonisation roundtable

In line with its commitment to the fight against climate change, Artsana is a member of the UN Global Compact Network, a voluntary corporate sustainability initiative aimed at mobilising a global movement of sustainable companies and stakeholders.

Not only is Artsana a member of the network, but throughout 2021 it also participated to two roundtables, one of which was focused on decarbonisation. The output of the roundtable consisted of the publishing of a paper, "Italian businesses towards decarbonization: a just and inclusive transition", which collected companies' **best practices** in their journey towards decarbonisation. In the paper, Artsana's case is illustrated as an example of virtuous sustainable management, where the Sustainability Committee ensures the Group's proactivity and continuous improvement in ESG topics. Indeed, by holding meetings which have a "bottom-up" approach as well as a "top-down" one, Artsana aims at integrating sustainability topics throughout all its areas of management.

Moreover, the paper praises Artsana's effective involvement of both internal and external stakeholders in initiatives aimed at spreading a culture of sustainability and improving the Company's efforts to move towards sustainable solutions.



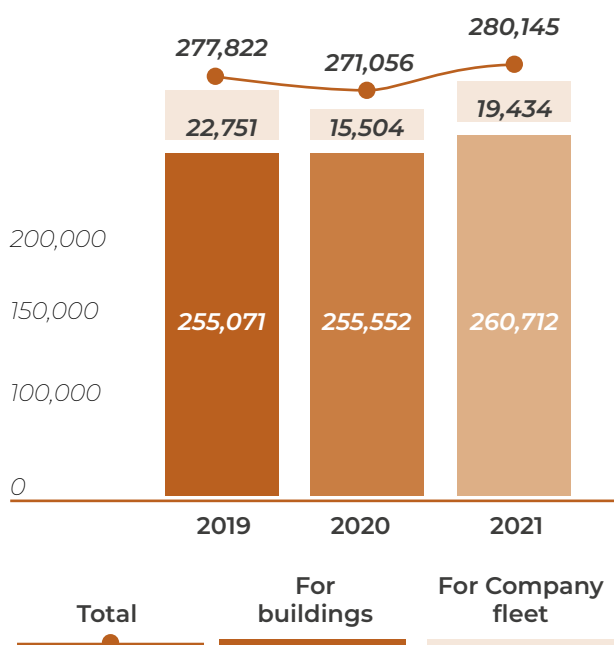
4.3.1 Energy consumption and efficiency

Artsana's **energy consumption** is mainly related to electricity purchased from the national grid (more than 31%) and to the consumption of natural gas (more than 58%), which is used for heating purposes in the production units and offices, for industrial purposes in the production of steam in the Gessate site and in Verolanuova for the functioning of the trigenerator plant. In

2021, total energy consumption has remained at about the same level as in 2020 (+3%). In particular, the slight growth is driven by an increase in energy consumption related to the car fleet.

This is due to the relaxation of Covid-19 measures which made it possible for employees to travel more than in the previous year.

Energy consumption (GJ)



Because energy consumption is a relevant factor when dealing with environmental impacts, energy management represents a priority within Artsana's environmental strategy. To address this subject area and its related GHG emissions, in 2021 – as in the previous years – Artsana has continuously and rigorously monitored its energy consumption data with an advanced metering system, which was installed in 2018. The objective of the monitoring is to identify potential technical and organisational improvements, such as the renewal of equipment and industrial system, which can increase energy efficiency and renewable energy usage. For example, thanks to the metering system, in 2019 Artsana decided to carry out considerable maintenance on the **HVAC system** installed inside the Gessate site, rather than buying a new one, as initially evaluated, reducing expenses and material consumption.

Did you know?

In 2021, as in 2020, the energy consumption of the Headquarters and of the Italian production plants and stores was entirely covered by **Guarantees of Origin**, which certify the consumed electrical energy as produced by renewable sources. In 2021, almost 17,720,246 kWh (63,793 GJ) have been certified. In line with the importance of the fight against climate change, Artsana has also begun to purchase Certificates of Origin for its electricity consumption in Spain and the USA. Artsana is also exploring similar solutions for the other countries in which it operates. Moreover, in Portugal, Artsana has been able to source electricity from a supplier with a relevant part of renewable energy production within its overall energy generation. This commitment is translated into almost 8,160 tonnes of CO₂eq that have not been emitted into the atmosphere (*market-based approach*) in 2021, in juxtaposition with 7,400 tonnes of CO₂eq that were avoided in 2020.

Even though the Covid-19 crisis has prevented some projects from being developed, **energy efficiency** has remained one of Artsana's priorities throughout 2021; therefore, various initiatives aimed at improving energy efficiency were carried out.

For example, at **Verolanuova**, a **free cooling system** was installed on top of the trigeneration plant: this system uses low external air temperature to chill water, which is then used to cool down the moulding presses (during the winter season). By doing so, it is possible to **save the energy** which would be used to mechanically chill the water: in 2022, the estimated saving will be of around 100 tonnes of CO₂.

Moreover, at the same production site, the introduction of a **compressor automatic management system** made it possible to save 150 tonnes of CO₂ throughout 2021. Finally, at UP80, the Group is planning to install a photovoltaic system, which will make it possible to save a further 170 tonnes of CO₂ per year (through reduced amounts of energy consumption from the grid), thus adding up to the energy savings obtained from the relamping activity which was carried out in previous years.

Artsana has been developing a **long-term strategy for energy reduction**, and this is why

many projects are in progress, either in feasibility assessment or approved for planned execution; once they are implemented, they will allow for increased energy efficiency and renewable energy consumption.

For example, Artsana is evaluating the installation of other **photovoltaic panels in other production units** (Gessate, Verolanuova, Chicco Village, Artsana Romania, Tecnilatex and Artsana Spain), and the installment of a trigeneration plant in Gessate plant.

For the **Headquarters**, a **revamping programme** has already been planned, together with the installation of a **cogeneration plant**. Finally, a preliminary feasibility assessment for an **LED relamping** activity has been carried out for **logistic warehouses**.

Moreover, the **conversion of vapour chambers into electric chambers**, with the aim of reducing GHG emissions, has been approved: this benefit will be made possible by the fact that electric chambers do not need to be preheated and do not require a steam circuit.

The energy and CO₂ savings occurred in 2020 and 2021 and associated to some of the energy projects implemented during previous reporting year are summarised in the reported table:

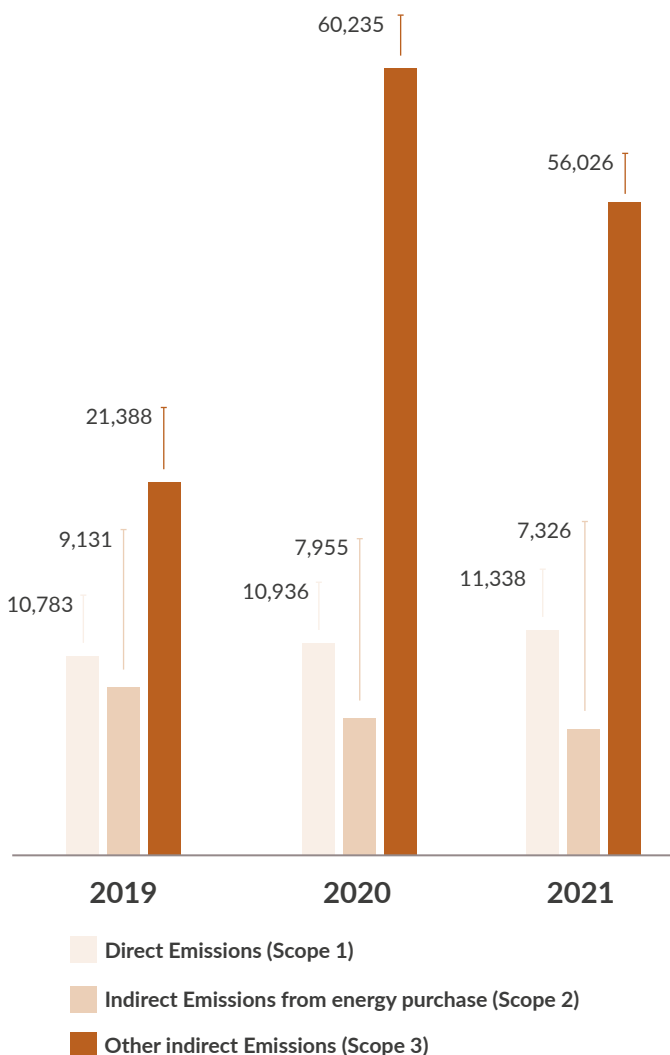
MAIN ENERGY EFFICIENCY INITIATIVES	COUNTRY	ENERGY SAVING (GJ)		CO ₂ SAVING (TONNE CO ₂)	
		2020	2021	2020	2021
Trigeneration plant	Italy (Verolanuova)	6,397	6,590	1,120	1,085
LED lights installation	Italy (Verolanuova)	3,843	3,840	290	255
Overhaul of compressed air station	Italy (Verolanuova)	-	1,045	-	151
Compressor revamping	Italy (Gessate)	2,039	1,957	136	135
HVAC system installation	Italy (Gessate)	187	187	6	6
Compressor revamping and LED lights installation	Romania	1,706	1,542	113	123
TOTAL		12,133	14,968	1,665	1,755

4.3.2 Greenhouse gas (GHG) emissions

In 2021, Artsana has calculated its sixth **carbon footprint**, aiming to better understand its impact on climate change. The GHG Inventory has been developed following indications and guidelines provided by the **Greenhouse Gas Protocol**, one of the most important internationally recognised standards for the accounting and reporting of greenhouse gas emissions. Following this standard, Artsana included in the calculations direct GHG emissions (scope 1), related to direct energy consumption (both in terms of buildings, production sites, and company car fleet) and to

the refrigerant gases refilling of air-conditioning systems, as well as indirect emissions from energy purchased (scope 2), mainly related to electricity purchased from the national grid. In addition to these categories, Artsana has calculated other indirect GHG emissions (scope 3), and in 2021 it has enlarged the number of considered Scope 3 emission categories, reaching a higher level of understanding of its impact on climate change. Starting from 2021, Artsana has also estimated the GHG emissions associated with employee commuting.

GHG emissions (tCO_{2eq})



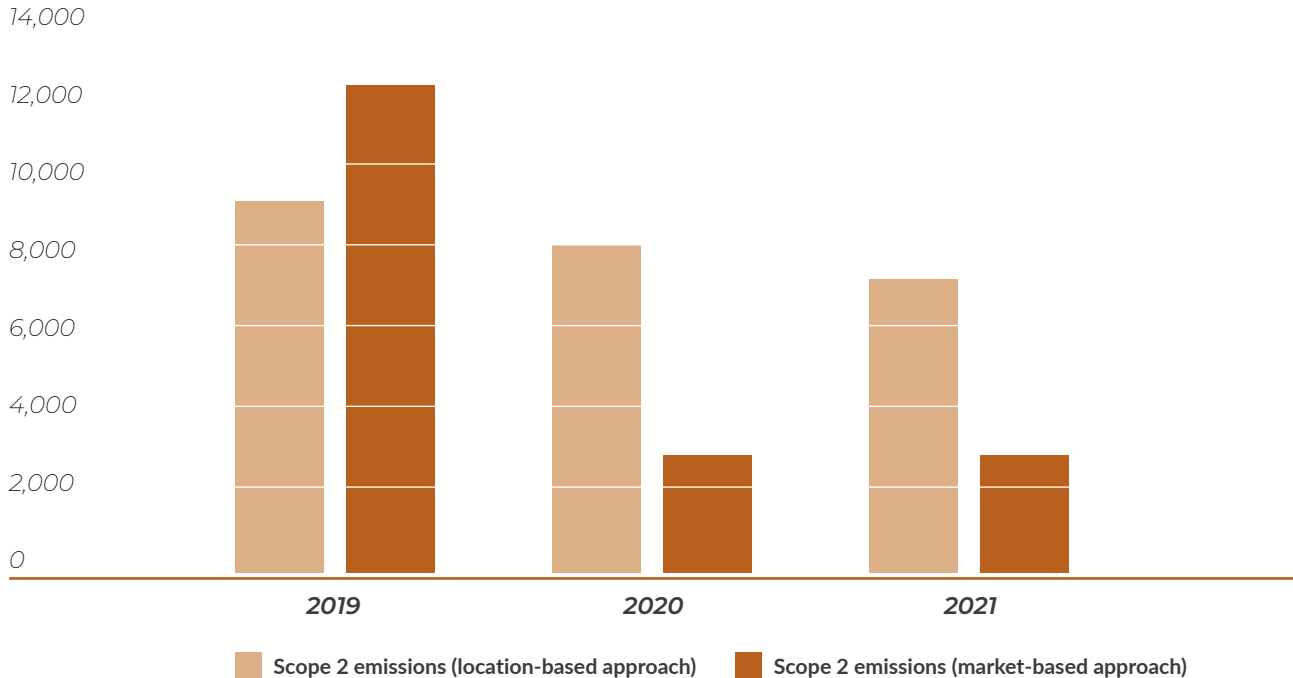
Note: 2019 scope 3 emissions only include emissions related to Upstream Transportation and Distribution and Business Travel.

EMISSIONS CATEGORY	2021
Scope 1	Totally Calculated
Scope 2	Totally Calculated
Scope 3 Purchased goods and services	Partially calculated. Overall calculation methodology will be defined in 2022
Scope 3 Capital goods	Not relevant for 2021
Scope 3 Fuel- and energy-related activities	Totally Calculated
Scope 3 Upstream transportation and distribution	Totally Calculated
Scope 3 Waste generated in operations	Totally Calculated for production sites
Scope 3 Business travel	Totally Calculated
Scope 3 Employee commuting	Partially calculated only for Italian scope
Scope 3 Upstream leased assets	Totally Calculated
Scope 3 Downstream transportation and distribution	Not relevant
Scope 3 Processing of sold products	Not applicable
Scope 3 Use of sold products	Not calculated, a preliminary analysis will be performed in 2022
Scope 3 End-of-life treatment of sold products	Not calculated, a preliminary analysis will be performed in 2022
Scope 3 Downstream leased assets	Not applicable
Scope 3 Franchises	Totally Calculated
Scope 3 Investments	Not applicable

With respect to 2020, Scope 1 GHG emissions increased by 3,7% in 2021, mainly due to an increase in emissions related to the company car fleet: as mentioned above, the relaxation of

Covid-19 measures has determined an upsurge in the amount and length of business travel. Scope 2 GHG emissions are in line with 2020 and still lower than 2019 (pre-Covid 19 situation).

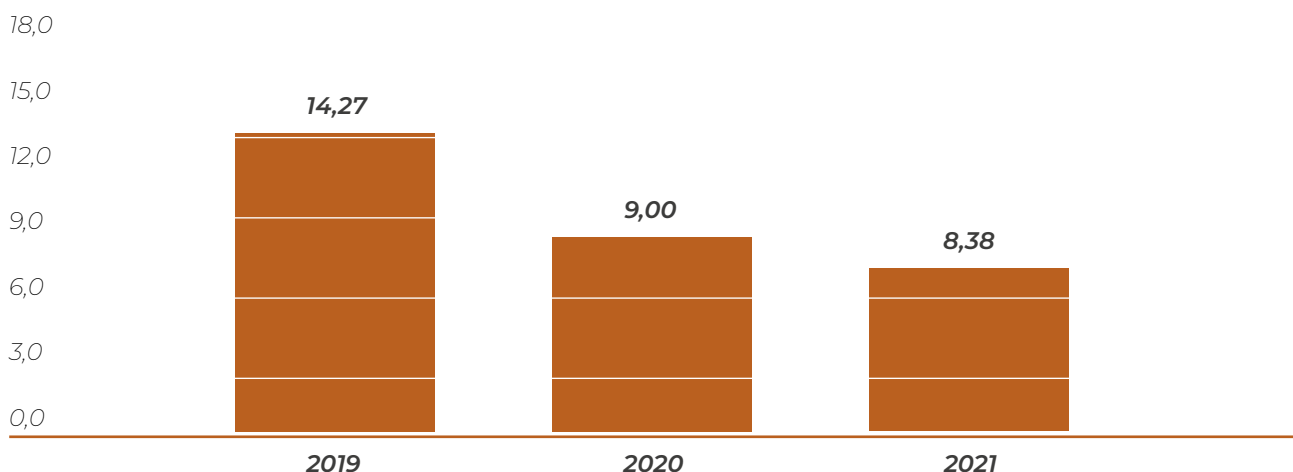
Comparison between Location-Based and Market-Based approach



Thanks to the acquisition of Guarantees of Origin for the Italian electricity consumption, the Scope 2 emissions calculated with a Market-Based approach demonstrate a significant drop between 2019 and 2021, with respect to the ones calculated with a Location-Based approach. Artsana's commitment to reducing its emissions

is demonstrated by the significant reduction of its **emission intensity**, which is calculated as the ratio between Scope 1 plus Scope 2 market-based emissions and annual revenues. Indeed, Artsana's emission intensity has decreased by 41% between 2019 and 2021.

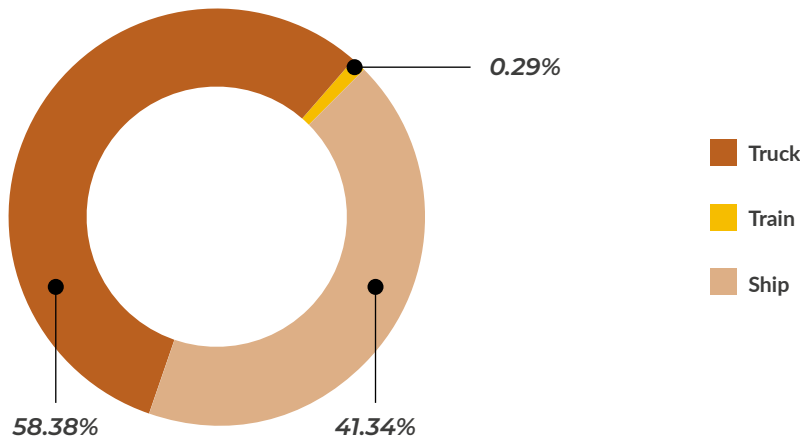
Emission intensity 2019-2021



Scope 3 GHG emissions related to **logistic activities** decreased by 19% compared to 2020 Scope 3, this is mainly due to the challenges which affected Artsana's supply chain mentioned in Chapter 1. In particular, scarcity of raw materials, difficulty in findings available containers and blockages at harbours are all factors which

contributed to reduced transportation, thus affecting the figures of logistics. A focus on Scope 3 GHG emissions related to logistics activities, that is, the upstream transportation and distribution category, reveals that the most common method of transport is the truck, followed by ship and train.

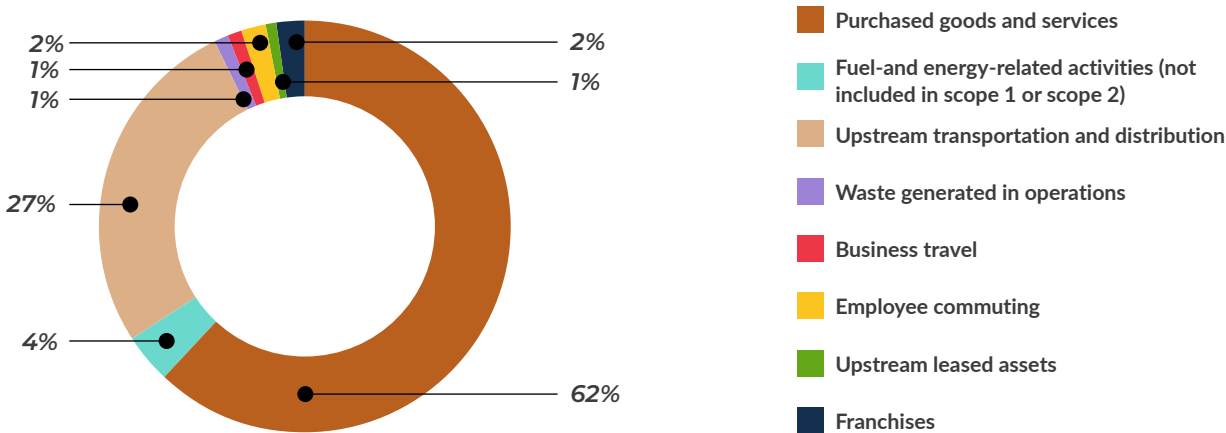
2021 Upstream T&D emissions, by means of transport



Among the other Scope 3 GHG emissions that have been calculated, the most relevant category is represented by emissions associated with **purchased goods and services**, which represent more than 60% of Artsana's currently measured Scope 3 GHG emissions. For 2020 and 2021, only materials used within production processes directly implemented within Artsana plants have

been included in the calculation. As a part of a broader and future-oriented climate strategy, Artsana is working on extending its inventory's boundary to a wider range of Scope 3 categories, with the aim of achieving a 100% coverage and thus continuously improving its ability to identify and address more emission-intensive areas of its business.

Scope 3 GHG emissions by category (%)



Climate conscious company award

The prestigious Italian newspaper Corriere della Sera, together with Statista, the German digital platform that manages one of the world's leading portals for statistics and digital intelligence, have launched a collaboration to create a ranking of the 100 Italian companies that are proving to be the most climate conscious. The assessment is based on companies' performances in the reduction of CO2 emissions between 2018 and 2020.

Artsana was awarded with the "Climate conscious company" award and was ranked 22nd in the general ranking and 1st in the consumer goods category. Artsana's efforts to continuously reduce emissions and to apply sustainability principles to its business were appreciated and thus awarded, demonstrating once again how Artsana's commitment to environmental sustainability is real and recognised by authoritative external bodies.



CARBON OFFSETTING PROJECTS

Since 2020, Artsana's carbon neutrality is being achieved by balancing carbon emissions with offsetting, thus using carbon credits coming from positive impact projects. Each credit is certified according to international standards and corresponds to the reduction (or removal) of the equivalent of one tonne of CO2.

As for last year, the two projects Artsana bought the credits from are the "Great Bear Forest Carbon Project" and the "Guatemalan Conservation Coast".

The **Great Bear Forest Carbon Project** aims at improving forest management in British Columbia (BC), the westernmost province of Canada, generating emission reduction through the protection of forest areas that were previously designated, sanctioned or approved for commercial logging. The project activities include changes in land-use legislation and regulation that result in the protection of forest areas and reduction of harvest levels.

The second project is being developed in the **Guatemalan Conservation Coast** region by addressing the drivers of deforestation through effective law enforcement, land-use planning, education, economic opportunities, and sustainable agroforestry initiatives.

Some of the most important project achievements to date are: the protection of 30 threatened species including the Baird's tapir and West Indian manatee, the protection of 54,157 hectares of threatened forest in the Mesoamerican Biological Corridor and the creation or support of 487 jobs for indigenous and local communities.

4.3.3 Raw materials and packaging

Artsana uses many different types of materials inside its own manufacturing plants; they can be summarised in the following main categories: **plastics** and **metals**, mainly used in manufacturing activities carried out in the production unit in Verolanuova (Italy); **chemicals**, mainly used for the production of cosmetics in the plants in Gessate (Italy) and in Alcorcon (Spain); **textiles**, used in the production unit located in Romania (e.g., linings). In 2021, Artsana used almost 7,315

tonnes of materials for production purposes (+1% compared to 2020), of which 4,184 tonnes of plastics (57 % of the total) and 1,901 tonnes of chemicals (26%). With the aim of reducing its environmental footprint in terms of material consumption, Artsana has launched several initiatives and practical actions, in order to decrease the total amount of consumed material and to increase the amount of renewable or recycled ones.



MATERIAL USED	UNIT	2019	2020	2021
Plastics	tonne	3,962	4,317	4,184
Chemicals	tonne	2,179	2,029	1,901
Metal components	tonne	753	577	852
Textiles	tonne	279	344	378
TOTAL	tonne	7,173	7,267	7,315

As part of this commitment, Artsana has started analysing all finished products (including the ones supplied to Artsana by its contract manufacturers), in order to identify priorities and

opportunities for improvement following indirect GHG emissions criteria and, where available, LCA studies.

IMPLEMENTING ECODESIGN PRINCIPLES IN ARTSANA'S PRODUCTS

Artsana's commitment to integrating sustainability in all its activities is translated through a particular focus on **EcoDesign principles**. By employing recycled and recyclable materials, and by improving products' features such as durability and reparability, Artsana has been increasingly escalating its efforts to lower the environmental impacts of its products and their packaging.

In particular, Artsana continuously monitors developments and best practices dealing with circular design for sustainability. Supporting tools and checklists are used to evaluate the integration of these principles within the products' design and development. For example, in 2021, in collaboration with Bocconi University, Artsana carried out a **Life-Cycle Assessment** of a top selling toy, with the aim of identifying the most relevant materials and processes contributing to the product LCA and to develop its know-how on how to address products' environmental footprint in this category.

Within the **packaging** context, the most significant results were obtained in the area of recycled PET for blister packaging, recycled LDPE for protecting polybags, and 100% recycled PET bottles: throughout 2021, the Chicco Baby Moments line's bottles were replaced with 100% recycled PET ones, and blister packaging and tubes with 75% and 50% recycled PET respectively. Moreover, Artsana has verified and certified the suitability of numerous products for direct delivery to the consumer without additional logistics and packaging, thus enabling e-commerce operators to significantly reduce over-packaging and, consequently, their environmental footprint.

At the **product level**, Chicco has also launched a toys' Eco+ line, which is made with sustainable materials such as recycled plastics and bioplastics from renewable sources. For example, All Around Eco+ is a ride-on made with 75% recycled plastic, wrapped with recyclable packaging and FSC paper and compliant with the same high safety and quality standards as any other Chicco toy. The Eco+ line has also extended to fashion, with a line of shoes made with organic cotton and recycled polyester.

Moreover, the Boppy Organic line launched in 2019 and made with 100% organic cotton jersey fabric is growing in popularity and as a result of increased demand, was enriched with new products extending to the prenatal area.

Overall, Artsana's efforts to improve the sustainability of its products and packaging through the use of alternative materials such as RPET and bioplastic have made it possible to **save 759,343 kg of virgin plastic** in 2021. Artsana is deeply committed to increasing this number in the years to come through a progressive integration of EcoDesign principles into products' design and development.



In addition to the materials used in the production processes, Artsana has used **cardboards, pallets** and other materials for the distribution of products to clients. In line with the increase in the amount of materials used for production, the

total quantity of materials used for distribution has increased by 11%. What should be noted is that compared to 2019, the amount of cardboard used in the distribution process has decreased by 32%, as a result of reduced product movement.

MATERIAL USED	UNIT	2019	2020	2021
Cardboards	tonne	4,569	2,830	3,092
Pallets	tonne	1,550	1,592	1,812
TOTAL	tonne	6,119	4,422	4,904

Finally, with the objective of incentivising accurate waste disposal and thus improving products' end-of-life, Artsana has started to adopt **environmental labels** for packaging disposal: labels display symbols which support

the consumer in identifying packaging materials so as to be able to dispose of them correctly. Online guidelines and information are also available on Artsana's website.

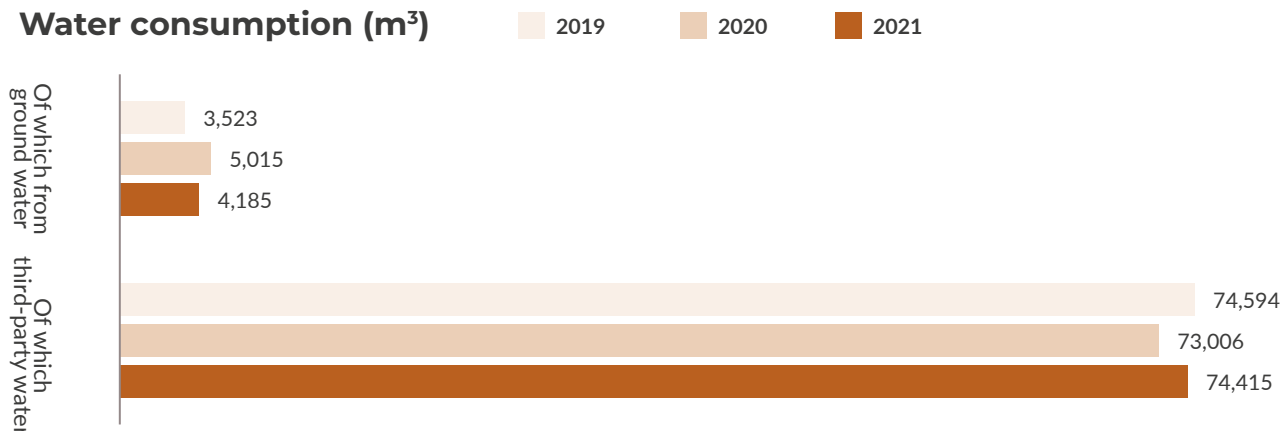
4.3.4 Other environmental aspects

In its production units, Artsana monitors its water consumption and waste production to continuously improve performance in terms of efficiency and environmental impacts.

The total water consumption for 2021 has been equal to 78,600 m³, in line with the quantity registered in 2020 (78,021 m³). Italian sites consume 89% of the total water withdrawal (33% at the plant in Casnate, 30% at the plant

in Gessate, and 26% at Verolanuova's site), while the Spanish and the Romanian plants consume 7% and 4% respectively. At the Group level, 95% of the water withdrawal is derived from third-party supply systems and 5% from ground water (e.g., wells). In 2021, withdrawal from wells decreased by almost 17% compared to 2020. On the other hand, consumption of third-party water has increased by almost 2%.

Water consumption (m³)



Note: The 2020 boundary only includes the production units located in Verolanuova, Gessate and Grandate/Casnate (Italy) and Botosani (Romania), and the production site in Spain. For the previous year, it includes all the previous listed production sites excluding the Spanish one. The 2019 water consumption of Grandate/Casnate from public networks have been estimated due to metering system breakdown.

Water is a very precious resource, and this is why Artsana continuously attempts to reduce its consumption. With this in mind, it has decided to replace its old reverse osmosis plant with a new and more efficient one.

A **reverse osmosis plant** is a manufacturing plant where contaminated water is purified through a membrane. The new plant has an efficiency rate of 80%, compared to 44% of the old one, and it reduces by 10% the total amount of water that is withdrawn from the water network. Moreover, the wastewater of the new plant can be largely recovered and treated for other operations, such as equipment rinsing.

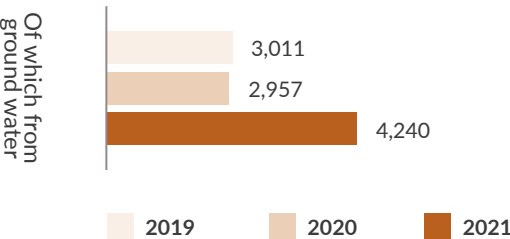
The total water saving is estimated to be 20% of the current withdrawn amount, by going from a monthly water demand of 1,500 m³ to 1,200

m³. The only production unit with **industrial water discharges** is Gessate, where cosmetics are produced.

According to the environmental authorisation (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 account for 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 is discharged into third-party facilities. In terms of performance, the amount of discharged water between 2020 and 2021 grew by 43%, as a result of increased volumes of activity.

Water discharged (m³)



Note:

The 2020 and 2021 boundaries only include the production units located in Verolanuova, Gessate and Grandate/Casinate (Italy) and Botosani (Romania), and the production site in Spain. For the previous year, it includes all the previous listed production sites excluding the Spanish one.

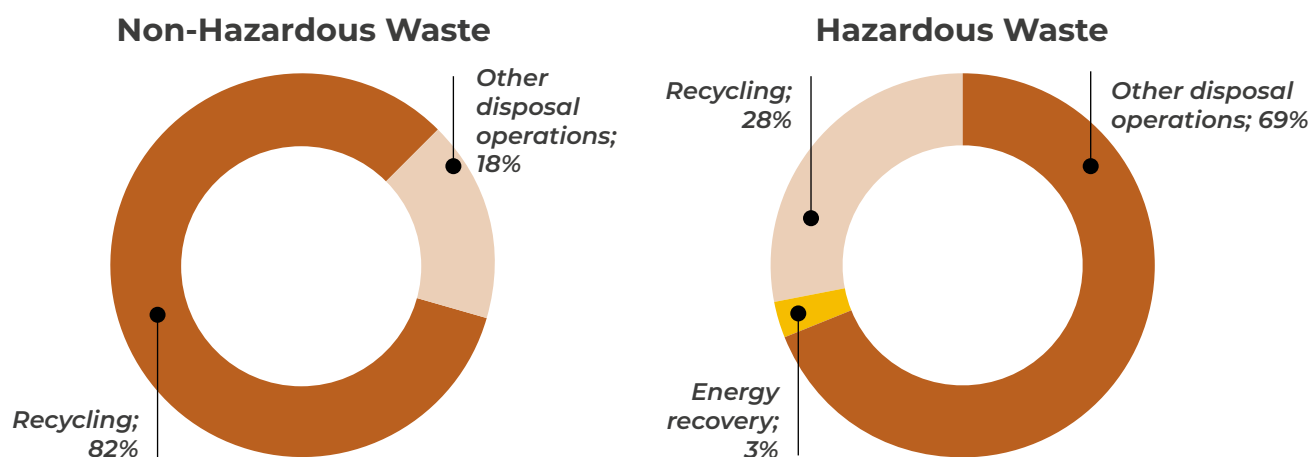
Data about **waste production and management** are monitored during monthly management meetings in order to address improvements.

The waste produced by the industrial processes is mainly non-hazardous (almost 93% of the total amount of waste produced in 2021).

WASTE PRODUCTION	UNIT	2019	2020	2021
Hazardous waste	tonne	216	191	209
Non-hazardous waste	tonne	3,092	2,696	2,714
TOTAL WASTE	tonne	3,308	2,887	2,924

Note: The 2020 and 2021 boundaries only include the production units located in Verolanuova, Gessate and Grandate/Casinate (Italy) and Botosani (Romania), and the production site in Spain. For the previous year, it includes all the previous listed production sites excluding the Spanish one.

Thanks to its accurate waste management activities, in 2021 Artsana succeeded in recycling a very high percentage of non-hazardous waste (82%). Additionally, it succeeded in recycling 28% of its hazardous waste.



Waste management projects: how Artsana aims to reduce its footprint

Below are some examples of current waste management projects summarised:



In the logistic warehouses, separation of the mixed waste of strollers: the iron **structure**, without fabric, is disposed of separately, and the recovered iron is reused for smaller castings. **20 tonnes of iron were recovered** in 2021.



In Verolanuova, use of **washable rags** with the objective of reducing the production of special hazardous waste. **73% less hazardous waste** related to rags in 2021 compared to 2019.



Optimization of mixed packaging management with the aim of **separating the rubber component at Gessate**. This activity resulted in the separation of approximately **5.32 tonnes of rubber** in 2021.



In logistic warehouses, separation and recovery of **electric and electronic waste**. Almost 10 tonnes of material recovered in 2021.



In Gessate, production of recycled cardboard from siliconised paper. **13 tonnes of cardboard** produced in 2021.



In logistic warehouses and Verolanuova, separation of fabrics from the **plastic** of car seats, disposing such waste as plastic rather than as undifferentiated waste. Almost **23 tonnes of separated plastic** in 2021.

Artsana's long-term approach aims to work continuously to identify initiatives and opportunities to reduce waste, increase separation and treatment for recycling, as well as taking part in consortiums specialising in end-of-life management for specific materials, such as PET bottles, textiles and apparel, which are part of Artsana's plans for 2022.

ENVIRONMENTAL DATA APPENDIX

ENERGY CONSUMPTION	UNIT	2019	2020	2021
Energy consumption - for buildings	GJ	255,071	255,552	260,712
<i>Of which from natural gas</i>	GJ	153,974	158,334	163,895
<i>Of which from diesel</i>	GJ	7,703	8,843	6,321
<i>Of which from LPG</i>	GJ	63	76	83
<i>Of which from petrol</i>	GJ	604	147	2,536
<i>Of which electricity from the national grid</i>	GJ	92,727	88,107	87,666
<i>Of which electricity autoproduced from renewable sources</i>	GJ	n.a.	45	210
Energy consumption - for Company fleet	GJ	22,751	15,504	19,434
<i>Of which diesel vehicles</i>	GJ	21,222	14,777	17,483
<i>Of which gasoline vehicles</i>	GJ	1,529	727	1,950
TOTAL	GJ	277,822	271,056	280,145

Note:

2019 data was not available for Belgium, and for France only electricity consumption data was available.



GHG EMISSIONS	UNIT	2019	2020	2021
Direct Emissions (Scope 1)	tCO₂ eq	10,783	10,936	11,338
<i>emissions from fuels for heating and other purposes</i>	tCO ₂	8,253	9,454	9,750
<i>emissions from fuels used for Company's car fleet</i>	tCO ₂	2,235	1,145	1,449
<i>emissions from refrigerant gases refilling of air-conditioning systems</i>	tCO ₂ eq	295	337	138
Indirect Emissions from energy purchase (Scope 2)	tCO₂	9,131	7,955	7,326
<i>emissions from electricity purchased from national grid (location-based approach)¹</i>	tCO ₂	9,131	7,955	7,326
Other indirect Emissions (Scope 3)	tCO₂ eq	21,388	60,235	56,026
<i>Purchased goods and services</i>	tCO ₂ eq	-	36,145	35,197
<i>Fuel- and energy-related activities (not included in scope 1 or scope 2)</i>	tCO ₂ eq	-	2,024	2,634
<i>Upstream transportation and distribution</i>	tCO ₂ eq	18,746	18,552	15,026
<i>Waste generated in operations</i>	tCO ₂ eq	-	385	487
<i>Business travel</i>	tCO ₂ eq	2,642	263	225
<i>Employee commuting</i>	tCO ₂ eq	-	-	776
<i>Upstream leased assets</i>	tCO ₂ eq	-	1,370	804
<i>Franchises</i>	tCO ₂ eq	-	1,496	878
TOTAL	tCO₂ eq	41,302	79,126	74,690

Note:

On the basis of the market-based method, Artsana Scope 2 emissions are equal to 11,813 tonnes of CO₂ in 2019, and 2,703 tonnes of CO₂ in 2020, and 2,738 in 2021. The significant drop is related to the Guarantee of Origin purchase occurred in Italy in 2020, and occurred in Spain, Portugal and USA in 2021.

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

Scope 2 emission: 2019 data not available for Belgium.

Scope 3 emission: 2019 data for travel by train not available for Belgium and France.

2021 Scope 3 emissions associated with Employee commuting have been calculated considering only employees from Artsana's Headquarters. The Group is committed to enlarge the category scope in the following year.

5

Methodological note

Artsana's Sustainability Report has been prepared in accordance with the GRI Standards: Core option. The reporting principle applied for the interpretation of Artsana's Sustainability Report are indicated by GRI Standard 101 Foundation: materiality, stakeholder inclusiveness, sustainability context, completeness, accuracy, balance, clarity, comparability, reliability and timeliness. At the end of the Report, a GRI Content Index is presented: this index describes the content of the Report, as requested by GRI Standards. 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 topics and the related GRI Standards 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, Goovi and Control and comprise data related to:

- The production sites located in Italy, Romania and Spain;
- Italian owned shops;
- The Headquarters 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, the UK and the USA.



OUR MATERIAL ASPECTS	GRI MATERIAL TOPICS	ASPECT BOUNDARY	
		Within the organisation	Outside the organisation
Business ethics and compliance	GRI 205: Anti-corruption 2016 GRI 307: Environmental compliance 2016 GRI 419: Socio-economic compliance 2016	Artsana Group	-
Customer centrality	-	Artsana Group	-
Energy efficiency and climate change	GRI 302: Energy 2016 GRI 305: Emissions 2016	Artsana Group	Suppliers
Evolution of distribution channels	-	Artsana Group	-
Inclusive and positive working environment	GRI 401: Employment 2016 GRI 404: Training and Education 2016 GRI 405: Diversity and Equal Opportunity 2016	Artsana Group	-
Innovation and R&D	-	Artsana Group	-
Occupational Health and Safety	GRI 403: Occupational Health and Safety 2018	Artsana Group	Suppliers
Privacy and data security	GRI 418: Customer privacy 2016	Artsana Group	Final consumers
Product affordability and fair pricing	GRI 201: Economic performance 2016	Artsana Group	-
Product environmental sustainability	GRI 301: Materials 2016 GRI 302: Energy 2016 GRI 303: Water and effluents 2018 GRI 305: Emissions 2016 GRI 306: Waste 2020	Artsana Group	Final consumers Suppliers
Product quality and safety	GRI 416: Customer Health and Safety 2016	Artsana Group	-
Product responsible communication	GRI 417: Marketing and Labeling 2016	Artsana Group	-
Product social responsibility	GRI 417: Marketing and Labeling 2016	Artsana Group	-
Respect for human rights	GRI 408: Child Labour 2016 GRI 409: Forced or Compulsory Labour 2016 GRI 412: Human rights assessment 2016	Artsana Group	Suppliers
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	-

Any exceptions to the reporting boundary are indicated in the text. GHG emissions are the only impact incurred outside our organisational 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:

Fuel density	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2021, 2020 and 2019
NCV (Net Calorific Value)	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2021, 2020 and 2019

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, 2019, 2020, 2021	Only CO ₂ emissions were considered
Company's car fleet	Fuel consumption	MATTM (Ministero dell'Ambiente e della Tutela del Territorio e del Mare), Tabella parametri standard nazionali, 2019, 2020, 2021	Only CO ₂ emissions were considered
Leakages from air-conditioning systems of refrigerant gases	F-Gas Leakage	Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) over a 100-year period	CO ₂ equivalent emissions were considered

GHG EMISSIONS SCOPE 2			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Electricity purchased from national grid – <i>location-based method</i>	Electricity consumption	Terna, Confronti Internazionali, 2019, 2018, 2017 (Total gross production)	Only CO ₂ emissions were considered
Electricity purchased from national grid – <i>market-based method</i>	Electricity consumption	For European countries: AIB - European Residual Mixes, 2020, 2019, 2018 For non-European Countries: Terna, Confronti Internazionali, 2019, 2018, 2017 (Total gross production) For USA: E-Grid data provided by US Environmental Protection Agency (2020 and 2021 emissions data) Green-e Energy Residual Mix, 2018 (2019 emissions data)	Only CO ₂ emissions were considered


GHG EMISSIONS SCOPE 3			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Purchased Goods & Services (GHG Protocol Cat.1)	Weight of purchased raw, process and packaging materials	Ecoinvent v.3.7.1	CO ₂ equivalent emissions were considered
Fuel and Energy related activities (GHG Protocol Cat.3)	Fuel and electricity consumption	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2021	CO ₂ equivalent emissions were considered
Upstream Transportation & Distribution (GHG Protocol Cat.4)	Distance covered by plane, truck or ship and transported weight	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2021	CO ₂ equivalent emissions were considered
Waste generated in operations (GHG Protocol Cat.5)	Weight of disposed waste	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2021 Ecoinvent v.3.7.1	CO ₂ equivalent emissions were considered
Business Travels (GHG Protocol Cat.6)	Distance travelled per business by plane or train	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2021	CO ₂ equivalent emissions were considered
Employee Commuting (GHG Protocol Cat.7)	Distance travelled by employee in commuting. For 2021, only Italian HQ data have been considered	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2021	CO ₂ equivalent emissions were considered
Upstream Leased Assets (GHG Protocol Cat.8)	Surface of each leased assets	AIB - European Residual Mixes, 2021	CO ₂ equivalent emissions were considered
Franchises (GHG Protocol Cat. 14)	Surface of each franchising	AIB - European Residual Mixes, 2021	CO ₂ equivalent emissions were considered

As for 2020, Scope 3 emissions comprise a selection of categories chosen according to criteria of relevance, data availability and improvement potential for future initiatives.

The calculations carried out relied on the following assumptions:

- Purchased goods and services (Cat. 1) includes data related to all the purchased materials (raw, processed and packaging) used within the production processes carried out by the Group. For these categories, 85% of the total weight has been considered. The remaining 15% has been estimated. Emissions associated with the generation of finished products purchased by Artsana are excluded. Artsana is developing a dedicated methodological approach in order to be able to evaluate all GHG emissions associated with purchased finished or semi-finished products.
- Upstream Transportation & Distribution (Cat. 4) includes data related to transportation paid by Artsana (considering both inbound and outbound logistic activities). Transport associated with logistic activities paid by the suppliers are considered only for raw, process, and packaging materials transportation occurring in Europe.
- Business travel (Cat. 6) data does not include emissions associated with overnight hotel accommodation.
- Employee commuting (Cat. 7) has been calculated for the first year. In 2021, data only considers commuting information related to a portion of Italian HQ employees. The Group aims at enlarging the scope of this category in the following years.
- Upstream Leased assets (Cat. 8) and Franchising (Cat. 14) emissions have been calculated estimating the energy consumption for each shop/building, since the only available data were the building surfaces.

5.2 GRI CONTENT INDEX (WITH REFERENCE TO UNGC)

GRI Standard	Disclosure	Paragraph
GRI 101: Foundation 2016 General Disclosures		
ORGANISATIONAL PROFILE		
GRI 102: General Disclosures 2016	102-1 Name of the organisation	The Group as of today
	102-2 Activities, brands, products, and services	1.1.1 The Group as of today Our Brands
	102-3 Location of headquarters	Scope of the report Contacts
	102-4 Location of operations	Our market presence
	102-5 Ownership and legal form	The Group as of today
	102-6 Markets served	Our market presence
	102-7 Scale of the organisation	The Group as of today
	102-8 Information on employees and other workers	3 Parenting to strengthen our people
	102-9 Supply chain	1.1.3 Business continuity in our value chain
	102-10 Significant changes to the organisation and its supply chain	1.1.3 The Group as of today Business continuity in our value chain
	102-11 Precautionary Principle or approach	1.2 Our Sustainability commitment
	102-12 External initiatives	2.4 Together with communities
	102-13 Membership of associations	1.2.1 Our strategy 2.2 Quality, safety and innovation
STRATEGY		
	102-14 Statement from senior decision-maker	CEO message
	ETHICS AND INTEGRITY	
	102-16 Values, principles, standards, and norms of behaviour	1.1 The values for sustainable parenting 1.2.1 Our strategy
	GOVERNANCE	
	102-18 Governance structure	1.1.2 Our market presence 1.2.1 Our governance Our strategy



STAKEHOLDER ENGAGEMENT

102-40	List of stakeholder groups	1.2.2	Our stakeholders
102-41	Collective bargaining agreements	3	Parenting to strengthen our people
102-42	Identifying and selecting stakeholders	1.2.2	Our stakeholders
102-43	Approach to stakeholder engagement	1.2.2	Our stakeholders
102-44	Key topics and concerns raised	1.2.3	Material topics

REPORTING PRACTICE

102-45	Entities included in the consolidated financial statements	5	Scope of the report Methodological note
102-46	Defining report content and topic Boundaries	5	Methodological note
102-47	List of material topics	1.2.3 5	Material topics Methodological note
102-48	Restatements of information	No changes in the information given in the previous report.	
102-49	Changes in reporting	Scope of the report	
102-50	Reporting period	Scope of the report	
102-51	Date of most recent report	2020 Sustainability Report	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	Contacts	
102-54	Claims of reporting in accordance with the GRI Standards	5	Methodological note
102-55	GRI content index	5.2	GRI Content Index (with reference to UNGC)
102-56	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	1.2.3 5	Material topics Methodological note
	103-2	The management approach and its components		Our market presence
	103-3	Evaluation of the management approach		Our market presence
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed		Our market presence



ANTI-CORRUPTION

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note
	103-2	The management approach and its components	1.2.1	Our strategy
	103-3	Evaluation of the management approach	1.1.2	Our governance
GRI 205: Anti-corruption 2016				During the reporting period, the Company did not register any confirmed incident:
	205-3	Confirmed incidents of corruption and actions taken	1.1.2	Our governance
				<ul style="list-style-type: none"> • 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. <p>The Company did also not register any public legal cases regarding corruption brought against the organisation or its employees.</p>



MATERIALS

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note
	103-2	The management approach and its components	4.3.3	Raw materials and packaging
	103-3	Evaluation of the management approach	4.3.3	Raw materials and packaging
GRI 301: Materials 2016	301-1	Materials used by weight or volume	4.3.3	Raw materials and packaging



ENERGY

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note
	103-2	The management approach and its components	4.3.1	Energy consumption and efficiency
	103-3	Evaluation of the management approach	4.3.1	Energy consumption and efficiency
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	4.3.1	Energy consumption and efficiency Environmental data appendix



WATER AND EFFLUENTS

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note
	103-2	The management approach and its components	4.3.4	Other environmental aspects
	103-3	Evaluation of the management approach	4.3.4	Other environmental aspects
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	4.3.4	Other environmental aspects
	303-2	Management of water discharge-related impacts	4.3.4	Other environmental aspects
	303-3	Water withdrawal	4.3.4	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.



WASTE

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note
	103-2	The management approach and its components	4.3.4	Other environmental aspects
	103-3	Evaluation of the management approach	4.3.4	Other environmental aspects
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	4.3.4	Other environmental aspects
	306-2	Management of significant waste-related impacts	4.3.4	Other environmental aspects
	306-3	Waste generated	4.3.4	Other environmental aspects
	306-4	Waste diverted from disposal	4.3.4	Other environmental aspects
	306-5	Waste directed to disposal	4.3.4	Other environmental aspects



EMISSIONS

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note
	103-2	The management approach and its components	4.3.2	Greenhouse gas (GHG) emissions
	103-3	Evaluation of the management approach	4.3.2	Greenhouse gas (GHG) emissions
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.3.2	Greenhouse gas (GHG) emissions Environmental data appendix
	305-2	Energy indirect (Scope 2) GHG emissions	4.3.2	Greenhouse gas (GHG) emissions Environmental data appendix
	305-3	Other indirect (Scope 3) GHG emissions	4.3.2	Greenhouse gas (GHG) emissions Environmental data appendix

ENVIRONMENTAL COMPLIANCE

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note	
	103-2	The management approach and its components	1.2.1	Our strategy	
	103-3	Evaluation of the management approach	1.2.1	Our strategy	
GRI 307: Environmental Compliance 2016	307-1	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

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note	
	103-2	The management approach and its components	4.2	Environmental commitment into our supply chain	
	103-3	Evaluation of the management approach	4.2	Environmental commitment into our supply chain	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	4.2	Environmental commitment into our supply chain	100% finished product suppliers are screened using environmental criteria

GRI 400 Social Standards Series



EMPLOYMENT

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note	
	103-2	The management approach and its components	3	Parenting to strengthen our people	
	103-3	Evaluation of the management approach	3	Parenting to strengthen our people	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	3	Parenting to strengthen our people Human Resources data appendix	



OCCUPATIONAL HEALTH AND SAFETY

GRI 103: Management Approach 2018	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note	
	103-2	The management approach and its components	3.3	Creating a culture for a safe and healthy work environment	
	103-3	Evaluation of the management approach	3.3	Creating a culture for a safe and healthy work environment	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	3.3	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.
	403-2	Hazard identification, risk assessment, and incident investigation	3.3	Creating a culture for a safe and healthy work environment	
	403-3	Occupational health services	3.3	Creating a culture for a safe and healthy work environment	
	403-4	Worker participation, consultation, and communication on occupational health and safety	3.3	Creating a culture for a safe and healthy work environment	
	403-5	Worker training on occupational health and safety	3.3	Creating a culture for a safe and healthy work environment	
	403-6	Promotion of worker health	3.3	Creating a culture for a safe and healthy work environment	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.3	Creating a culture for a safe and healthy work environment	
	403-9	Work-related injuries	3.3	Creating a culture for a safe and healthy work environment Human Resources data appendix	



TRAINING AND EDUCATION

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note	
	103-2	The management approach and its components	3.1	Taking care of Artsana People	
	103-3	Evaluation of the management approach	3.1	Taking care of Artsana People	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	3.1	Taking care of Artsana People	



DIVERSITY AND EQUAL OPPORTUNITY

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note
	103-2	The management approach and its components	1.2.1 3	Our strategy Parenting to strengthen our people
	103-3	Evaluation of the management approach	1.2.1 3	Our strategy Parenting to strengthen our people
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	1.1.2 1.2.1 3	Our governance Our strategy Parenting to strengthen our people



CHILD LABOUR

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note
	103-2	The management approach and its components	1.2.1 3.4	Our strategy Social commitment into our supply chain
	103-3	Evaluation of the management approach	1.2.1 3.4	Our strategy Social commitment into our supply chain
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	1.2.1 3.4	Our strategy Social commitment into our supply chain



FORCED OR COMPULSORY LABOUR

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note
	103-2	The management approach and its components	1.2.1 3.4	Our strategy Social commitment into our supply chain
	103-3	Evaluation of the management approach	1.2.1 3.4	Our strategy Social commitment into our supply chain
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	1.2.1 3.4	Our strategy Social commitment into our supply chain



HUMAN RIGHTS ASSESSMENT

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note
	103-2	The management approach and its components	3.4	Social commitment into our supply chain
	103-3	Evaluation of the management approach	3.4	Social commitment into our supply chain
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	3.4	Social commitment into our supply chain



SUPPLIER SOCIAL ASSESSMENT

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note	
	103-2	The management approach and its components	3.4	Social commitment into our supply chain	
	103-3	Evaluation of the management approach	3.4	Social commitment into our supply chain	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	3.4	Social commitment into our supply chain	100% finished product suppliers are screened using social criteria

CUSTOMER HEALTH AND SAFETY

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note	
	103-2	The management approach and its components	2.2	Quality, safety and innovation	
	103-3	Evaluation of the management approach	2.2	Quality, safety and innovation	
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.2	Quality, safety and innovation	Confidentiality constraints: sensitive information for the business, only qualitative information reported.

MARKETING AND LABELING

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note	
	103-2	The management approach and its components	2.2	Quality, safety and innovation	
	103-3	Evaluation of the management approach	2.2	Quality, safety and innovation	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	2.2	Quality, safety and innovation	Only qualitative information reported.

CUSTOMER PRIVACY

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note	
	103-2	The management approach and its components	1.1.2	Our governance	
	103-3	Evaluation of the management approach	1.1.2	Our governance	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.1.2	Our governance	During the reporting period, the Company did not receive any substantiated complaints concerning breaches of customer privacy.

SOCIO-ECONOMIC COMPLIANCE

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note	
	103-2	The management approach and its components	1.2.1	Our strategy	
	103-3	Evaluation of the management approach	1.2.1	Our strategy	
GRI 419: Socioeconomic Compliance 2016	419-1	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

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note	
	103-2	The management approach and its components	2	Parenting for growing together	
	103-3	Evaluation of the management approach	2	Parenting for growing together	

EVOLUTION OF DISTRIBUTION CHANNELS

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note
	103-2	The management approach and its components	2.1 1.1.3	Side by side with parents Business continuity in our value chain
	103-3	Evaluation of the management approach	2.1 1.1.3	Side by side with parents Business continuity in our value chain

INNOVATION AND R&D

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note
	103-2	The management approach and its components	2.1 2.2	Side by side with parents Quality, safety and innovation
	103-3	Evaluation of the management approach	2.1 2.2	Side by side with parents Quality, safety and innovation

SOCIAL INITIATIVES

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.2.3 5	Material topics Methodological note
	103-2	The management approach and its components	2.4	Together with communities
	103-3	Evaluation of the management approach	2.4	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



ARTSANA  GROUP

ARTSANA S.p.A. - Via Saldarini Catelli, 1 - 22070 Grandate (CO) Italy
Tel. 031 382111 - Fax 031 382400 - www.artsana.com