

# ARTSANA

2022 Sustainability Report





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# CEO message

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## Dear Stakeholder,

I am delighted to present our **Sustainability Report**, which highlights the progress and achievements we have made in 2022 in line with our commitment to sustainability and responsible business practices. It is my privilege to share with you our journey toward a more sustainable future for our children and our communities.

To embrace this mission, in 2022, we made significant updates to our vision with a particular focus on our efforts towards **nurturing and empowering communities**. Artsana is dedicated to leveraging our resources to support the growth and well-being of current and future generations. We are committed to providing them with the necessary tools, resources, and support to foster a culture of care and reciprocal assistance, enabling them to thrive and create a positive impact. As a concrete example of Artsana's support to its communities, in 2022, the #mumAND campaign was renewed with the launch of **Together We Can**, the mentorship program that supports a professional redesign process for mothers who wish or need to be relocated when returning to work.

Moreover, the Artsana Group has always been strongly committed to CSR projects at the global level, supporting local communities in collaboration with non-profit organizations thanks also to the involvement of its employees. Since 2017, Artsana has been a signatory to the **United Nations Global Compact**, the world's largest corporate sustainability initiative and, in 2022, it took part in the UNGC Climate Ambition Accelerator, in line with the Group's strategic commitment to the fight against climate change. In addition to our commitment to the communities of the present, we place a great importance on safeguarding the ones of the future. To fulfill this responsibility, the Group continues to invest in enhancing

environmental sustainability, striving to reduce its impact on the Planet while ensuring that both current and future communities have a thriving and healthy place that they call home. In 2022, we continued our **energy-saving initiatives**, actively working to reduce our carbon footprint and our impact on climate change. We also expanded our product offering to include more **sustainable materials**, such as recycled plastics and other materials following responsible sourcing approaches and schemes.

Artsana is a community that shares common goals, values, and principles, as well as a common path of personal and professional growth. Our efforts have been recognized through notable achievements. We further improved our performance in the **EcoVadis** rating, confirming our **Silver Medal**.

Additionally, we received the **"Climate Conscious Company Award"** for the second consecutive year, a recognition bestowed by 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.

We are very proud of the remarkable achievements we have accomplished so far. However, we recognize that the pursuit of sustainability requires an unflinching commitment to improvement and progress. Therefore, we guarantee to our stakeholders that we will keep pushing for a more sustainable world by embracing innovation and setting ambitious targets.

We take this opportunity to thank all the people who work with us to create a more sustainable community, where everyone feels empowered, supported, and heard.

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**Nicola Zotta**  
Artsana CEO



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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 PRG Retail Group S.p.A. and its subsidiaries (hereinafter also PRG).

## Timeline

Since its inception in Italy in 1946, Artsana has grown its expertise by closely studying the behaviors of care providers and their workload.

Over time, Artsana also acquired and developed specialized brands that cater to the needs of caregivers in a broader sense, contributing to the support of communities of care providers.

▶ 1946

*Pietro Catelli* establishes Artsana, as a sales agency specialized in the production and distribution of products for venipuncture and medication.

▶ 1958 

*Mr. Catelli's* entrepreneurial intuition leads to the creation of Chicco, a brand specialized in baby care, from 0 to 36 months.

▶ 1967

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

▶ 1975 

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

▶ 1977  **CONTROL**  
Feel make feel

Starting from 1977, Artsana enters the Condom market through the acquisition of the brand of reference in Italy, Spain and Portugal.

▶ 1992 

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

▶ 1996  **Prénatal**

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

▶ 1998

Opening of subsidiaries in the US and Turkey.

▶ 2008 

Artsana acquires the Colorado-based **Boppy Company**, the American leader in nursing support.

▶ 2011

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

▶ 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 **Fiocchi di Riso** brand, becomes part of the Group.

▶ 2017 

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

▶ 2018 **RECARO goovi**

A new family-dedicated brand offering natural, effective and safe products. Artsana acquires a long-term license for the exclusive, worldwide use of the brand **RECARO**.

▶ 2019

Establishment of Artsana (Shanghai) Trade Co. Ltd 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%) - a company indirectly controlled by funds managed by Investindustrial - and (ii) Catelli S.r.l. (40%).



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

## ARTSANA GROUP WORLDWIDE



**55**  
Subsidiaries  
Worldwide



**€ 1,896 mln**  
Net  
Revenues



**9,738**  
People Employed  
Worldwide



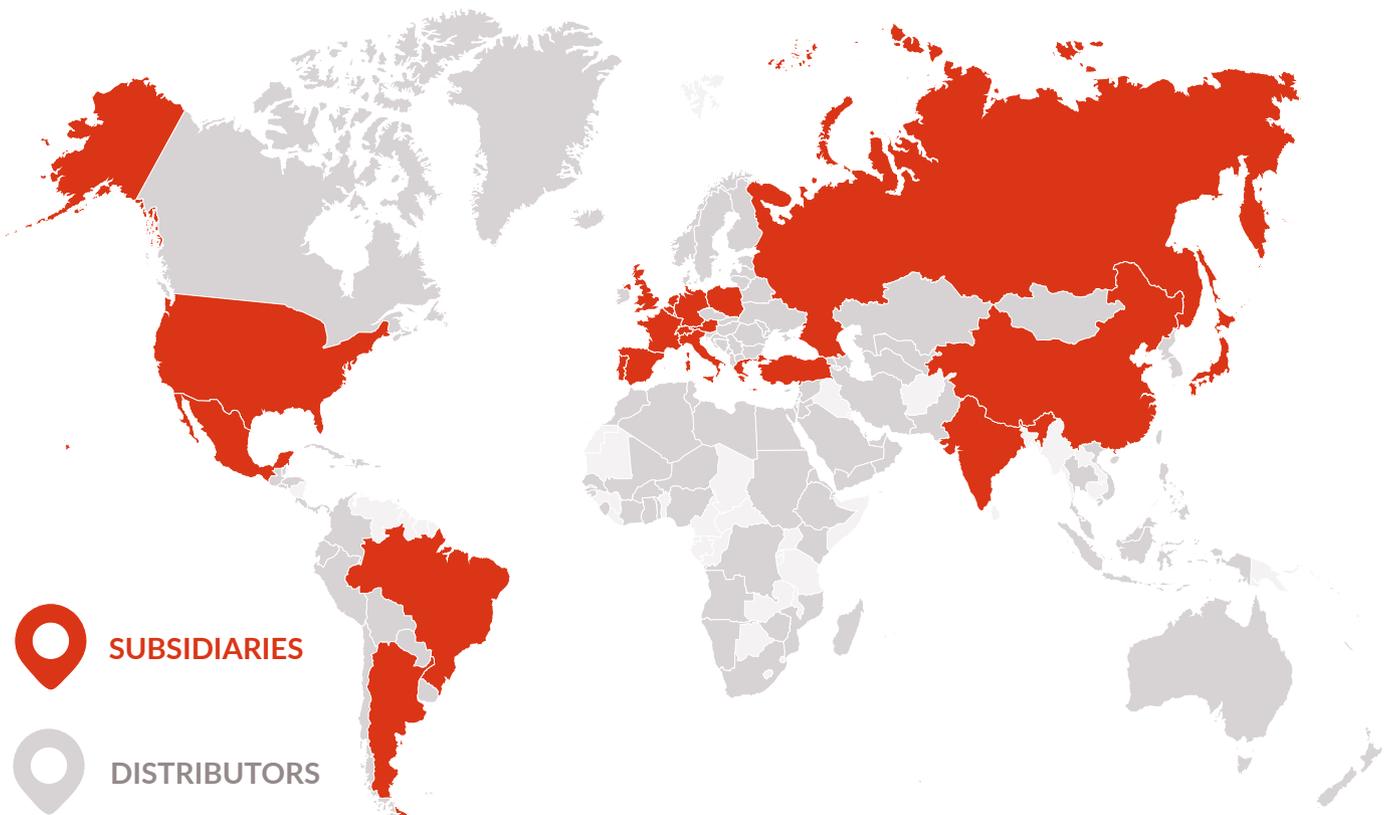
**€ 1,816 mln**  
Direct Economic  
Value distributed

Consolidated financial statement data of Artsana Group,  
including PRG Retail Group S.p.A. and its subsidiaries

## Our market presence

At December 31, 2022, the **Artsana Group** had a total of 55 subsidiaries worldwide, including not only the brands covered in Artsana's Sustainability Report but also PRG. Of these, 29 were owned by Artsana and 26 by PRG Group. The Group operates more than 300 Chicco-related points of sale and over 900 related to PRG Group.

### Artsana subsidiaries and distributors worldwide

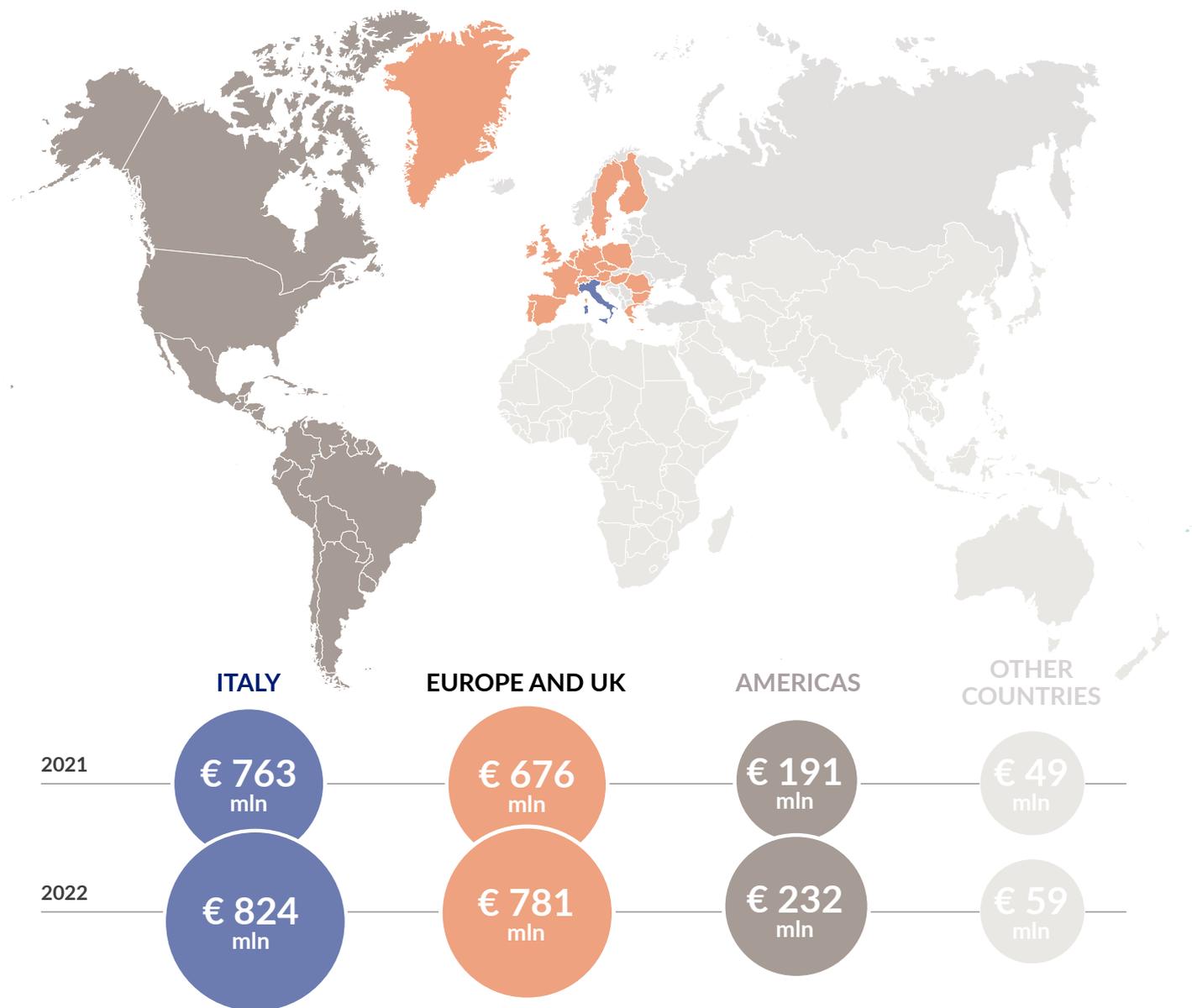


Thanks to its diverse portfolio of brands and products, the Artsana Group operates in all major global **distribution channels**, including baby shops, pharmacies, international distributors, mass markets, e-commerce platforms, and proprietary brick-and-mortar stores.

In recent years, Artsana has recognized the changing landscape of distribution channels and the growing demand for online shopping. Consequently, the company focused on e-commerce in several markets including the United States, Italy, Spain, Portugal, France, Belgium, Turkey, and India, with plans for additional openings in the near future.



## Net sales by region



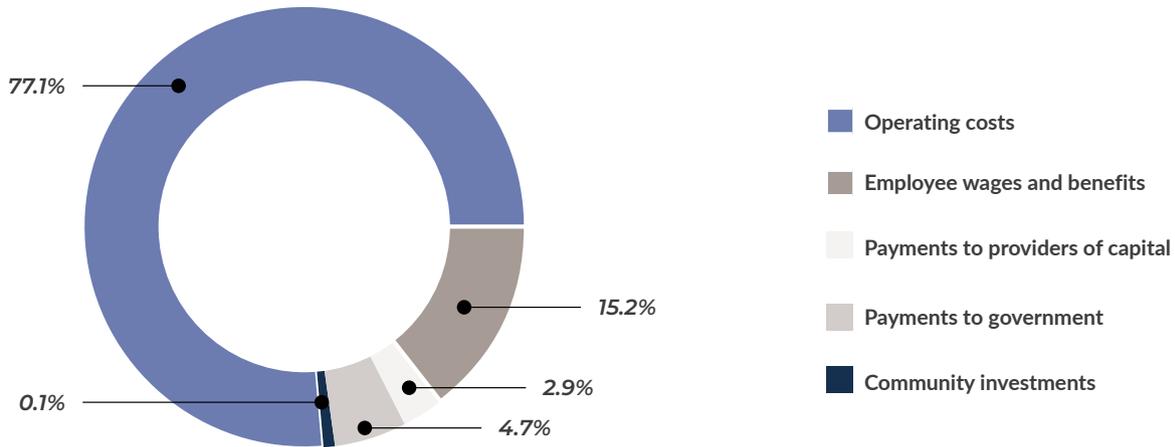
At the Group level, the **direct economic value generated**, and the **direct economic value distributed** amounted respectively to € 1,961 million and € 1,816 million.

	2020	2021	2022
<b>Direct economic value generated [k€]</b>	<b>1,542,618</b>	<b>1,719,601</b>	<b>1,960,952</b>
<b>Direct economic value distributed [k€]</b>	<b>1,430,166</b>	<b>1,591,375</b>	<b>1,816,383</b>
Operating costs	1,098,033	1,227,095	1,400,286
Employee wages and benefits	211,272	234,442	275,943
Payment to capital providers	48,640	45,228	53,215
Payments to government	70,977	83,506	85,636
Community investments	1,244	1,103	1,303
<b>Economic value retained [k€]</b>	<b>112,453</b>	<b>128,226</b>	<b>144,568</b>

The economic value generated and distributed indicates how Artsana creates wealth for its stakeholders. In particular, the direct economic value is distributed to suppliers through operating costs (about 77.1%), employees through wages

and benefits (15.2%), governments through taxation, providers of capital and shareholders through financial interests and dividends, and the community through investments in sponsorships and voluntary donations.

## 2022 Distribution of Direct Economic Value



This report covers the period from January 1, 2022, to December 31, 2022, and includes relevant information from previous years to provide a comprehensive understanding of Artsana's sustainability performance and trends. The sustainability reporting period corresponds to the financial year.

The Sustainability Report is published annually, and the 2022 Sustainability Report has been published on the Company website in July 2023. Compared to the financial reporting perimeter, this Sustainability Report covers the entirety of the Artsana Group, except for PRG, and includes the following brands: Chicco, NeoBaby, Boppy, Fiocchi di Riso, Fisiolact, Goovi, Recaro, and Control.

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

## Scope of the report

to this, economic, social and environmental information refer to the abovementioned perimeter. Any other exceptions to the reporting boundary are indicated in the text.

Henceforth, in Artsana's sustainability reporting, "Artsana Group," "Artsana," or "Group" refers to Artsana S.p.A. and its subsidiaries, except for PRG Retail Group S.p.A. and its subsidiaries.

This exclusion from the Sustainability Report is based on the consideration that PRG, even if consolidated line-by-line in the financial statement, is not subject to management and coordination by Artsana S.p.A., meaning that PRG retains decision-making autonomy both from a financial and managerial perspective, including autonomy on sustainability matters, policies and strategies.

This approach is also coherent with the operational control criteria defined by *GHG Protocol Corporate Accounting and Reporting Standard* to report on Greenhouse gases emissions.

In addition, please refer to PRG own Sustainability Report, which is published annually.

# OUR SUSTAINABILITY REPORTING



€ 732 mln  
Net Revenue



3,111  
Workforce

## EMPOWERING COMMUNITIES TO NURTURE OUR FUTURE



7,535  
family course  
attendees



≈3,000  
members of Artsana  
Open Innovation  
Platform



€1,303 mln  
distributed to the  
community



>3,000  
products distributed  
thanks to "Baby Spesa  
SOSpesa"

## HOW WE CARE FOR THE ARTSANA COMMUNITY



69%  
of the workforce  
are women



95%  
employees with  
permanent contract



15%  
Hiring rate



21,346 h  
of training  
for employees

## HOW WE CARE FOR THE PLANET AND THE FUTURE



1,550 tCO<sub>2</sub>  
avoided CO<sub>2</sub>  
emissions from  
projects



89%  
non-hazardous waste  
sent to recycling and  
energy recovery



17,313 GJ  
energy savings  
from projects



100%  
finished product  
suppliers screened  
using environmental  
and social criteria



# 1

## Empowering communities to nurture our future

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Since its birth in 1946, Artsana has always had a clear goal: caring 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.**



# 1

Artsana's philosophy is focused on taking care of the community, the planet, and future generations by integrating and spreading the value of sustainability in daily actions.

The Group's long tradition has been carried over 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, Fisiolact, Goovi, and Recaro brands and, for adult well-being with the Control brand.

Artsana's concept of "caring" covers the whole community surrounding and taking care of the children, who should feel empowered, supported, and heard. It is expressed through the consolidated expertise on multiple product categories (from in-car child safety to dermocosmetics, and from feeding to clothing). Taking care of children, in the broadest sense of the term, means **caring**, not only for them but for the community and the planet on which they grow up.



# 1.1 The values for a sustainable community

*Thanks to its heritage, knowledge, and a broad range of brands and competencies, Artsana always stays close to the people by promoting and supporting parents, families, and children's well-being in every moment of their lives.*

Artsana's global success is attributable to its strong **passion, responsible approach, curiosity,** and **commitment** to improving and increasing knowledge and expertise for the benefit of people. These values are common to the entire Group worldwide and all its brands, working in different ways to provide the whole community taking care of children with the tools it needs to guarantee both children's and their well-being. In its daily operations and initiatives, Artsana embraces this vision, leveraging its **specialist expertise,** consolidated over more than 75 years, and its commitment to **sustainability.** All-around caring for the community, the planet, and the future is one of the pillar values of Artsana's

entire ecosystem of brands. Each brand applies it according to its specificity, satisfying all the vertical needs of the global community taking care of the children.

Incorporating sustainability into corporate culture and business decision-making means empowering the community of the present to nurture a future, in which children grow up, where care for the planet and the people is a priority for everyone.

In 2022, Artsana set a further milestone on its path towards sustainability, rethinking the scale of values by placing communities more and more at the heart of its vision of the business and aligning its mission and purpose in the same direction.

## ♥ Empowering communities to nurture our future.

### Mission

By listening passionately to our customers and going above and beyond, we're on a mission to create the trusted solutions needed to support you, your families and our future.

### Vision

To create a global community where everyone taking care of our children feels empowered, supported and heard.

### Values

We Are Driven  
By Passion

We Build  
Together

We Care For  
The Community,  
Planet And Future

We Act  
to Improve

We Are Consumer  
And Customer  
Centric

The rethinking of values, mission, and vision is the result of a collective effort that has involved all subsidiaries worldwide through questionnaires and workshops.

## 1.1.1 Our Brands

Artsana has a broad portfolio of brands through which it inclusively embraces the caring concept as a key value of its encompassing ecosystem. This feature is reflected by the variety

of Artsana's brands present in various market segments, from individual care to adult well-being and childcare. This makes Artsana a multi-specialized and transversal company.



Chicco is a multi-specialized parenting brand with a common vision running through each of its business areas. These include juvenile, nursing, toys, fashion, and baby shoes. Chicco has an advanced Research Center testifying to the importance given to innovation. It is present in over 120 countries, with more than 360 mono-brand stores. In terms of sales volume, the US market comes in second after Italy.



Artsana Group acquired Boppy in 2008. Boppy is the market leader in nursing pillows with over 30 years of experience. In the United States, Boppy Original Support was awarded the "Children's Product of the Year" more than 15 times.



NeoBaby is the market leader in the mass market channel, with a complete range of nursing products dedicated to babies' and parents' first needs.



Fiochi di Riso is a cosmetic line designed for infants and children. The brand's promise is skin physiological balance achieved thanks to the total absence of substances that hinder skin perspiration or cause dehydration/irritation.



**FISIO**LACT  
*giusto per il tuo latte*

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



**RECARO**

Among Artsana baby brands, Recaro Kids specializes in car seats and strollers. The brand was established in Germany and has over 100 years of expertise in seat engineering.



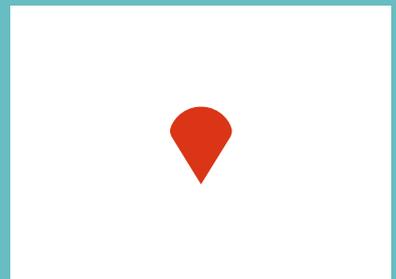
**goovi**  
good. easy. natural

A digital native brand, Goovi stems from the collaboration between Michelle Hunziker and the Artsana Group. The Goovi lines are designed for the well-being of women, the 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 for sexual well-being in the European market. It is the market leader in Portugal and ranks second in Italy and Spain. Control has developed condoms, sexual lubricants, and sex toys for 40 years leveraging research and innovation to guide consumers through the journey towards enjoying a free, well-informed, happy sexuality.



## 1.1.2 Our governance

The **Board of Directors** (BoD) of the parent Company Artsana S.p.A. consists of nine board members, including the CEO, from the majority aged between 30 and 50 years, and the remaining over fifty years. The Chair of the BoD is not a

senior executive in the organization. Moreover, none of the BoD members holds other relevant positions that can compromise the time and attention devoted to Artsana.

The BoD is responsible for the management

	GENDER	2020	2021	2022
Executive members	Men (CEO)	1	1	1
	Women	0	0	0
	<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>
Non-executive members	Men	7	7	7
	Women	1	1	1
	<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>

of decision-making processes and impacts. It meets at least every quarter and remains in office for three years. There are no *ad hoc* committees appointed by the BoD. In addition, **the Shareholders' Meeting** resolves on matters reserved for it by law and statute.

All BoD members are selected and appointed by the Shareholders' Meeting based on an evaluation of their skills and knowledge of the management of the Company and its impacts. The Company's By-Laws envisage voting lists, which may be waived by decisions made by the members. In selecting and appointing the BoD members, the Shareholders' Meeting also examines all the relevant documentation about the candidates with particular reference to offices and positions held by the candidate to prevent any **conflicts of interest**.

On the occasion of its periodical meetings, the CEO informs the BoD about all the **topics classified as relevant and critical**. Some examples of critical issues communicated to the Board during the reporting period included the management of the COVID-19 emergency, energy cost trends, utilities, and logistics costs,

and the impact of the conflict between Russia and Ukraine.

The Shareholders' Meeting is responsible for determining the total remuneration of the BoD members.

The remuneration policy for executives includes a fixed and a variable portion. The latter is linked to corporate objectives approved by the CEO, mainly related to economic and operating indicators. Increases in remuneration are defined by the CEO based on performance assessment and based on market benchmarks. The employment contracts for executives include targeted health and retirement funds for which the company provides additional health coverage.

Employee remuneration is calculated on the applicable national reference employment contracts, source pay, and market references. Proposals for employee salary increases are made by managers and discussed with HR, taking into consideration the annual budget cost allocated. The summary is reported to the CEO, who gives its approval or suggests modifications m.

Artsana pays a great deal of attention to

sustainability embedding it at all levels of the Company. All employees are responsible for the implementation of sustainable actions spanning from the identification and management of impacts to data collection. The BoD discusses sustainability issues at least twice in a year by sharing choices, targets, and communications with stakeholders and the Group's senior executives. In compliance with Model 231, the Board of Directors, the CEO, and the Supervisory Body are directly involved in monitoring due diligence processes regarding the organization's impacts on the economy, the environment, and the people. This activity is also substantiated with the support of specialized advisors and specific projects, such as the Global Compliance Program included in the strategic plan approved at the end of 2022, or the materiality analysis for sustainability reporting purposes. The BoD reviews the effectiveness of the processes described at least every two years.

For the management of company impacts, the CEO relies on the **Sustainability Committee**, which is a non-executive committee, gathering the Artsana management team and a core team from project management, emerging topics, and priority setting. The Sustainability team, chaired by the Sustainability Director, meets twice a year and the agenda covers all ESG topics. The management team and other specialists based on the specific topics to be discussed participate in the meetings. Responsibility for sustainability reporting lies with the CEO with the support of the management team.

With a view to including sustainability in all the Company's operations, periodical meetings for updating and training are held to better understand and identify the organization's impacts, how to manage them, and improvement areas. In Artsana, the Board receives regular updates, information, and ultimately education on developments in sustainability through the CEO.

Lastly, the Shareholders are responsible for assessing the Board's performance in achieving results and managing impacts.

The Group defines its commitment and regulates its conduct through specific **policies** (available on [www.artsana.com](http://www.artsana.com)), including the Code of Ethics, the ESG policy, and the Code of Conduct for Suppliers, which incorporate international principles established by bodies such as ILO and UNGC. The Code of Ethics and the ESG policy apply at all organization levels; the Code of Conduct for Suppliers, together with the Code of Ethics, apply to business relationships with suppliers. The policies are implemented through business processes designed to prevent and mitigate related risks and monitor proper implementation within the organization and the value chain.

The common thread running through all the policies is the commitment to the protection and respect of **human rights** with particular reference to the following categories of stakeholders: workers, consumers, children, and, in general, individuals in their uniqueness.

The commitments reported in the abovementioned policies are an expression of the ethical and conduct principles approved by the Board of Directors and implemented through the CEO.

In accordance with the requirements of Italian Legislative Decree No. 231 of 8th June 2001, the Board of Directors of Artsana S.p.A. approved its **Organizational, Management, and Control Model** to ensure the implementation of the concept of "administrative responsibility". In 2022, Model 231 was updated to comply with the latest legal provisions, and training to employees was provided about the updated version of the Model.

Artsana is constantly engaged in improving internal practices on topics related to anti-corruption and whistleblowing. At the end of 2022, the BoD approved an updated version of the **Code of Ethics**, which formally establishes the set of fundamental ethical values that underpin Artsana's activities, as well as the rights, duties, and responsibilities of all the stakeholders. The Code of Ethics is available in all the languages of the countries in which Artsana has subsidiaries and is made available to all employees through internal communications. The Code of Ethics is always available for consultation on the Company's website.

In the first months of 2023, all the Group subsidiaries have adopted the last version of the Code of Ethics, thus becoming the single tool for ethics at the international level gathering the principles applied by the whole Group.

Moreover, in 2022, Artsana worked on a long-standing program to publish several policies on different aspects, including also anti-corruption and whistleblowing procedures.

As a confirmation of Artsana's continuous commitment to respect and maintain its legal integrity, the Company received the **maximum score of the Legality Rating**, a summary indicator of compliance with high standards of legality issued by the Italian Competition and Market Authority to applying companies.

In the 2020-2022 reporting period, no significant instances of non-compliance with laws and regulations were reported to Artsana,

and no fines for instances of non-compliance with laws and regulations were paid during the same period.

Artsana is committed to ensuring that its data and information are also protected. For this reason, in 2022, Artsana updated its **Privacy Policy** for the protection of personal data in compliance with the provisions of EU Regulation 2016/679 General Data Protection Regulation (**GDPR**) to be prepared and face in the best way possible cyberattacks, as the one suffered in 2021.

Moreover, the Group has 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. During the reporting period, the Company did not receive any substantiated complaints concerning breaches of customer privacy.

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### 1.1.3 Business continuity in our value chain

Similarly to 2021, 2022 was challenging for most industries in terms of **business continuity**. In particular, in parallel with a recovery in the availability of raw materials (which mostly affected the industries in 2021), Artsana faced the rise in electricity and gas prices as a result of the socio-economic events that occurred in the year.

In order to address the uncertainties of the supply chain in this period, Artsana adopted some strategies, such as multi-country sourcing and available-to promise (ATP) management. Multi-country sourcing implies an analysis of the supply chain by Artsana aimed at balancing, in the best possible way, product total costs, working capital optimization, agility, and resilience.

Conversely, investments in integrated sales and operation planning systems would allow Artsana to analyze customer demand more efficiently and adjust the required manufacturing and purchasing schedules accordingly.

These strategies would help to optimize the efficiency of the supply chain and enable Artsana to manage uncertainty and volatility

more consistently.

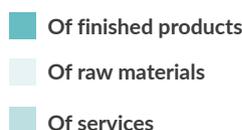
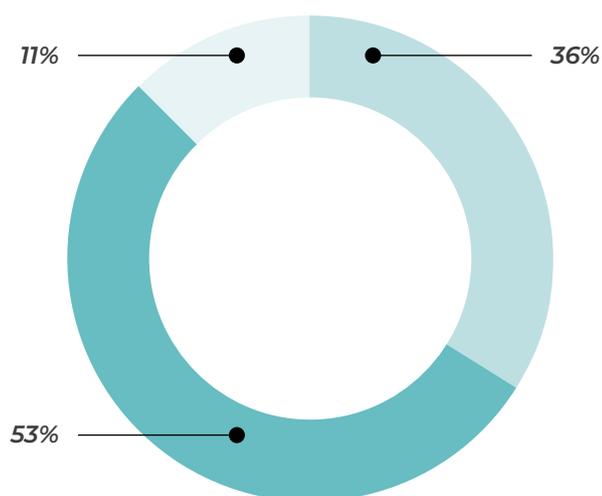
Moreover, the Group has continuously worked to build a responsible supply chain that is attentive to environmental impacts through the introduction of more sustainable materials, such as recycled plastics, in the product range while keeping high-quality standards in line with the Group's approach to product quality and safety.

In 2022, Artsana purchased goods for a total value of € 471 million from 2,934 suppliers.

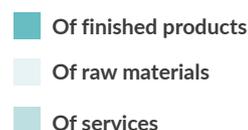
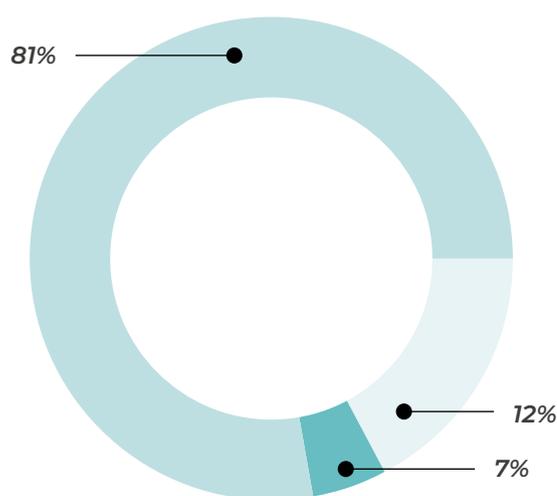
Of the total purchase value, 52.7% was spent on suppliers of finished products, which represents less than 10% of the total number of suppliers.

Artsana relies on a few trustworthy and qualified suppliers for product manufacturing. The largest number of suppliers consists of service providers, on which Artsana spent 36.4% of the total purchase value in 2022.

## Purchased value in 2022, by suppliers



## Number of suppliers in 2022, by category



SUPPLIERS CATEGORY BY NUMBER AND BY SPENDING		UNIT	2020	2021	2022
Of finished products	suppliers (n.)		218	215	214
	spending (%)		51%	54%	53%
Of raw materials	suppliers (n.)		375	731	357
	spending (%)		11%	12%	11%
Of services	suppliers (n.)		4,563	3,333	2,363
	spending (%)		38%	34%	36%
<b>TOTAL</b>		<b>suppliers (n.)</b>	<b>5,156</b>	<b>4,279</b>	<b>2,934</b>

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

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

On one hand, there are direct interactions with end consumers, mainly through Artsana's subsidiaries and owned and franchised stores and websites.

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

The COVID-19 pandemic has promoted a shift in the demand for products to be increasingly

sold online. This stimulated Artsana to improve and expand its online platforms to accommodate consumer requests. Therefore, in the last years, Artsana has been further focusing on its digital identity and strategy by exploring the opportunities of social media and digital platforms.

To anticipate market trends and meet customer needs in terms of higher flexibility and proactivity, 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 How we manage our impacts

Sustainability in Artsana is a concrete concept rooted in its values: nurturing the future and acting to support and care for the community and the planet by making the whole value chain more sustainable day by day. To make all this real, the whole organization embeds sustainability in its day-to-day activities and business processes. Since 2016, Artsana has been voluntarily publishing its **Sustainability Report**, which represents the annual disclosure to stakeholders of results, priorities, and targets along the sustainability journey.

In line with its commitment to sustainability, in 2017 Artsana joined **the United Nations Global Compact (UNGC)**, the world's largest corporate sustainability initiative, adopting its Ten Principles on human rights, labor rights, environment, and anti-corruption, and integrating them into its strategy. Moreover, knowing that sustainability

is not a matter that can be faced individually, Artsana also joined the **Global Compact Network Italy Foundation** and participates actively in local working groups, round tables, and activities within the network to address sustainability topics and foster the implementation of the **Sustainable Development Goals (SDGs)** thanks to cross-industry cooperation. Artsana has aligned its goals with the 17 SDGs approved in 2015 by the General Assembly of the United Nations, to call for action and collaboration across industries to end extreme poverty and hunger, fight inequality and address climate change, meaning 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 upon which Artsana focused:





### Ensure healthy lives and promote wellbeing for all at all ages

Guided by strong and shared values, Artsana has always had the health and well-being of the individual at its heart. Solid passion for life summarizes the Groups' mission with sustainability as a daily promise to nurture children, families and communities.



### 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 to understand and support children through every stage of their development with professionalism, 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 of the 21<sup>st</sup> century. Artsana has concentrated efforts on reducing energy consumption and improving energy efficiency and will maintain its commitment to 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** as applicable to all subsidiaries and all processes and functions. In this way, Artsana aims to ensure responsible business both from an **environmental** standpoint by measuring, monitoring, and reducing Artsana's impact, and from a social and governance perspective, by guaranteeing quality in the production and management of its business. The ESG policy is made available to all stakeholders on the Artsana website; its fundamentals are also confirmed in this Sustainability Report. In 2020, Artsana introduced **4 ESG Pillars**

of its **Sustainability Strategy** to confirm its commitment to key sustainability topics, shaping future reporting in terms of achievements and plans on each pillar and topic.

In the following pages, a summary of the 2022 achievements and plans along with the future targets for each of the pillars and topics is provided.

This summary aims to give a clear overview and communicate to all **stakeholders** the Company's approach on how its commitment to sustainability is integrated in the organizational strategies and operational procedures, key aspects of Artsana's sustainability performance.

# GHG Emissions & Climate Change

KEY TOPICS & APPROACH	RESULTS ACHIEVED IN 2022	PLANS AND FUTURE TARGETS
<b>ENERGY USE AND EFFICIENCY</b>	17,313 GJ and 1,550 tonCO <sub>2</sub> saved as a result of the implementation of energy-efficiency measures	Progress in the planned initiatives and technological improvements, completing feasibility assessments for each initiative and implementing solutions to further reduce energy consumption
<b>RENEWABLE ENERGY</b>	93% renewable energy purchased (20,266 MWh renewable energy), exceeding the 80% target of renewable energy purchased by 2023	Increase the % of renewable energy purchased through GOs/I-RECs, in the countries in which Artsana operates  Target: 100% renewable energy purchased by 2026
	63 MWh of electricity generated by the PV systems installed (+425% increase vs 2021)	Installation of additional photovoltaic systems in Artsana plants in Italy (900 kWp) and in Romania (200+ kWp)
<b>GHG EMISSIONS</b>	70% reduction in Scope 2 emissions* in the 2020-2022 period  23% reduction in Scope 1 and 2 emissions* in the 2020-2022 period  *(Market-Based approach)	Implementation of the energy-efficiency plan also through increased renewable energy generation and renewable energy purchase  Target: energy-efficiency measures included in a 3-year plan to avoid generation of >2,000 tons of CO <sub>2</sub> eq p.y.  Preliminary analysis of emissions forecasts for the study and development of possible decarbonization strategies
	54.7% reduction from 2019 in emission intensity (Scope 1 and Scope 2, tonCO <sub>2</sub> e/Mln€ revenues), from 30.85 tonCO <sub>2</sub> e/Mln€ to 13.98 tonCO <sub>2</sub> e/Mln€	Measure and report on the emission intensity to obtain reductions in the upcoming years
	Scope 3 GHG emissions: measurement and reporting on 8 categories of Scope 3 GHG emissions, including Cat. 1 on the whole product range both for 2021 and 2022	Complete measurement and reporting on all relevant categories of Scope 3 GHG emissions (11 applicable categories out of 15)  Identify hotspots and define priorities and pathways for reduction in line with emission forecasts in the framework of possible decarbonization strategies
	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 in line with science and good business practices

# Environmental Sustainability of Product & Packaging

KEY TOPICS & APPROACH	RESULTS ACHIEVED IN 2022	PLANS AND FUTURE TARGETS
<b>PRODUCT &amp; PACKAGING</b>	Analysis of the whole range of product categories in terms of materials used for the identification of pathways to improve environmental performance while reducing the carbon footprint	
	Impact assessment and implementation of reporting tools and processes for the introduction of the "plastic tax" in various countries	
	Extensive application of eco-design principles with special reference to design and testing for product integrity and durability, waste reduction and the introduction of more sustainable materials in products and packaging, such as recycled plastics, plant-based plastics, organic cotton and materials (paper, cardboard, cotton) sourced through responsible sourcing schemes.	Monitor and adopt emerging approaches and standards to evaluate and measure sustainability of products in the relevant categories
	Continued and extended use of e-commerce-proof packaging to reduce the use of supplementary packaging in downstream distribution	Introduction of sustainability attributes in the company ERP to support measurement of KPIs, target setting and management reviews dealing with use of more sustainable materials in products and packaging
	CONAI Award in Italy for eco-sustainable packaging of 1 Goovi product and 6 Chicco products	Continue studies and tests to increase use of recycled materials while maintaining the established high quality and safety requirements
As a result of multiple actions, the following results were achieved on packaging and products:  <i>Packaging</i> <ul style="list-style-type: none"> <li>• Clothing: 41% paper from sustainably managed forests; 51% recycled polyethylene</li> <li>• Shoes: 65% paper from sustainably managed forests; 30% recycled polyethylene</li> <li>• 82% Control's boxes for logistic purposes of products and 100% condom boxes made from recycled paper</li> <li>• more than 85% recycled polyethylene used for packaging of goods produced in Artsana manufacturing plants</li> <li>• 89% packaging paper used in Romania made from recycled material</li> </ul> <i>Products</i> <ul style="list-style-type: none"> <li>• Clothing: 36% cotton is organic/recycled/from responsible sources; 27% polyester is recycled</li> <li>• Shoes: introduction of more sustainable materials (e.g. organic cotton and recycled plastic materials)</li> <li>• Extended use of recycled plastic and sustainable materials in Nursing, Toys and Juvenile area</li> </ul>	Implement priority actions deriving from the screening of indirect GHG emissions (Scope 3) to improve the environmental footprint of products  Evaluate and adopt certification schemes applicable to materials and/or products supporting Artsana's commitment to environmental sustainability of products  Implement Extended Producer Responsibility schemes applicable to product categories and distribution activities	
Overall, in 2022 Artsana used almost 1,250 ton recycled plastic materials in products and packaging		
More details and other initiatives are described in chapter 4 of this Report		

# Social & Human Rights

KEY TOPICS & APPROACH	RESULTS ACHIEVED IN 2022	PLANS AND FUTURE TARGETS
<b>OUR PEOPLE'S WELL-BEING, WORK-LIFE BALANCE AND DEVELOPMENT OF PROFESSIONAL SKILLS</b>	21,346 hours of total training hours	Launch and rollout of the Artsana Learning Platform on all subsidiaries by 2024
	Launch of the new Artsana Learning Platform, which offered 127 courses to 527 participants in 2022	
	7,873 (+20% vs 2021) training hours on job skill development	Integrate the self-training platform with selected traditional trainings to further reinforce the professional skill development of our employees
	7,198 hours of health and safety training for our people	Keep a focus on training on health & safety topics as a key factor to pursue a 0-injury target in the organization
	Involvement of the subsidiaries worldwide through workshops and questionnaires to engage the Artsana community in the review and update of the Company's values	Keep and increase the involvement of our people to grow and continuously move forward in our sustainability roadmap through the engagement of our people, leveraging the international culture and footprint of the company and fostering inclusive leadership and equal opportunities
	Launch of the new "Artsana People Newsletter Worldwide", sent out every month to increase our people's involvement and awareness on initiatives and key facts	
	Launch of Chat with CEO, a monthly informal meeting involving diverse groups of Artsana's employees, coming from different countries and different teams to share ideas and proposals with an open agenda to allow one's own personal contribution in the workplace	
593 people took part to WAVE, the internal program for evaluation, training and professional development	Expand the WAVE program hinged on promoting values and behaviors to the Group's subsidiaries, and extend the evaluation from 180° to 360°	
Launch of the Welcome Back Coaching project, which supports mothers returning to work after maternity leave by offering them 3 individual coaching sessions	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, dedicated support to maternity leaves, services for employees' children, remote working, expert advice on wellness and healthcare, training and support to continuous learning)	
Launch of the Push To Open project, which supports parents and their kids in choosing high school and university courses		
Extension of the offer of products included in the Bebé Box for employees expecting a baby		
<b>CONSUMERS' AND FAMILIES' GOOD HEALTH AND WELL-BEING</b>	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
	Active contribution to the development of multiple new childcare safety standards in the EU and all over the world, including EN/ASTM/ISO standards	Maintain and leverage expertise for innovative, effective and safe solutions
	2,957 members in the Open Innovation Platform (+14%)	Maintain and develop open innovation platform to support and promote innovation
	26,322, online participants and 7,535 in-presence participants to family courses	Maintain and further develop family courses to support parents through additional services and new content formats
<b>SUSTAINABILITY CULTURE AND EDUCATION</b>	Continuation of the MammaE campaign with the Together We Can project, aimed at supporting mothers with children up to 10 years of age, who wish or need to be relocated	Increase internal and external communication on sustainability topics, through institutional reporting and brands' communication to promote sustainability culture and communication
	Equal pay certification obtained by Artsana Spain on the remuneration system based on criteria of transparency and gender equality in pay (equal pay for equal work)	Progress in promoting diversity and inclusion
	Control's campaign "Just the two of us", launched in collaboration with CoorDown, to promote the right of individuals with Down syndrome to enjoy romantic relationships and free sexuality	
	Ongoing participation to the Global Compact Network Italy Foundation, whose purpose is to share and enhance the commitment to sustainability of the Italian members of the UN Global Compact	Actively participate in round tables and peer groups on sustainability topics, contribute to and acquire knowledge on sustainability
<b>COMMUNITIES AND SOLIDARITY</b>	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 the needs of the communities, both at the corporate level and local subsidiaries in the countries
	More than 3,000 products distributed thanks to Baby Spesa SOSpesa	

# Responsible Value Chain

KEY TOPICS & APPROACH	RESULTS ACHIEVED IN 2022	PLANS AND FUTURE TARGETS
<p><b>ESG RATING</b></p>	<p>ESG assessment at the group level on the EcoVadis platform with a Silver Medal rating and a particularly high performance score on Environmental topics and Labour &amp; Human Rights practices</p> <p>Artsana won the "Climate Conscious Company" award in Italy assigned by Corriere della Sera and Statista, ranking 100 Italian companies based on the screening of 2019-2021 GHG emissions intensity reduction of 700+ large companies; Artsana ranked 57<sup>th</sup> in the general ranking and 1<sup>st</sup> in the consumer goods category</p> <p>Artsana obtained the "Legality Rating" (issued by the Antitrust Authority to companies that are ethical, transparent and operate in compliance with the law) with the highest score</p>	<p>Participate in selected initiatives dealing with ESG performance rating to continuously track progresses, identify improvement opportunities and benchmark performances on key sustainability topics</p>
<p><b>ESG GOVERNANCE AND MANAGEMENT SYSTEMS</b></p>	<p>Review and update of the Organizational, Management and Control Model which refers to, inter alia, bribery act and anti-corruption laws and regulations</p> <p>Update of the Privacy Policy for the protection of personal data in compliance with the provisions of EU Regulation 2016/679 General Data Protection Regulation (GDPR)</p> <p>Deployment of training throughout the organization on the Organizational, Management and Control Model, including anti-corruption through the new ad hoc e-learning platform</p> <p>Review and update of Artsana's Code of Ethics to be adopted by all subsidiaries</p> <p>Launch of a 3Y program on governance topics, including the development and introduction of new or updated policies on various ESG items</p>	<p>Formal adoption of the updated Code of Ethics by all subsidiaries worldwide (2023)</p> <p>New policy and tool to support whistleblowing process based on OneTrust application made available to all users (2023)</p> <p>Implementation of the 2022-2025 governance program, including review/update/new anti-corruption, whistleblowing, conflict of interest, human rights and climate change policies</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 &amp; safety, cyber security</p>
<p><b>WASTE AND WATER</b></p>	<p>-4% decrease in total waste generation between 2021 and 2022</p> <p>89% non-hazardous waste sent to recovery</p> <p>Multiple initiatives to reduce the carbon footprint through waste reduction/reuse/recycling/recovery, as detailed in chapter 4 of this report</p> <p>Installation of a 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><b>TRANSPORT AND DISTRIBUTION</b></p>	<p>Continuous efforts to mitigate the negative environmental impacts associated to logistics and distribution by finding the best balance between product costs and production proximity to distribution markets</p>	<p>Develop and implement initiatives to strengthen supply chain resilience and agility to support business growth and grant distribution efficiency</p> <p>Revision of the production and logistics footprint to reduce time-to-market, the impacts of the increased operational costs and the environmental impacts of upstream and downstream distribution (2022-2025)</p>
<p><b>SUPPLIERS' ETHICAL MANUFACTURING AND ENVIRONMENTAL FOOTPRINT</b></p>	<p>Member of SAC (Sustainable Apparel Coalition) in addition to providing continued support to other industry-specific ethical manufacturing schemes, including ICTI ETP (Ethical Toy Program) and Bangladesh RSC on Ready Made Garments; ongoing monitoring of the adoption of Code of Conduct for suppliers in the Supply Chain</p>	<p>Maintain systematic (100%) adoption and verification of Artsana's Code of Conduct applied to suppliers and qualification through social and environmental criteria</p> <p>Update of the due diligence process on human rights and climate change in the value chain (2022-2025)</p> <p>Maintain a risk-based approach for the assessment of suppliers based on criteria relating to human rights and environmental protection in the supplier selection and qualification process</p> <p>Extend the scope and update the model for suppliers' engagement on ESG topics</p>

## 1.2.2 How we care for 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 analyzed its business relationships along the entire value chain, with the direct involvement of the management team and a constant and open dialogue with stakeholders.

In addition, Artsana's Sustainability Committee is always very attentive to considering changes in stakeholder groups and determining effective and efficient ways to engage with them to involve the entire value chain in sustainability topics and collect all possible points of view.

The table below shows the main Artsana's stakeholder groups and, for each category, the channels and means that enable dialogue and mutual engagement.

## Stakeholder engagement model at Artsana

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

**Customer service** allows for the identification and collection of complaints that are later addressed to the area of expertise in order to find an immediate or long-term solution based on the issue. Moreover, this service represents a point of contact between the customer and the Company and can be used to seek advice on the implementation of the policies and practices for responsible business conduct and, eventually, raise concerns.

The **whistleblowing** channel too, can be used for this scope.

Finally, to meet the needs of the whole community taking care of children, and create trusted solutions through its products, Artsana S.p.A. participates and is also a member in some cases, in many industry and trade associations, multi-stakeholder initiatives, and schemes on ethical manufacturing. In this respect, worth mentioning are, for example, the Ethical Toy Program and Sustainable Apparel Coalition. The Company also takes part in various technical committees and working groups, such as the ones organized by the European Committee for Standardization (CEN) in Europe.

## 1.2.3 Materiality analysis

The goal of Artsana's Sustainability Report 2022 is to illustrate the topics that represent the most significant impacts generated by Artsana's value chain on the economy, the environment, society, and the people, also considering human rights. The Sustainability Report has been prepared in accordance with the new GRI Standards, which were published in 2021 and are mandatory for documents published after January 2023.

The new GRI Standards introduced a reviewed version of the materiality process, which now requires an analysis of the **impacts** generated, directly and indirectly, by the organization on its value chain.

Following this reviewed methodology, Artsana determined its material topics after the identification of the Group's potential and actual, negative and positive impacts on the economy, the environment, and the people, including

impacts on their human rights across its activities and business relationships. The Group's impacts were identified by analyzing the context in which Artsana operates. Then, priorities were prioritized according to their **relevance**. The negative impacts have been classified based on two variables, **severity** (evaluated considering scope, scale, and irremediability) and **likelihood**, with the latter being considered only for potential impacts. The positive impacts have been evaluated considering their **significance** (evaluating scale and scope). Finally, a materiality threshold for impacts' relevance was defined and the relevant impacts grouped into material topics for reporting purposes.

This assessment resulted in the identification of 12 material topics, that represent material impacts that the Group has or could have along its value chain:

### Artsana's material topics:

MATERIAL TOPIC	IMPACT DESCRIPTION	FIELD
<b>Energy efficiency and climate change</b>	The consumption of energy from non-renewable sources has a negative impact on climate change. For this reason, Artsana commits to fostering energy-efficient solutions and spreading an energy-saving culture within and outside the Organization to decrease the overall impact on climate change (e.g., GHG emissions reduction programmes).	<b>Environment</b>
<b>Water management</b>	The manufacturing processes are responsible for the consumption of significant amounts of water every year. Aware of this impact, Artsana optimizes water resources' consumption and management, by reducing water spills or losses during the production processes and incentivizing the reuse of water through dedicated investments for the installation of state-of-the-art plants.	
<b>Waste management</b>	The manufacturing sector is responsible for significant amounts of waste produced every year. Therefore, Artsana commits to ensuring efficient waste management, as well as disposal procedures, by complying with all local laws and regulations. Artsana is engaged in constant and continuous efforts to reduce the amount of waste produced.	
<b>Product Eco-design</b>	When designing its products, Artsana also takes into consideration the environmental impact through their life cycle. Artsana is committed to focusing on durability, correct waste disposal, and the use of more sustainable materials in products, including materials from sources managed responsibly.	

<b>Product safety and responsible communication and labeling</b>	<p>Defective products could have negative impacts on customer health and safety. This is why Artsana is deeply committed to ensuring high standards of quality and safety on its products, also through responsible communication. As part of this commitment, Artsana's experts regularly participate in technical committees, working teams, and standardization projects worldwide for the development of future safety standards and requirements.</p>	<b>People</b>
<b>Occupational health and safety</b>	<p>Inadequate health and safety policies can increase the risk of employees incurring injuries and/or professional diseases. This is why Artsana works every day to ensure a safe and healthy workplace, by promoting structured safety management procedures and programs to spread the knowledge of a safety culture.</p>	
<b>Privacy and data security</b>	<p>The exponential growth of personal data collected by companies increases the risk of breaches of consumer privacy. To mitigate this risk, Artsana has implemented a Privacy Policy for the protection of personal data in compliance with the provisions of EU Regulation 2016/679 General Data Protection Regulation (GDPR).</p>	
<b>Respect for human and labor rights along the value chain</b>	<p>Lacking control over the work conditions along the entire value chain could have negative impacts on the people and cause the violation of their fundamental rights. To mitigate this risk, Artsana has identified the values that should guide all the Group's internal and external relations in its Code of Ethics. In addition, Artsana participates in initiatives and programs involving different categories of stakeholders to promote ethical manufacturing, such as the ICTI Ethical Toy Program, the RMG Sustainability Council, and the Sustainable Apparel Coalition.</p>	
<b>Personal and professional development</b>	<p>By delivering courses and classes to its employees, Artsana can positively contribute to improving their skills and professional development. For this reason, every year, Artsana offers its employees both technical and non-technical training courses on various subjects to upgrade their competencies.</p>	
<b>Diversity and inclusion</b>	<p>Artsana is committed to establishing a welcoming, inclusive, positive, and stimulating working environment, by guaranteeing equal opportunities, combating all forms of discrimination, providing welfare programs and benefits, and ensuring proper training and people empowerment.</p>	
<b>Value creation for communities and stakeholders</b>	<p>Artsana makes an active and positive contribution to the development of the local communities in which it operates, by keeping alive its ties with the territory also through the organization and sponsorship of cultural and solidarity initiatives and events.</p>	<b>Business</b>
<b>Innovation</b>	<p>Artsana can have a positive impact on the lives of caregivers and the people at large by meeting different needs through innovation and customized solutions, products, and services targeting the whole community taking care of the children.</p>	



# 2

## How we move with our communities

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Care is the fundamental ingredient of a community: by taking care of each other and leveraging strengths and passions, members of our communities grow together as a group and as individuals.



Artsana strives to nurture the communities of the present and the future by promoting a culture of care and support. The Group's mission is to foster the growth of children by listening passionately to its customers. Artsana intends to design and develop trusted solutions to support families and their future.

To this end, Artsana's product range was carefully designed to effectively address the unique challenges associated with childcare. Each product is tailored to meet the specific needs and requirements of children while simultaneously striving to simplify the lives of parents and caregivers.

Artsana focuses on creating innovative solutions that enhance the well-being, safety, and comfort of both children and their caregivers. Moreover, each product is the outcome of a collaboration between in-depth internal expertise and focused research, built on ongoing communication with a multifunctional network of universities, design schools, creativity training centers, professionals, and customers. By doing so, Artsana can provide a precise and prompt response to the constantly evolving demands of the next generation while ensuring quality and safety, and compliance with the currently applicable standards.

To identify the psychophysical, emotional, and social requirements of kids and their caring communities, Artsana has established the **Chicco Research Center**. Based in Italy, the center collaborates with a global network of medical professionals, academics, and trained parents.

As a result, the Group's brands are always up to date and prepared to provide fresh and useful answers and solutions.

Moreover, Chicco's reliability in creating "science-based" solutions and content is ensured through partnerships with Universities and Hospitals engaged in clinical research or scientific evaluation of goods.

This cross-functional approach also serves as a means of developing internal expertise, one of Artsana's success factors in taking a leading position in the well-being sector with a focus on children and communities.

Artsana connects the research agenda with its own innovation and quality targets.

Artsana may assist caregivers by addressing their primary issues and concerns leveraging its experience and knowledge in infant care and healthcare, as well as via a comprehensive catalog of courses created in partnership with other specialists.



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## 2.1 Side by side with families

For Artsana the concept of caring has no limits, **embracing community**, the **planet**, and **future generations**. By maintaining constant communication with its customers, Artsana aims to create a global community where everyone feels **empowered, supported**, and **heard**.

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

In 2022, Chicco has kept on working on the **#mumAND (#mammaE) campaign**, launched in 2021, enriching it with new initiatives to expand the core concept: support women and their freedom of choice; a woman's aspirations are not and should never be incompatible with her choice of motherhood. Every woman must be in a position to realize herself in all her dimensions, without her choice implying also a renunciation because every woman can be #mumAND much more.

With the launch of the #mumAND campaign in 2021, Chicco concurrently addressed the issue of practicing sports activities during pregnancy. The study conducted by Chicco and Coni entitled *"Pregnancy and returning to high-level sports: a retrospective study of Olympic athletes from Italian teams"* was published in 2022 in the *'Italian Journal of Gynecology and Obstetrics'*. The study, which involved a team of three sports physicians, a gynecologist, two athletic coaches and a statistical analyst, showed that Olympic female athletes could be moms and athletes at the same time. Indeed, one in two female athletes returned to the same international level after her child's birth, 40% won the podium, and 30% won a gold medal.

In 2022, through the initiative **Together We Can**, Chicco continued the #mumAND campaign in Italy by supporting a professional redesign process for mothers, who wish or need to be relocated in the world of labor.

*Together We Can* includes a completely free mentorship project dedicated to unemployed or poorly employed mothers. The initiative was developed in collaboration with Piano C, an association that deals with professional redesign, training, and female empowerment. The effectiveness of this program was reflected in the group and importance of networking: sharing and exchange represent a fundamental feature of the methodology used and the strong point for a restart. Through the mentorship program, Chicco strives to give women the tools to recognize their abilities, the right knowledge to reinterpret their professionalism and pursue their aspirations and present themselves to the world of labor in a more conscious way.

After a preliminary induction phase, 40 women were chosen to take part in two training webinars. Of these, 15 were selected for the complete 3-month professional redesign path, which began in September 2022.

#### Spreading the message of #mumAND

To spread the message in the community, the #mumAND landing page was enriched with new content. Social media channels have been used to boost the message and give support with, for example, a virtual desk where women could ask questions to Plan C and psychotherapists.





### **#mumAND from Europe to America**

The campaign was launched in Italy as described above. Later, also other countries were involved, implementing it in different ways based on local strategies and conditions, knowing that the theme has global relevance and requires specific actions worldwide.

In 2022, in **Spain**, the campaign **#soymadreY** was translated into the **Infinity women initiative** with the “**Juntas somos infinitas**” (“Together we are infinite”) claim, through which Chicco supports women and mothers empowering them to leverage their strong points and be what they want to be.

The initiative was the basis for a study, which demonstrated how women relate to the pregnancy/work balance and how women experience their professional life during maternity. Based on the outcomes, to reinforce talent and achieve better opportunities, Chicco Spain organized 30 training courses on the topics of greatest demand for the current labor market. The courses were

organized with the collaboration of Aula 10, a training center specialized in e-learning training. The campaign was promoted through social media, the company’s website, and advertising material in the stores.

In **Mexico**, Chicco sponsored a generation of 20 moms with the idea of starting a business through the **#TogetherWecanStart** program. For this purpose, a co-branding activity and an alliance with Victoria 147 was developed, a Mexican women-led company that assists enterprises in fostering equality through a new economic system that leverages conscious value. The **#TogetherWecanStart** program includes 6 sessions with business professors and personalities to help selected moms define their business scope and idea. In the end, one winner was selected to complete the business program with Victoria 147 alumni. The winner will be coached to make her business idea come true with a solid down-to-market strategy in 2023.

## Just the Two of Us:

A Project for World Down Syndrome Day 2022

On the occasion of **World Down Syndrome Day** (March 21, 2022), Control supported the international awareness campaign "JUST THE TWO OF US", launched by the CoorDown Association, which works to promote acceptance and inclusion of people with Down syndrome by creating innovative and bold social campaigns. The goal of the 2022 campaign was to promote the right of people with Down syndrome to live a romantic relationship and an independent sex life and receive correct and accessible information to fully enjoy healthy and **free sexuality**, by knowing their bodies, along with the concepts of "consent" and "safe sex" to protect them from potential abuse. For people with intellectual disabilities, the topic of sexuality remains taboo. There is a need for a cultural change involving first and foremost all family members and operators, institutions, and the society. People with Down syndrome are often considered "forever children" and, as such, they are protected or kept away from adulthood, including sexuality, even if they have the same needs as anyone else.

The video of the campaign, which features a couple of young adults with Down syndrome, tells in a hyperbolic way how families tend to be often excessively "protective" vis-à-vis individuals with intellectual disabilities. The message launched by the campaign is: **"Love needs space"**. In support of the campaign, the [www.justthetwoofus.org](http://www.justthetwoofus.org) website offers information and resources about the sexuality of people with Down syndrome and other intellectual disability. The website features a Q&A section on topics related to sexuality, relationships, and self-discovery to answer frequently asked questions from people with Down syndrome, their family members, and caregivers.

Control supported the launch of this campaign also with an activity on its social channels dedicated to information on the subject, through the testimonies of girls and boys with Down syndrome, telling their stories and experiences as a couple.



## Did you know?

For **Control**, it is essential to find the best form of dialogue on prevention to successfully circulate a culture of safe sexuality to young individuals.

For this reason, on **World AIDS Day** on December 1<sup>st</sup>, Control Italy launched a campaign –addressed to Gen Z members – aimed at spreading awareness on how to prevent HIV. In the days before World AIDS Day, social media surveys were launched on Instagram to assess the level of knowledge of young people on HIV and AIDS. The results were revealed on the World AIDS Day and an in-depth discussion was held within the community. Additionally, Control representatives personally visited selected high schools to distribute condoms and raise students' engagement. In Spain, similar initiatives were carried out through education programs in different secondary education centers. Moreover, in collaboration with the Spanish Red Cross, free HIV and syphilis tests were provided to visitors, condoms were distributed for free, and a workshop was organized to discuss prevention.

To spread awareness of sexual safety, Control Italy launched a **summer campaign** under the motto **“Non fare la quaglia” (“Do not make the quail leap”)**. This comprehensive online campaign consisted of the production and publication of a song and video mainly addressed to Gen Z individuals to persuade them to enjoy safe sex by avoiding employing unsafe contraceptive methods such as coitus interruptus. A gaming component was also introduced, engaging the community by challenging users to count how many times they spotted the quail in the video and a prize was awarded to the winner.

These campaigns are crucial in supporting sexual education for young people that often have to rely on the internet or peer conversations for information. The impact of the COVID-19 pandemic has undoubtedly exacerbated the situation, pushing young individuals to rely on the internet or peer conversations for information. In response, Control has decided to invest in education and awareness, without ever forgetting to emphasize respect for individuality.





## Did you know?

To support local communities, in 2022, the Company added **Boppy** to the list of associations with which it actively collaborates and launched the **Momkind Project**. Also, the collaboration with the **Black Mothers' Breastfeeding Association** was continued.

The mission of the Black Mothers' Breastfeeding Association is to reduce racial inequities in breastfeeding support for black families with economic difficulty and low social rank. The collaboration with Boppy focused on the provision of a 2-way education line through an extensive platform represented by Boppy's Facebook and Instagram Lives, regarding product usage through a doula in-kind program. Boppy's support of these educational programs also included nursing support products with an expected usage of 2.5M times a day in the USA.

The **Boppy Momkind Project** aims to support, educate and empower mothers through their journey of motherhood. The goals are to support mothers without judgment, educate parents on safe practices and empower women to create their motherhood.

Activities conducted within the project were focused on mental health, postpartum and self-care, safe product use, and best practices. Other Momkind partners include *First Candle* and *Love for Lily*.

The mission of *First Candle*, Boppy's partner since 2015, is to eliminate SIDS - Sudden Infant Death Syndrome and other sleep-related infant deaths through education while providing support for grieving families who have suffered a loss. In 2022, Boppy collaborated in the "Let's Talk" activity, a training program for under-resourced communities to provide accessible education on safe sleep and safe product use. With *Love for Lily*, Boppy's partner since 2021, the focus is on supporting NICU (Neonatal Intensive Care Unit) families and creating educational opportunities to educate on safe product use considering the uniqueness of NICU parents.



Research and innovation allow for the development of solutions designed for every phase of a child's life and to make everyone who takes care of our children feel empowered, supported, and heard. Our broad brand portfolio takes care of our communities, planet, and future.



### **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 parents, 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.





## BABY BOTTLE P5: a little help to feed our children

Research projects are fundamental to realizing Artsana's mission "Empowering community to nurture our future", that is providing parents and all caregivers with tools that enable them to take care of their children in the best and safest way possible while making it easier for them to carry out their fundamental role.

In 2022, the Chicco Research Center collaborated with the **Department of Neonatology and Neonatal Intensive Care at Sant'Anna Hospital - University of Turin** to evaluate the ability of P5 to ensure coordination between suction, swallowing, and breathing in a population of late pre-term babies.

In late pre-term infants, breastfeeding is not always possible from the first days of their life and the pattern of sucking-swallowing-breathing coordination, necessary for feeding, may not be mature enough and, sometimes, breastfeeding

requires a physical effort that is greater than the newborn's capacity.

As a result, late pre-term infants constitute a population at increased **risk of complications associated with oral feeding.**

The *Intuiflow system* (Equilibrium Membrane and Physio teat) has been studied to determine a more physiological sucking - swallowing - breathing pattern mimicking that of breastfeeding.

The effects of baby bottle P5 usage were analyzed on 20 newborns for around 15 months. The study showed the experimental bottle protects the newborn in the most important phases of the approach to feeding.

This pilot study will be completed in 2023 when the adequate sample size is reached and, if results are confirmed, it may suggest that such bottles may be considered the most valid alternative to breastfeeding in the large population of late preterm infants.

Further studies could also focus on the possibility of extending the use of these bottles also to even more premature or full-term babies but with specific feeding difficulties.





## BOPPY ORGANIC PRODUCTS

Since 2019, in response to consumer preferences and demand, the Boppy brand continued to add Organic items to its line. In 2022, Boppy added 6 products to the Organic line, bringing the total to 22. In addition to Nursing Support, the line now includes 100% Organic Pregnancy Pillow Covers.



### Did you know?



Boppy continued to renew its commitment to children's safety, and in line with this principle, it ensures the proper and confident use of its products. In 2022, the Boppy Pledge initiative was continued, and parents were increasingly involved to confirm their commitment to using products correctly and safely and engaging other parents to do the same by leveraging peer sharing. The goal is to spread safe product use information and safe infant sleeping practices with the help of Boppy parents. With each pledge, Boppy donates \$1 to First Candle to further support its efforts in safe sleep education.



## CARING FOR THE PLANET FROM FORMULATION TO PACKAGING

In 2022, Chicco has been working intensively on improving the environmental sustainability of its cosmetic products, both in terms of their formulation and packaging while keeping high quality unaltered.

In the **Natural Sensation** line, all plastic bottles are made of 100% recycled PET (rPET), and the plastic for all the tubes is 50% recycled (rPE).

Secondary packaging has been eliminated if unnecessary and, where applicable, made of cardboard from sustainable forest management. R&D activities focused on the development of new formulations and packaging for the **Baby moments SUN** and **NaturalZ** lines, expected to be delivered to consumers in 2023.

**Baby moments SUN** formulations will be compliant with the Hawaiian Reef Bill and all plastic bottles will be made of 100% recycled PET (rPET), plastic tubes in 50% recycled PE (rPE), and boxes in cardboard from sustainable forest management. The **NaturalZ** line will have up to 97% of natural origin ingredients.

### Did you know?

Nurturing our future means also taking care of communities' health, especially of the most fragile, including children. **Fiocchi di Riso** designs every single formulation to respect the natural skin balance thanks to the attentive selection of skin-like nourishing active ingredients – that follow the different stages of skin development - and the use of skin-compatible ingredients of the highest quality. In the summer of 2022, Fiocchi di Riso developed a **new line** including three products to protect children during **sun exposure**.

The sun releases many types of electromagnetic radiation with different amounts of energy and ozone layer penetration, which reach the skin. In adults, the skin triggers self-defense mechanisms to repel or absorb part of the radiation, but in children, the procedure is still immature. This is why it is so important to take care

of the skin of the little ones with sunscreen or sun milk with a 50+ protection factor, a water-resistant spreadable texture, and a skin-friendly formulation tested on the most sensitive skin types, without fragrances and potentially irritating alcohol. The treatment should be completed with long-lasting moisturizing and soothing after-sun milk to re-balance the physiological barrier effect of the skin. For the reasons above, the new line launched by Fiocchi di Riso includes 50+ sunscreen, a 50+ spray sunscreen, and an after-sun, all suitable for newborn skin.

Caring for communities means also caring for the planet. All new products are compliant with the **Hawaiian Reef Bill**, contributing to the protection of coral reefs and respect for the sea. They do not contain oxybenzone and octinoxate, two filters deemed dangerous for coral bleaching. To constantly reduce its environmental impact, Fiocchi di Riso is also committed to developing all packaging in recycled plastic in the upcoming future.





## GROWING UP WITH ARTSANA PRODUCTS



Chicco implements sustainability also by applying EcoDesign principles, such as durability and the use of sustainable materials, to a wide range of its products.

The insight into long-lasting mealtime solutions, which make it possible to avoid the waste of products, derived from the interviews with parents.

The interviews were conducted during the implementation of the innovation project related to Highchairs, which investigated also the need for parents of sharing the mealtime moment, resulting in a solution that could facilitate interaction.

It is with this in mind that the new "**Crescendo**" evolutive highchair was designed to satisfy the need for a long-lasting solution without compromising practicality and versatility. The product was designed by taking into account new indoor and furnishing trends both in terms of design and solutions (e.g., peninsulas and foldability for limited spaces).

Concurrently, along with the search for the perfect design, Chicco has been improving product sustainability by choosing textiles made from recycled fiber.

Eco+ is the product line with specific features addressing the commitment to take care of the environment. For example, *Crescendo* will be made of 100% recycled polyester.

Additionally, sustainability has been implemented in a capsule collection on strollers and prams, where attention to the environment was combined with style. Mysa, Best Friend, One4ever, and Goody strollers in the Re-lux collections and Next2me Essential cots are products featuring more than 60% of soft-good fabrics in 100% recycled polyester from post-consumer waste.





## HEALTHIER FOR THE WORLD

Chicco believes that taking care of children also means taking care of the world in which they will be growing up. For this reason, Chicco developed **Eco+ Toys**, specifically designed to ensure the environmental sustainability of the materials used. Eco+ products are made with **recycled plastic, recycled polyester, and bioplastic**, i.e., plastic materials produced from renewable sources, such as vegetable fats and oils, corn, starch, straw, wood shavings, sawdust, etc. With the same concept, the packaging is also carefully designed, using **paper from sustainably managed forests** and controlled sources.

Chicco **Eco+** toys are characterized by a contemporary design and simple, ergonomic shapes to offer an experience suitable for

infants. Colors are soft and accompany the child's play experience with naturalness and positivity toward the future.

The product range dedicated to infants is broad and increases year after year. In particular, the **First Steps Turtle 2in1**, the **toy cars**, and the **recycling trucks** are all new in the Eco+ line, composed of up to 80% of recycled plastic. Chicco has been pursuing an increasingly sustainable choice of materials for a long time, and, in fact, many of the brand's most iconic products, such as the **Baby Rodeo**, are made of recycled materials.



## Did you know?

Chicco distinguished itself at the **Greek Mother & Baby Awards 2022**, which for the 3rd consecutive year awarded and highlighted the quality and innovation of companies operating in the Mother & Baby Care Industry. In particular, Chicco received a total of **8 awards** for its innovative products, which stood out both for the sustainable components and high quality. Chicco is committed to a more sustainable world ensuring respect for the environment, acting responsibly, and taking initiatives to reduce the environmental impact of its products. Its motivation is to promote the idea of parenting in a sustainable world, a concept

that embraces the wider support system of people who care for and love children and, of course, respect the environment.

The award ceremony was organized for the third consecutive time in Greece by BOUSSIAS and was held in October at the ATRAKTOS multipurpose hall. More than 150 high-ranking business executives, representatives of agencies, universities, professionals, and press representatives participated in the event and appreciated the companies that demonstrated the implementation of innovative practices in terms of play, nutrition, transportation, room equipment, care, insurance, baby care, custody and clothing, and, last but not least, mother's care.



## THE NEW CHICCO BABY CARRIER: SKIN FIT

Babywearing is a very widespread and popular nursing practice because it offers benefits for both the baby and the parents. Babywearing is much more than just a child-carrying technique; it means 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. It is a teaching aid that promotes the physical and psychological well-being of the family.

Nevertheless, babywearing must be practiced appropriately with the support of ergonomic products. To guarantee the safety and the well-being of both children and parents, Chicco has established a collaboration with the **Scuola del Portare**, the main Italian training center in the field of babywearing, which supports contact and sustainable parenting, starting from natural parenting, with a focus on natural care.

After the Myamaki Fit Chicco's first ergonomic baby carrier was approved by babywearing experts, a new model – **the Skin Fit** – was launched in 2022.

Both carriers, the Myamaki Fit, and the Skin Fit are approved by the International Hip Dysplasia Institute as a **"hip-healthy product"**





## GROWING UP SUSTAINABLY WITH RECARO

Sustainability cannot exist without smart ideas and quality. This is Recaro's idea behind the design of the **Avan/Kio Base** seats, which can be used efficiently both as an infant carrier and reboarder, and the **Sadena and Celona** strollers built on the same attachment with different single units to fit both. In 2022, Recaro created a 2-in-1 child seat that brings together all the benefits of an infant carrier with the safety and comfort of a fully-fledged reboarder for older infants. Every year, Recaro works to improve its materials and technologies.

Indeed, the amount of plastic for packaging has been replaced by the use of cardboard padding and paper from responsible sources for hangtags, packaging, and manuals. Moreover, packaging has been designed to be reusable. Also, some packaging items feature drawings inside to convert the product into a toy.

At the same time, Recaro recycles discarded bottles and sustainably processes them: with a 100% transparent and traceable supply chain, Recaro uses **fabrics made from recycled PET bottles** for most of its child seats.





## TRAVELING WITH CHICCO

In 2022, Chicco presented the new **Trio Mysa**: the perfect combination of comfort, functionality, and style. This new Chicco product is a **modular system**, leaving parents free to choose the combination that best suits their needs. The design embraces Chicco's idea of being able to adapt to the needs of both infants and parents. The Trio line features the **Mysa Stroller** and the **Mysa CarryCot** with the **Cushy Hug** included. Mysa is also a safe and complete travel system: thanks to fast-in adaptors, it is possible to easily connect a **Chicco Car Seat**.

In particular, the **Cushy Hug** is a multifunctional cushion, compatible with the stroller and the cradle, designed for the postural well-being and comfort of the child. The Cushy Hug adapts following the child's growth to ensure the alignment of the airways and correct posture and make the baby feel contained and protected at all times. This product has been developed by the **Chicco Research Center** in collaboration with psychiatrists and physiotherapists at the Bambin Gesù pediatric Hospital in Rome to better respond to child needs.

The **Mysa Stroller** is approved for newborns up to 22 Kg in weight. It is designed to offer maximum comfort to the child and maximum functionality to the parents.

The **Mysa CarryCot**, together with the whole frame, is extremely lightweight to ensure functionality and easy handling. The carrycot features soft padding with a mattress included and a cover that protects from the cold and wind.

The Trio Mysa is also available in a **Re-Lux version** as part of the collection "Glam Dew", with 60% of the outer fabric made of **100% recycled polyester**.



## SUSTAINABLE AND ETHICAL CLOTHES FOR KIDS

Chicco's commitment to the well-being of children extends beyond traditional care. This is evident in the production of sustainable fashion products made of environmentally friendly materials. Every garment and shoe designed for children reflects meticulous attention to detail, considering the unique requirements of the different age groups. By utilizing various sustainable fabrics and materials, Chicco ensures not only high quality, comfort, and style but also takes care of the environment. The latest Fall-Winter and Spring-Summer collections showcased a broad range of clothing and shoe styles with specific features related to sustainability.

For instance, the collection featured several styles of denim items crafted from **recycled yarns**, as well as outerwear items made from **recycled polyester**. Jackets in the collection incorporated DuPont's Sorona® Aura filling, which combines high-performance fibers with **renewable plant-based materials**. The production of this fiber utilizes 30% less energy and results in 63% fewer greenhouse emissions. This innovative insulation technique enhanced breathability and ensured the **durability** of the garments 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, eliminated the use of chemicals, thus reducing the environmental impact of the manufacturing process.

In one year, from 2021 to 2022, significant improvements were observed in the use of sustainable materials for both clothing and shoes. Concerning clothing production, the proportion of **Oeko-Tex** volumes in the spring-summer collection increased from 36.9% to 45%. Notably, in 2022, the clothing category witnessed a remarkable shift towards sustainability and employed 32% of materials from recycled, organic or responsible sources.

In addition to clothing, efforts towards reducing the environmental impact extended to footwear as well. As a result, the Fall-Winter 2022 collection of **Chicco Children's Footwear** showcased an **ECO+ capsule collection** that incorporates recycled materials in the soles and lining, along with organic cotton insoles. Specifically, in 2022, 25% of the plastic used in shoe production was sourced from recycled materials.

The footwear collection offered various styles, such as Casual double Velcro shoes in technical material with seams and cognac brown details. Insoles are made of organic cotton, with 100% recycled polyester lining.

The soles are made with 80% recycled materials. The Casual double Velcro shoes were also produced in pink using a technical material that featured a cloudy effect and glitter details. The insole comes in organic cotton, the lining is 100% recycled polyester, and the sole with 80% of 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?

### #Genderless.

The **genderless project** was launched in 2022 in collaboration with the students of the Fashion Design, Fashion Communication, and Fashion Marketing courses at Istituto Europeo di Design (IED Milan). It continued throughout the year with both the Fashion BU and the Toys BU working on **gender-neutral product lines** to promote inclusiveness and combat discrimination. In the realm of toys, the challenge was to create dolls that can also be used by boys to foster emotional engagement and empathy in males. Indeed, by encouraging boys to interact with dolls, they develop a greater sense of empathy as they grow up. Concurrently, in the clothing realm, the goal was to push the concept of gender-neutral lines, particularly for parents who desire clothing that goes beyond gender stereotypes during the early years of their child's life.

These product lines align with measures and codes defined by institutions implemented in France, Spain, and Belgium, which discourage and penalize gender stereotypes in childrenswear and toys.



## NEOBABY AND CHICCO PRODUCTS IN RECYCLED MATERIALS

In 2022, Chicco launched its potty composed of **80% recycled plastic** sourced from industrial waste.

After a significant research analysis and an innovation project aimed at creating more sustainable products and packaging, this product had already been launched by Neobaby in 2021. The commitment to using recycled materials led to a reduction of over 5 tons of virgin fossil-based plastic usage in just one year.

## 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, whenever possible, anticipate or exceed regulatory requirements. All business processes are designed and continuously improved following ISO management system standards.

To assure product and process quality, Artsana applies a risk-based approach starting from the design stage implementing a comprehensive testing program on materials and products. Moreover, Artsana has obtained product compliance certifications from the most authoritative independent laboratories worldwide. Product quality and safety are also guaranteed through the quality program that Artsana applies to its suppliers, for their qualification and control, through direct inspections and close monitoring of the supplier's manufacturing processes.

With a constant commitment to product

quality and safety, Artsana experts participate in **technical committees** and **standardization projects** worldwide for the development of **future safety requirements and standards**.

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 built by an industry player. The Lab is equipped with top-notch technologies to recreate and analyze 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, and also on current production to constantly monitor product quality.

Another worth-mentioning initiative in terms of attention to the environment and safe materials is the ClearTex® car seat line in the US, which meets federal flammability standards without the use of fire-retardant chemicals.



For this development, Chicco has relied on independent accredited validation, partnering with the **Cornell Center for Materials Research (CCMR)**.

Moreover, Artsana monitors the performance of its products through a structured responsive process that enables it to manage customer feedback with dedicated posts and pages on Artsana brands' websites.

In 2022, Artsana didn't issue recalls relating to material product safety. Artsana continued the implementation of the recall of the Boppy loungers, initiated in September 2021 in cooperation with the U.S. Consumer Product Safety Commission following reported incidents in the US associated with the use of infant loungers in the sleeping environment against instructions and warnings.

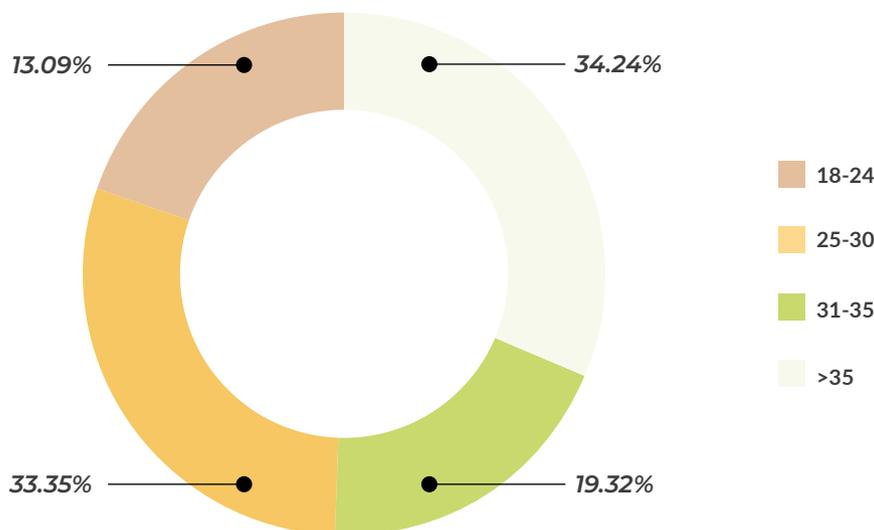
Artsana believes in responsible and clear product and service communication and establishes an open dialogue with consumers through its customer service, including social media platforms. Social media channels are an important point of contact for customer listening and a testing platform to devise solutions for the best customer experience. Artsana also participates in many **multistakeholder tables**, including **industry and trade associations** to

create valuable partnerships for a common goal: improving the quality of life by developing practical, safe and **innovative solutions and services**. Indeed, **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 farsighted vision and extensive 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.

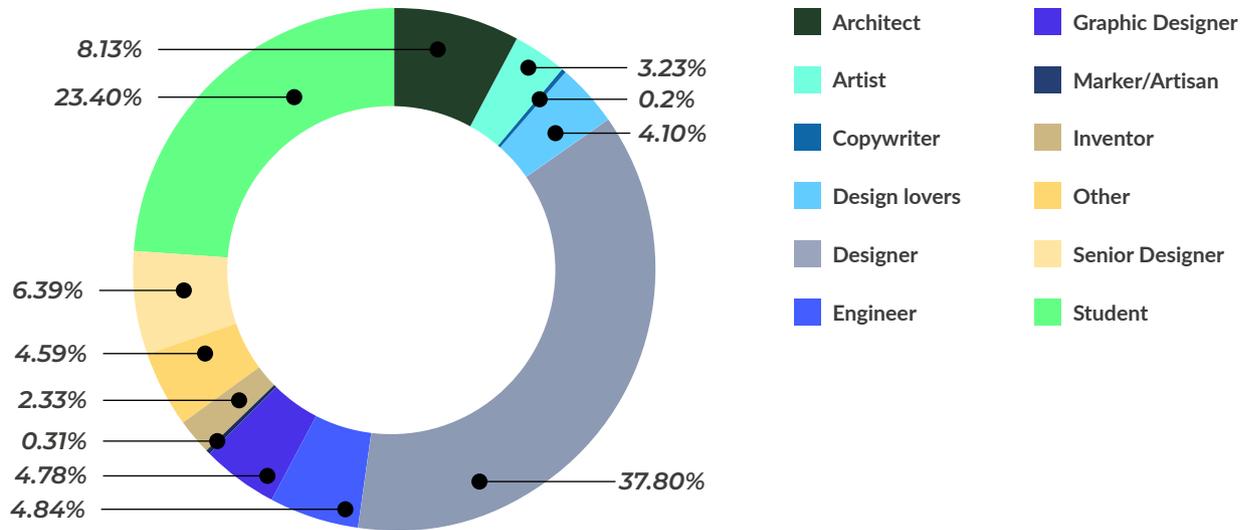
The open innovation approach enhances collective expertise and intuition, stimulates spontaneous participation, and encourages connection with creative people from all over the world. Based on this approach, in 2018, Artsana created an international **Open Innovation Platform** dedicated to the world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

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



In 2022, the activity on the platform continued and the community of innovators is still growing thanks to the unending stimulus provided by the various contest launches, reaching out to almost **3,000 members** including students, young designers, and more senior profiles.

Since the launch of the platform, nine contests have been published with the participation of 450 designers and inventors. All the results have been included in the product development plan. In 2022, Artsana launched a new contest:

**Fit&Function Bra.** Through this new contest, Chicco invited all the participants to deep dive into the world of children and develop innovative solutions for a new piece of Chicco maternity underwear complete with accessories that take into account both the physical and psychological well-being of breastfeeding women. 55 people from all over the world participated, most of them were students, designers, and artists in the 18-24 age group.

### Did you know?

Chicco is constantly searching for new talents to find innovative solutions in line with market trends and meet new generations' needs.

In line with the previous year, a new research project was developed in collaboration with "The Playful Living" at Politecnico di Milano, involving students from 21 Universities all around the world, to develop a product for children's **mobility** to be marketed in the short-to-medium term. International

universities were once again involved to find the greatest number of ideas paying special attention to technical and industrial feasibility and designing the customer journey to the best of their ability.

An event was organized in Milan, where parents and children experienced the new ideas and provided their contributions for improvement.

Chicco strongly believes in the potential of this project, and keeps on investing in it, deploying several resources and skills also for the coming year.

## 2.3 Learning Together

Maintaining an ongoing dialogue with parents has consistently remained a top priority for Artsana. This approach enables Artsana to gain valuable insights into the needs of both parents and their children to provide helpful **guidance and support in** their daily lives.

To accomplish this, the company leverages

various **communication channels**, such as websites, social media platforms, physical stores, and even training activities. In this way, Artsana ensures comprehensive engagement and assistance for parents at every stage of their parenting journey.

### NUMBER OF COURSES CARRIED OUT IN ITALY

	2020	2021	2022
<i>Pharmacies</i>	165	242	245
<i>Baby Shops</i>	127	197	274
<b>TOTAL</b>	<b>292</b>	<b>439</b>	<b>519</b>

In 2022, a total of 26,322 participants attended the online courses offered while 7,535 participants attended in-person.

The Group's various brands, including Chicco, Fiocchi di Riso, and Boppy, have provided a series of **video content** covering a broad array of topics. These videos address important topics such as weaning, breastfeeding, safe sleep practices, and safety in the car. The contents are delivered by experts, including pediatricians, midwives, pedagogues, and collaborating specialists like nutritionists. These courses and video contents aim to educate and support parents in their journey.

The **Chicco website** is one of the most important channels for Artsana to share knowledge with consumers. The website serves as a platform where the Chicco Research Center, in collaboration with its team of experts, drafts and publishes articles, and produces videos on various aspects of child and parental life, such as weaning, safety, breastfeeding, colic prevention,

sleep, pediatric unblocking techniques, pregnancy nutrition, postpartum physical and mental recovery, parenting role, and much more. Information and valuable insights are provided to all interested consumers. Some of these courses are held in person at the Chicco Village in Grandate or the Chicco Stories store in Milan.

Some Chicco stores also organize **local educational events** offering free meetings for families and consumers led by professionals in different areas on topics of interest.

With a focus on professionals, Artsana continues to organize training courses for **pediatricians**, focusing on the proper usage of its products. Furthermore, **training sessions** are conducted for vendors and traders, specifically regarding the Artsana products sold in pharmacies and shops. These efforts ensure that customers receive accurate guidance and appropriate recommendations based on their individual needs.

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## 2.4 Supporting communities all over the world

Artsana has consistently demonstrated a strong dedication to philanthropic initiatives aimed at assisting children and families facing challenging circumstances. The company actively collaborates with non-profit organizations and local institutions within the communities and regions it serves. In 2022, Artsana continued to implement two solidarity initiatives that enabled

the Group to provide support to children in need, making a positive difference in their lives both in Italy and globally. These initiatives, established through enduring partnerships with clear objectives and measurable outcomes, are known as "**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) symbolizes Chicco's commitment to maintaining a strong connection with underprivileged children. The project was launched in 2010 and, since 2017, it has been supporting the **CAF Association (Centro di Aiuto ai Minori e alla Famiglia in crisi)** that aids five caring centers supporting child victims of violence and abuse thanks to skilled pedagogues and psychologists and helps families in trouble.

In 2022, the **Chicco di Felicità project** supported fragile parenthood by offering concrete support to many families in crisis and assisting those who applied for a foster care placement. Thanks to the funds raised by the Chicco di Felicità project, CAF Association succeeded, on the one hand, in offering families of children taken in targeted psycho-pedagogical support the possibility of regaining lost or deteriorated parental functions; on the other, it accompanied parents in the delicate path leading to the fostering experience. These two parenting support services have had a positive impact not only on the family system but also on society and the community of reference.

The most significant results of the initiatives undertaken to support the families facing crises include an increased number of children returning to their families, thus reducing the time spent in the community. This reception project was successful in meeting children's needs for protection, care, and exclusive affection. Their families had a possibility of increasing their level of awareness and acceptance of the fostering experience, and the number of minors waiting to start a fostering process decreased.



## 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 following goals:

- save the lives of children with serious heart defects, most of whom are born in developing countries without access to medication, adequate health facilities, and skilled medical staff;
- develop local hospital autonomy through the provision of training programs.

### SOME FIGURES (2013-2022)

From 2013 to date, **9 Artsana branches** have been involved in this international project: Belgium, China, France, Germany, Russia, Spain, Switzerland, the UK, and the US.

Since 2013 Artsana has:

- **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 to local doctors** through an international medical team;
- **performed 7,810 diagnostic screenings**, which resulted in **441 children receiving surgery** and being saved from serious heart diseases.

In 2022, Artsana ensured access to life-saving screening and treatment to almost **700 children** from **Nepal, Zimbabwe, Zambia, Albania, Uganda, Kosovo, and Kenia**.



## OTHER SOCIAL INITIATIVES

In addition to annual solidarity projects, and in support of those who need it the most, Artsana implemented several initiatives and offered its contribution through different donations.

Chicco has renewed its commitment to supporting children in difficulty, consolidating its collaboration with the Mission Bambini Foundation.

In 2022, Chicco stores hosted the “Baby Spesa SOSpesa”. The initiative was launched to collect necessities to be donated to Italian children and families in difficulty. Chicco staff invited customers to add necessities to their purchases to be later given to families in difficulty and their children.

**Over 3,000 products were collected** and distributed to **more than 100 families** in Milan, Bari, and Naples.

Through the “**Amici di Como**” Association, **Artsana donated 500 Chicco toys** to children and families in need in the city of Como and the surrounding municipalities for Christmas. Moreover, in 2022, as in previous years, Artsana made donations to the **Banco di Solidarietà di Como**. The donations were meant to make families in need receive basic foodstuffs directly at their homes for Christmas.

Since 2011, Artsana has awarded 2 scholarships, entitled “#mammaE, in memory of Pietro Catelli, founder of Artsana Group” to deserving female students of the Politecnico di Milano.



## Did you know?

In 2022, Artsana received recognition from the Italian Senate as one of the **Italian excellences** with a global reach.

On Saturday, July 16<sup>th</sup>, at Palazzo Madama, the Catelli Family received an important prize for having made Artsana synonymous with

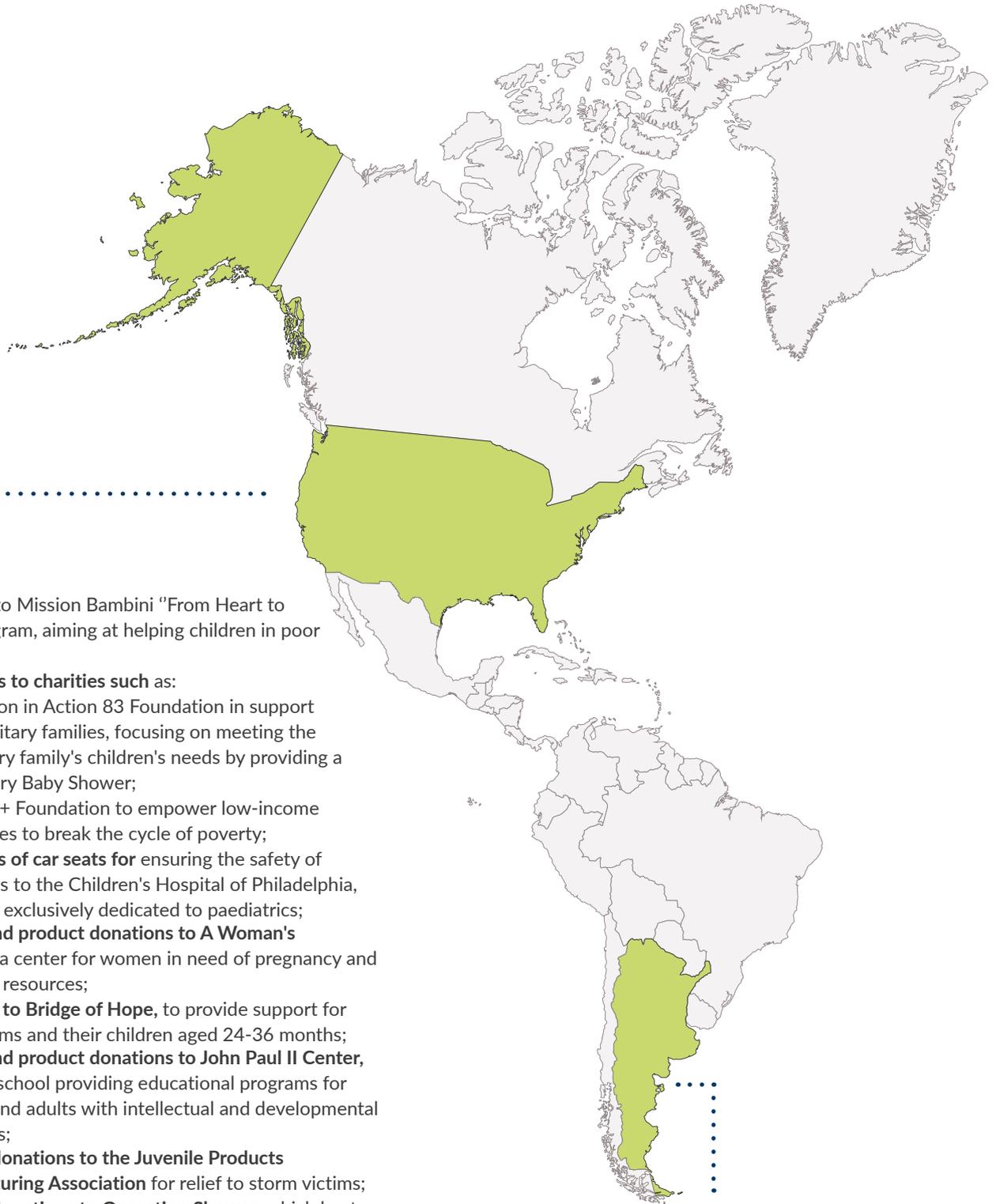
Italian excellence in the world. The award ceremony was held on the occasion of the 24<sup>th</sup> appointment of Senato&Cultura, the review of events that, since 2019, has seen the Senate and Rai Cultura committed to enhancing the artistic and cultural heritage and the talents of Italian "know-how", bearers of Made-in-Italy products in the world.



To concretely **support families and children** involved in the **Ukrainian conflict**, Artsana has organized specific initiatives in collaboration with its partners in the territory. Through the Polish branch, Artsana actively collaborated, in coordination with the Italian Embassy and Caritas, to respond to needs in a structured and continuous way, by sending over 600,000 nappies, wipes, and detergents. Over 55 pallets, amounting to over 19,000 kg of sanitary and hygiene products, mainly dedicated to children, were delivered to the border towns of Poland, where many people had found shelter. Moreover, Artsana's production unit in Botosani (Romania) contributed by making gowns for the

volunteers who assisted the refugees arriving in Siret, the border town. The staff of the plant chose to lend their professionalism and time free of charge, working extra hours. In Romania, the Chicco distributor launched a campaign to collect products that were distributed to the refugees. Chicco continued to actively support the population affected by the war in Ukraine by donating Chicco baby bottles and cosmetic products to the Papa Giovanni XXIII Community, founded in 1968 by Don Oreste Benzi, to combat marginalization and poverty. The #StoptheWarNow caravan left at the beginning of October 2022 to reach Mykolaiv and join the Italian volunteers of the Association.

## 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" program, aiming at helping children in poor countries;

- **Donations to charities such as:**
  - Jackson in Action 83 Foundation in support of military families, focusing on meeting the military family's children's needs by providing a Military Baby Shower;
  - Good+ Foundation to empower low-income families to break the cycle of poverty;
- **Donations of car seats for** ensuring the safety of new-borns to the Children's Hospital of Philadelphia, a hospital exclusively dedicated to paediatrics;
- **Money and product donations to A Woman's Concern**, a center for women in need of pregnancy and parenting resources;
- **Donation to Bridge of Hope**, to provide support for single moms and their children aged 24-36 months;
- **Money and product donations to John Paul II Center**, a private school providing educational programs for children and adults with intellectual and developmental disabilities;
- **Product donations to the Juvenile Products Manufacturing Association** for relief to storm victims;
- **Product donations to Operation Shower**, which hosts baby showers for US military families.

### Argentina

- **Artsana Argentina donated pacifiers for premature babies to Allende Clinic.** More than 1,600 deliveries take place per year, of which 20 correspond to premature deliveries with babies whose weight is less than 1,500 gr.

France

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

Belgium

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

Switzerland

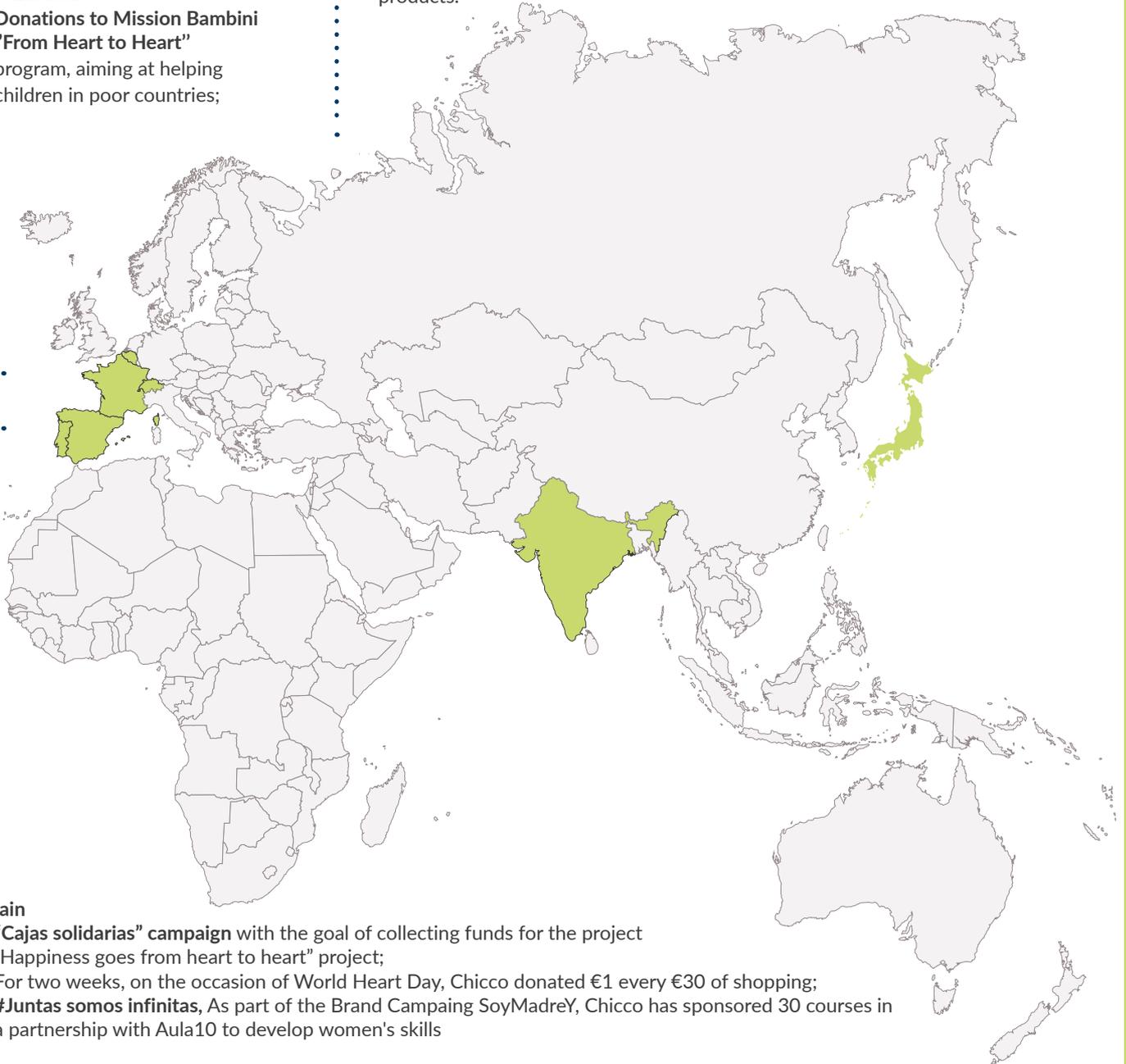
- Donations to Mission Bambini "From Heart to Heart" program, aiming at helping children in poor countries;

Japan

- Artsana Japan supports the Hope International Development initiative by donating products and participating to event;
- Support to underprivileged families and children within the JP society, by donating new but out seasoned child seats to 9 nursery and child care homes in Osaka.

India

- Donation to unprivileged children.
- Artsana undertakes initiatives to minimize generation of Plastic Waste through Recyclers and waste processors by recycling the Plastic so that the recycled plastic can be used in New Product development or as raw material for other products.



Spain

- "Cajas solidarias" campaign with the goal of collecting funds for the project "Happiness goes from heart to heart" project;
- For two weeks, on the occasion of World Heart Day, Chicco donated €1 every €30 of shopping;
- #Juntas somos infinitas, As part of the Brand Campaign SoyMadreY, Chicco has sponsored 30 courses in a partnership with Aula10 to develop women's skills

Portugal

- In 2022, the "A Purchase with Twice the Love" initiative was launched to help equip the Neonatal Intensive Care Unit at Hospital de São Francisco Xavier, to improve the quality of life of premature babies.
- In 2022, the Portuguese comedian Mariana Cabral organized a charity babyshower to support a Baby Institution. The shower was actually a live stand-up show about parenting for 3,000 people attending and 100k online. Artsana's commitment as sponsors was to support 70 families with baby care products.

# 3

## How we care for the Artsana community

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Artsana takes utmost care of its communities, including clients and its people while promoting growth and well-being.



Artsana is committed to promoting the well-being, personal growth, professional development, and safety of its **employees**, recognizing their importance as **the throbbing heart of the Group's success**. Indeed, Artsana is extremely aware of the importance and value of nourishing communities. By providing mutual support and care to each other, Artsana's people can flourish, grow, and contribute to the Group's mission. As in previous years, the Group's management confirmed its commitment to dedicating resources, professional skills, and personal experience to safeguarding the health and safety of its employees. Artsana's management also confirmed its intention to promote employee well-being while facilitating their professional development. The culture of **innovation**, the care for **professional growth, competence sharing, talent development**, and employee **integration** into the organization are the pillars of the Group's identity. Artsana's **ESG policy**, which outlines the principles of social, environmental, and corporate governance sustainability adopted by the company,

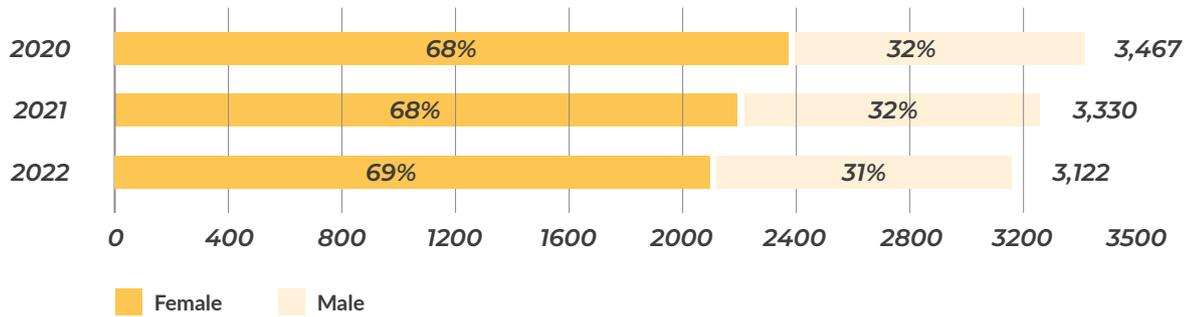
well reflects the Company's strategic priority in guaranteeing the well-being of its employees as well as an inclusive and positive work environment. Moreover, the Covid-19 pandemic made people understand how important it is to dedicate time and energy to the significant moments of one's life, and Artsana decided to implement several initiatives to help its workers achieve a better **work-life balance**, a value that has become increasingly important for Artsana. For instance, workers at the Headquarters and in the majority of the subsidiaries are given access to remote work on a routine basis.

At the end of 2022, the **headcount** totaled **3,311 people**, including interns and agency workers, showing a slight decrease vs 2021 (-8%). The number of employees has also decreased marginally (-6%). The reduction in the overall workforce was caused by reductions in the total number of employees in Spain and Portugal, as a result of some shops being closed; in Romania, where terminations were linked to low production volumes, and in Italy, where incentives were provided for early retirement.



TOTAL WORKFORCE		UNIT	2020	2021	2022
<b>TOTAL</b>		<b>n.</b>	<b>3,853</b>	<b>3,616</b>	<b>3,311</b>
<i>Employees</i>		n.	3,467	3,330	3,122
Of which	<i>Agency workers</i>	n.	340	238	149
	<i>Interns</i>	n.	46	48	41

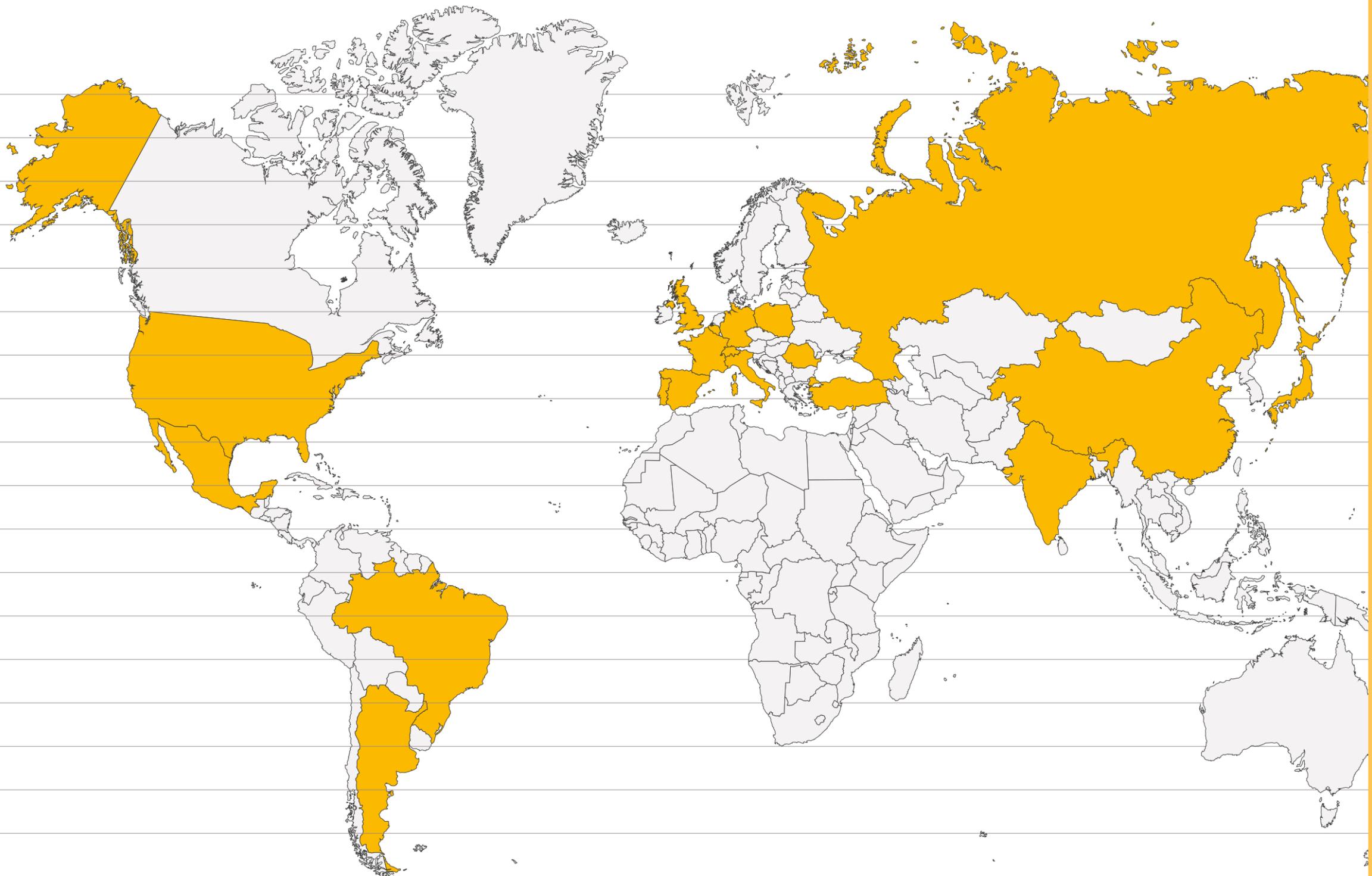
### Total employees by gender in 2022 (%)



From a geographical standpoint, employees are distributed globally but most of them are located in Italy, Romania, Portugal, Spain, and China, which cover more than 81% of the Artsana workforce, and where the headquarters, factories, warehouses, and

many shops are located. It should be noted that in 2022, no cases of discrimination on grounds of race, color, sex, religion, political opinion, national or social origins as defined by the ILO were recorded.

EMPLOYEES BY COUNTRY	2020	2021	2022
ITALY	36.7%	37.3%	37.3%
ROMANIA	22.8%	20.5%	19.0%
PORTUGAL	11.3%	11.1%	11.2%
SPAIN	7.8%	7.6%	7.4%
CHINA	5.8%	6.1%	6.3%
INDIA	3.1%	3.1%	3.4%
USA	2.6%	2.8%	2.0%
TURKEY	2.5%	2.4%	2.6%
MEXICO	0.9%	2.2%	2.1%
BRAZIL	1.0%	1.2%	1.3%
GERMANY	1.1%	1.1%	1.3%
RUSSIA	1.0%	0.9%	1.1%
FRANCE	0.9%	0.6%	1.1%
UK	0.5%	0.6%	0.6%
ARGENTINA	0.6%	0.5%	0.7%
POLAND	0.5%	0.5%	0.5%
SWITZERLAND	0.4%	0.5%	0.5%
BELGIUM	0.3%	0.3%	0.3%
JAPAN	0.2%	0.2%	0.3%



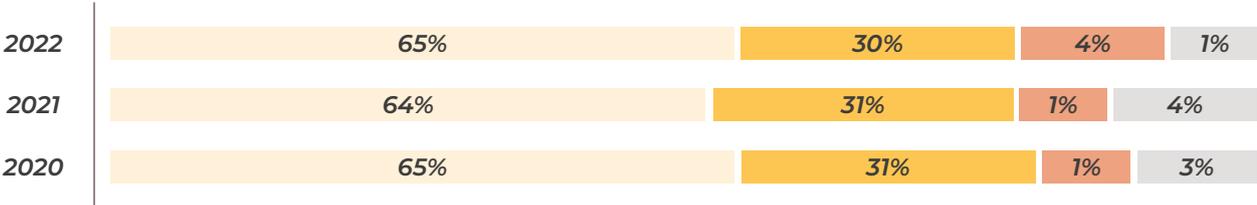
Germany data include both Artsana Germany and Germany Recaro employees.  
 Spain data include both Artsana Spain and Tecnilatex employees.  
 US data includes both Artsana USA and Boppy employees.



Concerning the **type of contract**, in 2022, 95% of employees worldwide had a permanent contract, a stationary value compared to 2021 and 2020, while 5% of employees had a temporary contract. On the other hand, 9% of employees have a part-time contract. Artsana considers part-time

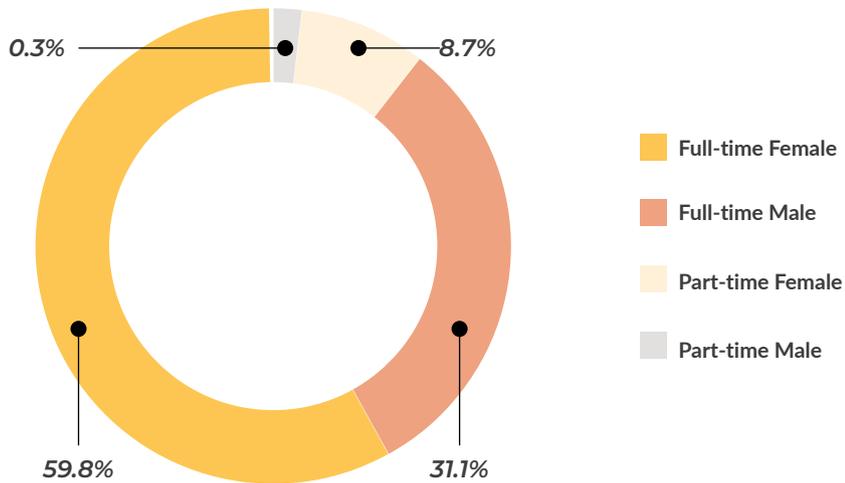
work to be one of the most important levers of flexibility, not only does it represent an option for employees to better manage their personal life, including family care, but it is also a tool for the Company to accomplish organizational and business needs.

**Employees per type of contract (Permanent or temporary)**



Permanent male
  Permanent female
  Temporary male
  Temporary female

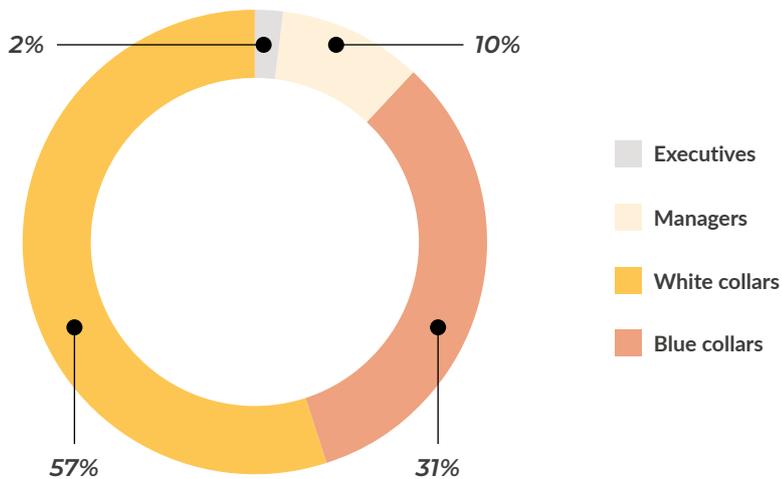
## Employees per type of employment in 2022 (full-time or part-time) (%)<sup>2</sup>



<sup>2</sup> It should be noted that in 2022 there were two people with a non-guaranteed hours type of contract; this number equals 0.06% of the total number of employees in 2022.

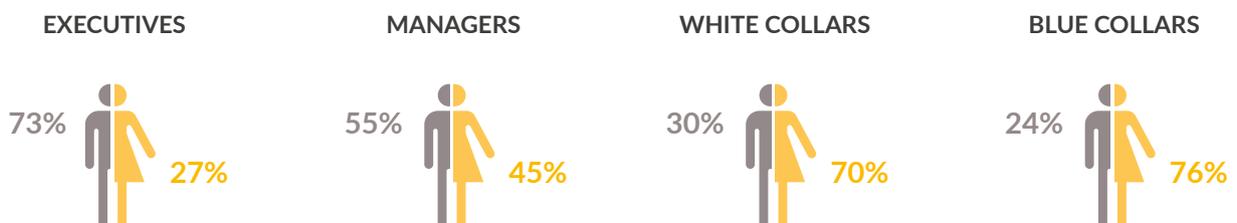
The percentage of employees covered in 2022 by **collective bargaining agreements** is 79% . This percentage varies from country to country depending on national laws. In countries such as Italy, France, Germany, and Spain, for example, the percentage is 100%. **Regarding employee categories**, 88% of total employees are blue and white collars, and the remaining 12% is represented by executives and managers.

## Employees per professional category in 2022 (%)



<sup>3</sup> 2020 and 2021 data (100%) represented an assumption based on the fact that Artsana complied with national laws and regulations. Starting from 2022, punctual data have been collected from the entire Group, to represent a more accurate figure.

## Employee category by gender in 2022 (%)



Regarding **age group classification**, the largest group of Artsana people are between 30 and 50 years old (60%), while 11% are younger than 29 years old and 29% are older than 50.

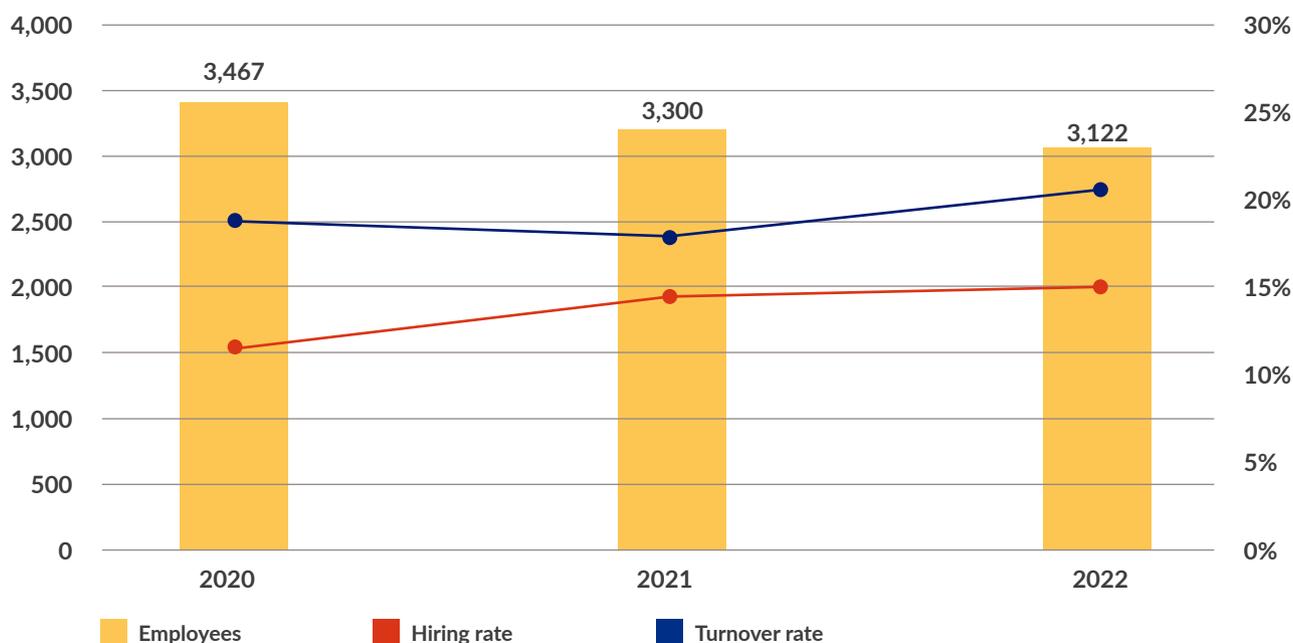
**The turnover rate**, calculated as the number of voluntary and non-voluntary terminations in the reporting period over the total number of employees at the end of the same period is equal to 21%; the turnover rate has therefore increased compared to 2021 when it was equal to 18%. This increase is compensated by a slight increase in the **hiring rate**.

The latter is calculated as the number of newly hired employees per year over the number of total employees at the end of the reporting period and it has indeed registered an increase from 14% in 2021 to 15% in 2022; in fact, the Company has been working on a global scale to

acquire new and innovative skills, particularly in the areas of digital technology and marketing. This strategic approach reflects the Company's recognition of the rapidly evolving landscape in these fields and its commitment to staying at the forefront of industry trends.

Artsana strongly believes in young people who bring innovation and new ideas but also in robust knowledge that only experience can assure. For this reason, changes in the workforce must be carried out rationally by considering both Company's and employees' needs. In 2022, Artsana gave employees the possibility to retire early: workers appreciated the initiative and 100 of them joined the program. These employees will be progressively exiting Artsana throughout the two-year period 2022-2023.

### Employee Hirings and Turnover rates



## 3.1 Taking care for Artsana people

Artsana encourages foreign experiences, cross-functional growth across various business units and roles, graduate programs, and ongoing training for managers and professionals to appreciate the potential of its employees and support development inside the organization. In 2022, the Group implemented several initiatives to **guarantee the fulfillment of employees' work lives** and allow more and more balance between personal and work life.

These initiatives were implemented within the framework of **#Conciliamo**, a bid launched in 2019 by the Department for Family Policies. The bid's objective is to enhance employees' welfare through the financing of projects for the promotion of **work-family conciliation**. Artsana presented a successful proposal which was approved by the examination board thus making it possible for the Group to implement various initiatives which span a two-year period (2022-2024). In 2022, to support parents and promote their work-family balance, Artsana launched three important projects. The first one, **Welcome Back Coaching**, addresses new mothers re-entering their job after maternity leave and supports them throughout this challenging period by offering them 3 individual coaching sessions of 1 hour each. The sessions will be delivered by an ICF (International Coaching Federation) accredited professional coach with parent coaching experience who will help mothers to identify skills that can be developed thanks to the parenting experience and apply them to their professional activity by leveraging them as strengths.

In the same year, the project **Push To Open** was launched to support parents and their kids in the choice of their high school and university courses. Indeed, Artsana acknowledges that this is an extremely delicate moment in the life of a young adult, and cares about providing useful tools to make sure that they make an informed choice that aligns with their passions and ambitions for the future.

Finally, in 2022, Artsana decided to expand the offer of the products included in the **Bebé Boxes**. These kits are gifted to all employees with an incoming newborn to provide them with concrete support in this new chapter of their lives. Each new parent is provided with two virtual cards through which they can pick up a supply of nappies and the best baby care products free of charge in the relevant Chicco shop.

Other important initiatives addressing Artana's employees, with and without children, will be implemented throughout the year 2023 and will focus on different areas, such as mobility, diversity and inclusion, training, and physical and mental health and well-being.

Along with the initiatives which have been launched within the framework of **#Conciliamo**, Artsana has continued to provide other important benefits to improve the well-being of its employees. For example, after the birth of their babies, all mothers and fathers receive a kit with Chicco products and can take advantage of significant discounts 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. Moreover, to encourage work-life balance, Artsana offers its employees a series of "family tools" such as the **"Children Village"**, a nursery school that has been specifically created to meet Artsana's and local families' needs. It is a corporate day-care service, open to the children of Artsana's employees living both in Grandate and in the neighboring cities.

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 personalized vouchers, services, and goods and allocate shares to pension funds.

During 2022, flexible benefits could be used also to pay energy bills, and an economic bonus was assigned to all employees with the same goal to help them to face the inflationary context and the resulting economic crisis.

In 2022, Artsana worked on strengthening internal communication and increasing the involvement of people working in the Company, by sharing with them news, information, and events. The main goal is to promote a growing sense of belonging and engagement.

One of the projects concerning internal communication included **“Artsana People”**, the internal newsletter conceived to increase employee involvement in Company life. It was set up in September 2021 and it has continued throughout 2022 with the aim of keeping all the internal stakeholders continually informed and engaging people so that everyone can have an active part in creating value and propose content to concretely communicate interactively and transparently.

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. To enable interaction with readers and to promote the continuous improvement of the initiative, feedback has been periodically requested. The responses were very positive since the percentage of readers among Artsana employees has remained high and a significant part of them proactively took part in sending news to the newsletters. Also, the satisfaction rating on the newsletter contents has continued to receive positive feedback.

## Did you know?

In 2022, Artsana Spain received the Remuneration Audit Certificate in accordance with Royal Decree 902-2020, of October 13, 2010, on equal pay for women and men.

During the certification process, the Company was subject to an evaluation methodology, whose objective was to understand, analyze and diagnose the Remuneration Practice, by means of rigorous econometric modeling.

The Rating given is based on 2 criteria:

1. Degree of Compensation Transparency.
2. Impact of the Gender Variable on the Client's Compensation Practice.

The achievement of this certification by Artsana Spain makes the Group proud of its progress toward increased gender equality.



## 3.2 Improving our people knowledge

Investing in its own **people's** development is a priority matter for Artsana. Therefore, Artsana whole-heartedly promotes their development, by offering them the opportunity to enjoy a series of activities aimed at **encouraging** their **personal and professional growth**.

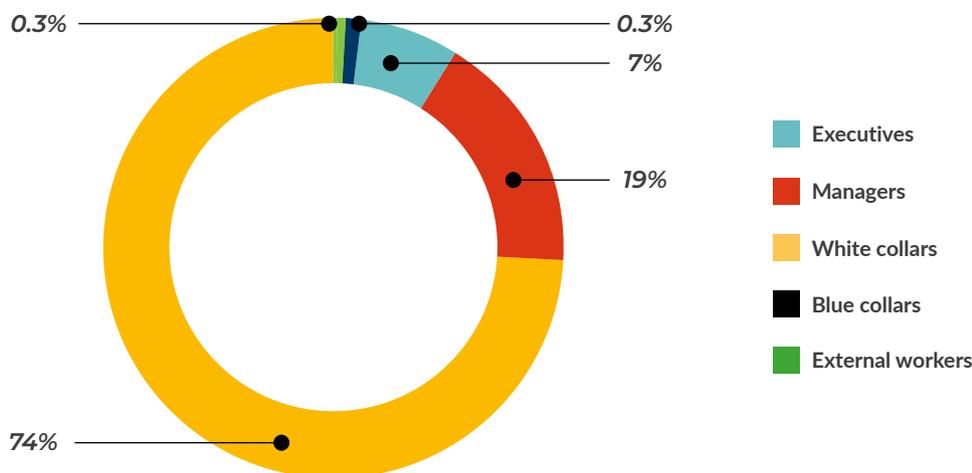
In particular, the Group strives to foster transversal competencies, and to this end, it offers the necessary training and tools to allow for continuous learning. Artsana provides employees with both technical and non-technical training courses on various subjects such as innovation, negotiation, entrepreneurship, the international management of different communication channels, problem-solving, decision-making, English courses, and employee performance. In 2022, within the framework of #Conciliamo and with the aim of improving its training offer, a new e-learning platform was launched – Artsana Learning – which allows employees to access a wide range of courses based on their personal interests and professional needs and to build their personalized learning journey.

Guidance of all training and professional development of Artsana people is conducted through WAVE (**We Are the Value of the Enterprise**), a crucial activity that has continued throughout 2022. This is an

evaluation program created in 2018 to support the continuous improvement of employees, a personal assessment based on Company values and behaviors, followed by a personal development plan. The aim is to measure employees' performance in achieving the organization's objectives during a set period, through a performance evaluation system of employees' soft skills concerning the company values (**Passion, Responsibility, Innovation, and People**) and the behaviors associated with them. In particular, in 2022, WAVE focused on spreading awareness of the new Company's values and mission, to make sure that all employees are aligned on the new principles moving the Group's actions.

The evaluation is carried out on three levels: self-assessment, assessment by direct managers, and assessment by clients and/or internal suppliers, centered 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 and personal and professional growth are encouraged. Based on this process, each person is engaged in the relevant training and coaching, and specific programs are set up for young people.

### WAVE 2022 Participant Overview

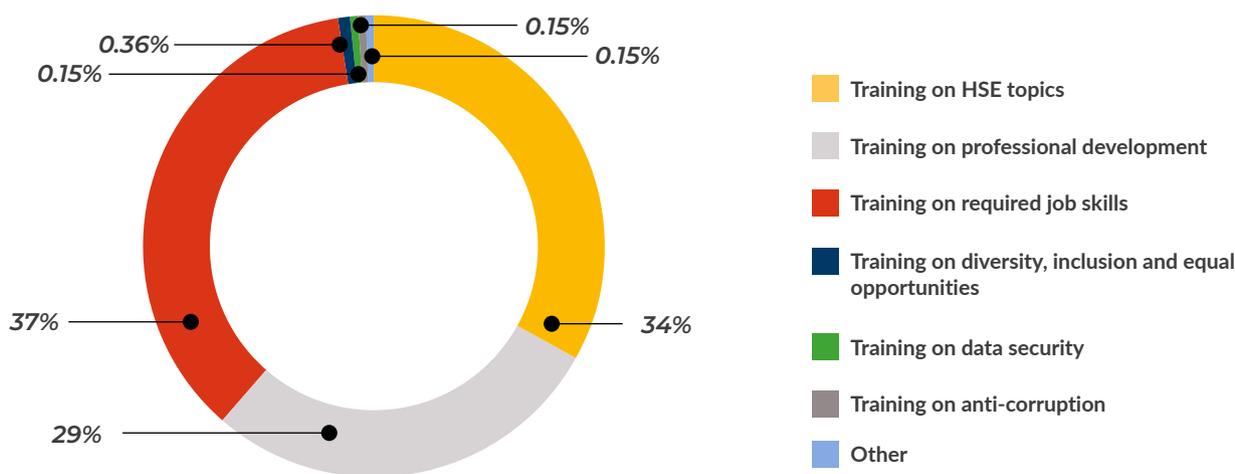


To offer employees the specific training they need, based on their roles, skills, and competencies, Artsana designed a **training program** based on their specific career paths within the organization.

This program was conceived to develop both employees' required job skills, which represent the most discussed topics during the training courses (37%), and other skills for professional development, such as foreign languages, soft

skills (Internal Negotiation, Public Speaking, Time Management, Problem Solving), which accounted for 29% of the total training hours. Also, in 2022, more and more importance was given to training on diversity, inclusion, and equal opportunities: indeed, Artsana aims to increase awareness of the importance of deeming diversity as a strength by making its employees learn how to work in heterogeneous teams and to generate value from people's differences.

## 2022 Percentage of training hours by topic



Successfully, from 2021 to 2022 the total number of training hours increased from 17,095 hours to 21,346. Consequently, per capita, training hours increased from 5.1 to 6.8.

Aiming to improve the 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 employees' self-confidence, 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 careers 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, in 2022 Artsana has gone on with the **assessment & individual plan for new hires at all levels**, as in 2021. This plan aims at evaluating Artsana people, both from a technical and soft skills point of view. This assessment plan allows young employees to understand which are their strengths and areas for improvement, to best perform and excel.

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.

As in 2021, also in 2022, Artsana proposed to its employees an individual assessment laboratory, called **Lead Lab**. This project aims to

foster awareness of individual leadership styles, stimulate personal responsibility regarding a self-development and conscious career management program, as well as to support the individual in finalizing a specific development plan consistent with personal needs.

This path was divided into different phases in which the **participants were assisted by a coach**, who supported them in identifying specific leadership competencies, by filling in

questionnaires and using leadership tools, such as LEA - Leadership Effectiveness Analysis - a set of tools for individual and organizational development, designed around a common model of leadership behavior.

The individual assessment ends with the evaluation of the progress made through meetings with the Company and a future action plan is established together.



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

Aspects and issues related to people's **health and safety** have always represented a priority for Artsana. To formalize its commitment, the group has adopted an **HSE Policy**, which reflects Artsana's values and vision about the fundamental aspects of workers' health and safety. Also, the Company has a Health & Safety Management System to manage all the H&S aspects, even if not certified.

Among the large number of activities put in place by the Group to strengthen employee's awareness on this topic, there are **continuous training and information**. Indeed, in 2022 the training courses focused on health and safety offered to employees amount to 7,198 hours (2.3 h/employee), registering an increase of 24% compared to 2021. Every year, Artsana monitors the number of injuries to implement, where the Group has direct control, actions aimed at limiting the risks causing such accidents.

In 2022, the main injuries were a result of slips, stumbles, bumps, uncoordinated movements, incorrect lifting, and falls. In particular, in Spain and Portugal, where a higher number of injuries was registered compared to previous years, they occurred while picking up boxes or they were caused by sudden movements and fall while walking.

To have a complete understanding of safety aspects within Artsana's workplace, the Group monitors also injuries among other (third-party) groups of workers (e.g., transporters, maintenance workers, cooperative members, and visitors), who are not Artsana's employees. Compared to the previous year, the high-consequence injury rate for external workers has grown from 0 to 5, because of 1 high-consequence injury which involved a worker of a cooperative working in Verolanuova, who collided with a parked reach truck while driving a power pallet.

### Did you know?

Artsana has made a strong commitment to providing high-quality health and safety training, and as part of this effort, it has taken steps to introduce more interactive and original types of courses. For example, in the warehouses of the Grandate's plant, an innovative approach was adopted with the setup of a **theatre drama**. This drama showcased two individuals who were involved in a near-miss accident. As they engaged in a conversation, they took a walk around the warehouses, reflecting on various health and safety risks and discussing preventive measures to avoid accidents. Similarly, in the HQ offices of Grandate, a unique **six-episode sitcom** was developed to raise awareness about health and safety risks. This sitcom followed the activities of two main characters throughout a typical workday, incorporating scenarios that highlighted potential hazards. Finally, at Verolanuova's plant, a **fifteen-minute sitcom** was produced: the main character, Nicola, moves around the plant carrying out his responsibilities, and when he faces health and safety hazards, his good and bad conscience appear, one embodying responsible and correct behavior, while the other one personifies laziness and irresponsibility. The inner struggle depicts Nicola's decision-making process in confronting health and safety risks, thus emphasizing the choice between acting responsibly or taking a negligent approach.

By illustrating these risks in a comedic and relatable manner, the sitcoms and the theatre drama aimed to educate employees on the importance of identifying and addressing potential dangers in their daily work routines: this creative approach seeks to make health and safety training more enjoyable and memorable, fostering a culture of awareness and responsibility among the workforce.

Health and safety - employees		UNIT	2020	2021	2022
	Number of injuries	n.	57	54	59
	Injury rate [number of injuries/hours worked x 1,000,000]	n.	11	10.3	9.6
	Number of high-consequence work-related injuries	n.	1	0	0
	High-consequence injury rate [number of injuries/hours worked x 1,000,000]	n.	0.2	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.	5,189,591	5,244,399	6,129,583

**Note:**  
 2021 hours worked do not include Russia  
 2022 hours worked in Portugal have been estimated

Health and safety - other workers		UNIT	2020	2021	2022
	Number of injuries	n.	5	5	5
	Injury rate [number of injuries/hours worked x 1,000,000]	n.	24.6	32.7	25.48
	Number of high-consequence work-related injuries	n.	0	0	1
	High-consequence injury rate [number of injuries/hours worked x 1,000,000]	n.	0	0	5.1
	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.	203,396	152,715	196,214

**Note:**  
 2020 and 2021 hours worked do not include Italy  
 2022 hours worked in Brazil, China Caben AP, Italy, Japan, and Portugal have been estimated

Concerning Covid-19, despite the gradual easing of prevention provisions, throughout 2022, Artsana has continued to update its **Covid-19 Protocol**, which was always available

to all employees. The periodic sanitization of environments and the recommendation to all employees to self-monitor their condition to avoid contagion phenomena also remain in place.

## Did you know?

In 2022, Artsana started to carry out investigations of the microclimate inside some working environments occupied by employees working inside the headquarters in Grandate (Como). The purpose of this activity is to assess the quality of the environment and the quality well-being of employees in the workspaces they occupy, by investigating some of the physical environmental parameters (such as temperature, humidity, etc.) that characterize the 'local' environment, as well as personal parameters (metabolism and clothing), which govern the thermal exchanges between the environment and the individuals working in it.

## 3.4 Our commitment for a socially sustainable supply chain

Caring for People is a pillar of Artsana activity, and it is a system of beliefs that the Group is spreading along the whole supply chain. The Group has established with suppliers a relationship of mutual trust and collaboration, whilst ensuring proper monitoring and control efforts at the same time.

Artsana's commitment to the respect of ethical and social aspects along the supply chain results in supplier selection, continuous monitoring through audits, and in awareness-raising activities.

To align suppliers to its values and to create and cultivate a solid relationship based on the same principles and mindset, the Group requires them to adhere to its **Code of Ethics**. This Code of Ethics outlines Artsana's ethical values, rights, duties and responsibilities which need to be respected for generating a positive impact on all stakeholders involved in the Group's business activities. Moreover, Artsana's **Code of Conduct** is part of the contractual obligations for suppliers of products and components, to **guarantee the respect of fundamental human rights**, including employees' health and safety, working hours, wages, child labor, and protection of the environment. The involvement of suppliers by Artsana in the commitment and attention to social and ethical aspects began many years ago and it remains a core aspect of business relationships with suppliers.

To verify that ethics and conduct principles are implemented in the supply chain and become rooted in each supplier's value chain, **100% of finished product active suppliers have undergone a specific assessment**, based on the supplier's industrial sector and geographical origin. The audit plan includes both third-party audits and direct inspections and 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 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. 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. In addition to the above-mentioned commitments, Artsana participates also in initiatives and ethical programs involving different kinds of stakeholders, 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. Additionally, other certifications, such as SA8000, BSCI, and SEDEX, which also include audits made by qualified independent international organizations, are taken into consideration for supplier evaluation and qualification. Leveraging the work done for many years, together with suppliers, to monitor and mitigate impacts, Artsana's commitment for next years is to further enhance its program for suppliers' engagement and foster the adoption of ESG criteria along the supply chains.



## Did you know?

At the end of 2021, Artsana became a member of the **Sustainable Apparel Coalition**, a global, multi-stakeholder non-profit alliance for the fashion industry, that now includes more than 250 members from 35 countries for \$845 billion in annual revenue, among manufacturers, retailers, brands and NGOs. The Coalition has developed the **Higg Index**, a suite of tools that standardizes value chain sustainability measurement for industry participants. The Coalition seeks to lead the industry toward a shared vision of sustainability built upon a common approach for measuring, evaluating, and improving performance through corrective action programs by engaging suppliers in a common path for sustainability.

The suite of tools that constitute the Higg Index is made up of three categories: **product tools**, which measure the environmental impacts of producing material and products through LCA; **facility tools**, which consist of assessments to give insights into the social and environmental performance of facilities; **brand & retail tool**, an assessment that gives insight into the social and environmental performance of brand and retailers.

In 2022, Artsana launched its program for factory evaluation, involving a selection of active factories to engage them in an assessment activity using SAC tools, in addition to qualification criteria already in place, to support measurements and benchmarking.

# Human Resources data appendix

## Diversity

EMPLOYEES PER CATEGORY	U.M.	2020	2021	2022
EXECUTIVES	n.	51	53	49
MANAGERS	n.	298	320	321
WHITE COLLARS	n.	1,906	1,846	1,775
BLUE COLLARS	n.	1,212	1,111	977
<b>TOTAL</b>	<b>n.</b>	<b>3,467</b>	<b>3,330</b>	<b>3,122</b>

	2022			TOTAL
	Younger than 30	Between 30 and 50	Older than 50	
EXECUTIVES	0	18	31	<b>49</b>
MANAGERS	11	213	97	<b>321</b>
WHITE COLLARS	251	1,101	423	<b>1,775</b>
BLUE COLLARS	81	530	366	<b>977</b>
<b>TOTAL</b>	<b>343</b>	<b>1,862</b>	<b>917</b>	<b>3,122</b>

## Hirings and terminations

	HIRINGS				TERMINATIONS			
	Unit	2020	2021	2022	Unit	2020	2021	2022
<b>WOMEN</b>	n.	341	322	370	n.	151	447	498
<b>MEN</b>	n.	98	134	113	n.	460	146	193
<b>Less than 30 years old</b>	n.	197	194	241	n.	208	162	222
<b>From 30 to 50 years old</b>	n.	212	244	225	n.	317	315	326
<b>More than 50 years old</b>	n.	30	18	17	n.	86	116	143
 <b>ARGENTINA</b>	n.	0	0	6	n.	6	1	4
 <b>BELGIUM</b>	n.	1	0	0	n.	0	2	1
 <b>BRAZIL</b>	n.	13	14	9	n.	97	11	8
 <b>CHINA</b>	n.	13	27	31	n.	18	25	36
 <b>FRANCE</b>	n.	1	4	9	n.	2	6	5
 <b>GERMANY</b>	n.	3	4	5	n.	7	3	5
 <b>INDIA</b>	n.	20	33	41	n.	17	38	39
 <b>ITALY</b>	n.	90	84	114	n.	126	114	191
 <b>JAPAN</b>	n.	2	0	0	n.	1	0	0
 <b>MEXICO</b>	n.	11	71	38	n.	9	26	45
 <b>POLAND</b>	n.	5	4	5	n.	4	6	5
 <b>PORTUGAL</b>	n.	54	66	101	n.	68	87	119
 <b>ROMANIA</b>	n.	163	61	43	n.	160	171	130
 <b>RUSSIA</b>	n.	0	8	9	n.	5	6	12
 <b>SPAIN</b>	n.	28	39	41	n.	49	56	63
 <b>SWITZERLAND</b>	n.	1	3	2	n.	2	1	1
 <b>TURKEY</b>	n.	18	12	12	n.	27	19	10
 <b>UK</b>	n.	2	2	8	n.	4	0	10
 <b>USA</b>	n.	14	24	9	n.	9	21	7
<b>TOTAL</b>	<b>n.</b>	<b>439</b>	<b>456</b>	<b>483</b>	<b>n.</b>	<b>611</b>	<b>593</b>	<b>691</b>



## Training

TOTAL TRAINING	UNIT	2020	2021	2022
<b>TOTAL HOURS</b>	<b>h</b>	<b>15,279</b>	<b>17,095</b>	<b>21,346</b>
<i>Average hours</i>	<i>h/employee</i>	4.4	5.1	6.8

<b>TRAINING – Average training hours by gender and employee category</b>	UNIT	2020	2021	2022
<i>Men</i>	<i>h/employee</i>	6.4	4.9	19.5
<i>Women</i>	<i>h/employee</i>	3.5	4.8	17.6
<i>Training provided to Executives</i>	<i>h/employee</i>	23.9	9.5	54.5
<i>Training provided to Managers</i>	<i>h/employee</i>	6.5	3.7	12.6
<i>Training provided to White collars</i>	<i>h/employee</i>	5.2	7.1	16.3
<i>Training provided to Blue collars</i>	<i>h/employee</i>	1.9	2.0	24.7

## Work-related injuries, Employee data by region:

2022	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	9	0	0
CHINA	0	0	0
FRANCE	0	0	0
GERMANY	0	0	0
INDIA	0	0	0
ITALY	8	0	0
JAPAN	0	0	0
MEXICO	0	0	0
POLAND	0	0	0
PORTUGAL	14	0	0
ROMANIA	0	0	0
RUSSIA	0	0	0
SPAIN	28	0	0
SWITZERLAND	0	0	0
TURKEY	0	0	0
UK	0	0	0
USA	0	0	0
<b>TOTAL</b>	<b>59</b>	<b>0</b>	<b>0</b>



## Other workers data by region:

2022	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	1	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
<b>TOTAL</b>	<b>5</b>	<b>1</b>	<b>0</b>

## 2022 FTE data

HUMAN RESOURCES	UNIT	MALE	FEMALE	TOTAL
<i>Total number of employees</i>	FTE	970.1	1,943.6	2,913.7
<i>Number of permanent employees</i>	FTE	938.6	1,843.3	2,781.9
<i>Number of temporary employees</i>	FTE	31.5	100.4	131.9

# 4

## How we care for the planet and the future

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Artsana is deeply focused  
on pursuing environmental  
sustainability.



Taking care of the **environment** is one of the values at the basis of Artsana's activity. This means recognizing its environmental impacts and the ones from its value chain and constantly working to reduce them. Caring for the planet means also caring for the well-being and prosperity of present **communities** and **future** generations. By taking action today, we can ensure that the generations to come have an opportunity to thrive in a healthy world. With this in mind,

Artsana is fully committed to actively monitoring and mitigating its environmental impacts at every stage of its value chain. The Group firmly believes that it holds responsibility in protecting both present and future communities through the implementation of sustainable practices. Artsana considers sustainability a priority to create a balance between its activities and the well-being of the planet, ultimately fostering a brighter and more sustainable future for all.



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## 4.1 A sustainable production

*The Artsana Group's production activities take place in 4 manufacturing facilities, 2 of which are located in Italy, one in Spain and one in Romania.*

Artsana produces juvenile and nursing products, toys and medical devices in the **Verolanuova** plant (Brescia, Italy). The site features management systems certified according to the international standards ISO 14001:2015 (environment) and ISO 9001:2015 (quality). Moreover, in addition to manufacturing and production facility, in Verolanuova there is also a Crash Test Lab for car seat testing.

Finally, in **Grandate/Casinate** (Como, Italy), there is a laboratory for finished products testing and quality control inspection, as well as a workshop for juvenile products and toy prototyping.

The production unit located in **Gessate** (Milan, Italy) concentrates on the production of cosmetic products and medical devices. This facility implements management systems certified according to the international standards ISO 14001:2015 (environment), ISO 13485:2016 (quality for medical devices), ISO 9001:2015 (quality), and ISO 22716:2007 (good manufacturing practices).

Internationally, the **Botosani** (Romania) production plant produces both finished products and semi-finished textile linings that are then processed in the Verolanuova plant. This facility implements a quality management system certified according to the international standard ISO 9001:2015.

The **Alcorcon** (Spain) production plant is mainly dedicated to the production of condoms under the Control brand, one of Europe's most famous sexual wellness brands. All production processes are subject to strict quality rules in compliance

with the strictest international standards. The plant's quality management system is certified according to ISO 13485:2016.

In addition, Artsana has three **warehouses** in Italy: **Casinate** for the storage of raw materials, finished and semi-finished products before their distribution abroad, and **Reggio Emilia** and **Verolanuova** dedicated to garments, shoes, and juvenile products.

Inbound and outbound transportation from and to the production plants 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 reducing the related costs and environmental impacts. In particular, logistics is carefully organized for optimizing transportation in terms of number of routes and load size.

Moreover, the distribution network from the suppliers to its production sites and from the facilities to the end consumers has been designed with a view to reducing the potential impacts of its global network. The Group has started to study and evaluate specific actions to implement in order to reduce GHG emissions generated by the logistic channels and also reduce the environmental impact related to product distribution.

## 4.2 Our commitment for an environmentally sustainable supply chain

Artsana considers trust, quality, and collaboration in its relationships with **suppliers** a priority. To create a responsible supply chain that is engaged in minimizing its negative environmental impacts while providing high-quality products and services, the Company is constantly working on improving its sustainability practices. To this end, the Company shares best practices and promotes a **sustainability-based culture** with its suppliers, involving them to participate actively in sustainability projects, objectives, and best practices.

Moreover, Artsana expects its suppliers to comply with human rights and commit to improving their social and environmental performances with a specific focus on the impacts associated with energy consumption and greenhouse gas emissions. 100% finished product suppliers are screened based on environmental criteria.

At the end of 2021, with a view to confirming its unfailing commitment to continuously improving sustainability across its supply chain, Artsana joined the **Sustainable Apparel Coalition (SAC)**, a global, multi-stakeholder non-profit alliance for the fashion industry which represents more than 250 members, including manufacturers, retailers, brands, and NGOs, from 35 countries and \$845 billion in annual revenue.

The Coalition has developed the **Higg Index**, a suite of tools that standardizes value chain sustainability measurement for industry operators.

The SAC aims to lead the industry towards a shared vision of sustainability built upon a common approach for measuring, evaluating, and improving performance through corrective action programs by engaging suppliers in a common path for sustainability.

Supplier engagement is also fundamental when analyzing and improving the overall environmental performance of Artsana's products. This involves reducing packaging waste and introducing recycled materials to increase product circularity.

Moreover, when production processes are close to the destination market, local partnerships play an important role in allowing Artsana to reduce the emissions related to distribution and logistics. For example, in India some cosmetic products are produced locally.

In addition, in 2021, Artsana has taken an important step towards promoting environmental sustainability by participating in **EcoVadis**, a platform that assesses the environmental performance of companies.

### EcoVadis certification: silver category for Artsana

EcoVadis provides sustainability ratings enabling 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 2022, Artsana underwent its second EcoVadis assessment and achieved a very good result by obtaining a Silver sustainability rating, resulting in the 74th percentile, which implies that it performed better than 74% of the companies in the same category. This result represents an improvement compared to the previous year, when Artsana ranked in the 71st percentile. Artsana obtained a particularly high score in relation to its environmental performance, its sustainable procurement practices and quality of labour practices and human rights. It also registered a significant improvement in its "Ethics" performance. Artsana is committed to continuously improving its sustainability performance and aims at further increasing its rating in the EcoVadis system in the upcoming years.



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## 4.3 Monitoring our environmental footprint

Artsana is fully dedicated to reducing progressively its environmental impact.

To this end, Artsana puts a great deal of attention on reducing energy consumption, optimizing raw material usage, and implementing efficient water management practices. Additionally, the Group is actively investing in the development of new initiatives aimed at reducing greenhouse gas (GHG) emissions and enhancing overall process efficiency, particularly in terms of material utilization and waste reduction.

In recent years, Artsana has successfully implemented **environmental management systems (EMS)** across its production units.

The Gessate and Verolanuova plants were certified ISO 14001:2015 in 2018 and 2019, respectively.

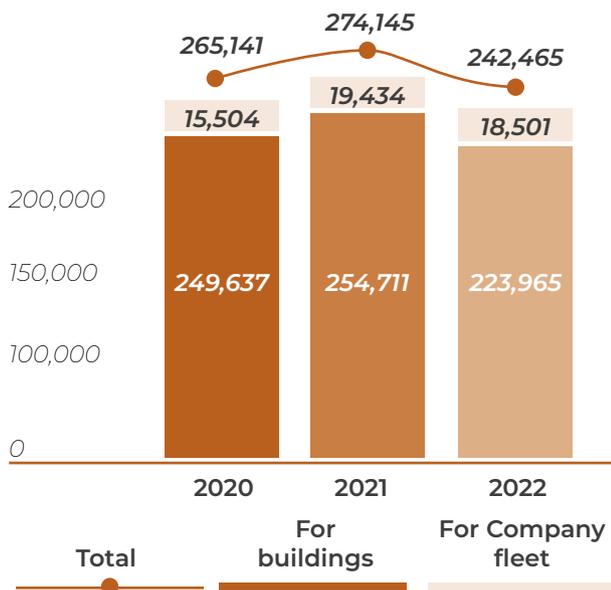
Furthermore, the Artsana plant in Romania, which has already obtained an ISO 9001 certification, has been working to obtain the ISO 14001 certification, which was achieved in April 2023. The Group firmly believes that the implementation of management systems enables Artsana to have an approach geared towards **continuous improvement**, assisted by internal audits and management reviews.



## 4.3.1 Energy consumption and efficiency

Artsana is aware of its overall environmental impact. A significant part of this impact is represented by energy consumption, which is mainly related to production and offices activities. In order to reduce its impact on energy sources, Artsana is constantly committed **to implementing energy efficiency measures and solutions.**

### Energy consumption (GJ)



The main quota of Artsana's energy consumption derives from natural gas (approx. 60%), used for heating purposes in the production units and offices, steam production at the Gessate site and to fuel the trigenerator plant in Verolanuova. Approximately 32% of its energy consumption derives from electricity purchased from the national grid. The remaining part includes petrol, diesel and LPG. In 2022, Artsana recorded an **overall reduction in energy consumption by approximately 12%** compared to 2021. This was mainly due to operational changes. In addition, energy consumption was further optimized to face the energy cost increases resulting from the geopolitical tensions at the international level.

In particular, a decrease in diesel consumption was observed as Artsana discontinued its use for office heating in Italy and warehouse heating in Portugal.

In addition, a malfunction which caused an overconsumption of natural gas in 2021 at the Gessate plant has been solved.

The Group is committed to continuously reducing fossil fuel usage and, at the same time, increasing energy generation from renewable sources in order to increase the self-generated

### Did you know?

Similarly to the previous two years, in 2022 energy consumption in the Headquarters and in the Italian production plants and stores was entirely covered by the **Guarantees of Origin (GOs)**, which certify that the electricity used originated from renewable sources. In 2022, almost 15,086,383 kWh (54,310 GJ) have been certified for operations in Italy. With a view to continuously reducing its environmental impact, in 2022, the GOs were also purchased for total electricity consumption in Spain, Romania, Switzerland and the USA and for part of electricity consumption in Belgium, Germany, Portugal and Turkey for a total of 20,266,475 kWh certified (72,959 GJ) at the Group level. This commitment resulted in almost 9,204 tons of CO<sub>2eq</sub> saved in the atmosphere (market-based approach) in 2022, compared to 7,535 tons of CO<sub>2eq</sub> saved in 2021. Through the purchasing of GOs and PV produced electricity, in 2022 **93% of electricity was generated from renewable sources** resulting in a significant increase by 28% compared to 2021.

portion as much as possible. In 2022, Artsana obtained the authorization for **three new photovoltaic plants** to be completed in 2023. A general assessment on all direct shops will also be carried out. In Romania, the Company applied to state funds to obtain the authorization and installation of a photovoltaic plant, which is planned for 2024.

In Spain, a preliminary feasibility study for the installation of a photovoltaic plant is currently underway.

To meet its energy demand through self-generation, in 2022, Artsana has been working on a **cogeneration unit** for the generation of heating and electricity at the Grandate facility. The authorization process is expected to be completed by 2023. In 2022, the **relamping** of the manufacturing department, started in 2021, was completed. A complete relamping of the headquarters is also planned together with the installation of home automation technology. These two measures will result in up to 150 tons of CO<sub>2</sub> saved per year.

Concurrently, Artsana is committed to reducing the environmental impact of its **company fleet**. To this end, the Company has partially replaced

gasoline and diesel vehicles with hybrid ones and installed charging stations.

In addition to the above-mentioned initiatives, Artsana developed other activities specifically targeted to each manufacturing unit. At the Gessate unit, an energy switch was installed from steam to electric warm rooms. At the **Verolanuova** unit, a free cooling plant, installed in 2021, was revamped with an air heat exchanger to cool down press conditioning systems. For the same unit, a preliminary feasibility study on the overhaul of the compressed air system was completed and the installation has been scheduled for next year. Finally, at the **Grandate** plant, the traditional boiler has been replaced with a condensation one, which guarantees more energy efficiency by recovering heat also from exhaust fumes. A preliminary feasibility study is currently underway for the relamping of all 5 buildings at Grandate and for the replacement of the central compressor at **Casnate**.

The following table lists the main energy efficiency initiatives implemented between 2021 and 2022 with the related energy and CO<sub>2</sub> savings expected per year.

MAIN ENERGY EFFICIENCY INITIATIVES 2022	COUNTRY	ENERGY SAVINGS (GJ/Y)		CO <sub>2</sub> SAVING (TON CO <sub>2E</sub> /Y)	
		2021	2022	2021	2022
<i>Relamping of manufacturing department</i>	Italy (Gessate)	-	433	-	29
<i>Energy switch from steam to electric warm rooms</i>	Italy (Gessate)	-	975	-	85
<i>Compressor revamping</i>	Italy (Gessate)	1,957	2,028	135	135
<i>HVAC system installation</i>	Italy (Gessate)	187	180	6	6
<i>Free cooling plant</i>	Italy (Verolanuova)	-	959	-	64
<i>Trigeneration plant</i>	Italy (Verolanuova)	6,590	6,847	1,085	796
<i>LED lights installation</i>	Italy (Verolanuova)	3,840	3,642	255	242
<i>Installation of a condensation boiler</i>	Italy (Grandate)	-	838	-	60
<i>Compressor revamping and LED lights installation</i>	Romania	1,542	1,411	123	133
<b>TOTAL</b>		<b>13,756</b>	<b>17,313</b>	<b>1,574</b>	<b>1,550</b>

## 4.3.2 Greenhouse gas (GHG) emissions

Artsana overall environmental impact consists also of its contribution to climate change through greenhouse gas emissions, which do not only relate to direct Artsana operations but also to upstream and downstream activities.

Knowing this, the Group has taken steps in accounting for its GHG emissions and reducing its impact along the whole value chain.

Also, in line with its strategy, Artsana took part into the **Climate Ambition Accelerator**, a six-month accelerator programme proposed by **United Nations Global Compact** and designed to support companies with the knowledge and skills they need to accelerate progress towards setting science-based emissions reduction targets aligned with the 1.5°C pathway, setting them on a path towards net-zero emissions by 2050.

Through the **Global Compact Local Networks** around the world, participating companies will gain access to global best practices, peer-to-peer learning opportunities, capacity building sessions and on-demand training; that will allow them to properly manage and tackle climate change.

From a reporting point of view, in 2022, Artsana calculated its seventh **carbon footprint** with a view to improving its understanding of its impact on climate change. The indications and guidelines provided by the Greenhouse Gas Protocol were used to prepare the GHG Inventory.

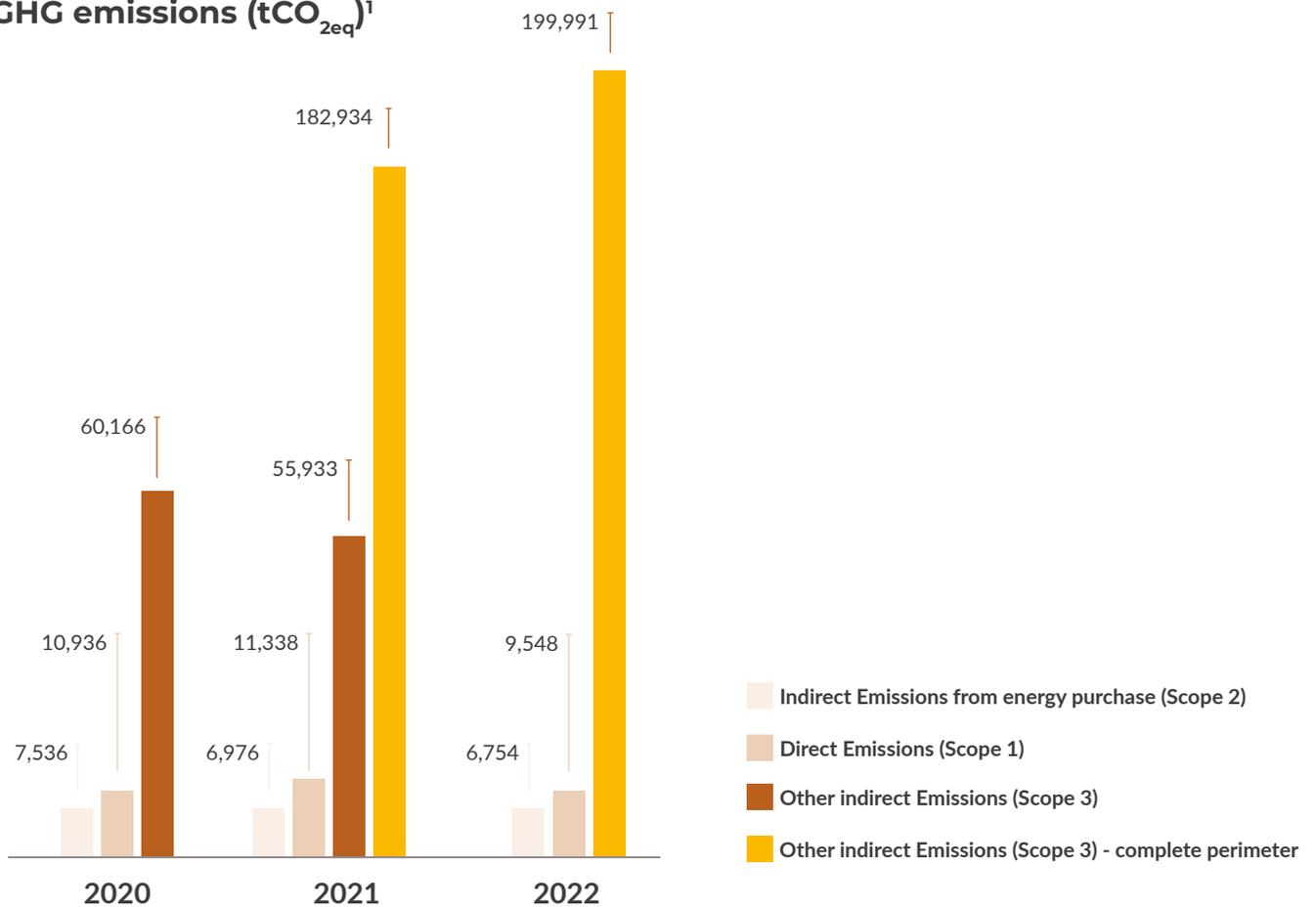
The **Greenhouse Gas Protocol** is one of the most important and internationally recognized standards for the accounting and reporting of greenhouse gas emissions. Based on this standard, Artsana calculated its direct GHG emissions (Scope 1) related to direct energy consumption (both in terms of buildings, production sites, and company car fleet) and the refrigerant gas refilling of air-conditioning systems, and indirect emissions from energy purchased (Scope 2), mainly related to electricity purchased from the national grid.

In addition to these categories, Artsana calculated other indirect GHG emissions (Scope 3).

Out of the 15 Scope 3 categories identified by the GHG Protocol, in 2022, 8 categories were fully or partially calculated, 5 were assessed to be either not applicable or not relevant and 2 have been planned for future GHG inventories. The table below shows the perimeter considered for each Scope 3 category.

EMISSIONS CATEGORY	2022
Scope 1	Totally calculated
Scope 2	Totally calculated
Scope 3 Purchased goods and services	Totally calculated
Scope 3 Capital goods	Not relevant for 2022
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	To be evaluated
Scope 3 End-of-life treatment of sold products	To be evaluated
Scope 3 Downstream leased assets	Applicable
Scope 3 Franchises	Totally calculated
Scope 3 Investments	Not applicable

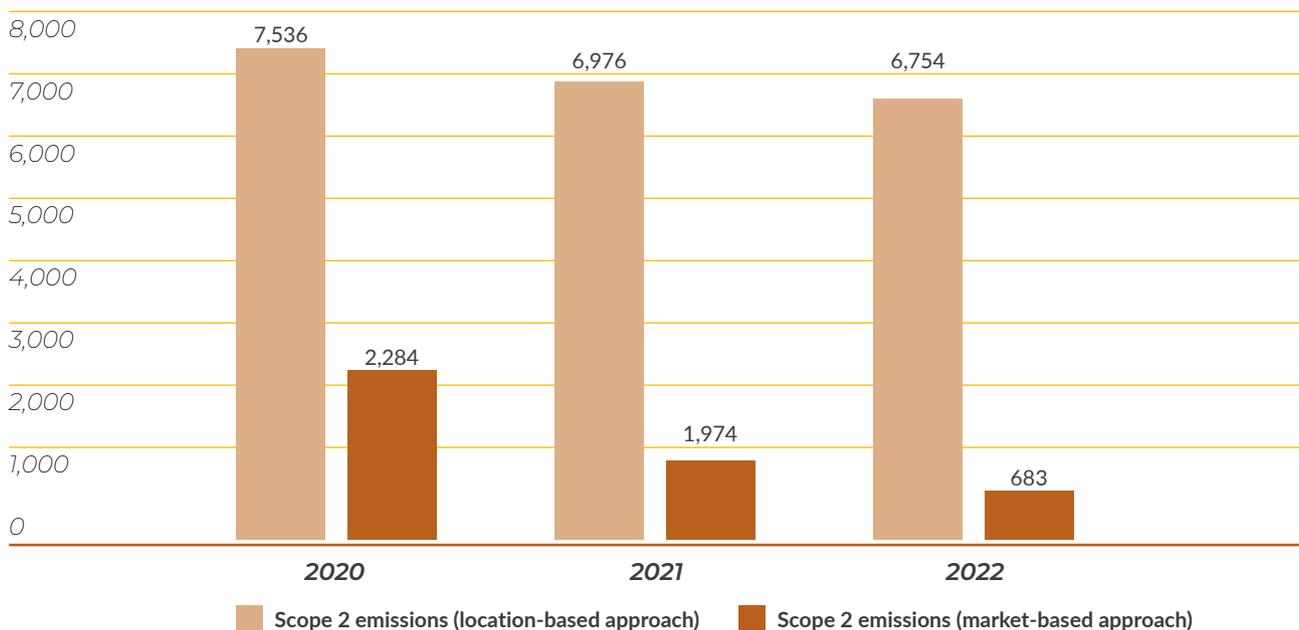
## GHG emissions (tCO<sub>2eq</sub>)<sup>1</sup>



Compared to 2021, **Scope 1 GHG emissions** decreased by 16% in 2022, thanks to operational changes and maintenance of machinery carried out in the period. In the 2020-2022 three-year

period, **Scope 2 GHG emissions** progressively dropped considering both location and market-based approaches, mainly as a result of energy efficiency projects implemented by the Group.

## Comparison between Location-Based and Market-Based approach



<sup>1</sup> 2020 and 2021 data related to Scope 2 and Scope 3 category 3 emissions differ from the data reported in the Sustainability Report 2021 as a result of more accurate data made available.

Furthermore, Artsana has made substantial progress in 2022 in further reducing its emissions through the increased acquisition of GOs, particularly in countries where the Group has manufacturing premises and where energy demand is higher, increasing the percentage of electricity generated from renewables from around 73% in 2021 to 93% in 2022<sup>2</sup>.

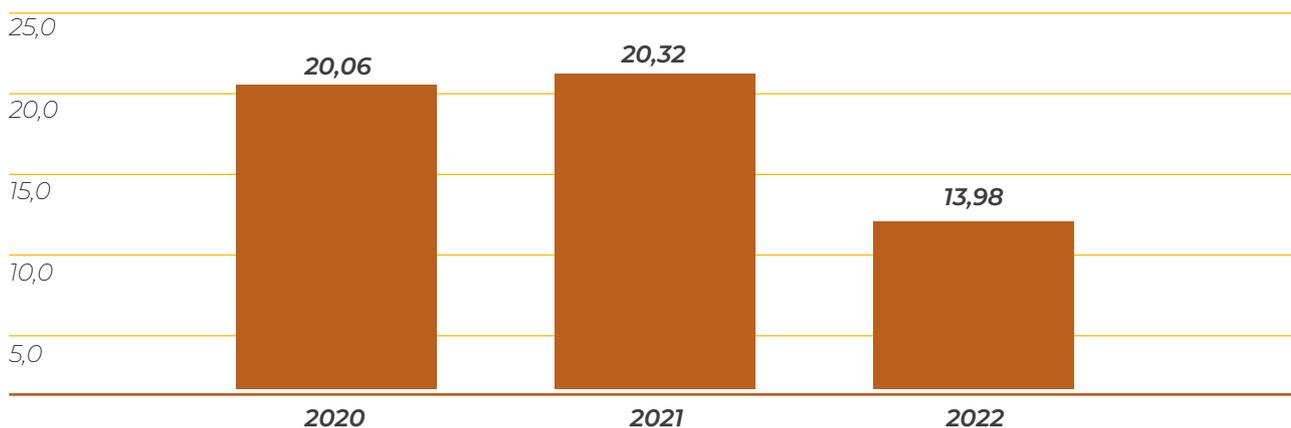
This strategic approach has resulted in a considerable decrease in Scope 2 emissions calculated according to the Market-Based approach compared to the emissions calculated with a Location-Based approach in the 2020-2022 three-year period. In addition, Artsana

is also committed to reducing the **emission intensity**. This metric is calculated as the ratio between the sum of Scope 1 and Scope 2 market-based emissions and the annual revenues of the company.

The consistent reduction in emission intensity reflects the efforts undertaken by Artsana to improve its environmental performance and reduce its carbon footprint.

The **emission intensity** dropped by 31% with respect to 2021, mainly as a result of the purchasing of electricity from renewables that determined a reduction of Scope 2 emissions (Market based approach).

### Emission intensity 2020-2022<sup>3</sup>



In 2022, Artsana worked to increase the completeness of its GHG emissions inventory regarding Scope 3 GHG emissions in order to improve the level of detail and provide to its stakeholders a clear view of its emission profile and related scope for improvement.

For this reason, Scope 3 GHG emissions were calculated on the complete perimeter both for 2021 and 2022. Considering the whole perimeter, Scope 3 emissions rose in 2022 compared to 2021 as a result of a 10% increase in production volumes.

The chart below highlights the significance of emissions associated with **purchased goods and**

**services**, accounting for approximately 89% of Artsana's measured Scope 3 emissions. Among the other categories, a significant decrease by 26% was reported in the "Fuel- and energy-related activities (not included in Scope 1 or Scope 2)" category compared to the data from 2021. This reduction is in line with the overall trend of energy consumption reduction observed for Scope 1 and Scope 2 emissions. Additionally, a **14% decrease in the "Waste generated in operations"** category was achieved compared to 2021 data, indicating progress in waste management efforts. Conversely, a 51% increase was observed in the "Business travel"

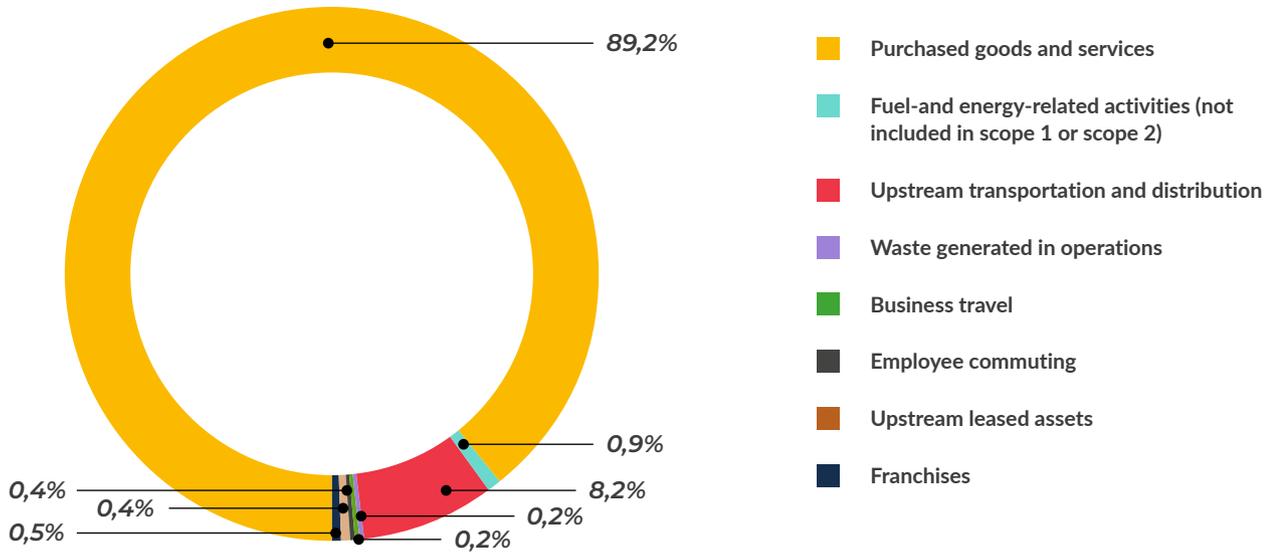
<sup>2</sup> The percentage of electricity generated from renewables also includes energy self-produced by the PV plant.

<sup>3</sup> 2020 and 2021 data relate to emission intensity differ from the data reported in the Sustainability Report 2021 as a result of more accurate data made available.

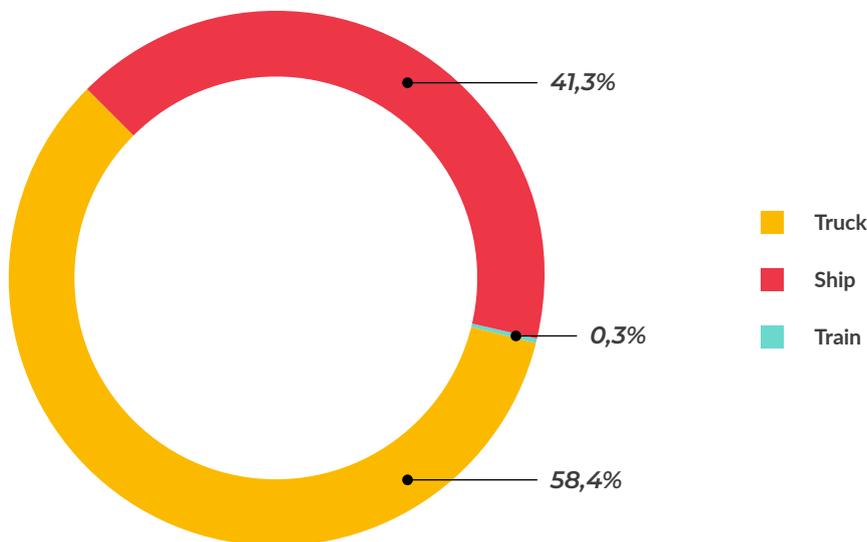
category attributable to the recovery after the Covid-19 period. Similarly, the “Upstream transportation and distribution” category rose by 10% in emissions due to the higher production levels recorded in 2022. A closer analysis of this category reveals that the predominating

mode of transportation is truck, accounting for approximately 58% of emissions. This is followed by ship transportation, which accounts for approx. 41% of emissions, and train transportation accounting for a smaller proportion of almost 0.3% of emissions.

### Scope 3 GHG emissions by category (%)



### 2021 Upstream T&D emissions, by means of transport





### Climate conscious company award

For the second consecutive year, Artsana received the “Climate conscious company” award and ranked 57th in the general ranking and 1st in the consumer goods category. This award is the result of the collaboration between the Italian renowned newspaper Corriere della Sera and Statista, the German digital platform that manages one of the world’s leading portals for statistics and digital intelligence. Corriere della Sera and Statista developed a ranking of the 100 Italian most climate conscious companies. In 2022, the assessment measured the performance of companies in reducing CO<sub>2</sub> emissions in the 2019-2021 period. This acknowledgement is an important confirmation for Artsana in light of the authoritative independent research behind it.

### CARBON OFFSETTING PROJECTS

As a complement to **Artsana** initiatives to manage and reduce its absolute greenhouse gas (“GHG”) emissions, the Company has since 2020 purchased carbon credits to compensate for (“offset”) its residual Scopes 1 and 2 operational emissions. The Company’s primary climate mitigation approach is to reduce its absolute carbon emissions over time. Through the purchase of carbon credits, **Artsana** also provides carbon financing to climate mitigation projects beyond its value chain. As each credit corresponds to the reduction (or removal) of one ton of CO<sub>2</sub> equivalent (CO<sub>2e</sub>), the Company can – under voluntary carbon market standards and guidance – claim it has reached carbon neutrality (Scope 1 and 2) in a given year by purchasing credits to offset its residual emissions. From the outset, the two projects from which Artsana has purchased carbon credits are the “Great Bear Forest Carbon” and the “Guatemalan Conservation Coast” projects. These two projects were chosen because of their strong credentials on environmental and biodiversity issues as well as their social initiatives.

#### GREAT BEAR FOREST CARBON PROJECT<sup>1</sup>, CANADA

The Great Bear Forest covers c. 6.4 million hectares of north and central coast in British Columbia in Canada and is home to the First Nations people who have inhabited this land for up to 10,000 years. This rare and rich ecosystem is also home to rare species of plants and animals (including the Kermode Bear). The aim of this project is to improve forest management in the region, generating emission reductions 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.

#### GUATEMALAN CONSERVATION COAST PROJECT<sup>2</sup>, CENTRAL AMERICA

The Guatemalan Conservation Coast programme works to address 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 tree 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 1,141 jobs for indigenous and local communities (41% held by women).

1 The Great Bear Forest Carbon project is registered on the British Columbia Registry under three different projects: Great Bear (South Central Coast) 104000000011319, Great Bear (Haida Gwaii) 104000000011559 and Great Bear (North and Central-Mid Coast) 104000000012798 aims to generate Improved Forest Management and reforestation-based carbon credits.

2 The Guatemalan Conservation Coast project is registered on the Verra registry, REDD+ Project for Caribbean Guatemala: The Conservation Coast 1622, applies Verra’s Verified Carbon Standard (VCS Standard v4.3 VM0015) and the Climate, Community and Biodiversity Standards v.3.1, and will generate carbon credits from avoided unplanned deforestation representing c. 22 million tonnes of CO<sub>2e</sub>.



### 4.3.3 Raw materials and packaging

Another environmental impact generated by Artsana concerns the depletion of natural resources due to the use of raw materials in the manufacturing process and packaging for sold products. To reduce its impact, the Group is committed to reducing the use of raw materials and expanding the use of recycled materials, where technically possible.

In its manufacturing plants, Artsana makes use of the following main categories of materials: plastics and metals, mainly used in manufacturing carried out in the Verolanuova production plant (Italy); chemicals, mainly used for the production of cosmetics in the Gessate

plant (Italy) and Alcorcon plant (Spain); **textiles**, used in the production plant located in Romania (e.g., linings).

In 2022, Artsana used almost 7,096 tons of materials for production purposes (-3% vs 2021), of which 3,921 tons of plastics (55% of the total) and 2,063 tons of chemicals (29%).

Artsana has implemented various initiatives and practical measures to minimize its environmental impact associated with the consumption of materials.

These efforts are targeted to the reduction of the overall quantity of materials used and increased use of re-usable or recycled materials.

MATERIAL USED	UNIT	2020	2021	2022
<i>Plastics</i>	ton	4,317	4,184	3,921
<i>Chemicals</i>	ton	2,029	1,901	2,063
<i>Metal components</i>	ton	577	852	900
<i>Textiles</i>	ton	344	378	212
<b>TOTAL</b>	<b>ton</b>	<b>7,267</b>	<b>7,315</b>	<b>7,096</b>

In 2021, Artsana carried out a comprehensive analysis of all product categories in terms of consumption of raw materials and related GHG emissions with a view to identifying the key areas and priorities for possible improvement (reduction of indirect greenhouse gas (GHG) emissions). The analysis served as foundations for the Scope 3/Cat1 GHG inventory, through which Artsana aims to prioritize actions and seize opportunities for enhancing its environmental performance.

Thanks to this analysis, in the following pages some results achieved in 2022 are presented.

In addition to the materials used in manufacturing, Artsana makes use of **cardboard, pallets** and other materials for the distribution of its products to clients. In line with the decreased quantity of materials used for manufacturing, the total quantity of materials used for distribution decreased by 8%.

MATERIAL USED	UNIT	2020	2021	2022
<i>Cardboards</i>	ton	2,830	3,092	3,004
<i>Pallets</i>	ton	1,592	1,812	1,787
<b>TOTAL</b>	<b>ton</b>	<b>4,422</b>	<b>4,904</b>	<b>4,791</b>

To promote accurate waste disposal and thus improve products' end-of-life, Artsana has expanded the set of information related to packaging materials, to support **packaging**

**disposal** by identifying precisely the packaging materials and the relevant disposal requirements. Online guidelines and information are also available on Artsana's website.

## ARTSANA'S COMMITMENT: FEWER TRADITIONAL MATERIALS AND MORE SUSTAINABLE MATERIALS

Artsana is committed to reducing the use of raw materials while promoting sustainable alternatives. This commitment spans across all the Group's activities, from production to sales. As a result of the comprehensive analysis conducted in 2021 of all product categories with focus on used raw materials and in order to identify possible key areas in which operate, Artsana has been able to identify emissions hotspots and to further extend the use of more sustainable materials in products and packaging.

USE OF SUSTAINABLE MATERIALS IN 2022		
BUSINESS AREA OF INTERVENTION		2022 RESULTS
Packaging	Clothing	41% of paper from sustainably managed forests 51% of recycled polyethylene
	Shoes	65% of paper from sustainably managed forests 30% of recycled polyethylene
	Control	Recycled paper used for: 82% of Control's boxes for logistic purposes 100% of condoms' boxes
	Internal production	More than 85% of recycled polyethylene used for packaging of goods directly produced by Artsana
	Romania plant	89% of packaging paper used in Romania plant made by recycled material
Product	Clothing	36% of sustainable cotton 27% of recycled polyester
	Shoes	Introduction of more sustainable materials (e.g. organic cotton and recycled plastic materials)
	Other areas	Extended use of recycled plastic and sustainable materials in nursing, toys, and juvenile area

These numbers and actions shows the Artsana's commitment towards a more sustainable production process and business approach. As an overall, in 2022 Artsana used, within its own production processes

and related packaging, almost 1,250 ton of recycled plastic materials.

This panoramic represent a first but impactful step in order to better manage and mitigate negative environmental impacts generated

by the use of specific materials within the production chain of the Group. Artsana is committed to pursue this research of new solutions and to enlarge the scope of the already-implemented initiatives.

Alongside this products and packaging innovations, other specific initiatives took place in 2022.

For example, in the Chicco stores, a successful **TakeBack program** for re-usable clothing hangers was launched. In 2022, the program resulted in a 67% hanger return rate with 4,400 kg of plastics saved, a remarkable result. To reduce the use of paper, Chicco put a fee on the paper shopping bag encouraging customers to find alternative solutions to carry their purchases. As a result, **the use of paper bags dropped by 23%** in 2022. It is also important to note that the bags are produced with recycled paper from sustainably managed forests. Furthermore, with a view to providing customers with a

more sustainable alternative, Chicco has introduced new shopping bags made entirely from 100% recycled plastic.

In addition to its efforts in retailing, Artsana has been implementing various initiatives to improve the sustainability of its packaging. For instance, in the fashion categories, the proportion of recycled material in polybags increased from 30% to 50% in 2022. The ultimate goal is to provide polybags made entirely from recycled materials by 2023. Furthermore, 41% of the packaging paper used for clothing items and 65% of the packaging paper used for the shoes are **100%** from sustainably managed forests. As for the **Control** brand, 82% of the condom packs are made from recycled paper. Last but not least, **Boppy** redesigned its boxes, resulting in a weight reduction of approximately 100 grams per box. This totals up to an annual saving of 70,000 kg, thus testifying to Boppy's dedication to resource efficiency.

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## 4.3.4 Other environmental aspects

In its manufacturing processes, in addition to energy consumption, GHG emissions, and materials consumption Artsana considers also other aspects of its environmental impact. For this reason, in its production plants, the Group monitors water consumption and waste production with a view to progressively improving efficiency and reducing its environmental footprint.

Impact on **water** is due both to direct use in manufacturing and related activities, such as cleaning of equipment and machinery.

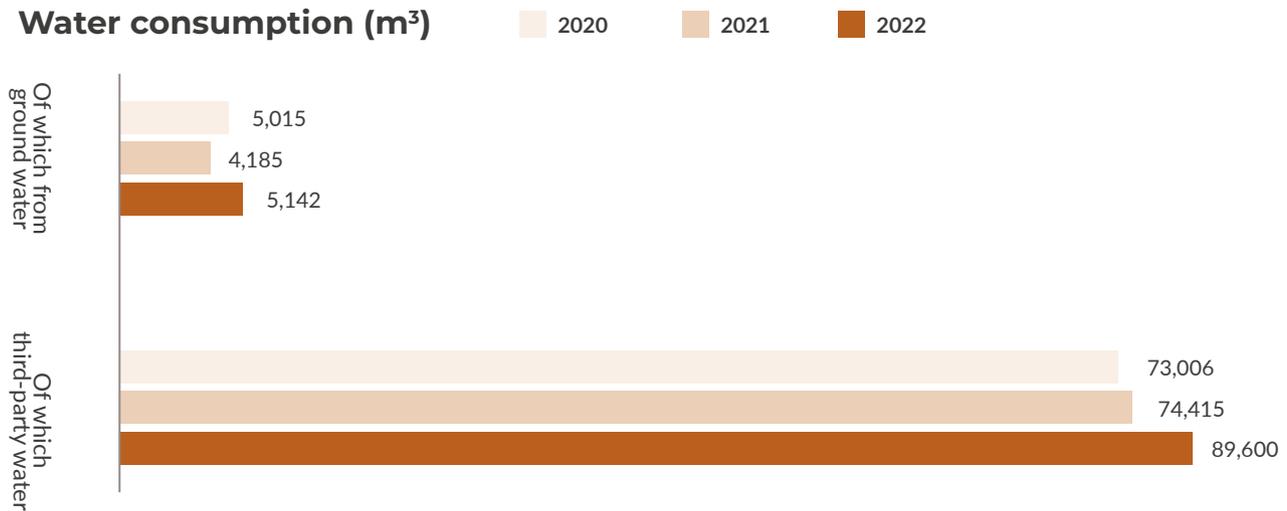
In 2022, the total water consumption was equal to 94,742 m<sup>3</sup>, which resulted to be higher than in 2021 due to a malfunction of the fire-fighting network at Casnate/Grandate facilities, which

caused several water leakages. The plants in Italy recorded water consumption in the order of 91% of the total water withdrawal (47% at the Grandate plant; 23% at the Gessate plant, and 20% at the Verolanuova site) while the plants in Spain and Romania recorded 5% and 3.7%, respectively.

At the Group level, 95% of the water is withdrawn from third-party supply systems and 5% from groundwater (e.g., wells).

All the water withdrawn by Artsana is fresh water ( $\leq 1,000$  mg/l of total dissolved solids). The Company does not take water from water stressed areas. The Company does not take water from water-stressed areas.

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



**Note:**

The perimeter of the 2020-2022 data reported in the charts only includes the production plants of Verolanuova, Gessate and Grandate/Casinate (Italy), Botosani (Romania), and the production plant in Spain.

The 2022 water consumption of Verolanuova from public networks was estimated through internal measurements.

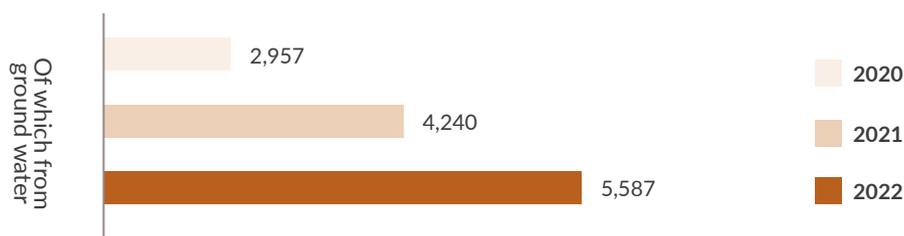
To reduce its water footprint, a state-of-the-art **reverse osmosis plant** was installed at the Gessate plant at the end of 2022, with benefits to be recorded in 2023.

A reverse osmosis plant uses a membrane to purify water. The new plant improved the efficiency rate to 80%, compared to 44% of the old one, and reduced by 20% the total amount of water withdrawn from the water network as a result of the internal water flow recycling. Moreover, wastewater generated by the new plant can be recovered and treated for other operations, such as cleaning of equipment.

With regard to wastewater management, the Gessate plant - where cosmetic products are manufactured - is the only production facility with an **industrial water discharge**.

According to the environmental authorization (AUA - Autorizzazione Unica Ambientale) obtained by the Gessate plant in compliance with Italian regulations, Artsana constantly monitors the quality of discharged water by means of specific tests that measure parameters like pH and COD (Chemical Oxygen Demand). In addition, to reduce the wastewater sent to disposal, the Gessate plant is equipped with a water treatment system to purify water. All the wastewater produced by the Artsana plants is discharged into third-party facilities. In terms of performance, the amount of discharged water between 2021 and 2022 rose by 32%, as a result of increased production volumes.

## Water discharged (m<sup>3</sup>)



**Note:**

The perimeter of water data reported in the chart only includes the production plants of Verolanuova, Gessate and Grandate/Casinate (Italy), Botosani (Romania), and the production plant in Spain.

Considering **waste management**, Artsana monitors waste production data as part of its management review meetings to discuss possible waste reduction options. Effective waste management is fundamental to reduce environmental impacts, decrease resource depletion, and contribute to the overall health of the people. Proper waste management

prevents the release of harmful pollutants and contaminants into the environment, ensuring cleaner air, water, and soil, which, in turn, helps in safeguarding public health and creating a healthier living environment for the local communities. The waste produced by the industrial processes is mainly non-hazardous (almost 91% of the total amount of waste produced in 2022).

WASTE PRODUCTION	UNIT	2020	2021	2022
Hazardous waste	ton	191	209	254
Non-hazardous waste	ton	2,696	2,714	2,565
<b>TOTAL WASTE</b>	<b>ton</b>	<b>2,887</b>	<b>2,924</b>	<b>2,820</b>

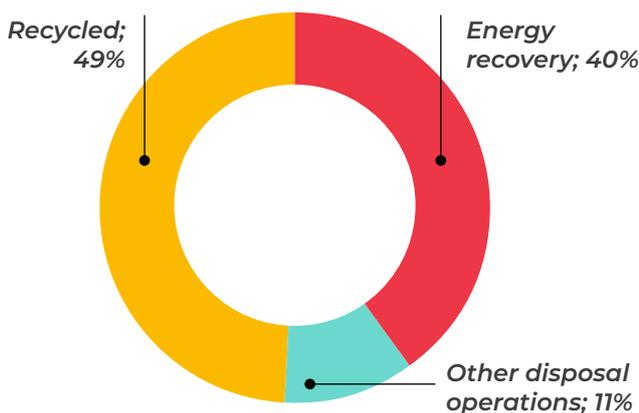
**Note:**

The perimeter of waste data reported in the chart only includes the production plants of Verolanuova, Gessate and Grandate/Casnate (Italy), Botosani (Romania), and the production plant in Spain.

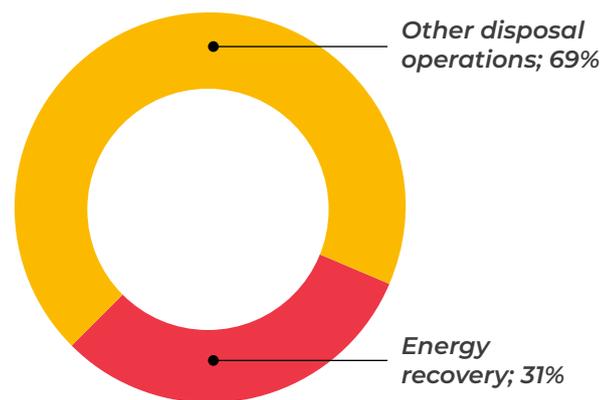
In its waste management activities, Artsana is committed to identifying disposal methods that allow to **recover the largest waste quantity through recycling and conversion to energy while limiting landfilling**. In 2022, Artsana recycled around 49% of non-hazardous waste and sent to energy recovery around 40% of

them, so that only 11% was sent to other disposal operations, still excluding landfilling. With regard to hazardous waste, 31% was converted into energy and the remaining 69% share was disposed of through other methods. Only 1% was sent to landfill.

**Non-Hazardous Waste**



**Hazardous Waste**



The table below summarizes some examples of waste management projects currently underway:

	Waste management project	Facility	Achieved result in 2022
	Together with the CORIPET consortium, installation of a compactor to collect and recycle plastic bottles coming from the Grandate store, the canteen and the warehouses. To encourage consumers to use the compactor and make them feel responsible about waste sorting, Chicco product discounts are distributed when consumers throw their bottles into the compactor.	Chicco Village in Grandate (Italy)	20,621 bottles recycled
	Implementation of plastic extensible collection.	Grandate and Verolanuova (Italy)	10.9 tons of plastic extensible collected
	Collection of plastic toys free of electronic and electric parts.	Grandate (Italy)	4.16 tons of plastic toys collected
	Separation of the mixed waste of strollers in the logistic warehouses: the iron structure, without fabric, is disposed of separately, and the recovered iron is re-used for smaller castings.	Grandate (Italy)	15.32 tons of iron were recovered
	Production of recycled cardboard from siliconized paper.	Gessate (Italy)	13 tons of cardboard produced
	Use of washable rags with the objective of reducing the production of special hazardous waste.	Verolanuova (Italy)	72% less hazardous waste related to rags compared to 2019
	Separation and recovery of electric and electronic waste in logistic warehouses.	Grandate (Italy)	11 tons of electronic and electric components recovered
	Separation of fabrics from the plastic of car seats, disposing of such waste as plastic rather than as undifferentiated waste.	Grandate and Verolanuova (Italy)	19.7 tons of separated plastic

Artsana's long-term approach aims to constantly identify initiatives and opportunities to reduce waste production and improve its management, for example by taking part in consortiums specialized in end-of-life management for

specific materials, such as PET bottles, textiles and apparel. For specific categories (e.g. paper and cardboard; electric and electronic waste) Artsana has already implemented targeted programs.

# ENVIRONMENTAL DATA APPENDIX

ENERGY CONSUMPTION	UNIT	2020	2021	2022
<b>Energy consumption - for buildings</b>	<b>GJ</b>	<b>249,637</b>	<b>254,711</b>	<b>223,965</b>
Of which from natural gas	GJ	158,334	163,895	144,994
Of which from diesel	GJ	8,843	6,321	28
Of which from LPG	GJ	76	83	52
Of which from petrol	GJ	147	2,536	159
Of which electricity from the national grid	GJ	82,192	81,666	78,504
Of which auto-produced from electricity from renewable sources	GJ	45	210	228
<b>Energy consumption - for Company fleet</b>	<b>GJ</b>	<b>15,504</b>	<b>19,434</b>	<b>18,501</b>
Of which diesel fueled vehicles	GJ	14,777	17,483	15,094
Of which gasoline fueled vehicles	GJ	727	1,950	3,406
<b>TOTAL</b>	<b>GJ</b>	<b>265,141</b>	<b>274,145</b>	<b>242,465</b>

GHG EMISSIONS	UNIT	2020	2021	2022
<b>Direct Emissions (Scope 1)</b>	<b>tCO<sub>2</sub> eq</b>	<b>10,936</b>	<b>11,338</b>	<b>9,548</b>
emissions from fuels for heating and other purposes	tCO <sub>2</sub>	9,454	9,750	8,062
emissions from fuels used for Company's car fleet	tCO <sub>2</sub>	1,145	1,449	1,369
emissions from refrigerant gases refilling of air-conditioning systems	tCO <sub>2</sub> eq	337	138	118
<b>Indirect Emissions from electricity purchased from national grid "Location-based approach" (Scope 2)</b>	<b>tCO<sub>2</sub></b>	<b>7,536</b>	<b>6,976</b>	<b>6,754</b>
<b>Indirect Emissions from electricity purchased from national grid "Market-based approach" (Scope 2)</b>	<b>tCO<sub>2</sub></b>	<b>2,284</b>	<b>1,974</b>	<b>683</b>
<b>Other indirect Emissions (Scope 3)</b>	<b>tCO<sub>2</sub> eq</b>	<b>60,166</b>	<b>55,933</b>	<b>199,991</b>
Purchased goods and services	tCO <sub>2</sub> eq	36,145	35,197	178,419
Fuel- and energy-related activities (not included in scope 1 or scope 2)	tCO <sub>2</sub> eq	1,955	2,540	1,880
Upstream transportation and distribution	tCO <sub>2</sub> eq	18,552	15,026	16,528
Waste generated in operations	tCO <sub>2</sub> eq	385	487	416
Business travel	tCO <sub>2</sub> eq	263	225	341
Employee commuting	tCO <sub>2</sub> eq	-	776	769
Upstream leased assets	tCO <sub>2</sub> eq	1,370	804	703
Franchises	tCO <sub>2</sub> eq	1,496	878	935
<b>TOTAL (location-based approach)</b>	<b>tCO<sub>2</sub> eq</b>	<b>78,638</b>	<b>74,247</b>	<b>216,293</b>
<b>TOTAL (market-based approach)</b>	<b>tCO<sub>2</sub> eq</b>	<b>73,386</b>	<b>69,245</b>	<b>210,222</b>

**Note:**

The significant reduction was attributable to the Guarantees of Origin purchase in the period in Italy, Spain, Romania, Portugal, the US, Belgium, France, Switzerland and Turkey.

Scope 3 emission: 2022 data for business travels not available for France.

2022 Scope 3 emissions associated with employee commuting have been calculated considering only employees from Artsana's headquarters.

# 5

## Methodological note

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Artsana's Sustainability Report has been prepared *In accordance* with the GRI Standards 2021.

The reporting principles applied for the interpretation of Artsana's Sustainability Report are indicated by *GRI 1: Foundation 2021*: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability.

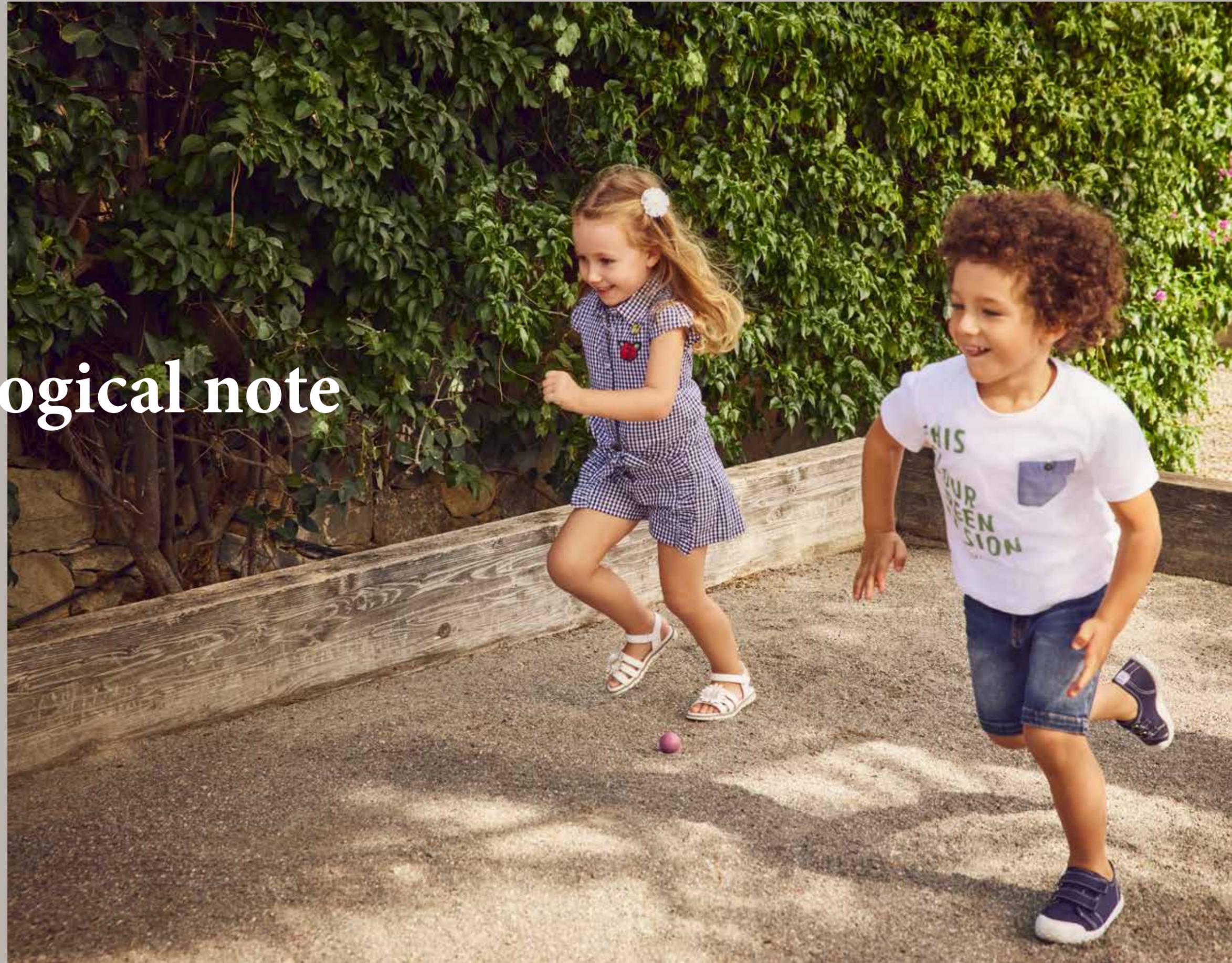
At the end of the Report, a GRI Content Index is presented: this index describes the content of the Report, as requested by GRI Standards. The contents of this report reflect the results of the materiality analysis, as required by GRI Standards 2021 and described in Chapter 1.

Any restatements of information will be reported in the Sustainability Report.

Sums reported in the Sustainability Report could differ from the exact total due to approximations.

This Sustainability Report has been drafted with the methodological support of qualified external advisors.

This report is not subject to external assurance.



OUR MATERIAL ASPECTS	GRI MATERIAL TOPICS
Energy efficiency and climate change	GRI 302: Energy 2016 GRI 305: Emissions 2016 GRI 308: Supplier environmental assessment 2016
Water management	GRI 303: Water and effluents 2018 GRI 308: Supplier environmental assessment 2016
Waste management	GRI 306: Waste 2020 GRI 308: Supplier environmental assessment 2016
Diversity and inclusion	GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non-discrimination 2016
People personal and professional development	GRI 404: Training and Education 2016
Occupational Health and Safety	GRI 403: Occupational Health and Safety 2018 GRI 414: Supplier social assessment 2016
Privacy and data security	GRI 418: Customer privacy 2016
Product Eco-design	GRI 301: Materials 2016 GRI 308: Supplier environmental assessment 2016
Product safety and responsible communication and labeling	GRI 416: Customer Health and Safety 2016 GRI 417: Marketing and Labeling 2016
Respect for human and labour rights along the value chain	GRI 408: Child Labor 2016 GRI 409: Forced or Compulsory Labor 2016 GRI 414: Supplier social assessment 2016
Value creation for communities and stakeholders	GRI 201: Economic performance GRI 401: Employment 2016
Innovation	-

# 5.1 GHG Calculation Methodologies

In order to calculate GHG indicators included in our Sustainability Report, Artsana has used the methodologies and assumptions described in this section.

Conversion factors used in emissions calculations:

<b>Fuel density</b>	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2022, 2021 and 2020
<b>NCV (Net Calorific Value)</b>	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2022, 2021 and 2020

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, 2020, 2021, 2022	Only CO <sub>2</sub> 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, 2020, 2021, 2022	Only CO <sub>2</sub> 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 <sub>2</sub> equivalent emissions were considered

GHG EMISSIONS SCOPE 2			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Electricity purchased from national grid – location-based method	Electricity consumption	Terna, Confronti Internazionali, 2019, 2018, 2017 (Total gross production)	Only CO <sub>2</sub> emissions were considered
Electricity purchased from national grid – market-based method	Electricity consumption	For European countries: AIB - European Residual Mixes, 2021, 2020, 2019. 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 2022 (2020 emissions data)	Only CO <sub>2</sub> 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. For 2022, the activity data from 2021 have been reportioned on the basis of 2022 production volumes.	Ecoinvent v.3.7.1	CO <sub>2</sub> 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, 2022	CO <sub>2</sub> equivalent emissions were considered
Upstream Transportation & Distribution (GHG Protocol Cat.4)	Distance covered by plane, truck or ship and transported weight. For 2022, the activity data from 2021 have been reportioned on the basis of 2022 production volumes.	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2022	CO <sub>2</sub> 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, 2022 Ecoinvent v.3.7.1	CO <sub>2</sub> equivalent emissions were considered
Business Travel (GHG Protocol Cat.6)	Distance travelled per business by plane or train.	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2022	CO <sub>2</sub> equivalent emissions were considered
Employee Commuting (GHG Protocol Cat.7)	Distance travelled by employee in commuting. For 2022, only Italian HQ data have been considered.	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2022	CO <sub>2</sub> equivalent emissions were considered
Upstream Leased Assets (GHG Protocol Cat.8)	Surface of each leased assets.	AIB - European Residual Mixes, 2022	CO <sub>2</sub> equivalent emissions were considered
Franchises (GHG Protocol Cat. 14)	Surface of each franchising.	AIB - European Residual Mixes, 2022	CO <sub>2</sub> equivalent emissions were considered

As for 2020 and 2021, 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): for 2022, the activity data from 2021 have been reportioned on the basis of 2022 production volumes. For 2021, data related to finished products purchased and to all purchased materials (raw, processed and packaging) used within the production processes carried out by the Group were considered. For purchased materials used in the production process, 85% of the total weight has been considered. The remaining 15% has been estimated.
- 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. For 2022, the activity data from 2021 have been reportioned on the basis of 2022 production volumes.
- Business Travel (Cat. 6) data does not include emissions associated with overnight hotel accomodation.
- Employee Commuting (Cat. 7) data considers only commuting information related to a portion of Italian HQ employees, as in 2021. The Group aims at enlarging the scope of this category in the following years.
- Upstream Leased Assets (Cat. 8) and Franchises (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)

Statement of use	Artsana has submitted a report <i>In accordance with the GRI Standards for the period 01.01.2022-31.12.2022.</i>
Title of GRI 1 used	GRI 1 – Foundation 2021
GRI Sector Standard(s) that apply to the organization's sector(s)	N/A

GRI Standard	Disclosure		Location		Omission		
					Requirement(s) omitted	Reason	Explanation
GRI 2 – General disclosures 2021	2-1	Organizational details					The Group as of today Scope of the report Contacts Our market presence
	2-2	Entities included in the organization's sustainability reporting					Scope of the report
	2-3	Reporting period, frequency and contact point					Scope of the report Contacts
	2-4	Restatements of information	5.				Methodological note
	2-5	External assurance	5.				Methodological note
	2-6	Activities, value chain and other business relationships	1. 1.1.1 1.1.3				Empowering communities to nurture our future Our brands Business continuity in our value chain
	2-7	Employees	3.				How we care for the Artsana community
	2-8	Workers who are not employees					Human resources data appendix
	2-9	Governance structure and composition	1.1.2				Our governance
	2-10	Nomination and selection of the highest governance body	1.1.2				Our governance



<b>2-11</b>	Chair of the highest governance body	<b>1.1.2</b>	Our governance		
<b>2-12</b>	Role of the highest governance body in overseeing the management of impacts	<b>1.1.2</b>	Our governance		
<b>2-13</b>	Delegation of responsibility for managing impacts	<b>1.1.2</b>	Our governance		
<b>2-14</b>	Role of the highest governance body in sustainability reporting	<b>1.1.2</b>	Our governance		
<b>2-15</b>	Conflicts of interest	<b>1.1.2</b>	Our governance		
<b>2-16</b>	Communication of critical concerns	<b>1.1.2</b>	Our governance		
<b>2-17</b>	Collective knowledge of the highest governance body	<b>1.1.2</b>	Our governance		
<b>2-18</b>	Evaluation of the performance of the highest governance body	<b>1.1.2</b>	Our governance		
<b>2-19</b>	Remuneration policies	<b>1.1.2</b>	Our governance		
<b>2-20</b>	Process to determine remuneration	<b>1.1.2</b>	Our governance		
<b>2-21</b>	Annual total compensation ratio	<b>1.1.2</b>	Our governance	<b>2-21</b>	Confidentiality constraints
					Artsana considers the information required to cover the indicator as confidential and therefore did not proceed with publication for this reporting year. Furthermore, unlike companies subject to mandatory non-financial reporting by current legislation, Artsana is not requested by law to report this information in other instruments.
<b>2-22</b>	Statement on sustainable development strategy		CEO message		



2-23	Policy commitments	1.1.2	Our governance
		1.2.1	How we manage our impacts
		3.4	Our commitment for a socially sustainable supply chain
2-24	Embedding policy commitments	4.2	Our commitment for an environmentally sustainable supply chain
		1.2.1	How we manage our impacts
		3.4	Our commitment for a socially sustainable supply chain
2-25	Processes to remediate negative impacts	4.2	Our commitment for an environmentally sustainable supply chain
		1.2.2	How we care for our stakeholders
		3.4	Our commitment for a socially sustainable supply chain
2-26	Mechanisms for seeking advice and raising concerns	1.2.2	How we care for our stakeholders
2-27	Compliance with laws and regulations	1.1.2	Our governance
2-28	Membership associations	1.2.2	How we care for our stakeholders
2-29	Approach to stakeholder engagement	1.2.2	How we care for our stakeholders
2-30	Collective bargaining agreements	3.	How we care for the Artsana community



## MATERIAL TOPICS

3-1	Process to determine material topics	1.2.3	Materiality analysis
3-2	List of material topics	1.2.3	Materiality analysis



## ECONOMIC PERFORMANCE

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b>	Materiality analysis Our market presence
<b>GRI 201: Economic Performance 2016</b>	<b>201-1</b>	Direct economic value generated and distributed		Our market presence



## MATERIALS

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b> <b>4.3.3</b>	Materiality analysis Raw materials and packaging
<b>GRI 301: Materials 2016</b>	<b>301-1</b>	Materials used by weight or volume	<b>4.3.3</b>	Raw materials and packaging



## ENERGY

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b> <b>4.3.1</b>	Materiality analysis Energy consumption and efficiency
<b>GRI 302: Energy 2016</b>	<b>302-1</b>	Energy consumption within the organization	<b>4.3.1</b>	Energy consumption and efficiency Environmental data appendix



## WATER AND EFFLUENTS

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b> <b>4.3.4</b>	Materiality analysis Other environmental aspects
<b>GRI 303: Water and Effluents 2018</b>	<b>303-1</b>	Interactions with water as a shared resource	<b>4.3.4</b>	Other environmental aspects
	<b>303-2</b>	Management of water discharge-related impacts	<b>4.3.4</b>	Other environmental aspects
	<b>303-3</b>	Water withdrawal	<b>4.3.4</b>	Other environmental aspects



## EMISSIONS

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b>	Materiality analysis		
			<b>4.3.2</b>	Greenhouse gas (GHG) emissions		
<b>GRI 305: Emissions 2016</b>	<b>305-1</b>	Direct (Scope 1) GHG emissions	<b>4.3.2</b>	Greenhouse gas (GHG) emissions Environmental data appendix		
			<b>305-2</b>	Energy indirect (Scope 2) GHG emissions	<b>4.3.2</b>	Greenhouse gas (GHG) emissions Environmental data appendix
			<b>305-3</b>	Other indirect (Scope 3) GHG emissions	<b>4.3.2</b>	Greenhouse gas (GHG) emissions Environmental data appendix



## WASTE

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b>	Materiality analysis		
			<b>4.3.4</b>	Other environmental aspects		
<b>GRI 306: Waste 2020</b>	<b>306-1</b>	Waste generation and significant waste-related impacts	<b>4.3.4</b>	Other environmental aspects		
			<b>306-2</b>	Management of significant waste-related impacts	<b>4.3.2</b>	Greenhouse gas (GHG) emissions Environmental data appendix
			<b>306-3</b>	Waste generated	<b>4.3.4</b>	Other environmental aspects
			<b>306-4</b>	Waste diverted from disposal	<b>4.3.4</b>	Other environmental aspects
			<b>306-5</b>	Waste directed to disposal	<b>4.3.4</b>	Other environmental aspects



## SUPPLIER ENVIRONMENTAL ASSESSMENT

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b>	Materiality analysis
			<b>1.2.1</b>	How we manage our impacts
			<b>4.2</b>	Our commitment for an environmentally sustainable supply chain

<b>GRI 308: Supplier Environmental Assessment 2016</b>	<b>308-1</b>	New suppliers that were screened using environmental criteria	<b>1.2.1</b> <b>4.2</b>	How we manage our impacts Our commitment for an environmentally sustainable supply chain
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## EMPLOYMENT

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b> <b>3.</b>	Materiality analysis How we care for the Artsana community
<b>GRI 401: Employment 2016</b>	<b>401-1</b>	New employee hires and employee turnover	<b>3.</b>	How we care for the Artsana community Human Resources data appendix



## OCCUPATIONAL HEALTH AND SAFETY

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b> <b>3.3</b>	Materiality analysis Creating a culture for a safe and healthy work environment
<b>GRI 403: Occupational Health and Safety 2018</b>	<b>403-1</b>	Occupational health and safety management system	<b>3.3</b>	Creating a culture for a safe and healthy work environment
	<b>403-2</b>	Hazard identification, risk assessment, and incident investigation	<b>3.3</b>	Creating a culture for a safe and healthy work environment
	<b>403-3</b>	Occupational health services	<b>3.3</b>	Creating a culture for a safe and healthy work environment
	<b>403-4</b>	Worker participation, consultation, and communication on occupational health and safety	<b>3.3</b>	Creating a culture for a safe and healthy work environment
	<b>403-5</b>	Worker training on occupational health and safety	<b>3.3</b>	Creating a culture for a safe and healthy work environment

<b>403-6</b>	Promotion of worker health	<b>3.3</b>	Creating a culture for a safe and healthy work environment
<b>403-7</b>	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<b>3.3</b>	Creating a culture for a safe and healthy work environment
<b>403-9</b>	Work-related injuries	<b>3.3</b>	Creating a culture for a safe and healthy work environment



## TRAINING AND EDUCATION

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b>	Materiality analysis	<b>3.2</b>	Improving our people knowledge
<b>GRI 404: Training and Education 2016</b>	<b>404-1</b>	Average hours of training per year per employee	<b>3.2</b>	Improving our people knowledge		



## DIVERSITY AND EQUAL OPPORTUNITY

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b>	Materiality analysis	<b>3.</b>	How we care for the Artsana community
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	<b>405-1</b>	Diversity of governance bodies and employees	<b>3.</b>	How we care for the Artsana community		

## NON DISCRIMINATION

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b>	Materiality analysis	<b>3.</b>	How we care for the Artsana community
<b>GRI 406: Non discrimination 2016</b>	<b>406 -1</b>	Incidents of discrimination and corrective actions taken	<b>3.</b>	How we care for the Artsana community		



## CHILD LABOUR

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b>	Materiality analysis
			<b>1.2.1</b>	How we manage our impacts
			<b>3.4</b>	Our commitment for a socially sustainable supply chain
<b>GRI 408: Child Labor 2016</b>	<b>408-1</b>	Operations and suppliers at significant risk for incidents of child labor	<b>1.2.1</b>	How we manage our impacts
			<b>3.4</b>	Our commitment for a socially sustainable supply chain



## FORCED OR COMPULSORY LABOR

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b>	Materiality analysis
			<b>1.2.1</b>	How we manage our impacts
			<b>3.4</b>	Our commitment for a socially sustainable supply chain
<b>GRI 409: Forced or Compulsory Labor 2016</b>	<b>409-1</b>	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<b>1.2.1</b>	How we manage our impacts
			<b>3.4</b>	Our commitment for a socially sustainable supply chain



## SUPPLIER SOCIAL ASSESSMENT

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b>	Materiality analysis
			<b>3.4</b>	Our commitment for a socially sustainable supply chain
<b>GRI 414: Supplier Social Assessment 2016</b>	<b>414-1</b>	New suppliers that were screened using social criteria	<b>3.4</b>	Our commitment for a socially sustainable supply chain

## CUSTOMER HEALTH AND SAFETY

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b>	Materiality analysis
			<b>2.2</b>	Quality, safety and innovation

<b>GRI 416: Customer Health and Safety 2016</b>	<b>416-2</b>	Incidents of non-compliance concerning the health and safety impacts of products and services	<b>2.2</b>	Quality, safety and innovation
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## MARKETING AND LABELING

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b> <b>2.2</b>	Materiality analysis Quality, safety and innovation
<b>GRI 417: Marketing and Labeling 2016</b>	<b>417-1</b>	Requirements for product and service information and labeling	<b>2.2</b>	Quality, safety and innovation

## CUSTOMER PRIVACY

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.1.2</b> <b>1.2.3</b>	Our governance Materiality analysis
<b>GRI 418: Customer Privacy 2016</b>	<b>418-1</b>	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<b>1.1.2</b>	Our governance

## INNOVATION AND R&D

<b>GRI 3 – Material topics 2021</b>	<b>3-3</b>	Management of material topics	<b>1.2.3</b> <b>2.2</b>	Materiality analysis Quality, safety and innovation
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