

UNGC COMMUNICATION ON PROGRESS (YEAR 2021)

OUR COMPANY

Founded in 1998, BRANDART is located in Busto Arsizio, Italy, one of the most industrialized regions of Italy, 20 minutes away from Milan, and home to the most advanced industrial and retail companies in the Country. BRANDART has grown rapidly with the aim of becoming one of the leading companies within the packaging and merchandising procurement business.

The business model focuses on the procurement of all packaging and merchandising needs with the addition of services such as Cost Studying & Saving Solutions, Sustainability Implementation, Innovation, Creativity & Design, Production Management, Logistics and Stock Management Services.

BRANDART is specialized in the procurement of retail packaging, product packaging, visual display and merchandising solutions for the leading companies within the Luxury, Eyewear, High-Tech, and Automotive Industries.

It is thanks to this blend of services and operational excellence that, together with a production of over 225 million packaging pieces per year, BRANDART decided to face actively the environmental and social challenges that its industry is facing.

Companies have a role to play in transmitting the knowledge and finding solutions to reduce the impact of certain materials on the environment. Optimizing packaging and increasing consumers' perception, is the first step that BRANDART is offering to its customers through its sustainable product line.

The sustainability focus of BRANDART in the procurement of Packaging and Merchandising solutions focuses on the redesign, reduction of multi-material combinations and research of new and improved, recycled and compostable materials.

PAST, PRESENT & FUTURE

BRANDART's sustainability program is based on the idea that it's not possible to talk about sustainability at an industrial level without a clear focus on corporate and product certifications. For this reason, the company has always maintained the highest compliance standards: in 2005 the Company obtained the ISO 9001 certification, followed by the ISO 14001 in 2009, and the SA 8000 certification in 2013.

BRANDART has also 4 product certifications: FSC obtained in 2010, GOTS in 2017, OK compost INDUSTRIAL in 2019 and GRS in 2020.

A WORLDWIDE LOGISTICS & DISTRIBUTION NETWORK

<https://brandart.com/our-global-network>

BRANDART'S headquarters are located in Italy, our sales offices are in New York, Paris and Milan and our Far East operations hub is located in Guangzhou.

In its effort to reduce the impact of its direct and indirect operations, BRANDART included transportations in the core topics of its sustainability program. Packaging and merchandising products are mainly low unit-value products that circulate around the globe in huge quantities and based on this idea they should be sourced as close as possible to their final market.

For this reason, BRANDART has a network of suppliers located all over the world, and a Network of 21 logistics hubs organized in 9 regions directly controlled by the company for the timely distribution of products throughout South East Asia, the United States and Europe.

The resulting benefit is not only in terms of time and cost savings, but also and above all of a lower environmental impact linked to a more efficient management of the transportation of goods.

OUR VALUES AND PRINCIPLES

BRANDART aspires to be a reliable and innovative partner for the procurement of packaging and merchandising solutions; integrating creative and sustainable solutions with manufacturing feasibility.

In order to guarantee the satisfaction of customers and stakeholders' demands and expectations, and to achieve continuous improvements, BRANDART's processes are regulated by:

- the Governance Model set according to the Italian Legislative Decree 231/2001;
- the Integrated Management System, which complies to the UNI EN ISO 9001, UNI EN ISO 14001, SA 8000;
- the requirements of GOTS, FSC, OK compost INDUSTRIAL and GRS standards;
- all applicable national and international standards rules and regulations;
- the Universal Declaration of Human Rights;
- the ILO (International Labor Office) conventions;
- the guiding principles of the OECD (Organization for Economic Cooperation and Development);
- the principles of the UN Global Compact.

In order to report the materiality of what mentioned above, it is highlighted that BRANDART has never made any political contribution or been in violation of social and economic laws and regulations.

BRANDART believes that ethics, integrity, quality of solutions offered and transparency are the foundations of its success and it aims at continuously improving them.

A CUSTOMER BASED APPROACH

BRANDART promotes a corporate culture dedicated to improving customer satisfaction and creating solid relationships with them, in a context where customer needs are always placed at the center of the corporate decision-making processes.

The consumer-focused philosophy has led the company to develop the concept of Packaging Procurement, or the ability to have a 360-degree control of the supply chain and the production processes, through the internalization of all main services gravitating around its business.

A business model based on the internalization of sensitive functions in order to have an end-to-end control of the supply chain.

Our objective is to support our clients to obtain cost savings together with sustainable and qualitative solutions

COMMITMENT TO SUSTAINABILITY

Sustainability has always been at the heart of BRANDART's corporate strategy and activities. The path to sustainability includes all three areas contained in the People - Planet - Profit paradigm: the company collaborates with institutions and partners to ensure high quality products and customer experience through innovative Packaging solutions and a reduced environmental impact.

BRANDART is committed to protecting the future of our planet and the long-term success of stakeholders by constantly striving to safeguard employees and support the communities in which it operates

OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S

In 2015, the United Nations published the Sustainable Development Goals consisting of 17 goals with 169 targets regarding social, environmental, and economic aspects. They address states, civil society, and the private sector.

BRANDART is responding to this call for increased responsibility by carrying out projects and introducing measures that influence the five principal goals identified by Senior Management:

- number 5 "Gender equality";
- number 8 "Decent work and growth economic growth";
- number 9 "Industry, innovation and infrastructure";
- number 12 "Responsible consumption and production";
- number 17 "Partnerships for the goals".



OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S

	IMPLEMENTATIONS STEPS	GOALS
PEOPLE 	<ul style="list-style-type: none"> We are committed to empowering gender equality by encouraging their strength, self-esteem, and awareness through equitable hiring practices. 	<p>We guarantee equal opportunities and fight for the reduction of discrimination and inequalities.</p>
PARTNERS 	<ul style="list-style-type: none"> We take care of our workers training, competence and well being We ensure a healthy and safe working environment We assure economic growth to all our partners and supply chain 	<p>We aim at obtaining better working conditions for workers within our supply chain through improved due diligence processes of suppliers every year.</p>
INNOVATION 	<ul style="list-style-type: none"> We invest in innovative technologies for infrastructures, services and data management 	<p>Through continuous market research and communication with our business partners, we aim at offering to our customers state of the art technologies both in terms of production and services.</p>
PRODUCTS 	<ul style="list-style-type: none"> We invest in products excellence We optimize the use of recycled materials and reduce unnecessary waste We produce reusable or recyclable products 	<p>By researching market trends and attending conferences worldwide we aim at offering innovative materials and Packaging solutions to our customers, with whom we share our advanced internal research.</p>
COMMITMENT 	<ul style="list-style-type: none"> We involve in our sustainability project all our partners in every step of the supply chain We share our sustainability goals with internal and external stakeholders 	<p>In the next years, we aim at implementing a process of products Circular Economy assessment to evaluate the sustainability performance of our products throughout the whole supply chain.</p>

ASSOCIATIONS, INTERNATIONAL AWARDS & ASSESSMENTS

- BRANDART is signatory of the **New Plastics Economy Global Commitment**, which is led by the Ellen MacArthur Foundation, in collaboration with the UN Environment Programme, and unites global profit and non profit organizations on a common vision and targets to address plastic waste and pollution at its source. Signatories include companies representing 20% of all plastic packaging produced globally, as well as governments, NGOs, universities, industry associations, investors, and other organizations.
- The **United Nations Global Compact** is a non-binding United Nations pact to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. It is a principle based framework for businesses, stating ten principles in the areas of human rights, labor, the environment and anti corruption, which BRANDART is committed to integrate into its businesses.
- **Aice** (Italian Association for Forest Trade) is an independent entrepreneurial association which represents and supports Italian companies that are committed predominantly to commercial activities abroad: trading, export, import, countertrade, buying-offices, export management, small and medium enterprises, etc; as well as the services related to such activities. Aice is also a strategic gateway for foreign companies interested in either exporting their products to Italy or importing Italian products.
- BRANDART is a partner of **AISEC**, a non-profit association founded in 2015 which aims to promote, disseminate, and apply the concept of circular economy both nationally and internationally. The objective of this partnership is to share the company's know-how with different operators to bring the principles of circular economy and sustainable development into the processes of all the companies involved, promoting their growth and awareness in the process of continuous improvement.



ECOVADIS SUSTAINABILITY RATING

BRANDART received for the 4th consecutive year the assessment from EcoVadis, the world's largest and most trusted provider of business sustainability ratings, and has been awarded a **Gold Medal**. This valuable result places us among the top 5 percent of assessed companies.

BCI – BETTER COTTON INITIATIVE

Since 2018, BRANDART is registered to the BCI Platform.

Better Cotton is the world's leading sustainability initiative for cotton. Its mission is to help cotton communities survive and thrive, while protecting and restoring the environment.

CORPORATE CERTIFICATIONS

- **ISO 9001** certification verifies BRANDART's capacity to supply consistently reliable products and services that meet clients' and stakeholders requirements, providing evidence of its constant commitment to improvement,
- **ISO 14001** certification verifies BRANDART's tangible efforts to minimize the environmental impact of its processes, products and services, defining concrete objectives and measuring related performances.
- **SA 8000** certification verifies BRANDART's effective management and measures related performances of business aspects related to corporate social responsibility: respect of human workers rights, safety and health workplace.

BRANDART has quantified and reported greenhouse gas (GHG) emissions and removals at the organization level for the year 2021, applying the requirements of ISO 14064-1. The GHG Report was verified by Intertek.

PRODUCT CERTIFICATIONS

- **FOREST STEWARDSHIP COUNCIL:** FSC® certifies that the raw materials (wood or paper / cellulose) used to make FSC certified products are sourced responsibly, from recycled sources or forests managed according to strict environmental, social and economic standards, and ensures the traceability of derived products.
- **GLOBAL ORGANIC TEXTILE STANDARD:** GOTS certifies that certified textile products are made of natural organic fibers, produced in accordance with organic farming criteria and processed in accordance with stringent environmental and social criteria, from the sourcing of raw materials in all stages of processing and distribution.
- **GLOBAL RECYCLED STANDARD:** GRS certifies products that contain at least 20% of recycled material (pre or post-consumer) and includes environmental and social requirements extended to the entire production chain. The GRS standard is promoted by the Textile Exchange, one of the most important non-profit organizations that promote responsible and sustainable development in the textile industry at an international level.

OUR PARTNERS

BRANDART business model is based on the **outsourcing of all manufacturing activities** and on **providing all services in-house**, with the aim of obtaining a **high degree of diversification**, ensuring **competitive prices**, **high quality products**, and **high standing services** at every stage of the value chain.

Through dedicated teams that oversee production sites, BRANDART applies strict control over all the outsourced manufacturing processes to guarantee the quality of the products and the compliance with legal and customer requirements.

BRANDART is deeply committed in supporting local economies, therefore it's most relevant to underline that around 70% of all packaging suppliers are located in Northern Italy, which covers 20% of purchasing turnover. In addition, around 85% of contracted-manufacturing suppliers are located in the provinces bordering the company headquarters (Varese, Como, and Milan).

RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

Promotion and protection of human rights, environmental commitment and business ethics are fundamental principles for BRANDART'S procurement policy.

To make this commitment more concrete, the Company is active both through assessment and monitoring programs of suppliers on sustainability, as well as through specific projects carried out along the supply chain in close collaboration with its manufacturer partners.

In order to be able to implement this program, **BRANDART has set up a specific unit** for the correct management of the supply chain.

All the main packaging manufacturers selected by BRANDART, at the earliest stage of the new relationship, are requested to endorse BRANDART's Code of Conduct which focuses on the aspects related to human rights,

working conditions, health and safety, safeguarding the environment, confidentiality, fair and ethical business practices, innovation and research.

BRANDART abides by the same ethical principles and requires strict compliance with this standard from all suppliers, their factories, and subcontractors.

Our manufacturers are selected among the most experienced producers worldwide, which provide full guarantee of compliance with environmental and social compliance requirements, preferably holding Company certifications related to sustainability topics. In case a manufacturing partner with strong potential is identified, but certifications are not in place yet, BRANDART will work closely with them in order to make them obtain all the required certifications and therefore become compliant with the most stringent international compliance and regulatory requirements. BRANDART also invests in new manufacturing partners by supporting them technically and financially in order to build stronger relationships with them.

By the end of 2021, BRANDART carried out an important **supplier qualification activity**, through a questionnaire sent to 63 suppliers, of which 41 actively participated.

This survey was consciously prepared in order to be more than a mere assessment tool, but with the aim of mapping the efficiency of shared sustainability practices, improving engagement with the supply chain, spreading the culture of sustainability and obtaining competitive advantages and long-term results achievable only through partnerships.

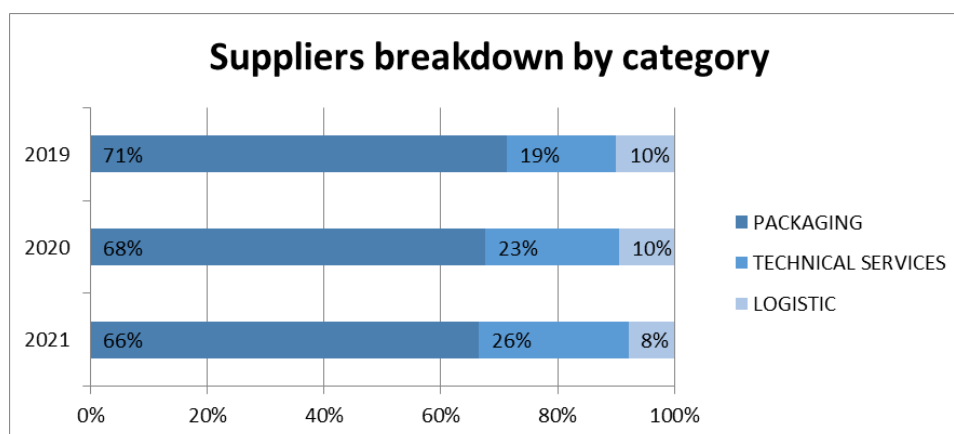
The questions cover all major areas of sustainability and typical aspects of the industry related to:

- **Governance**
- **Sustainability culture and external communication**
- **Stakeholder engagement**
- **Key Performance Indicators and Improvement Objectives**
- **Adherence to recognized standards**
- **Management of environmental impacts related to its activities**
- **Social corporate responsibility policies**
- **Sustainable innovation in materials and Research & Development**
- **Ethical Principles**

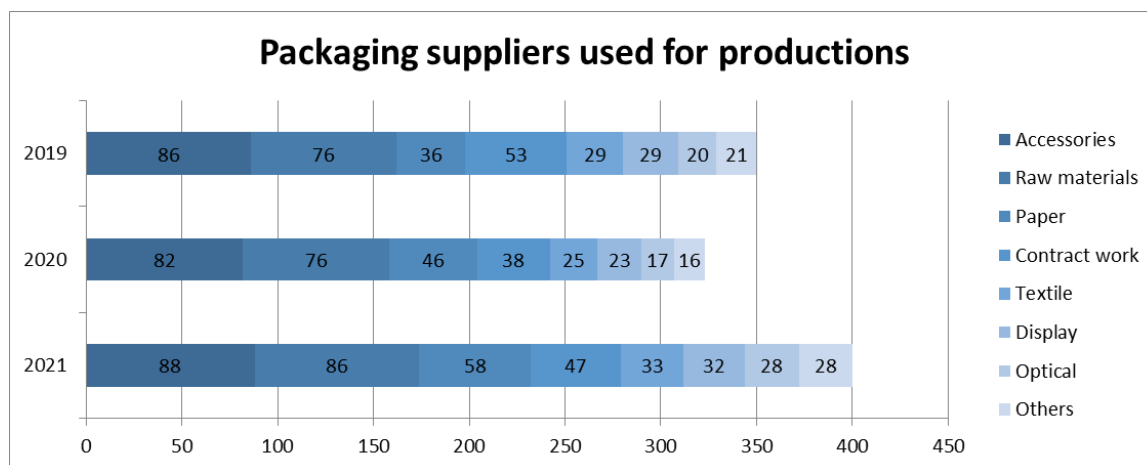
OUR SUPPLY CHAIN

BRANDART's main business partners are packaging manufacturers. They are of strategic importance as they are recognized by customers as part of BRANDART's network.

In the graphs below, manufacturing partners are analyzed by category. The analysis includes all packaging manufacturers used for at least one production order by BRANDART during 2021



(1) Technical services category includes consultancy, legal, and administrative supports, equipment, plants, environment, ICT, security, surveillance suppliers, certification bodies, laboratories, regulatory bodies, architects, external collaborators, and other minor suppliers.



As part of its sourcing procedure, BRANDART requires all its manufacturer partners to be willing and capable of meeting social and environmental compliance audits, according to a risk-based approach.

The audits are based on BRANDART's Code of Conduct and compliant with local legislation and international voluntary standards such as SA8000 and ISO 14001.

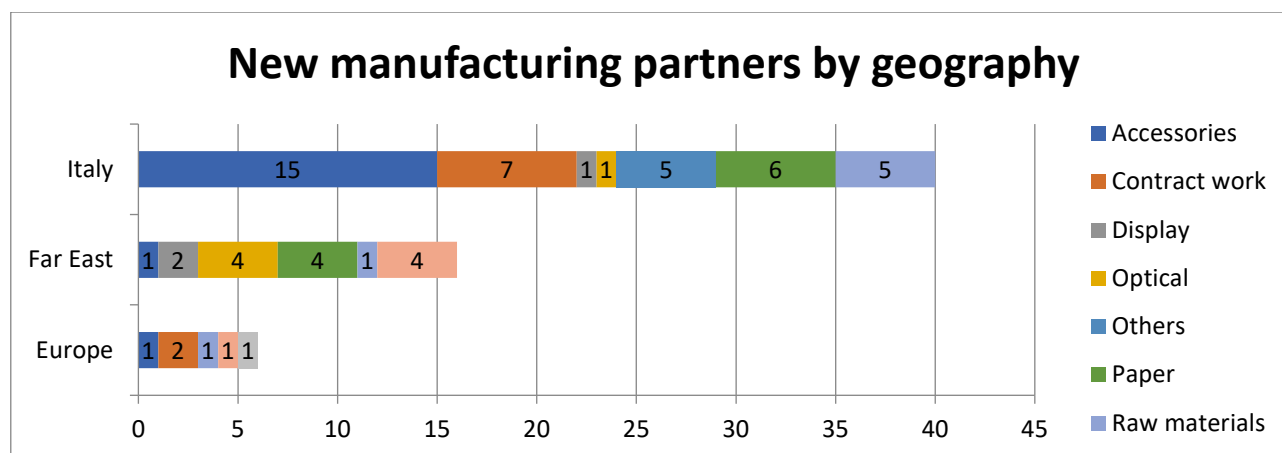
Some of the audits are specific for FSC, GOTS and GRS requirements. Audits are carried out by BRANDART's Compliance Team, which includes qualified Lead Auditors and works in close contact with Development and Purchasing departments. Third parties are involved in case of needed support. Audit results are processed and documented in the Suppliers Database, which includes supporting information and statistics, and it is shared with all departments and colleagues working in subsidiary branches.

Audit outcomes contribute to defining the qualification status of suppliers: if critical issues are detected and no commitment to solve them is shown, the qualification process does not proceed.

In order to achieve a complete technical qualification of its supply chain, BRANDART's Quality team verifies also the compliance to quality standards, with the support of 3rd party auditors, checking all processing stages (e.g., manufacturing, printing, finishing, packing operations).

NEW PACKAGING MANUFACTURERS

During 2021, BRANDART started to cooperate with 62 new packaging manufacturers, whereas the breakdown of quantity and country of origin were similar to last year.



NEW PACKAGING MANUFACTURER HOLDING CERTIFICATIONS

19% New manufacturing partners hold environmental certifications (ISO 14001, FSC, GOTS, GRS)

5% New manufacturing partners hold social certifications (SA8000, ISO 45001, BSCI, WCA)

NEW PACKAGING MANUFACTURER BY GEOGRAPHY

In Italy and Europe, auditing priority is given to those manufacturing partners carrying a higher risk of non-compliance in terms of total purchases, location, nationality of their workforce, structure of the company, type of activity, and environmental impact.

All the contracted suppliers carrying out the textile phases of cutting, printing, and sewing received a social and environmental audit.

Since production orders can have a great impact on the supplier's businesses in terms of commissions, contracted manufacturing is the most critical category of suppliers for BRANDART.

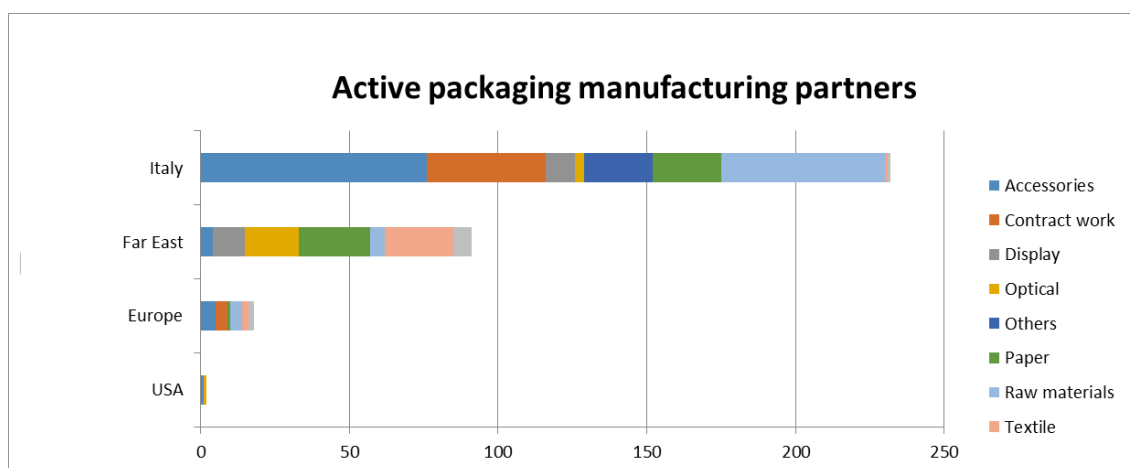
In Far East region 75% of new suppliers received a social and environmental audit from BRANDART's Compliance Team in 2021.

ACTIVE MANUFACTURING PARTNERS

During 2021, BRANDART utilized 343 packaging manufacturing partners, breakdown of quantity and country of origin were similar to last year.

In the graph below are reported suppliers for whom at least a production order was placed by BRANDART during 2021.

As noted, almost 70% of BRANDART'S suppliers are Italian due to the fact that the Company sources in Italy most of its high-end packaging and merchandising solutions (premium packaging, merchandising). Therefore, to obtain the finished product, different processes are carried out by multiple specialized manufacturing partners and not by a single one like with mass productions.



ASSESSMENT OF ACTIVE MANUFACTURING PARTNERS

Once qualified, manufacturing partners are monitored by periodic surveys and follow up audits which aim to support and assist in achieving all BRANDART's requirements. This oversight and support help to improve their performances and guide them to reach and maintain a high standard of compliance. Our guidance has allowed manufacturers to gain approval from leading companies in the luxury industry. Most of the Compliance Team efforts are dedicated to free consultancy services to suppliers in order to guarantee best practices to final customers.

Out of BRANDART's active packaging suppliers, 38 (+72% compared to 2020) suppliers located in Italy and Europe and 47 (+68% compared to 2020) suppliers located in the Far East region, were assessed, through on-site audits, for social and environmental impacts in 2021. Priority was assigned to auditing these suppliers by considering the potential negative social and environmental impacts of production sites; based on specific activities, location, structure, and management issues. Before any assessment, auditors shared with suppliers the audit plan with a list of audit requirements.

LOGISTIC PARTNERS

BRANDART is committed to run a responsible business while respecting the environment and embracing precautionary efforts to mitigate broad global climate change impacts and pollution. To achieve its vision, BRANDART promotes a strategic focus on cleaner seas, less polluted land, and efficient cargo shipments through a responsible and sustainable logistics strategy.

BRANDART prefers to support sustainable shipments by sea. Full Container Load (FCL) is a must, for both containers and swap bodies (Intermodal Transport). BRANDART's commitment is to reduce as much as possible Less Container Load (LCL).

From 2018 the Company implemented rail transports also for intercontinental shipments (China-Italy) to create a low environmental impact alternative to sea shipments in peak seasons, bad weather, and in cases of vessels scarcity.

BRANDART uses road shipments only for internal transfers or last mile deliveries.

BRANDART is fully committed to further reducing energy consumption and Co2 emissions across all operations, for this reason BRANDART requires all its Forwarding Agents to ship only by Main World Liners (MAERSK MSC COSCO, etc.) that already adhere to strong sustainability policies. Whenever possible BRANDART requires bamboo floored containers in order to reduce the consumption of “normal” wood, Water Based Paint (WBC) containers to reduce the Volatile Organic Compounds (VOC) and shipments from/to ports adopting Shore Power Supply (SPS) to reduce vessels Co2 emissions in port by around 80%.

BRANDART's partners for road shipments guarantee modern fleets adopting the latest technologies in Co2 emissions control.

BRANDART air freight forwarders work only with Main World Air Cargo Liners that guarantee efficient plane models with lower Co2 emissions.

Courier partners (FEDEX DHL UPS) have in place clear Sustainability Policies.

All logistic partners are encouraged to sign BRANDART's Code of Conduct or to adopt similar ethical and environmental commitments.

OUR MATERIALS

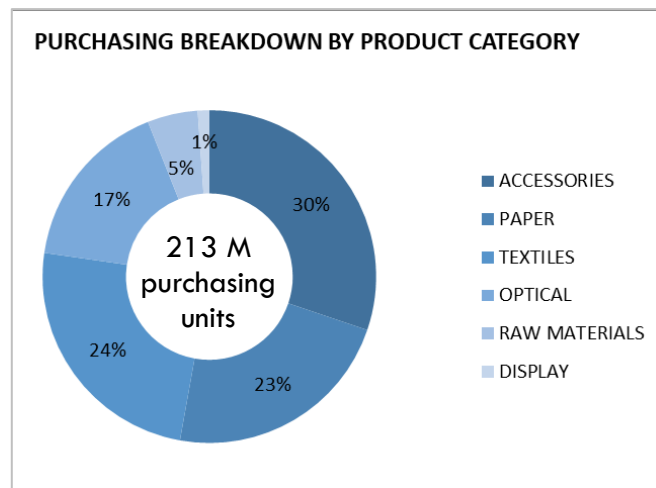
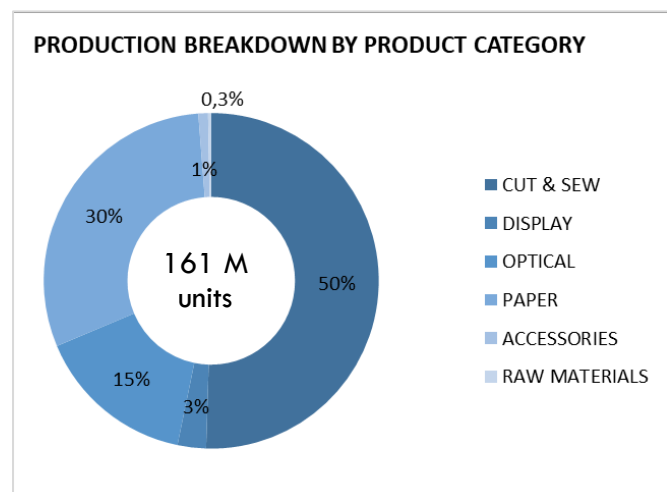
For the reporting of 2021, purchased products were analyzed, including both raw materials and accessories used in the contracted manufacturing process as well as marketed products, gathering technical characteristics, weights, and material composition.

For the Paper, Cut & Sew and Accessories categories we obtained a detailed overview of the composition of products and could calculate, with a high degree of accuracy, the weights of input materials used.

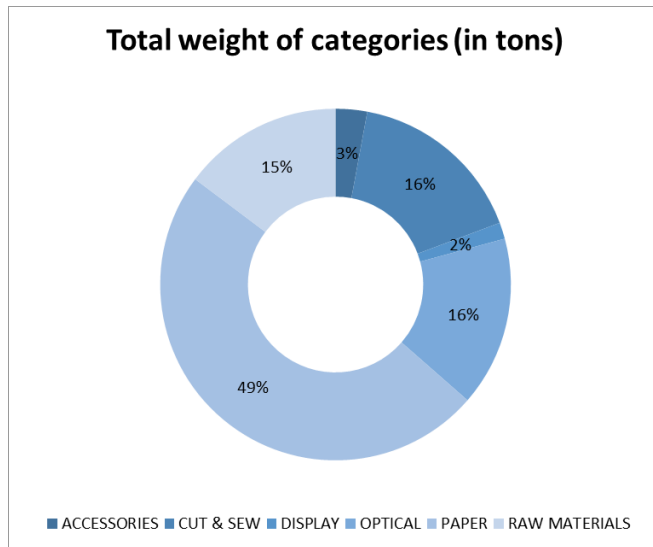
For Accessories, due to the vast number of items, we simplified the process by estimating the weight of input materials with consideration to the average composition. Since the total weight of this category is very limited, these uncertainties do not have a major impact.

Optical and Display categories are the most complex ones due to the diversity of items, models and compositions, therefore the degree of uncertainty is high.

We can say that majority of materials are plastic, polyester, other synthetic materials, cardboard, and wood. The medical category has not been reported as it covers a marginal share of BRANDART's business.



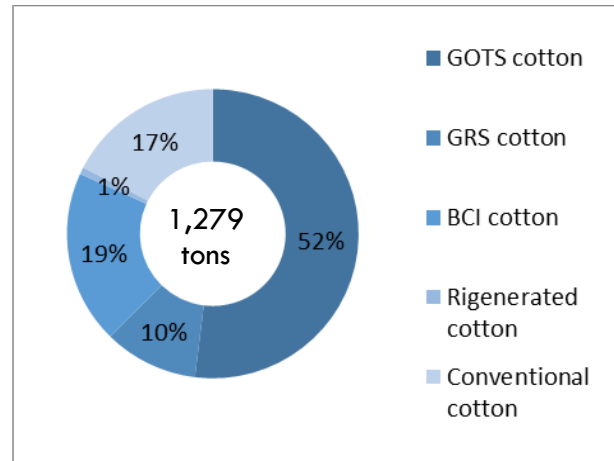
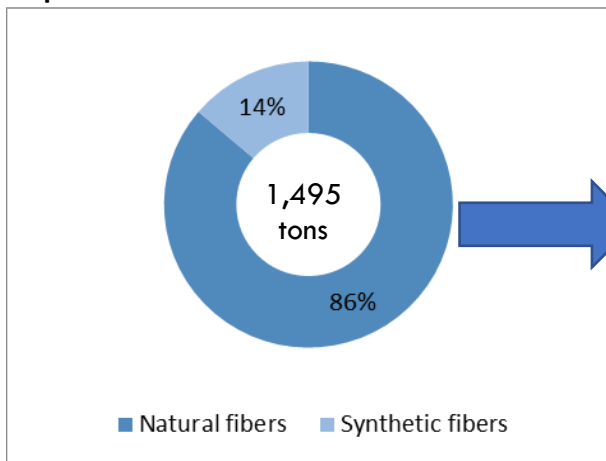
In this chart, Paper, Cut & Sew, Optical and Display categories refer to marketed products, while Raw materials and Accessories refer to items purchased to be used for contract-work-manufactured products. While purchasing volumes increased compared to last year, the distribution among categories is almost the same.



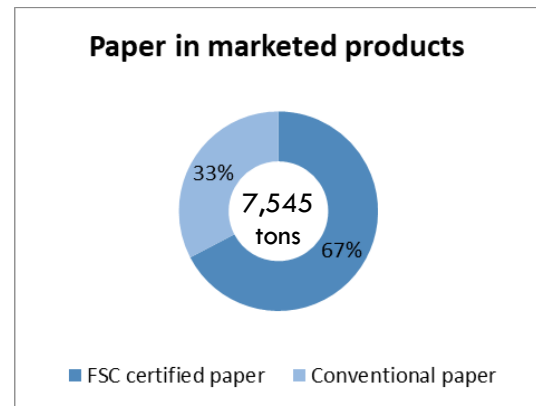
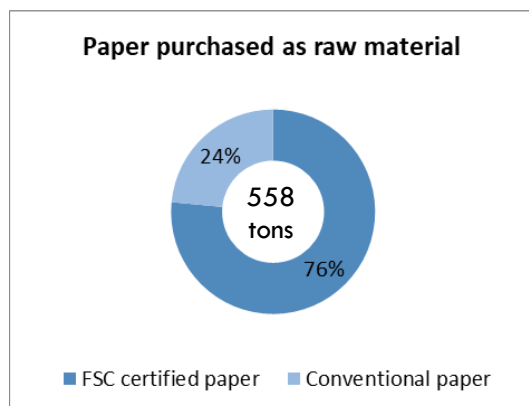
Input materials used (in tons)	
Paper	8.103
Cotton	2.391
Polypropylene	173
Polyester	1.330
Metal	800
Other plastic/synthetic materials	1.089
Wood	52
Other natural materials	26

Input material quantities refer to the whole product categories as described in the previous graphs; half-processed and contract-work-manufactured products are excluded since input materials are already considered in Raw materials and Accessories categories.

Fabrics purchased as raw materials



99% of purchased natural fibers are cotton; others are wool, linen, viscose, leather, and silk. Among synthetic fibers, the main one is polyester.



In 2021 Brandart significantly increased its purchase of FSC certified paper, with a view to making its products increasingly sustainable, both in terms of raw materials and marketed products.

CUSTOMER HEALTH & SAFETY

The quality and safety of marketed products, as well as the consequent protection of customer's health & safety, constitute the central focus of BRANDART's regulatory management. To this end, BRANDART implements stringent controls on its entire production chain.

In order to obtain a safe finished product, we refer to accredited third party laboratories for carrying out tests and controls on the chemical composition and physical mechanical characteristics of materials to ensure high technical performances.

This close monitoring allows BRANDART to be constantly in line with the applicable European and international legislation regarding dangerous or potentially dangerous chemical substances, including, for example, the European REACH regulation, the Chinese GB standards, and the American Proposition 65.

For each production batch, BRANDART carries out conformity tests on fabrics and components and specific tests on any prints to ascertain the absence of phthalates. Also, the absence of aromatic amines derived from azo dyes is verified and likewise the presence of free and hydrolyzed formaldehyde is excluded.

BRANDART requires tests of color fastness to water or rubbing as well as odor tests and the verification of the absence of heavy metals.

BRANDART's packaging suppliers are bound to follow the indications of its Restricted Substances List (RSL), which defines the most restrictive parameter of use of certain substances, and which is constantly updated in line with international standards, legislative developments and customers' requirements.

In order to archive a better result in the closest future, BRANDART has undertaken a monitoring chemical process according to ZDHC protocol.

The intent of the project is to provide a harmonized approach to managing chemicals within our textile supply chain; from the formulator to the Re-brander, everyone has a crucial and specific responsibility in placing the product on the market: it's important, for BRANDART, to trace each step and verify its compliance.

OUR RESPONSIBILITY

The direct environmental impact of BRANDART's activities is limited due to the Company's business model based on which all manufacturing activities are outsourced, to obtain the highest level of plant and geographical diversification for its clients: no water is directly used in production processes and few emissions and negligible hazardous waste are produced.

BRANDART is however aware that its packaging and merchandising procurement mainly generates indirect impacts from an environmental point of view, and this is due to the strategic choice of outsourcing all of its production on a global scale.

In addition, BRANDART intends, in the coming years, to work with its supply chain through shared plans to reduce GHG emissions in order to improve its overall environmental footprint and reduce the impact related to its operations.

For this reason, in 2021 BRANDART has carried out an important pathway under the principles of UNI EN ISO 14064:1-2019, which involves mapping and accounting for direct and indirect GHG emissions at the organization level.

As a result of the GHG inventory, the following points for improvement emerged:

- Increasing the purchase of products made from recycled raw material.
- Reducing the use of virgin plastic in products purchased and sold.
- Training of the sales division in order to encourage the sale of packaging with lower environmental impact.
- Reducing the use of air transfers for the transportation of purchased products to BRANDART's hubs or final customers.
- Improving freight transport in the Italy-Albania route
- Introducing of smart working for employees.
- Replacing company's cars preferring electric cars, hybrids or otherwise with lower
- CO2 emissions.

Years ago, BRANDART chose to include ISO 14001 requirements in its Integrated Management System to be used as a framework for planning and managing any action related to the preservation of natural resources and the protection of the environment.

BRANDART believes that everyone, with day-by-day action, can contribute to protecting our planet and reducing the global environmental footprint. Therefore, employees are encouraged to implement best practices to reduce harmful effects on the environment with everyday behaviors by carefully managing room lights, electronic devices, water consumption and air temperature.

Environmental sustainability within BRANDART, as detailed in the next pages, focuses mainly on responsible sourcing of materials, energy, natural resources consumption, water and waste management.

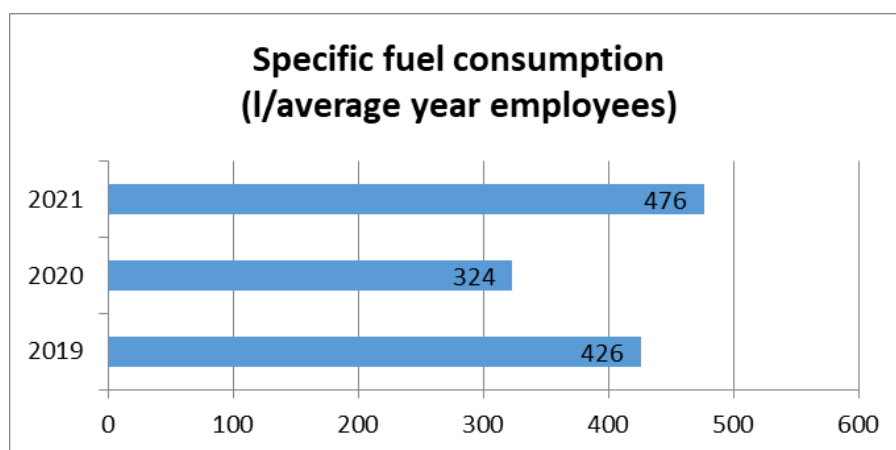
Thanks to the careful management of legislative obligations and our ISO 14001 certification, no fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations were issued to our sites in 2021.

ENERGY

Here below are described the indicators relating to natural gas consumption, fuel consumption and consumption of electricity procured from the outside in the three-year period 2019-2021.

It is very important to note that 100% of the electricity consumed at three BRANDART locations comes from renewable sources.

Energy and natural resources consumption			
	2021	2020	2019
Gas (m ³)	75.173	68.041	62.756
Fuel (l)	79.548	51.113	67.745
Electrical energy (kWh)	340.454	306.668	338.714



WATER

BRANDART's water consumption is not related to production processes, as can be seen by comparing the volumes of water supplied in relation to the discharge. It is assumed that 90% of the withdrawals are discharged, while the remaining 10% is consumed as drinking water or used for the irrigation of the company's green areas. The data for the period 2019-2021 demonstrates the minimum consumption of water during 2020 due to the reduced presence of employees in the offices caused by the Covid-19 pandemic.

Water withdrawal by source (in m ³)	2021	2020	2019
Municipal water	1807	1576	1994
Surface water	0	0	0
Groundwater	0	0	0
Seawater	0	0	0
Produced water	0	0	0

Thirdpartywater	0	0	0
Water discharge (in m ³)	2021	2020	2019
Municipal water	1626	1418	1795

EMISSIONS

BRANDART's focus on reducing GHG (Greenhouses Gases) emissions is not limited to direct applications aimed at reducing direct energy consumption such as methane for heating and fuel for employee mobility. It extends to large-scale interventions through partnerships with logistics sector main players, which are particularly sensitive to green issues. Thanks to this policy, BRANDART has put in place a selection of international freight forwarders to have greater control and attention to the environmental performance of its supply chain, reducing the selection from a total of 26 freight forwarders used in previous years to a number of 7, while still guaranteeing coverage of the markets served. In this way, BRANDART only uses the leading logistics partners with the best environmental performances.

Thanks to the strategic choice of these partners, BRANDART will be able to reduce its carbon footprint with respect to indirect emissions falling within the category 3.

During 2021, in order to underline BRANDART's commitment to climate change issues, the company carried out a major mapping and accountability activity of its GHG emissions, in accordance with UNI EN ISO 14064:1-2019.

This activity was made possible by mapping all company processes, both indirect and indirect.

The assessment is based on consumption data of the year 2021.

According to the standard, emissions were reported by dividing them into the following categories:

Category 1 (direct emissions):

- *Company heating, with methane gas consumption*
- *Mobility of people and transportation of goods (company hired vehicles), with fuel consumption*

Category 2 (energy indirect emissions):

- *Lighting and cooling, with electricity consumption*

Category 3 (indirect transportation emissions)

- *Upstream freight transportation and distribution*
- *Downstream freight transportation and distribution*
- *Commuting emissions*

Category 4 (indirect emissions from products used)

- *Capital goods purchased*
- *Treatment of waste generated*

Category 5 (indirect emissions from products use)

- *End-of-Life Treatment of Sold Products*

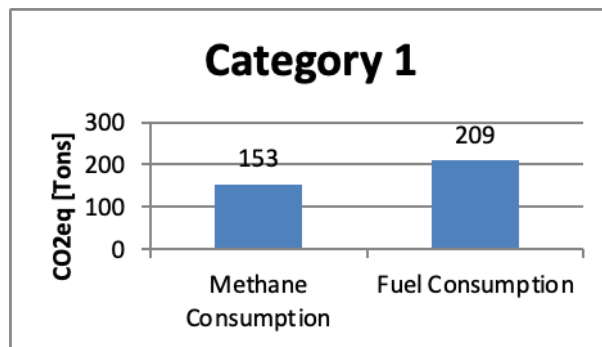
Below are the results of BRANDART's GHG emissions, in its three operating sites.

Category 1 - 2021

HEATING WITH CONSUMPTION OF METHANE GAS: **Emission of 153 tCO₂ eq.**

MOBILITY OF PEOPLE AND TRANSPORT OF GOODS WITH CONSUMPTION OF FUEL: **Emission of 209 tCO₂ eq.**

TOTAL EMISSIONS: **362 tCO₂ eq.**



Category 2 - 2021

LIGHTING AND COOLING, WITH ELECTRICITY CONSUMPTION: **0 tCO₂ eq.**

Brandart produces no indirect GHG emissions from imported electricity by using energy from 100% renewable sources, supplied and certified by Erreci Luce&Gas.

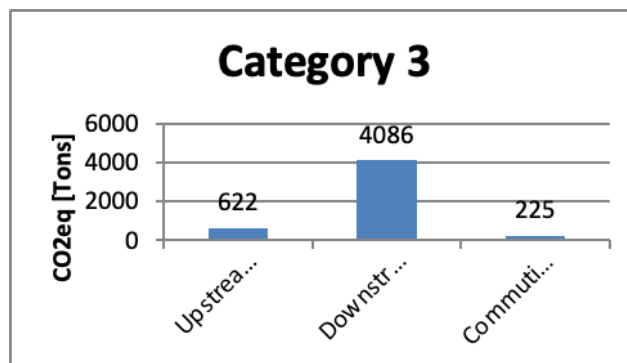
Category 3 - 2021

UPSTREAM FREIGHT TRANSPORTATION AND DISTRIBUTION: **622 tCO₂ eq.**

DOWNSTREAM FREIGHT TRANSPORTATION AND DISTRIBUTION: **4086 tCO₂ eq.**

COMMUTING EMISSIONS: **225 tCO₂ eq.**

TOTAL EMISSIONS: **4933 tCO₂ eq.**

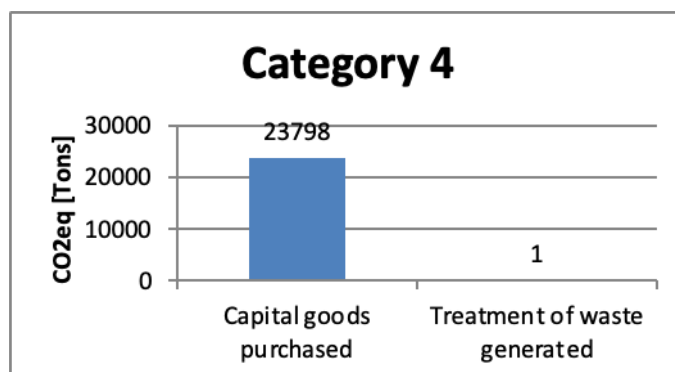


Category 4 - 2021

CAPITAL GOODS PURCHASED: **23798 tCO₂ eq.**

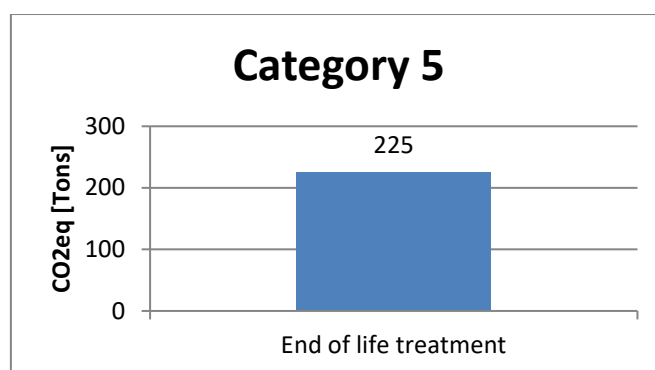
TREATMENT OF WASTE GENERATED: **1 tCO₂ eq.**

TOTAL EMISSIONS: **23799 tCO₂ eq.**

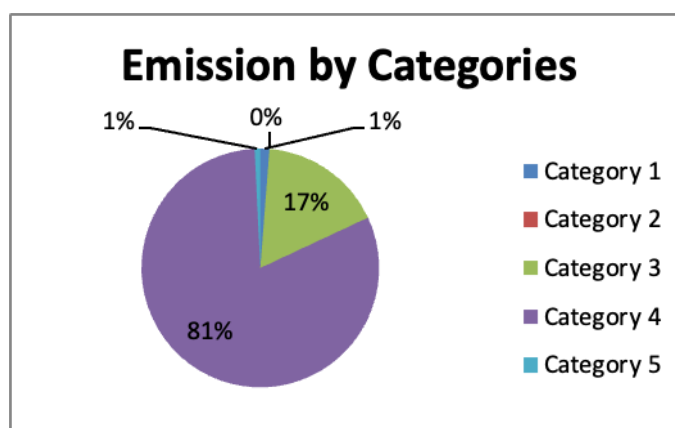


Category 5 - 2021

END-OF-LIFE TREATMENT OF SOLD PRODUCTS: **225 tCO₂ eq.**



Emissions of different categories are divided as follow:



WASTE

In 2019 and 2021, the volume of waste produced was high following an excess inventory and warehouse management initiative, as disposal of old electronic equipment and defective paper packaging was completed.

Production of waste (kg)			
	2021	2020	2019
Total	78.063	39.547	78.571
Non-hazardous waste	78.058	39.380	78.511
Hazardous waste	5	167	60
Recycled – reused - recovered	50.218	25.117	56.691

FOCUS: Roadmap towards a plastic-free company

A "Plastic Free Policy" has been implemented within BRANDART offices by replacing plastic cups with compostable cups and plastic stirrers with wooden stirrers for the hot drink and water dispensers.

To reduce the consumption of plastic bottles, distributors have also been installed for dispensing water to employees.

In order to further reducing plastic bottles, the company is replacing water bottles and encourage dispensers for a direct supply from the source

FOCUS: Sustainability and digitalization to reduce paper consumption

BRANDART has embarked on a policy aimed at digitizing documents and raising workers' awareness of reducing paper consumption, with the double aim to optimize the number of prints and therefore paper and toner consumption in daily office activities, and to ensure the privacy of printed documents. All employees are encouraged to print double-sided and to use recycled paper whenever possible.

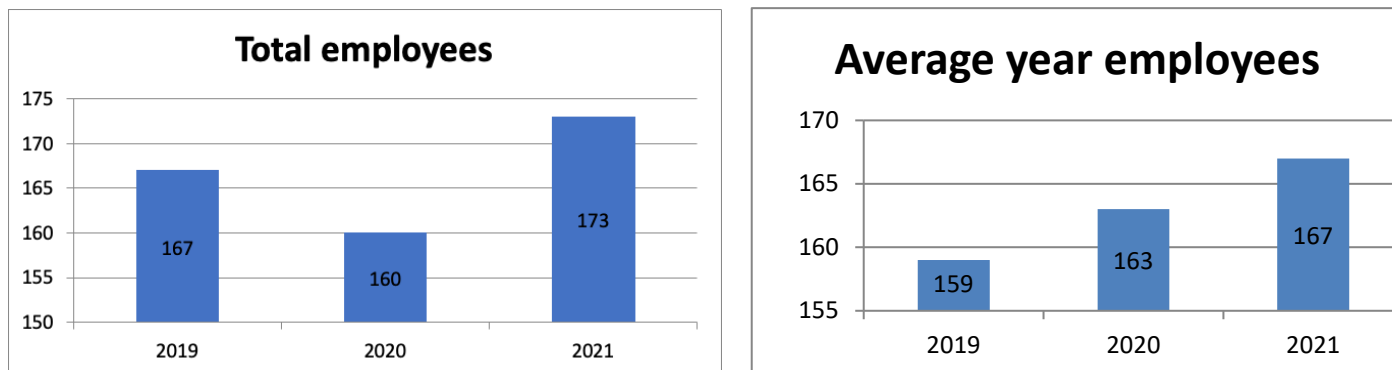
This Paper-Cut project has over the years led to a gradual reduction in printed sheets at workplaces. As shown in the graph below, the reduction in printed sheets in the reporting period was greater than 50% compared to 2019 and a further 4% compared to 2020.

PEOPLE

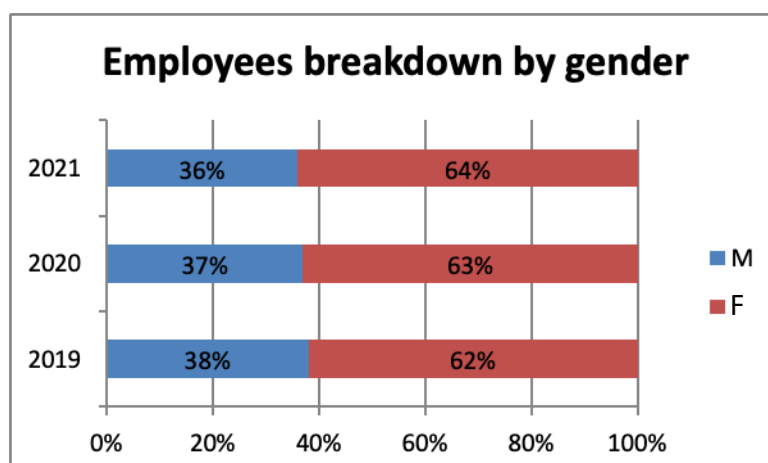
All BRANDART employees, with their experience and skillset, represent the know-how of the Company and contribute to creating value for the Company itself and all stakeholders. Talents are sought after and cultivated through an internal growth path.

EMPLOYMENT & WORKFORCE

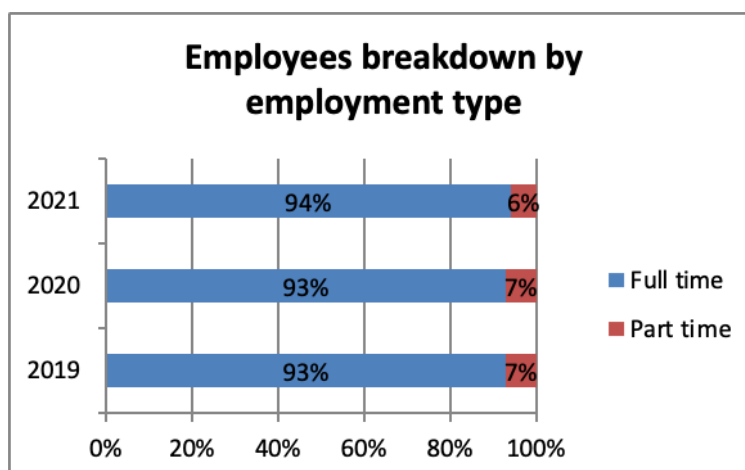
The company's population by 31/12/2021 is of 173 employees, growing from 2020 and 2019.



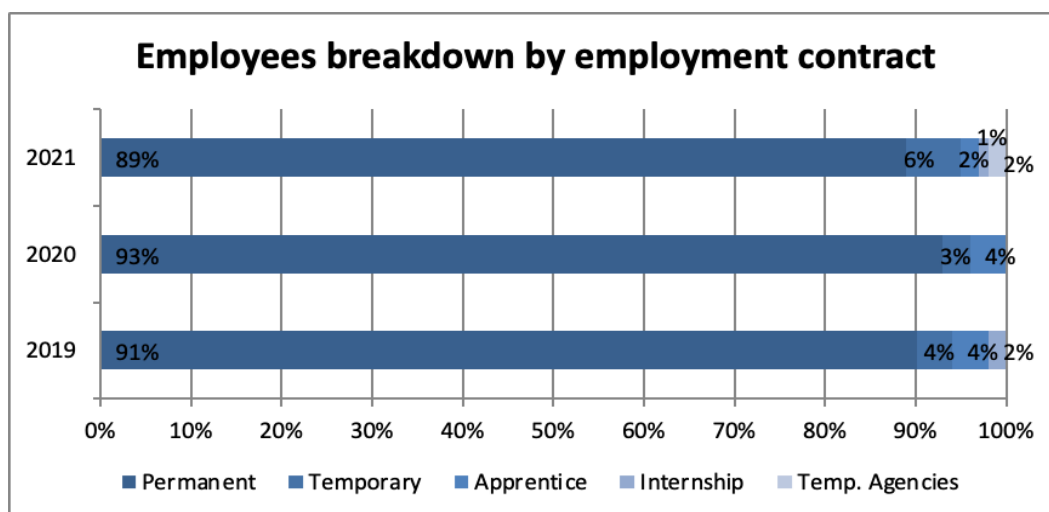
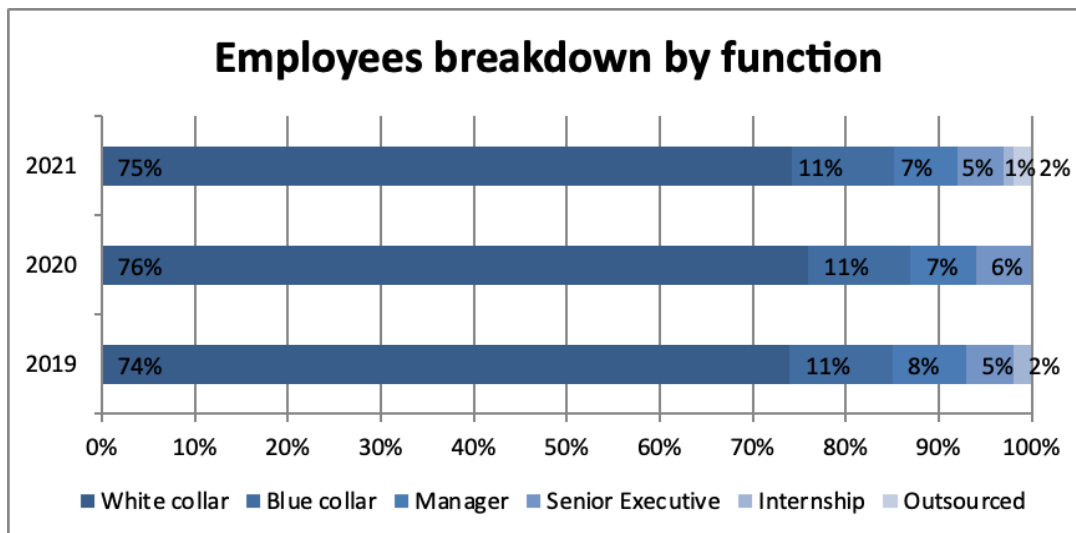
Average year employees: employees on 1st of January plus employees on 31st of December, divided by 2.



As can be seen from the graph, there is a great presence of women within the company and constant over the three years. This confirms the integrity of the working environment and the commitment to the creation of gender equitable job opportunities.



The data relating to employment contracts, in which the majority is formed by full-time contracts, guarantees stability for people and a prospect of continuity for company activities.



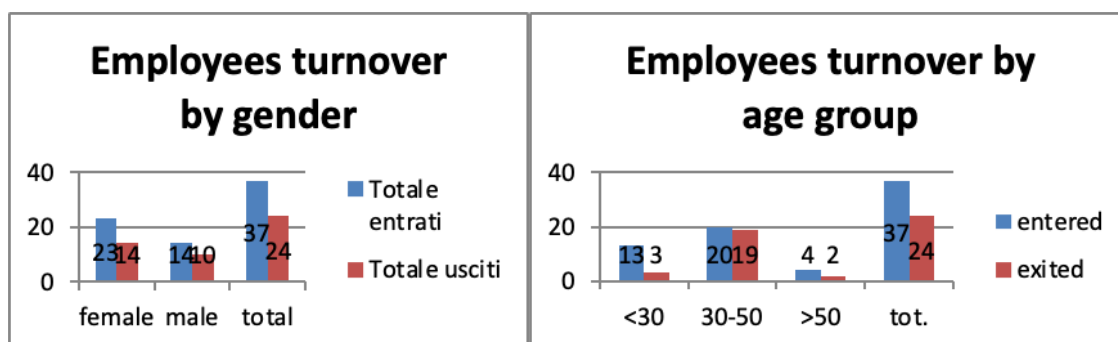
The stability provided by BRANDART and the good working environment can be seen by the fact that almost the 90% of employees have permanent contracts.

BRANDART employees are mostly hired from local municipalities; senior executives are the result of years of collaboration and reciprocal trust between the Company and its community: they all reside in the Provinces of Varese, Como, Monza e Brianza and Milano.

The process of evaluating the company population is carried out by Top Management based on the number of total hours worked, the work peaks and the objectives assigned to the various functions. Hence the possibility of assessing the efficiency and adequacy of human resources, and consequently the possibility of increasing the workforce.

The research also stems from the continuous evaluation of the organizational structure, to respect the needs of the business and the market.

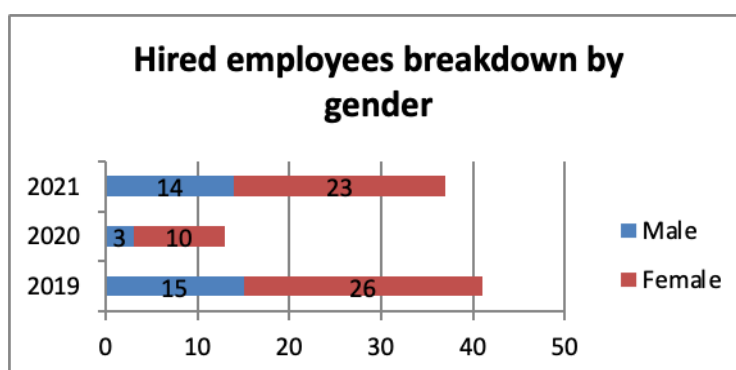
To search for personnel, BRANDART activates the following channels: publication of announcements via a dedicated portal or other sites, databases, CVs filed in the company, labor contracted companies, companies for personnel selection, and temporary working agencies. An interview is held for all candidates both with the Human Resources office and Function Manager.



*Temporary workers are excluded from the calculation of turnover.

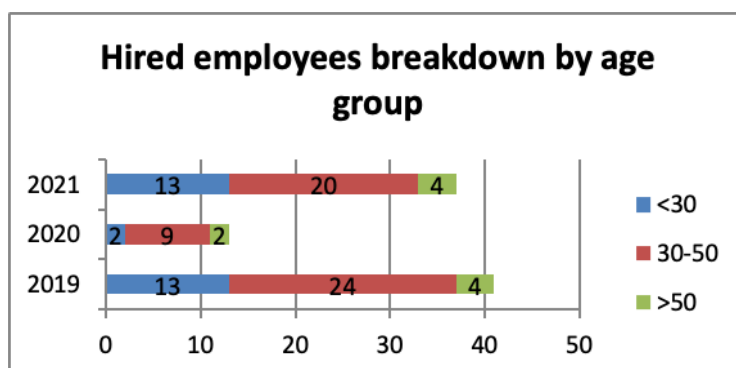
The turnover rate was calculated with the formula " $[(\text{no. Entered during the year} + \text{no. Left during the year}) / \text{average annual staff}] * 100$ ".

The charts below still highlight BRANDART's commitment to Gender Equality issues: in 2021, 23 women were hired and 14 men.



BRANDART strongly believes that talent development is the best prospect for the future, and this is the path the company intends to follow in its hiring policies.

In 2021, 35% of total hires were young people under 30 years of age.



The wage provided by BRANDART to its employees is higher than the minimum set by the industry, both considering employment levels and gender.

The figure is calculated based on the ratio of the average wage for women divided by the average wage for men.

HEALTH AND SAFETY

BRANDART has always been active and constantly committed for the protection of health and safety of its workers with the aim of minimizing risks for all the employees and all persons who, for any reason, work in the different company sites.

The culture of health and safety is shared at all levels, thanks to the support of the HSE office that provides for a total involvement of the company organization, from the management to the employees.

BRANDART therefore ensures the health and safety of its employees and workers who are not direct employees but whose work and/or workplace is controlled by BRANDART, by applying all the requirements of Italian law (D. Lgs. 81/2008), where all its operations are set:

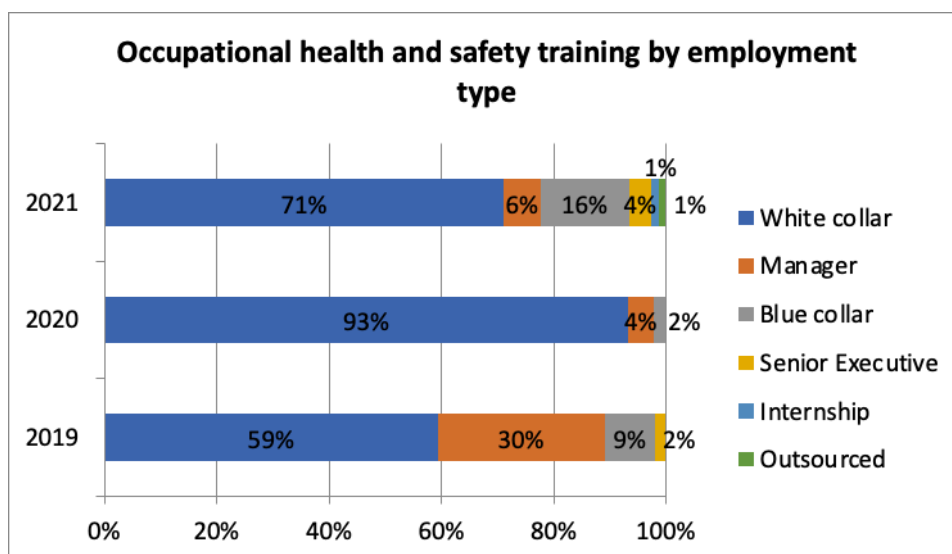
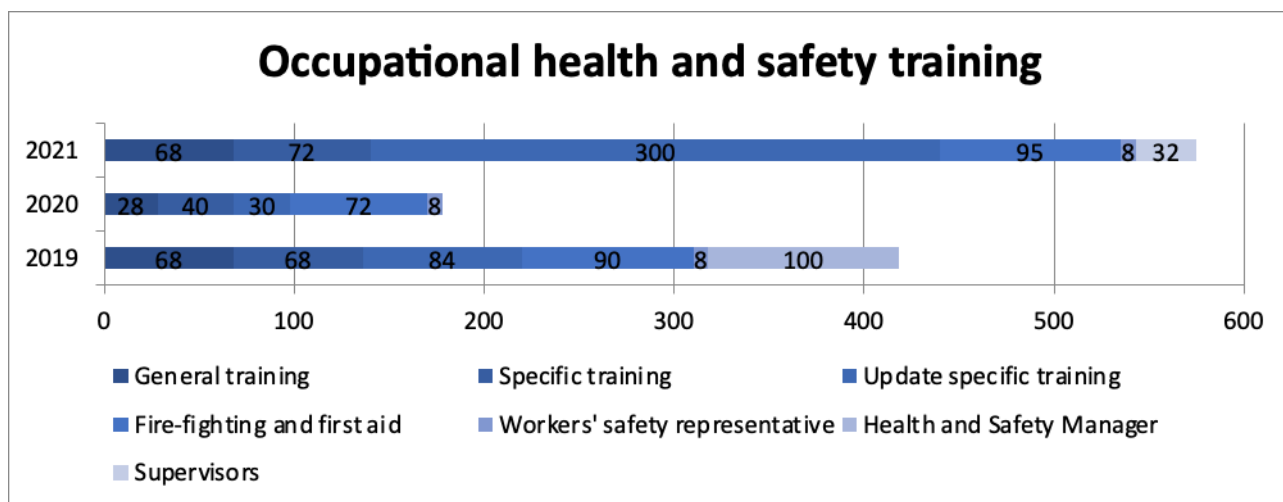
1. Risk evaluation and specific risk assessments
2. Safe management of chemicals
3. Worker's training
4. Proper maintenance of machineries and working devices
5. Updated certifications of conformity for all Company plants
6. Emergency plan and fire drills
7. Occupational health check
8. Definition of H&S responsibilities within and outside the Company

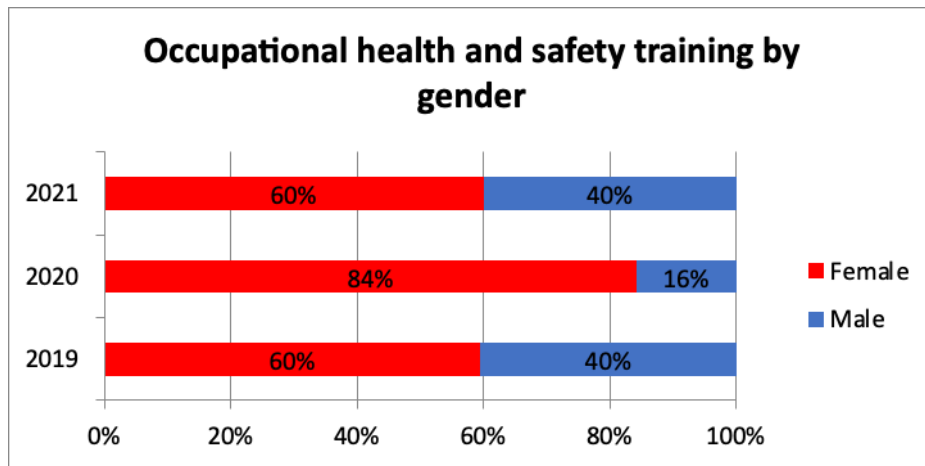
The same attention is paid to protect the workers of subcontractors (i.e., contract working suppliers), which are strictly monitored and audited for legal compliance at production sites. The position of Responsible for the Prevention and Protection Services is outsourced.

WORKERS TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

As foreseen by national law, BRANDART employees attended mandatory training on occupational health and safety.

The trend of compulsory training is not constant from year to year as the updating intervals required by Italian regulations are mainly every 3 or 5 years. However, in 2021 there was an increase in the provision of non-compulsory training.





Besides the occupational health check required by law, BRANDART provides all its employees SANIMODA, the supplementary health care fund for workers in the fashion industry. The objective of the fund is to support the needs and requirements of workers, providing supplementary healthcare services to those of the National Health System (SSN). The registration of workers at SANIMODA is mandatory and automatic; it requires a monthly contribution which is paid by the Company.

Injury Indicators

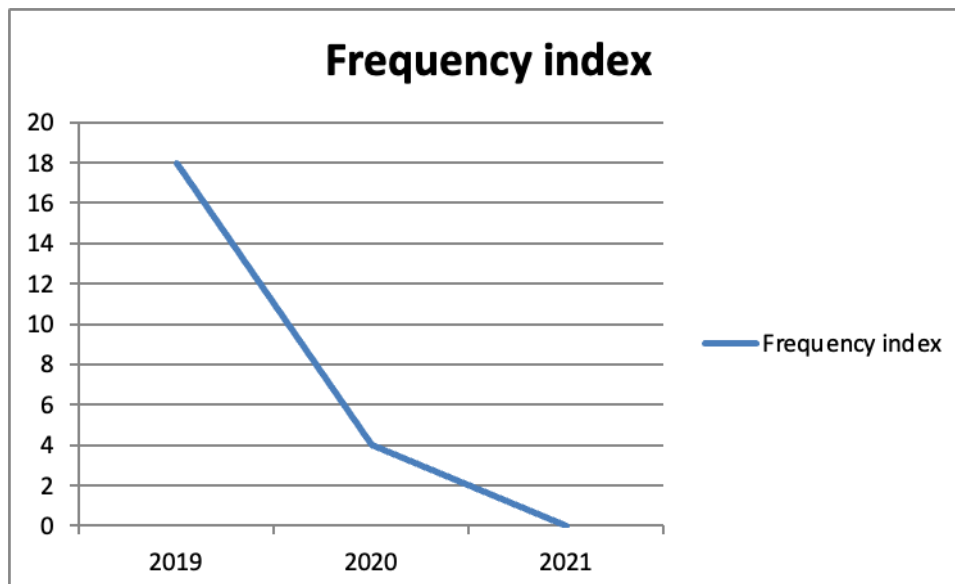
Among the most significant Health and Safety indicators, BRANDART constantly tracks supervises the trend of injuries (accidents, medication, near misses), with the aim of analyzing the causes that led to such events and introduce continuous improvement actions in order to avoid their recurrence.

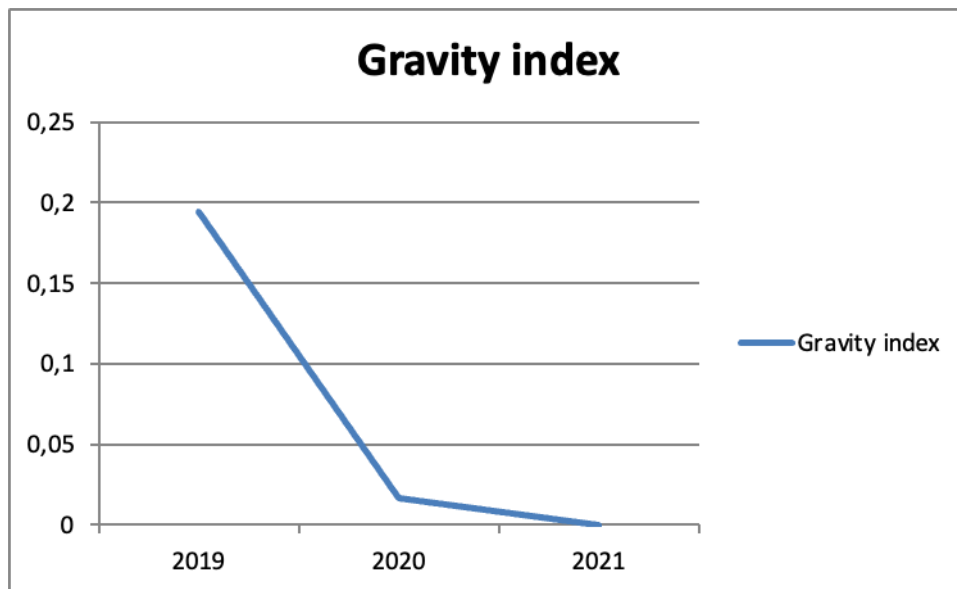
The table below shows injuries index for the three-year period under consideration.

No injuries or accidents with serious consequences occurred in 2021.

The number of injuries has however always been extremely low, despite the increase in the company's workforce, which underlines to the constant attention paid to working conditions.

As no injuries were registered in 2021, Frequency index and Gravity index are zero.

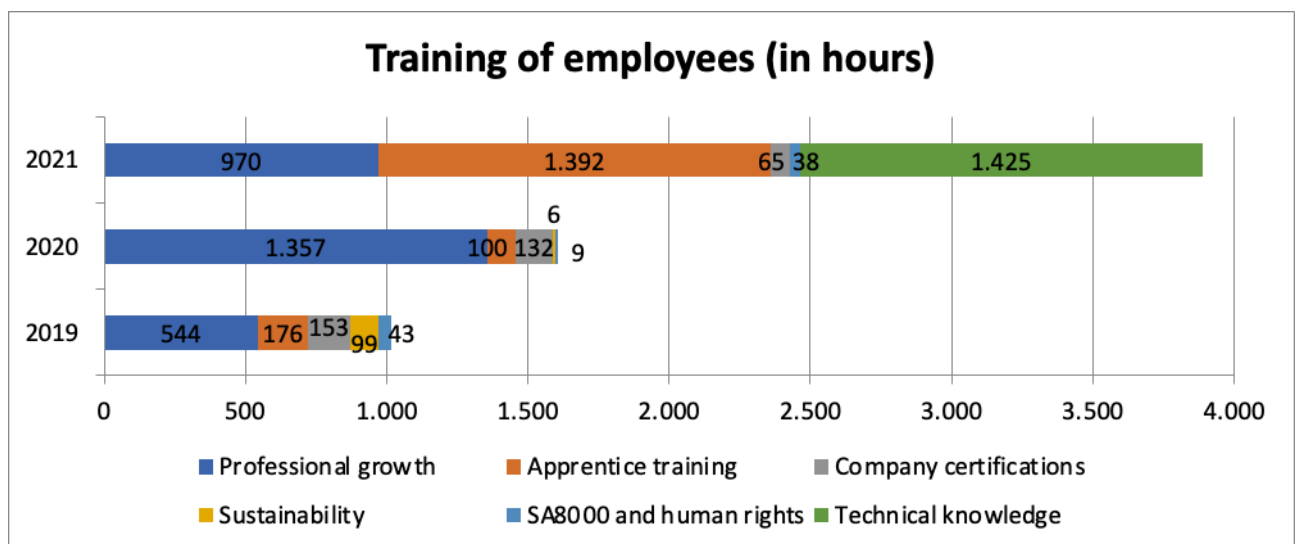




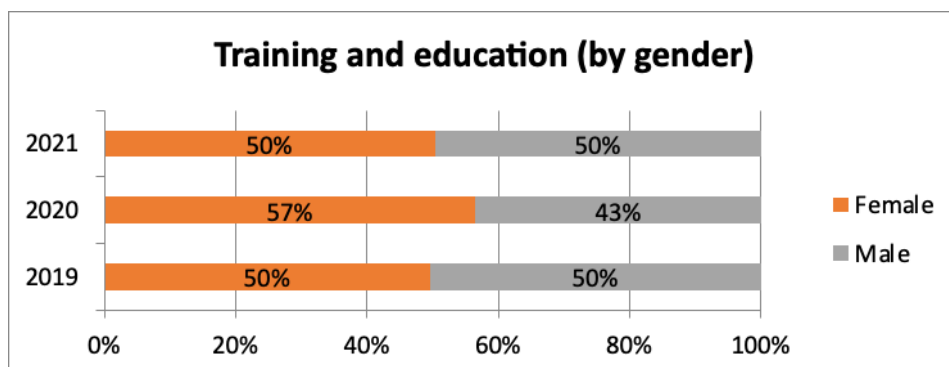
Frequency index (number of injuries * 1.000.000 / Company worked hours) = 0 (in 2020 it was 4)
 Severity index (lost days for injuries * 1.000 / Company worked hours) = 0 (in 2020 it was 0.017)

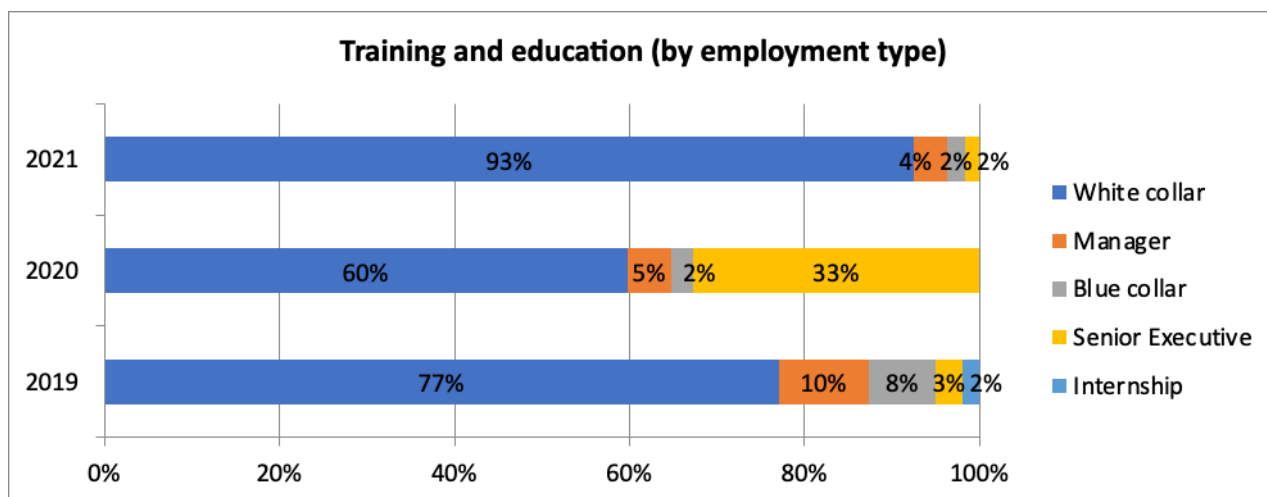
TRAINING AND EDUCATION

Training priority was given to the operational needs emerging from periodic meetings with Top Management. Excluding the compulsory hours of training on health and safety, a total of 3889 (+142% on 2020) hours of training were provided in 2021, divided into the following topics:



Technical knowledge includes in 2021 training on English language, data sheets software and packaging labelling.





FOCUS: BRANDART CSR POLICY

Con l'introduzione della Sezione 135, Allegato VII del Companies Act del 2013, il governo indiano ha dato riconoscimento legale all'approccio caritatevole/riformativo delle società Indiane, comprese le Società Straniere, per lo sviluppo della comunità a cui appartiene l'azienda. Viene riconosciuto che l'integrazione delle responsabilità sociali, ambientali ed etiche nella governance delle imprese ne garantisce il successo, la competitività e la sostenibilità a lungo termine.

Anche BRANDART ha preso parte a questo importante impegno sviluppando una politica di CSR volta a garantire che 2% della media degli utili ante imposte dei tre ultimi esercizi di BRANDART India sia destinata ad attività di CSR nella comunità in cui opera.

Nello specifico, BRANDART India ha deciso di destinare i fondi alla trust KARUR ROUND TABLE 138 per la costruzione/manutenzione di scuole a Karur e per l'acquisto di forniture mediche da parte dell'ospedale di Karur.

BRANDART is continuously supporting the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our Company, and to engaging in collaborative projects, which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

ATTACHMENT: BRANDART 2021 GHG REPORT (synthetic version)

BRANDART

2021 GHG REPORT

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INTRODUCTION

The assessment of GHG (Green House Gases) conducted according to **ISO 14064-1:2019** is an objective indicator of environmental sustainability, as provides an inventory of all possible sources of GHG, generated by the productive activity of a company, and, therefore, its impact on climate change and ecosystems.

Accordingly, this document is part of Brandart's sustainability report for the year 2021, in accordance with GRI standard – Global Reporting initiative.

Through the GHG Report, **Brandart confirms its commitment in environmental protection and takes a further step forward on its path towards sustainability.**

Through this analysis, in fact, it offers all stakeholders a detailed report of all its climate-changing emissions and defines the scope for effective and constant improvement of its environmental performance accordingly.

To Brandart sustainability means striving for new knowledge through a systemic approach to reality, the only one that will allow us to win the greatest challenge of the future: building a fair and shared prosperity with all human and living beings, within the physical and biological limits of the only planet we inhabit: the Earth.



BRANDART

Brandart is a leading company in packaging design solutions and packaging procurement and a one-stop-shop solution to for all the major players in the luxury industry.

Brandart's costumers successfully operate in the fashion, luxury goods, hi-tech, automotive sectors and in all sectors that require high-quality packaging.

The business model focuses on **procurement solutions for packaging and merchandise**. Brandart has an end-to-end approach from the packaging concept up to logistics, production and stocks management.

Brandart does not have an internal production process but carries out only a small **sampling activity of paper and sewing articles**. Brandart is actively engaged in supporting the environmental and social improvement of the packaging industry and its end markets, in a **continuous process optimisation** that improves the perception of the end customer through design and innovation.

Brandart is an agent of positive change towards **packaging sustainability and merchandising of its customers**, constantly applying the principles of sustainable design, reduction of packaging material components and research into materials with reduced environmental impact.

Brandart works constantly to reduce the carbon footprint of its customers, throughout the entire supply chain, from raw materials to the industrial process and logistic.



ORGANIZATIONAL BOUNDARIES

Brandart's organizational boundaries includes the sites listed in the table, some of which have not been accounted due to the **non-significance** due to the sporadic use.



SITE	ACCOUNTED?
Busto Arsizio - Warehouse for finished products and related offices	✓
Busto Arsizio - HQ, offices and accessories warehouse	✓
Busto Arsizio - Prototyping and related offices	✓
Milano - Registered office	×
Milano - Registered office	×
Treviso	×
India (New Delhi)	×
Francia (Parigi)	×

SIGNIFICANCE ANALYSIS

Once the company's relevant categories were defined, a **model was developed and applied to assess 'significant' emissions**, i.e. the indirect emissions to be considered within the study. Indirect emissions are due to company's activities and their source cannot be controlled directly.

In order to determine the significant indirect emissions, a matrix based on specific criteria was developed. Each criteria was assigned a value from 1 to 4, based on the following method:

1: Low 2: Medium 3: High 4: Very High

Subsequently, if the **total score** (given by the sum of the score for each parameter) **is less than or equal to 6** the issue is considered **not significant**, if it is between **7 and 8** the emission is considered **low significant**, while for **values greater than or equal to 9** the indirect emission is considered **significant** and will be part of the GHG inventory.

Insignificant emissions are not considered in the inventory, but they still deserve special attention because although quantitatively negligible compared to total GHG emissions, they are characterised by a high accuracy of the data and a good capacity of the company with regard to monitoring of emission trends.



OPERATIONAL BOUNDARIES

		DESCRIPTION	BRANDART REFERENCE
CATEGORY	CATEGORY 1 DIRECT GHG EMISSIONS	Direct emissions from stationary combustion Direct emissions from mobile combustion	Natural gas burned in boilers due to heating Fuel burned in company's transport equipment
	CATEGORY 2 INDIRECT GHG EMISSIONS FROM IMPORTED ENERGY	Indirect emissions from imported energy	Imported electricity
	CATEGORY 3 INDIRECT GHG EMISSIONS FROM TRANSPORTATION	Indirect emissions from upstream transport and distribution for goods Indirect emissions from downstream transport and distribution for goods Indirect emissions for employee commuting	Emissions due to the transport of goods purchased by Brandart Emissions due to finished product delivered to the customer Emissions due to commuting home-to-work: km travelled by employees
	CATEGORY 4 INDIRECT GHG EMISSIONS FROM PRODUCTS USED BY AN ORGANIZATION	Indirect emissions from purchased goods Indirect emissions from disposal of solid and liquid waste	Everything that has been bought by Brandart and marketed Waste produced and disposed of in Busto Arsizio's office
	CATEGORY 5 INDIRECT GHG EMISSIONS ASSOCIATED WITH THE USE OF PRODUCTS FROM THE ORGANIZATION	Indirect emissions from end-of-life stage of the product	Disposal of purchased and marketed products to the customer

EMISSION CALCULATION

The ISO 14060 family of standards has the task of providing a tool to consistently and transparently quantify GHGs, improving the credibility, consistency and transparency of quantification, monitoring and reporting of greenhouse gases, the main contributors to climate change.

Indeed, climate change is one of the major issues of our century, the subject of international debate.

Reporting of greenhouses gas emissions was developed in accordance with principles of **UNI EN ISO 14064-1:2019**:

- **Relevance:** select the GHG sources, GHG sinks, GHG reservoirs, data and methodologies appropriate to the needs of the intended user;
- **Completeness:** include all relevant GHG emissions and removals;
- **Consistency:** enable meaningful comparisons in GHG-related information;
- **Accuracy:** reduce bias and uncertainties as far as is practical;
- **Transparency:** disclose sufficient and appropriate GHG-related information to allow intended users to make decisions with reasonable confidence.

The standard classifies emissions into six categories, the first of which includes direct emissions, while the remaining categories are all considered indirect emissions.



CATEGORY 1
DIRECT EMISSIONS
OF GHG



CATEGORY 2
INDIRECT EMISSIONS
FROM IMPORTED ENERGY



CATEGORY 3
INDIRECT EMISSIONS
FROM TRANSPORTATION



CATEGORY 4
INDIRECT EMISSIONS
FROM PRODUCTS USED



CATEGORY 5
INDIRECT EMISSIONS
FROM USE OF PRODUCTS



CATEGORY 6
OTHER
EMISSIONS

INVENTORY CALCULATION METHOD

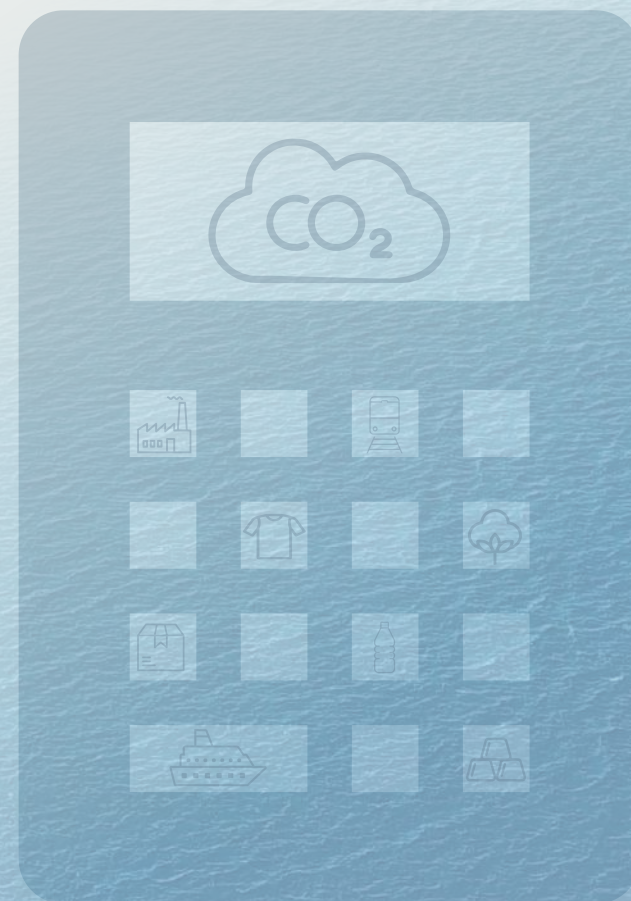
The calculation method used to estimate GHG emissions is based on data activity relating to GHG sources from the various categories multiplied for the appropriately selected GHGs emissions factor.

$$\text{Emissions of GHG} = \text{data activity} * \text{EF}$$

Where:

- **Data activity:** is the quantity, generated or used, that describes the activity related to GHG, expressed in terms of energy (MJ or kWh), mass (g, Kg, w), surface (m²), volume (m³ or l) or kilometers (km);
- **EF:** is the factor that correlates activity data to emissions or removals of GHG.

This methodology was chosen to reasonably minimize uncertainty, in order to provide accurate, consistent and reproducible results, and also because it is considered the most suitable for the calculation of Brandart's emissions, as it allows to quantify emissions even in the absence of continuous or intermittent measurements of activity data.

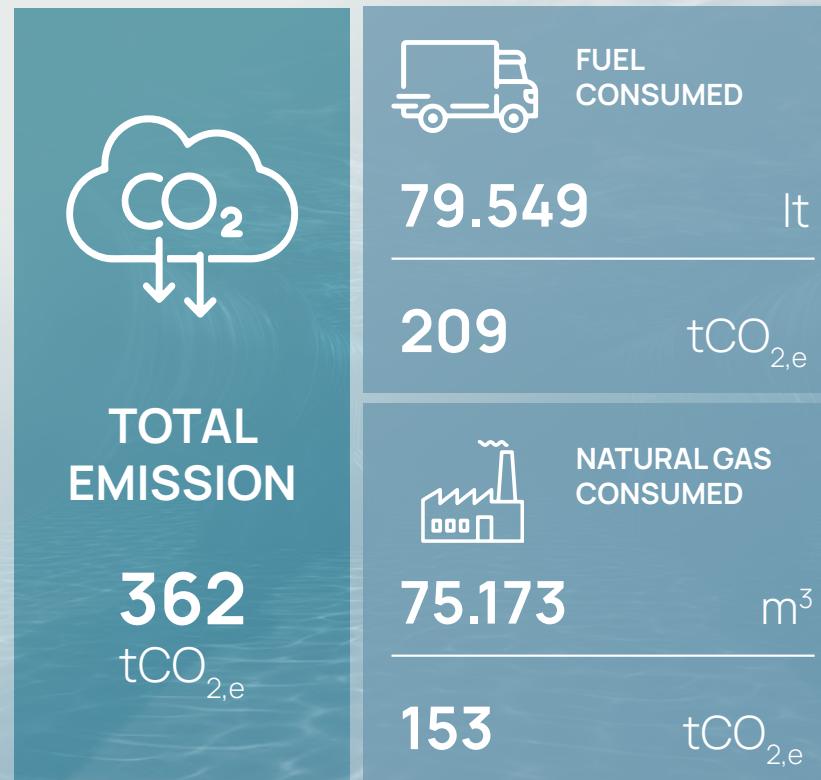


CATEGORY 1 – Direct GHG emission and removals

With regard to Category 1 “Direct GHG emissions” were considered:

- Emissions due to fuel combustion inside fixed equipment as boilers for heating;
- Emissions due to fuel combustion inside transport equipment, such as motor vehicles;
- Fugitive emissions from the release of GHG in anthropogenic systems as conditioning plants.

However, with regard to fugitive emissions, there are not losses identified in the analysis carried out in 2021, therefore no addition of refrigerant liquid. For the abovementioned reason GHG emissions from SF₆, PFCs and HFCs are not present.

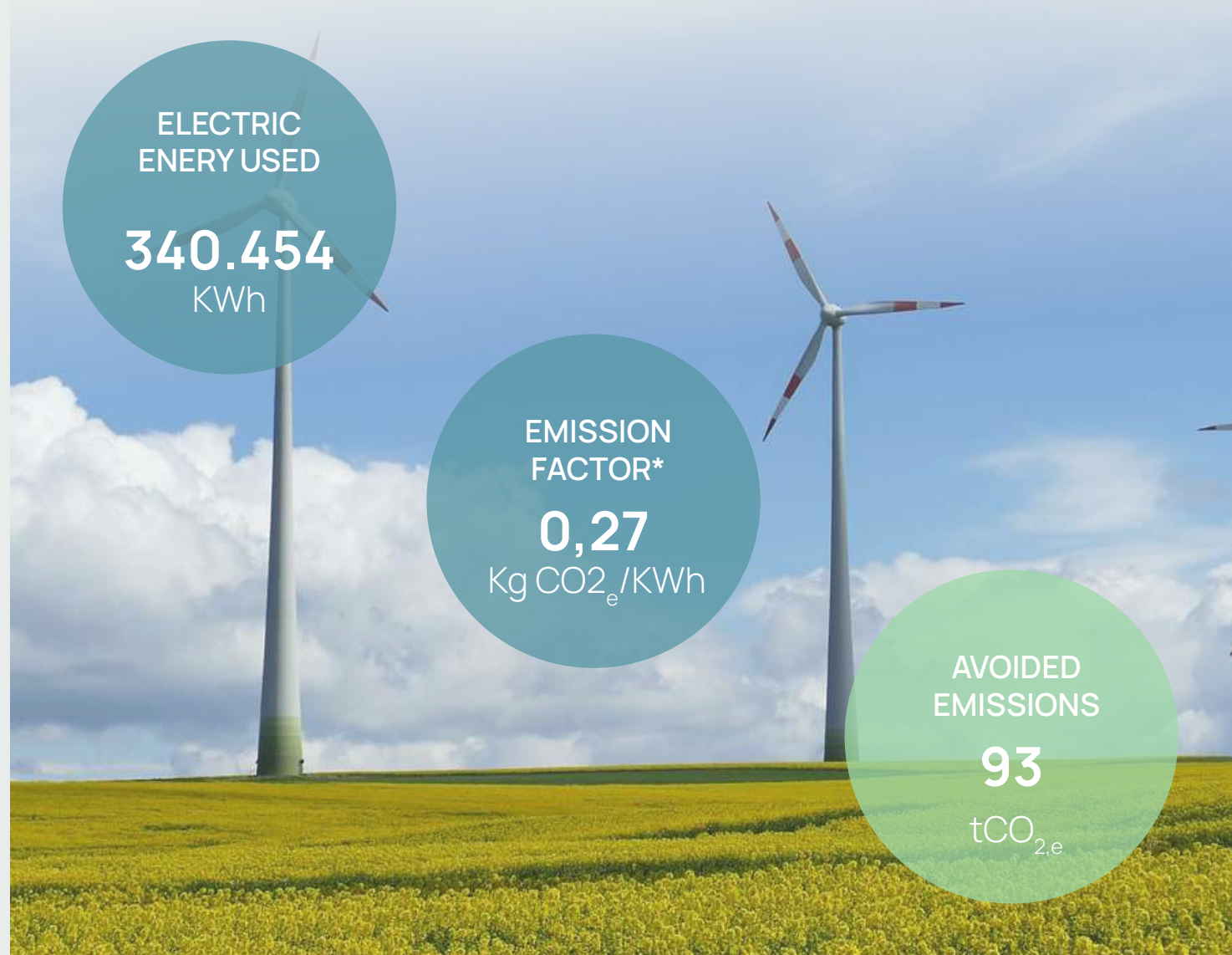


CATEGORY 2 - Indirect emissions from imported energy

Brandart does **not produce** “*indirect GHG emissions from imported electricity*” as it acquires 100% energy from renewable sources, obtained from the electricity supplier.

Within the inventory, the quantity of GHG avoided, calculated by multiplying the KWh consumed in the year 2021 for the emission factor relative to energy mix, is highlighted as Carbon Financial tool.

* The emission factor related to production and consumption of electricity was calculated using % referred to the composition of the electricity emitted on the electricity grid, provided by GSE for the year 2019, and the emission factors defined by ISPRA based on fuel type (update to 2018).



CATEGORY 3.a - Emissions from logistic of purchased product

In Category 3, which includes “*indirect GHG emissions from transport*”, were considered:

- **emissions due to transport of all merchandise purchased** from Brandart, defined as “upstream transportation and distribution”;
- **emissions due to transport of finished and marketed products to the customer**, defined as “downstream transportation and distribution”;
- **emissions due to the journey home-to-work** of employees.

For the calculation of GHG emissions of Category 3.a “upstream transport and distribution”, fuel consumptions were estimated, due to road transport of semi-finished products of production.



FUEL
USED
231.408 lt



EMISSIONS
622 tCO_{2,e}

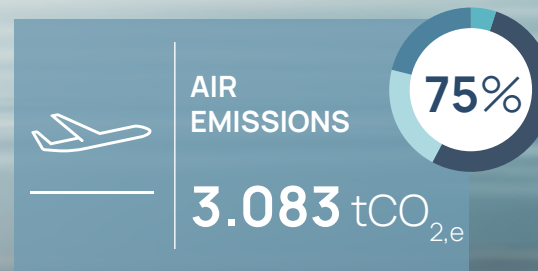


CATEGORY 3.b - Emissions from logistics of finished product

In Category 3.b, “downstream transport and distribution” the emissions generated by the delivery of the finished product to the destination designed by the customer were considered, including:

- **emissions generated by the withdrawal of the finished product** from the supplier;
- **emissions generated by its transport and the delivery.**

Brandart uses shipping companies that are sensitive to the of Carbon Footprint and to the impact generated from logistics, and adopt policies of travel optimization and provide, annually, a service for the quantification of GHG emissions (report).



CATEGORY 3.c - Emissions from employee commuting home-to-work

For the determination of emissions in Category 3.c “*indirect emissions from employee commuting*”, a questionnaire was subjected to employees, where it was necessary to indicate:

- **number of kilometers travelled** daily to work;
- **type of transport**;
- **type of fuel if the mode of transport is car** (diesel, petrol, hybrid, LPG, natural gas).

Then the data was processed to obtain the total GHG emissions from employee commuting home-to-work.



N° EMPLOYEE
CONSIDERED
173



AVERAGE
EMPLOYEE
EMISSIONS
1,3 tCO_{2,e}



TOTAL
EMISSIONS
225 tCO_{2,e}

CATEGORY 4.a - Emissions from purchased goods

Within Category 4, the Category 4.a “*emissions from purchased goods*” is of particular relevance as the products marketed by Brandart are designed in-house but the company but the realisation is entrusted external producers, being to all intents and purchased products.

To estimate GHG emissions, **the quantities of products bought and sold** by Brandart were converted into their respective raw material content.

VIRGIN RAW MATERIAL



METALS

799.94 t

3.061 tCO_{2,e}



PLASTIC

2.152 t

6.462 tCO_{2,e}



PAPER

8.103 t

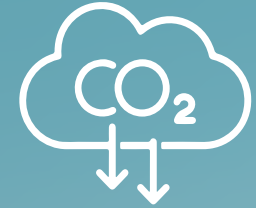
7.049 tCO_{2,e}



COTTON

455 t

5.361 tCO_{2,e}



TOTAL EMISSIONS

23.731
tCO_{2,e}

RECYCLED RAW MATERIAL



RECYCLED COTTON

633 t

336 tCO_{2,e}



RECYCLED PLASTIC

281 t

175 tCO_{2,e}

ORGANIC RAW MATERIAL



ORGANIC COTTON

1.303 t

1.287 tCO_{2,e}

CATEGORY 4.c - Emissions from disposal of solid and liquid waste

Category 4.c includes “emissions from disposal of solid and liquid waste” produced by Brandart.

The quantities of waste considered was obtained using relevant forms.

The main waste produced is to be attributed to office and warehouse management activities, which include:

- exhausted printing toners;
- mixed packaging;
- cardboard packaging.

 TOTAL EMISSIONS 0,75 tCO _{2,e}	 CER 080318	WASTE PRINTING TONER OTHER THAN THOSE MENTIONED IN 0803 17	14 Kg	0,61 tCO _{2,e}
	 CER 080312	INK SCRAPS CONTAINING DANGEROUS SUBSTANCES	5 Kg	0,03 tCO _{2,e}
	 CER 150101	PAPER AND CARDBOARD PACKAGING	2.980 Kg	0,06 tCO _{2,e}
	 CER 150106	MIXED PACKAGING	5.010 Kg	0,05 tCO _{2,e}

CATEGORY 5 - Indirect emissions from the use of products

Category 5 includes “emissions from the use of products”, marketed by the organization.

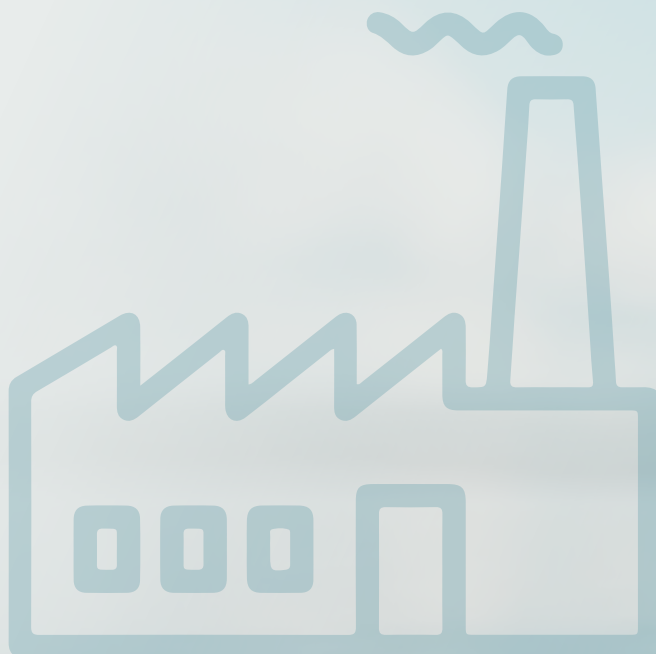
In this case, only emissions from Category 5.c “emissions from end-of-life stage of the product” were considered, **due to disposal**. It was considered that there are no other significant emissions since they are related mainly to products intended to present, protect, or exhibit luxury goods.

The disposal scenarios are the result of a bibliographic research on the fate of waste in Europe, considering the four main macro-categories of raw materials.



GHG INVENTORY

GHG Credits	93 tCO _{2,e}
Energy from renewable sources	340.454 kWh



CATEGORY	CATEGORY 1 DIRECT GHG EMISSIONS	362 tCO _{2,e}
	CATEGORY 2 INDIRECT EMISSIONS FROM IMPOTED ENERGY	0 tCO _{2,e}
	CATEGORY 3 INDIRECT EMISSIONS FROM TRANSPORTATION	4.933 tCO _{2,e}
	Cat 3.a Emissions from logistic of purchased product	622 tCO _{2,e}
	Cat 3.b Emissions from logistics of finished product	4.086 tCO _{2,e}
	Cat 3.c Emissions from employee commuting home-to-work	225 tCO _{2,e}
	CATEGORY 4 INDIRECT EMISSIONS FROM USED PRODUCTS	23.799 tCO _{2,e}
	Cat 4.a Emissions from purchased goods	23.798 tCO _{2,e}
	Cat 4.c Emissions from disposal of solid and liquid waste	1 tCO _{2,e}
	CATEGORY 5 INDIRECT EMISSIONS THE USE OF PRODUCTS	2.983 tCO _{2,e}
	Cat 5.c Emissions from end-of-life stage of the product	2.983 tCO _{2,e}
	DIRECT EMISSIONS	362 tCO _{2,e}
	TOTAL INDIRECT EMISSIONS	31.715 tCO _{2,e}

UNCERTAINTY ANALYSIS

The calculation method used for the GHG emissions valuation is based on the multiplication of data activity, relating to the sources of GHG, for GHG emission factors appropriately selected (GHG emissions= Activity data * Emissions Factor) and then on the sum of all emissive contributions.

The uncertainty associated with each emissivity contribution was calculated by attributing a score from 1 to 3 on the two parameters:

- uncertainty associated with the **emission factor**;
- uncertainty associated with the **data activity**.

The IPCC methodology was applied to the calculation of the total uncertainty of the inventory, from which a score of 2.20 was obtained.

LOW TOTAL
UNCERTAINTY

< 5%

- score $1,41 \leq I \leq 2,24$ **low** uncertainty (<5%)
- score $2,25 \leq I \leq 3,16$ **medium** uncertainty (between 5% and 20%)
- score $I \geq 3,17$ **high** uncertainty (>20%).

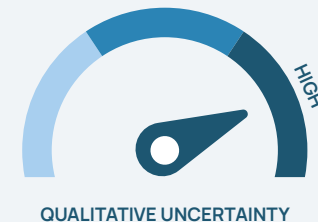
CATEGORY	UNCERTAINTY
Cat 1 Direct emissions	1,41
Cat 2.a Indirect emissions from electricity imported	1,41
Cat 3.b Emissions from logistic of purchased product	2,24
Cat 3.c Emissions from employee commuting home-to-work	1,41
Cat 4.c Emissions from disposal of solid and liquid waste	2,24



CATEGORY	UNCERTAINTY
Cat 3.a Emissions from logistic of purchased product	3,16
Cat 4.a Emissions from purchased goods	2,83



CATEGORY	UNCERTAINTY
Cat 5.c Emissions from end-of-life stage of the product	3,61



CLIMATE ACTION

Reduction and mitigation measures

The preparation of the GHG Inventory has led Brandart to a greater awareness of its impacts and this allowed improvement actions to be planned:

- Increase the **purchase of products** made from **recycled raw materials**;
- **Reduce the use of virgin plastic** in bought and sold products;
- Train the commercial sector in order to incentivize the sale of **packaging with a lower environmental impact**;
- **Reduce the use of air travel for transportation** of purchased products from hubs or end customers;
- **Efficient transport** of semi-finished products;

To further reduce greenhouse gas emissions, it will also be:

- Implemented **working from home** for those employees who perform office duties;
- Renewed the company car fleet with a preference for **w**



13 CLIMATE ACTION



Brandart, thanks to his attention to the environment, constantly evaluates quantitative goal to reduce emissions.

All the information contained in this document
is a summary of Brandart's GHG Inventory 2021.

The official report is available upon request
by writing to ilaria.poretti@brandart.com.