

ARTSANA

2023 Sustainability Report



CEO MESSAGE

Dear Stakeholder,

In over 75 years of history, Artsana has always focused on the needs of the community and more importantly on the needs of families. Even today, Artsana's mission is to make families feel safe and valued, listened to and supported by the best solutions we create - we do this with passion and an eye to future generations. Our initiatives and the progress in our ESG roadmap are outlined in this year's **Sustainability Report**, which we are proud to share with you every year, to track our journey toward a more sustainable future.

Our objective as a Group is to **nurture and empower communities**, leveraging our resources to support the growth and well-being of current and future generations. As an example of Artsana's support to its communities, in 2023, a revamp of Chicco's positioning has been carried out, to renew its commitment as a brand that has always been on parents' side. Through its new message "**Live it. Love it.**", Chicco is committed to restore the confidence for those who decide to become parents, encouraging several campaigns such as Rete Adamo in Italy, a project that promotes sharing and networking to find the best solutions to support parenthood.

Additionally, Artsana deeply cares about being involved in **CSR projects at global level**, actively fostering long-term partnerships and ad hoc collaborations with non-profit organizations engaging all of its brands and subsidiaries to support local communities. Artsana's multifaceted CSR efforts are aimed at making a positive impact on a global scale and encompass a wide range of activities, such as informing and educating parents and caregivers on safe sleep practices and car safety, but also donating products to families in need.

In addition to our commitment to the communities of the present, we place a great importance on safeguarding future ones, which means enhancing our environmental sustainability by reducing our impact on

the planet. For instance, during 2023, our electricity consumption worldwide has been covered by 100% **Guarantees of Origin (GOs)**, which certify the renewable origin of the energy sources. Through the purchasing of GOs and the production of electricity through our photovoltaic panels, in 2023 we are proud to have reached **100% of electricity generated from renewable sources**.

Moreover, during 2023, we have further developed our climate strategy with a view to introducing targets aligned with climate science in our roadmap, building on the consistent reduction achieved in the 2019-2023 period, which allowed us to be ranked among the 500 **"Europe's Climate Leaders 2023"** companies by the Financial Times and among **"Le aziende più attente al clima" (The most climate conscious companies) in Italy** for the second consecutive year, a recognition by the prestigious Italian newspaper Corriere della Sera upon research from Statista, the German digital platform that manages one of the world's leading portals for statistics and digital intelligence.

Going beyond climate challenge and in light of our approach to the wider set of ESG topics, Artsana was ranked in 2023 by Il Sole 24 Ore, the most important financial newspaper in Italy, in the list of "Leaders della Sostenibilità" in Italy.

We are very proud of the significant milestones we have reached to date while understanding that the journey to sustainability requires relentless dedication to improvement and progress. We assure our stakeholders of our continued commitment to integrating sustainability into all our business processes and we are grateful to all the people who work with us to create a more sustainable community, where everyone feels empowered and supported.

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

Timeline

Founded in Italy in 1946, Artsana has expanded its knowledge through an in-depth observation of care providers' behaviors and responsibilities. Throughout the years, Artsana has also integrated and cultivated distinct brands designed to meet the comprehensive demands of care providers, thereby enhancing the support network for caregiving communities.



THE GROUP AS OF TODAY

Since 2016, Artsana S.p.A. is owned by two major shareholders: (i) Baby Care International Development Sarl with a 60% shareholding under the indirect control of funds managed by Investindustrial, and (ii) Catelli S.r.l. with a 40% shareholding.



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

ARTSANA GROUP WORLDWIDE



43
Subsidiaries Worldwide



€ 1,361 mln
Direct Economic Value distributed



€ 1,358 mln
Net Revenues



6,437
People Employed Worldwide

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

Our market presence

At December 31, 2023, the **Artsana Group** had a total of 43 subsidiaries worldwide, including the brands covered in Artsana's Sustainability Report and the brands under the Prénatal Retail umbrella. 29 subsidiaries are directly owned by Artsana and the remaining 14 by the Prénatal Retail Group. Artsana has more than 300 directly operated Chicco stores and over 900 belonging to the Prénatal Retail Group. Artsana subsidiaries and distributors worldwide

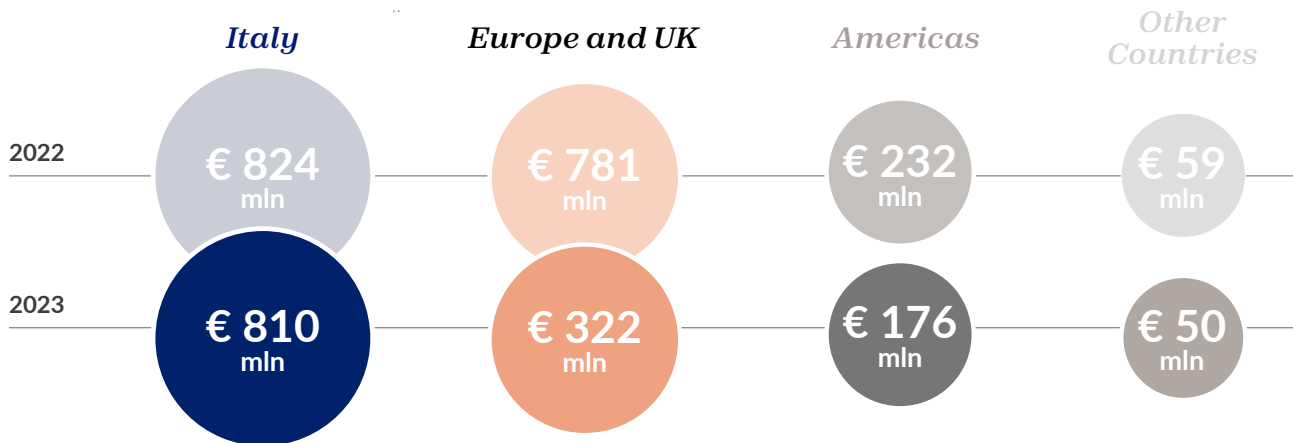
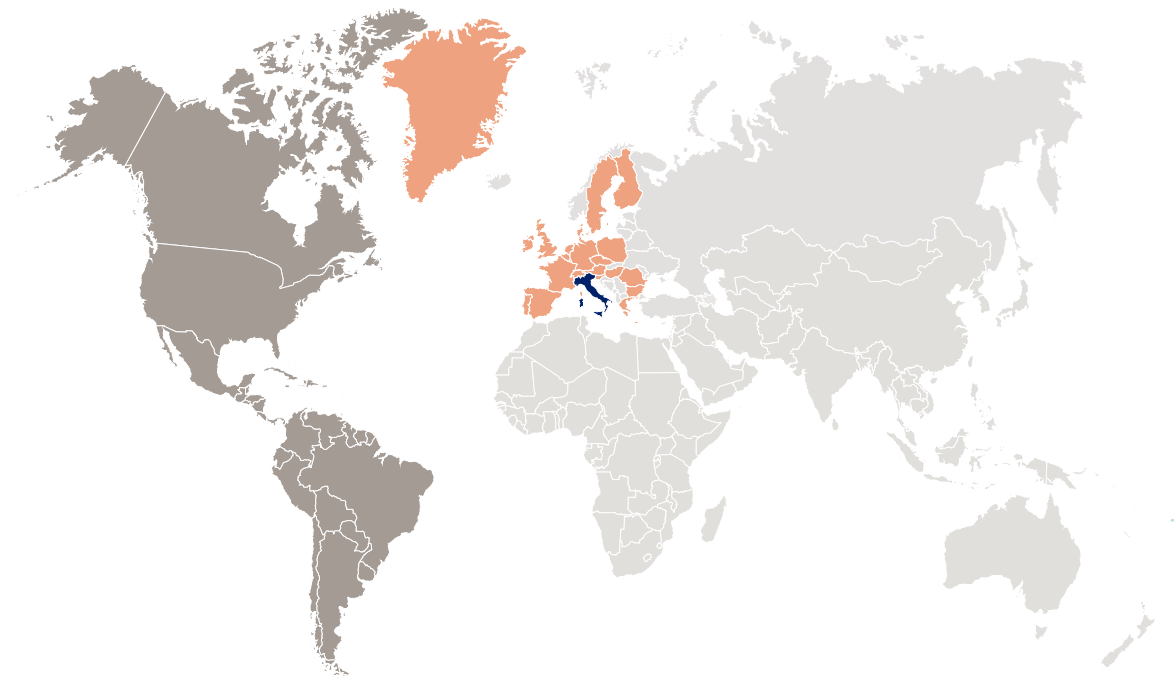
Artsana subsidiaries and distributors worldwide



With its extensive array of brands and products, the Artsana Group operates globally in all the **main channels of distribution**. This includes specialty baby stores, pharmacies, international distributors, mass-market retailers, online marketplaces, and its own network of brick-and-mortar retail stores. In recent years, Artsana has been observing changes in the distribution landscape along with a fast growing trend

of online retail, which made it intensify its commitment to e-commerce. The Company, therefore, focused on rolling out its e-commerce strategy in multiple markets, including the United States, Italy, Spain, Portugal, France, Belgium, Turkey, and India. Artsana is also preparing to expand its digital storefronts into further markets shortly.

Net sales by region



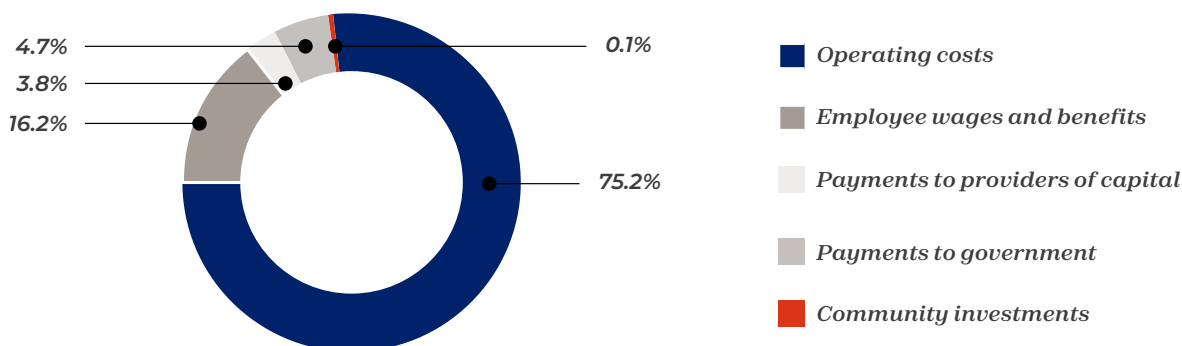
At the Group level, **direct economic value generated** and **direct economic value distributed** amounted to €1,397,801 and €1,360,973, respectively.

	2021	2022	2023
Direct economic value generated [k€]	1,719,601	1,960,952	1,410,406
Direct economic value distributed [k€]	1,591,375	1,816,383	1,360,973
Operating costs	1,227,095	1,400,286	1,023,945
Employee wages and benefits	234,442	275,943	219,798
Payment to capital providers	45,228	53,215	52,171
Payments to government	83,506	85,636	64,104
Community investments	1,103	1,303	955
Economic value retained [k€]	128,226	144,568	49,433

The direct economic value generated and distributed by Artsana represents the wealth the company creates for its stakeholders. Specifically, the distribution of this value is as follows: the majority is allocated to suppliers through operating costs, accounting for approximately 75.2%; a substantial portion goes to employees in the form of salaries and benefits,

making up 16.2%; a share is directed to governments as taxes; capital providers and shareholders receive their portion through financial interests and dividends; and lastly, the community benefits from the company's contributions to sponsorships and voluntary donations.

2023 Distribution of Direct Economic Value



Scope of the report

This report refers to the period from January 1, 2023, to December 31, 2023, and provides an overview of Artsana's sustainability initiatives, comparing current data with values from the previous years to give a more complete picture of the company's sustainability performance and trends.

The sustainability report period coincides with the fiscal year. The report is published every year and the 2022 Sustainability Report has been made available on the Company's website in July 2023.

The sustainability report's scope covers the entire Artsana Group except for Prénatal Retail Group. Therefore, the Report encompasses the following brands: Chicco, NeoBaby, Boppy, Fiocchi di Riso, Fisiolact, Recaro and Control. In 2023, Artsana S.p.A. sold the 75% stake held in Goovi.

The Report takes into account the business activities and production sites located in Italy, Romania, and Spain, as well as the sales subsidiaries in various countries including Argentina, Brazil, Belgium, China, France, Germany, India, Japan, Mexico, Poland, Portugal, Russia, Spain, Switzerland, Turkey, the UK, and the US. It also includes the Grandate (Como) headquarters and the company-run stores in Italy.

The economic, social and environmental details provided in the Report pertain to the specified scope. Any deviations from the scope are clearly indicated in the text.

From this point, the terms "Artsana Group," "Artsana," or "Group" in the context of sustainability reporting will exclusively refer to Artsana S.p.A. and its subsidiaries, excluding Prénatal Retail Retail Group S.p.A. and its related entities.

Prénatal Retail exclusion from the Sustainability Report is due to the fact that, even if it is integrated in the consolidated financial statements on a line-by-line basis, Prénatal Retail carries out its activities independently and is not subject to Artsana S.p.A.'s management and coordination. Prénatal Retail retains decision-making autonomy for financial and administrative aspects, as well as for the implementation of sustainability initiatives, policies, and strategies.

Artsana's reporting approach is consistent with the operational control criteria outlined in the GHG Protocol Corporate Accounting and Reporting Standard for the disclosure of greenhouse gas emissions.

For a detailed overview of Prénatal Retail's sustainability strategy, reference should be made to Prénatal Retail's annual Sustainability Report.

Our Sustainability Reporting



€ 622 mln
Net Revenue



2,814
Workforce

Empowering communities to nurture our future



>16,000

Online and in presence family course attendees



≈4,000

members of Artsana Open Innovation Platform



€955 mln

distributed to the community



>1,500

products distributed thanks to "Baby Spesa SOSpesa"

How we care for the Artsana community



68%

of the workforce are women



95%

employees with permanent contract



16%

Hiring rate



22,524 h

of training for employees

How we care for the planet and the future



848 tCO₂

avoided CO₂ emissions from projects



99%

non-hazardous waste sent to recycling and energy recovery



11,183 GJ

energy savings from projects



100%

finished product suppliers facilities assessed for qualification

1

Empowering communities to nurture our future

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.



Artsana's philosophy hinges on taking care of the **people and the planet** integrating and communicating the value of sustainability through its daily operations. The Company's long tradition has been carried over to all its brands both in the health and beauty sector and in the baby care sector, with the Chicco, NeoBaby, Fiocchi di Riso, Boppy, Fisiolact, and Recaro brands and, for adult well-being, with the Control brand.

Artsana considers the concept of "caring", embracing not only parents and children, but also the entire community to make everybody feel empowered, supported, and heard. "Caring" at Artsana is implemented through the Company's consolidated know-how across different product categories (from in-car child safety to dermocosmetics, and from feeding to clothing).



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 directly related to its strong **passion, responsible approach, curiosity, and commitment** to improving and increasing knowledge and expertise for the benefit of the community. Its brands are present in a variety of categories across the globe, from Nursing to Juvenile, from shoes to toys, all sharing the Company's underlying values of providing children and their communities with quality tools for their well-being. In its daily operations and initiatives, Artsana embraces this vision, underscoring its commitment to **sustainability** and leveraging its **specialist expertise**, consolidated over more than 75 years. Artsana's entire ecosystem of brands hinges on one pillar value: all-around caring for the people and the future of the planet. To pursue this, each

brand operates 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 future generations, so that the well-being of children and the planet remains a priority for everyone.

In line with its philosophy, 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 and aligning its mission and purpose in the same direction that was followed also throughout 2023.

♥ 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 that embody the values of caring as a fundamental principle within its comprehensive framework.

This feature is reflected by the variety of Artsana's

brands spanning across different market sectors, from individual care to adult well-being and childcare. This makes Artsana a multi-specialty and versatile company.



Chicco is a multi-specialty 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.



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



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



Ficchi 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.



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



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.



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 parent Company Artsana S.p.A. has a **Board of Directors (BoD)** composed of nine board members (including the CEO), the majority of whom is aged between 30-55 years, and the remaining over fifty-five 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.

GENDER		2021	2022	2023
Executive members	Men (CEO)	1	1	1
	Women	0	0	0
	Total	1	1	1
Non-executive members	Men	7	7	7
	Women	1	1	1
	Total	8	8	8

The BoD meets at least every quarter and holds office for three years. The BoD is responsible for the management of decision-making processes and impacts. In addition, there are no ad hoc committees appointed by the BoD.

All Board 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 Shareholders' Meeting resolves on matters reserved for it by law and statute. 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 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 Board about all the **topics classified as relevant and critical**, such as energy cost trends, utilities, logistics costs, and the socio-economic impact of conflicts.

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 and it is linked to corporate objectives approved by the CEO, mainly related to economic and operating indicators. The CEO is responsible for the definition of increases in remuneration, based on performance assessment and

considering 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. Managers can make proposals on employee salary increases and discuss them with Human Resources, taking into consideration the allocated annual budget cost. The summary is reported to the CEO, who gives its approval or suggests modifications.

At Artsana, **sustainability** plays a strategic role at all levels and employees are involved in and contribute to the implementation of sustainability-oriented actions, spanning from the identification and management of impacts to data collection. Moreover, the Board discusses sustainability issues at least twice 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 actively oversee due diligence procedures concerning the organization's impacts on the economy, the environment, and the people. This activity is reinforced by expert advisors and the materiality analysis for sustainability reporting purposes. Sustainability-related issues are typically included in the Board's agenda with bi-annual updates or more frequently whenever it is deemed necessary for making decisions on specific initiatives.



To manage 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, whose chair is the Sustainability Director, meets twice a year and the agenda covers all ESG topics. The management team is responsible for the drafting of the sustainability report in coordination with the Sustainability and Finance functions and the CEO holds the final responsibility on it with the support of the management team.

To better understand and identify the impacts of the organization, how to manage them, and the improvement areas, the Company organizes regular meetings to raise awareness, disseminate and update on sustainability at all levels of the organization. At Artsana, the CEO provides the Board with regular updates, information, and ultimately education on developments in sustainability.

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

Artsana confirms its commitment and guides its conduct through specific policies (available on 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 (International Labour Organization) and UNGC (United Nations Global Compact). While the Code of Ethics and the ESG policy apply to all organization levels, the Code of Conduct for Suppliers and the Code of Ethics apply to business relationships with suppliers. The Company designs business processes based on its policies to prevent and mitigate related risks and monitor proper implementation within the organization and the value chain.

All policies are hinged on the Company's commitment to the respect and protection of **human rights**, with particular reference to the following categories of stakeholders: workers, consumers, children, and, in general, individuals in their uniqueness. Such commitments embody the ethical principles of conduct approved by the Board of Directors and implemented through the CEO.

To ensure the implementation of the concept of "administrative responsibility", the Group developed its **Organizational, Management and Control Model**, in accordance with the requirements of the Italian Legislative Decree no. 231 of 8th June 2001. In late 2023, Model 231 was updated to include the newly issued whistleblowing policy. The **Whistleblowing Policy** applies to, and is binding for, all Artsana Group companies operating in EU Member States through specific local procedures in line with the statutory requirements of the country. Artsana has

implemented an internal Whistleblowing System that enables the submission of reports in electronic and written format. Through the use of cryptographic measures, the system ensures confidentiality for the whistleblower, the subject involved and any other mentioned parties, and the content and its associated documentation. This initiative testifies to Artsana's ongoing commitment to enhancing internal protocols concerning anti-corruption and whistleblowing issues. At the end of 2022, the BoD adopted a new **Code of Ethics** with a view to promoting an ethical approach to business and setting out the rules of conduct for Artsana Group companies in relation to the performance of operations, the maintenance of commercial relations with customers and suppliers and the principles of conduct to be followed.

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 website¹. In the first months of 2023, all the Group subsidiaries adopted the last version of the Code of Ethics. As a result, the Code of Ethics became the single tool for ethics at the international level gathering the principles applied by the whole Group.

Moreover, in 2023, Artsana launched the **Global Compliance Program** and several related Policies to ensure compliance with an ethically sustainable conduct by all stakeholders dealing with or operating on behalf of or in the interest of the Company. The aim was aligning efforts across Group Companies

in order to prevent cases of criminal corporate liability and, more generally, illicit behaviors while concurrently spreading a shared, consistent and global approach to fight against them. To confirm Artsana's ongoing commitment to respect and maintain its legal integrity, in 2022, the Company received the maximum score from Legality Rating, a summary indicator of high-standards compliance issued by the Italian Competition and Market Authority.

In the 2021-2023 reporting period, two cases of non-compliance with laws and regulations were reported to Artsana in Russia and in Italy:

- The first in Russia referred to a deviation from local regulation regarding garment composition. Artsana withdrew one model of shoes and a jumpsuit from the market;
- The second in Italy referred to an administrative fine due to a deviation from Legislative Decree n. 276/2003 in a service supply contract.

Artsana is committed to ensuring data protection. For this reason, and with a view to combating possible cyberattacks like the one suffered in 2021, in 2022, the Company updated its **Privacy Policy** in compliance with the provisions of EU 2016/679 General Data Protection Regulation (**GDPR**). Moreover, the Group has appointed a Data Protection Officer (DPO) to inform both the Board of Directors and the Board of Statutory Auditors on the activities carried out. During the reporting period, the Company did not receive any substantiated complaints concerning breaches of customer privacy.



¹: <https://www.artsana.com/code-of-ethics/>

1.2 Our sustainability commitment

1.2.1 How we manage our impacts

At Artsana, sustainability is embedded in day-to-day activities and business processes. The Group's values envisage sustainability as a core concept nurturing future generations and acting to support the community and the planet by making the whole value chain more sustainable.

Artsana has been voluntarily publishing its **Sustainability Report** since 2016 with annual disclosures to stakeholders of the results, priorities, and targets along the sustainability journey.

One year later, in line with its commitment to sustainability, 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, acknowledging that sustainability is a

group effort, Artsana also joined the **Global Compact Network Italy Foundation** and engages regularly 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)** through cross-industry cooperation.

In integrating the 17 SDGs endorsed in 2015 by the General Assembly of the United Nations, Artsana promoted efforts across various sectors to eradicate extreme poverty, hunger, and combat climate change, thereby addressing the crucial economic, social, and environmental challenges of our time. Artsana's impact is particularly notable on four specific SDGs—n.3, n. 4, n.12, and n. 13—which closely resonate with its core mission and focal areas:





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

Guided by strong and shared values, Artsana has always had the health and well-being of the individual at its heart. Solid passion for life summarizes the group's 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 21st 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 is committed to actively fostering sustainable development globally. In line with this commitment, Artsana has implemented an **ESG policy** that applies universally across all subsidiaries and operational functions, underscoring its dedication to responsible business practices. This commitment also extends to **environmental** accountability through the ongoing measurement, monitoring, and mitigation of Artsana's impact, and social governance in business operations. Artsana's ESG Policy is made available to all stakeholders for consultation on the Company's website; its fundamentals are also confirmed in this Sustainability Report.

In 2020, the Group introduced **4 ESG Pillars** as part of its Sustainability Strategy to confirm its commitment to key sustainability areas. These pillars are intended to guide future reporting efforts, outlining accomplishments and projections for each area. The following pages summarize the 2023 achievements and plans, along with the future targets for each of the pillars and topics. This summary serves as transparent communication on sustainability-related pivotal aspects to all **stakeholders**, testifying to Artsana's commitment to sustainability and its incorporation into Artsana's organizational strategies and operational procedures.

GHG Emissions & Climate Change

KEY TOPICS & APPROACH	RESULTS ACHIEVED IN 2023	PLANS AND FUTURE TARGETS
ENERGY USE AND EFFICIENCY	<p>11,183 GJ and 848 tonCO₂e saved as a result of the implementation of new energy-efficiency initiatives.</p> <p>Overall reduction in energy consumption by 16% and in natural gas consumption by 19% vs 2022, due to energy efficiency initiatives.</p>	<p>Progress in the planned initiatives and technological improvements to reduce energy consumption, to avoid generation of >2,000 tons of CO₂eq p.y. in the next 3 years, also through increased renewable energy generation and commitment to keep purchase of renewable energy.</p>
RENEWABLE ENERGY	<p>100% of electricity was generated from renewable sources through the purchase of GOs/I-RECs, in all the countries in which Artsana operates, ahead of target year 2026.</p> <p>New photovoltaic system put into operation in Gessate.</p> <p>80 MWh of electricity generated by Artsana photovoltaic systems (+27% increase vs 2022).</p>	<p>Installation of additional photovoltaic systems in Artsana plants in Italy.</p>
GHG EMISSIONS	<p>100% reduction in Scope 2 emissions* in the 2021-2023 period</p> <p>40% reduction in Scope 1 and 2 emissions* in the 2021-2023 period.</p> <p>Scenario analysis for a possible reduction roadmap (2024-2030) for aggregated Scope 1 and Scope 2 emissions*, following science-based criteria.</p> <p>*(Market-Based approach)</p>	<p>Integration in climate strategy of science-based targets, also depending on the evolution of GHG protocol and adopting SBTi methodology for near-term target setting, aiming at targeting 75% reduction for combined Scope 1 and Scope 2 emissions by year 2030 vs year 2019.</p>
	<p>58% reduction from 2019 in emission intensity (Scope 1 and Scope 2, tonCO₂e/Mln€ revenues), from 30,85 tonCO₂e/Mln€ to 12,90 tonCO₂e/Mln€.</p>	<p>Measure and report on the emission intensity to obtain reductions in the upcoming years.</p>
	<p>Scope 3 GHG emissions: measurement and reporting on 8 categories of Scope 3 GHG emissions, including Cat. 1 on the whole product range for the period 2021-2023.</p> <p>Scenario analysis for the possible integration of targets for Scope 3 GHG emissions in climate strategy following science-based criteria.</p>	<p>Complete measurement and reporting on all relevant categories of Scope 3 GHG emissions (11 applicable categories out of 15).</p> <p>Development by end of 2024 of science-based targets for Scope 3 GHG emissions, taking into account approaches and criteria defined by SBT Initiative.</p>
	<p>Offsetting of residual GHG emissions (Scope 1 and Scope 2 Market Based) through carbon credits from certified projects.</p>	<p>Maintain offsetting of residual GHG emissions (Scope 1 and Scope 2 Market Based).</p> <p>Possible commitment to SBTi during 2024 for science-based targets submission for Scope 1, Scope 2 Market Based, Scope 3 GHG emissions during 2025, taking into account the evolution of GHG protocol and of the SBTi standard.</p>

Environmental Sustainability of Product & Packaging

KEY TOPICS & APPROACH	RESULTS ACHIEVED IN 2023	PLANS AND FUTURE TARGETS
PRODUCT & PACKAGING	<p>Launch of an LCA study on a Juvenile product to assess effectiveness of implemented footprint reduction measures (climate) and to support sustainability certifications.</p> <p>Data collection to support emerging local needs in terms of reporting on sustainability features of products and packaging.</p> <p>Continued efforts in the application of eco-design principles, with special reference to design and testing for product integrity and durability, and to 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.</p> <p>Continued and extended use of e-commerce proof packaging to reduce the use of supplementary packaging in downstream distribution.</p> <p>Award winning at Ecopack 2023, an initiative by CONAI which recognizes businesses that developed packaging solutions adopting eco-design criteria, for the innovative design of its "Set Prima Pappa" baby meal set packaging.</p> <p>ISCC PLUS and RED CERT 2 certifications at Artsana UP80 manufacturing plant, for the use of bio-based and renewable raw materials (plastics and silicone) in nursing and toys product range.</p> <p>Joining Erion Textiles consortium in Italy (part of the Erion multi-consortium system) to contribute to the definition of future obligations applicable to apparel industry (Extended Producer Responsibility).</p> <p>As a result of multiple actions, the following results were achieved on packaging and products:</p> <ul style="list-style-type: none"> Shoes packaging: 65% paper from responsibly managed forests; 30% recycled polyethylene Clothing packaging: 57% paper from sustainably managed forests; 51% recycled polyethylene 89% packaging paper used in Romania made from recycled material Clothing products: 44% cotton is organic/recycled/from responsible sources; 22% polyester is recycled Shoes: introduction of more sustainable materials (e.g. organic cotton and recycled plastic materials) In 2023, 3 new products added to the Eco+ Toys list, made with recycled materials Significant increase in the use of Oekotex-certified fabrics for Chicco products, rising from 43% in the Spring/Summer 2022 collection to 50% in Spring/Summer 2023 <p>Overall, in 2023 Artsana used 825 ton recycled plastic materials in products and packaging.</p> <p>More details and other initiatives are described in chapter 4 of this Report.</p>	<p>Monitor and adopt emerging approaches and standards to evaluate and measure sustainability of products in the relevant categories.</p> <p>Evaluate and adopt certification schemes applicable to materials and/or products supporting Artsana's commitment to environmental sustainability of products.</p> <p>Continue studies and tests to increase use of recycled materials while maintaining the established high quality and safety requirements.</p> <p>Mapping sustainability attributes in the company reporting, to support measurements and performance review.</p> <p>Implement Extended Producer Responsibility schemes applicable to product categories and distribution activities.</p> <p>Use of 100% recycled fibers in Boppy nursing support pillows.</p> <p>In Clothing collections, increase the use of Oekotex-certified fabrics aiming at reaching 70% by end of 2024; eliminate the residual use of goose feathers starting from 2024.</p> <p>For Hard Goods 4 directions have been identified:</p> <ol style="list-style-type: none"> FSC massive usage both for paper/carton boxes made in Italy and bought and wood recycled plastic has different impacts and aspects <ol style="list-style-type: none"> reduce usage of virgin plastic and move to full recycled bottles in toiletries and home care Made In Italy increase usage of Bio based and recycled plastic in toys and through ISCC and Red Cert2 increase usage of recycled polyester and in textile and padding, mainly juvenile products increase consciousness of reducing extra packaging carefully select and evaluate spare parts.

Social & Human Rights

KEY TOPICS & APPROACH	RESULTS ACHIEVED IN 2023	PLANS AND FUTURE TARGETS
OUR PEOPLE'S WELL-BEING, WORK-LIFE BALANCE AND DEVELOPMENT OF PROFESSIONAL SKILLS	<p>22,524 hours of total training hours, from 6.8 in 2022 to 8.4 training hours per capita in 2023. Rollout of the Artsana Learning Platform to several countries, with access to +250,000 open contents.</p>	<p>Launch and rollout of the Artsana Learning Platform on all subsidiaries by 2025.</p>
	<p>9,688 (+23% vs 2022) training hours on job skill development.</p>	<p>Integrate the self-training platform with selected traditional trainings to further reinforce the professional skill development of our employees.</p>
	<p>4,058 hours of health and safety training for our people.</p>	<p>Keep a focus on training on health & safety topics as a key factor to pursue a 0-injury target in the organization.</p>
	<p>Involvement of the subsidiaries worldwide through questionnaires to engage the Artsana community on the new values of the Company. New trainings to employees on the concepts of design-to-value and design-to-cost, to better understand how to reach the best results in terms of time-to-market and cost efficiency when designing and selling new products, while still prioritizing value.</p>	<p>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.</p>
	<p>WAVE (We Are the Value of the Enterprise) - the internal program for evaluation, training and professional development- was updated and re-launched with an international view in 2023. 697 (+18% vs 2022) people took part to WAVE survey, from various organizational levels across 9 countries, receiving: 747 evaluations by Managers - 2,212 evaluations by Internal Clients</p>	<p>Expand the WAVE evaluation from 180° to 360°.</p>
	<p>Rollout of the Welcome Back Coaching project, which supports mothers returning to work after maternity leave by offering them 3 individual coaching sessions. In 2023, new employee initiatives focused on three pillars: support to parents, support to caregivers, and health and lifestyle. Concerning health and lifestyle, Artsana expanded its offer of benefits to foster employees' physical and mental health.</p>	<p>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).</p>
	<p>Conducted an internal climate survey called "Artsana Voice", on the global employee population, to strengthen internal communication and increase the involvement of people working in the Company. Developed an intranet platform as a way to better communicate within the Company.</p>	<p>Expand the intranet platform to all countries globally.</p>
CONSUMERS' AND FAMILIES' GOOD HEALTH AND WELL-BEING	<p>Continued commitment on a responsible approach to innovation and communication, as detailed in chapter 2 of this Report.</p>	<p>Customer-centric and scientific approach to innovation and communication.</p>
	<p>Active contribution to the development of multiple new childcare safety standards in the EU and all over the world, including EN/ASTM/ISO standards.</p>	<p>Maintain and leverage expertise for innovative, effective and safe solutions.</p>
	<p>4,000+ members in the Open Innovation Platform.</p>	<p>Maintain and develop open innovation platform to support and promote innovation.</p>
SUSTAINABILITY CULTURE AND EDUCATION	<p>Chicco has joined Plasmon Italia in the #Adamo project, sharing the need to act concretely on the issue of birth rates in Italy and focused on three main areas: parents support in terms of time organization, financial support and services; initiatives to reconcile private life with work; training for raising children.</p>	<p>Increase internal and external communication on sustainability topics, through institutional reporting and brands' communication to promote sustainability culture and communication.</p>
	<p>Greater importance was given to training on diversity, inclusion, and equal opportunities (+306% training hours vs 2022). In 2023, Chicco renewed its positioning with a new campaign and a new claim, "Live it. Love it.", celebrating parental freedom to choose what's best for their family without fear of judgement. Control has supported the cooperative "il Balzo", an Onlus that takes care of children and adults with disabilities in the southern Milan area through many initiatives.</p>	<p>Progress in promoting diversity, equal opportunities and inclusion.</p>
	<p>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.</p>	<p>Actively participate in round tables and peer groups on sustainability topics, contribute to and acquire knowledge on sustainability.</p>
COMMUNITIES AND SOLIDARITY	<p>Continued support to established CSR initiatives, close to the company's purpose, as detailed in this Sustainability Report.</p>	<p>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.</p>



Responsible Value Chain

KEY TOPICS & APPROACH	RESULTS ACHIEVED IN 2023	PLANS AND FUTURE TARGETS
<p>ESG RATING</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 & Human Rights practices.</p> <p>Multiple awards and recognitions on ESG by authoritative observers:</p> <ul style="list-style-type: none"> - "Le aziende più attente al clima" (most climate-conscious companies), assigned for the second year in Italy by Corriere della Sera and Statista, and ranking 130 Italian companies based on the screening of 2019-2021 GHG emissions intensity reduction by 550 large companies - "Leaders in Sustainability", assigned in Italy by Il Sole 24 ore, the most important financial newspaper in Italy, upon research by Statista and based on 360° assessment of ESG indicators; - "Europe's Climate Leaders", assigned by the Financial Times based on the reduction of GHG emissions & intensity in period 2016-2021 by participating European companies and listing 500 companies (33 in Italy) "doing better than others in reducing carbon footprint". <p>Chicco has been listed in the top 30 brands in Italy in the "ESG perception leaders" analysis published by Brand Finance, based on research on perception from consumers.</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>ESG GOVERNANCE AND MANAGEMENT SYSTEMS</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>Formal adoption of the updated Code of Ethics by all subsidiaries worldwide.</p> <p>Update of Model 231 to include the newly issued whistleblowing policy and the internal Whistleblowing System that enables the submission of reports in electronic and written format.</p> <p>Launch of a program for the adoption of a Global Compliance Program and several Policies to harmonize the efforts made amongst the Group Companies in preventing criminal corporate liability and illicit behaviors.</p> <p>Review and update of Artsana's Code of Ethics to be adopted by all subsidiaries.</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 & safety, cyber security.</p>
<p>WASTE AND WATER</p>	<p>1% decrease in total waste generation between 2022 and 2023.</p> <p>99% non-hazardous waste sent to energy recovery or recycled.</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>Benefits from the installation of the new, more efficient reverse osmosis plant:</p> <ul style="list-style-type: none"> - a significant boost of the water purification efficiency rate to 80% (from 44% efficiency level of the old system) -10% reduction in the total water extracted from the municipal supply, thanks to the internal recycling of the water flow. 	<p>Develop 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>TRANSPORT AND DISTRIBUTION</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>SUPPLIERS' ETHICAL MANUFACTURING AND ENVIRONMENTAL FOOTPRINT</p>	<p>Continued membership 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 the RMG Sustainability Council for the Ready-Made Garment industry in Bangladesh; 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 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 several stakeholders who 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, the Company 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. Moreover, Artsana's

Sustainability Committee constantly monitors changes in stakeholder groups and develops effective and efficient tools to engage with them to involve the entire value chain in sustainability topics and collect all possible points of view.

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



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

Artsana implements services that represent 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. Two examples are the newly updated **whistleblowing** channel and Artsana's **customer service**, which 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.

Finally, Artsana S.p.A. participates in, and frequently is an active member of, many industry and trade

associations, multi-stakeholder initiatives, and schemes on ethical manufacturing with a view to meeting the needs of the whole community caring for children while developing trusted solutions through its products. In this respect, worth mentioning are the Ethical Toy Program and the Sustainable Apparel Coalition.

The Company also takes part in numerous technical committees and working groups worldwide, such as the ones organized by the European Committee for Standardization (CEN) in Europe and the Juvenile Products Manufacturing Association (JPMA) in North America.

1.3 A sustainable supply chain

Artsana is committed to building and maintaining **relationships based on trust** with its suppliers. The Group recognizes how managing supplier relationships is important and strategic, in order to create value for the customers and offering them the best quality and service and protect all the workers

in the supply chain as well as the environment, being continuously inspired by its central pillar: caring. This is why relationships with suppliers go beyond the simple commercial sphere and are based on the sharing of factors necessary to promote and pursue **responsible and sustainable business development**.

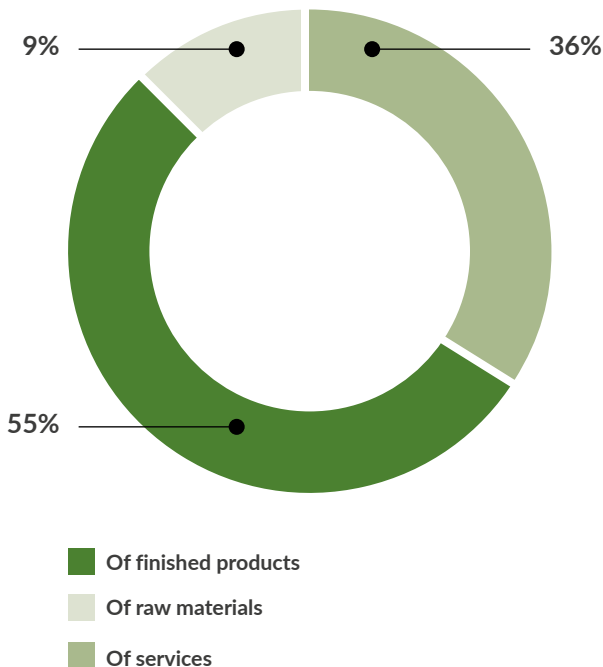
1.3.1 Business continuity in our value chain

In the last years, availability of raw materials improved (contrary to 2021), but energy and gas prices rose as a result of the socio-economic events that occurred in the year. To address these uncertainties and help optimize supply chain efficiency, Artsana adopted two strategies to manage volatility more consistently: **available-to promise (ATP) management and multi-country sourcing**. ATP management represents the portion of stock that the Company can guarantee to customers for delivery within a specific timeframe. 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,

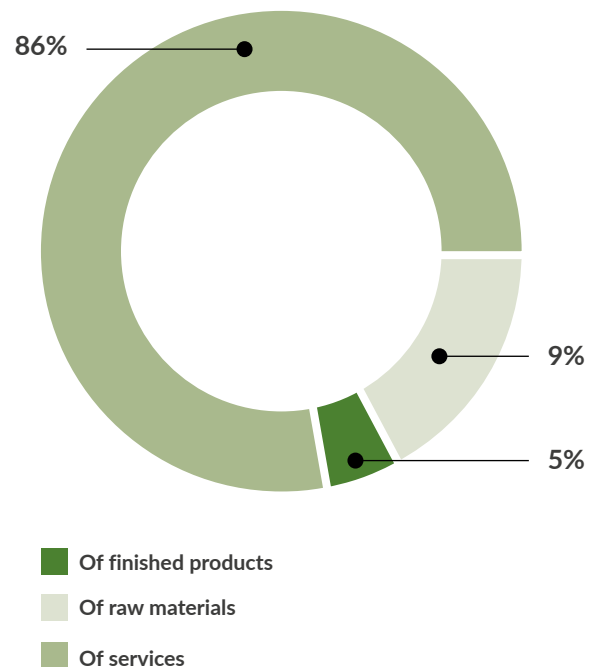
investments in integrated sales and operation planning systems would allow Artsana to analyze customer demand more efficiently and adjust the required manufacturing and purchasing schedules accordingly.

In 2023, Artsana purchased goods from 3,996 suppliers for a total value of € 345 million. 54.4% of this value was spent on a category of suppliers, which represent around 5% of the total number. Artsana relies on a few trustworthy and qualified suppliers for product manufacturing. The largest number of suppliers consists of service providers, on which the Company spent 36.4% of the total purchase value in 2023.

Purchased value in 2023, by suppliers



Number of suppliers in 2023, by category



SUPPLIERS CATEGORY BY NUMBER AND BY SPENDING		UNIT	2021	2022	2023
Of finished products	suppliers (n.) spending (%)		215 54%	214 53%	211 54%
Of raw materials	suppliers (n.) spending (%)		731 12%	357 11%	357 9%
Of services	suppliers (n.) spending (%)		3,333 34%	2,363 36%	3,428 36%
Total	suppliers (n.)		4,279	2,934	3,996

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

Direct interactions with end consumers is the first distribution channel, mainly through Artsana's subsidiaries and owned and franchised stores and websites.

The second strategy includes indirect channels, i.e. intermediaries such as distributors or traders and an increased relevance of e-commerce channels. For this reason, Artsana has decided to expand strategically

its online platforms to accommodate consumer requests and concurrently focus on its digital identity, navigating the opportunities of social media and other platforms.

To increase flexibility and proactivity and anticipate market trends, Artsana aims at meeting customer needs by continuously exploring new distribution channels, optimizing the efficiency of its distribution networks, and leveraging the opportunities of new technologies.

1.3.2 Our commitment for an environmentally sustainable supply chain

Artsana places a high value on promoting trust, excellence, and collaboration in its relationships with **suppliers**. The Company is constantly working on improving its sustainability practices to create a responsible supply chain that is engaged in minimizing its negative environmental impacts while providing high-quality products and services.

To this end, the Company actively shares best practices and promotes a **sustainability-based culture** among its suppliers, making them participate in the attainment of objectives and implementation of best practices. Moreover, Artsana expects its suppliers to comply with human rights and commit to improving their social and environmental performances.

At the end of 2021, 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. This is evidence of Artsana's unwavering dedication to the improvement of sustainability along its supply chain. Supplier engagement is essential to Artsana to learn more about the environmental impact of its products. In 2024, Artsana committed to stop using goose down.

Actions in the same direction include reducing packaging waste and introducing recycled materials to enhance product circularity, along with a progressively increased use of BCI certified or organic cotton. Moreover, when the manufacturing of specific product categories is located close to the destination markets, Artsana relies on local partnerships. This enables the Company to cut emissions associated with distribution and logistics. The local production of some cosmetic products in India is a concrete example of this approach.

Logistics is another essential aspect for the Company, which primarily uses **trucks** and **cargo** ships for transporting materials to and from its production plants and warehouses.

In recognizing the importance of having a reliable and efficient distribution network, Artsana is progressively and continuously committed to its improvement, reducing the related costs and environmental impacts. To this end, the Group has developed a carefully organized logistics system to optimize product transportation in terms of number of routes and load size.

With a view to reducing the potential impacts of its global network, Artsana designed a distribution network that encompasses all the steps, from the suppliers to its production sites in line with a broader sustainability strategy. The Group considers the sustainability strategies of its logistics suppliers, 3PL, as a selection requirement.



Did you know?

The **Sustainable Apparel Coalition**, a global, multi-stakeholder non-profit alliance for the fashion industry, which Artsana joined in 2021, developed the **Higg Index**, a standardized supply chain measurement tool that enables industry operators to measure their environmental, social, and labor impacts involved in the making and selling of their products and services.

By measuring sustainability performance, industry operators can address inefficiencies, resolve damaging practices, and elevate their environmental and social transparency towards increasingly demanding consumers. Joining forces in the Coalition enables members to tackle the urgent, systemic challenges that are most difficult to be dealt with individually.

The suite of tools that constitute the Higg Index is made up of three categories: **brand & retail tools**, i.e., an assessment that gives insight into the social and environmental performance of brands and retailers; **facility tools**, which consists of assessment to give insights into the social and environmental

performance of facilities; and **product tools**, which measure the environmental impacts of producing materials and products through LCA.

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. To **assess the environmental impact of product manufacturing** at facilities, the Group used the **Facility Environmental Module (Higg FEM)**, and the **Facility Social & Labor Module (Higg FSLM)** to **assess the working conditions** and promote safe and fair social and labor conditions.

SAC requires companies to engage suppliers covering at least 25% of their business volume in FEM and 10% in FSLM. In 2023, Artsana exceeded these figures and engaged suppliers covering 32% of its total business volume in FEM and 20% in FSLM.

1.3.3 Our commitment for a socially sustainable supply chain

Artsana prioritizes the well-being of individuals, a fundamental aspect of its operations that extends to its entire supply chain. Indeed, ethical, and social considerations are crucial in the selection of suppliers, with ongoing audits and awareness-raising initiatives as integral part of Artsana's approach.

Upholding a shared set of principles is essential to Artsana. This is why suppliers are required to adhere to the Company's **Code of Ethics**, outlining the ethical values, rights, obligations, and responsibilities which need to be respected for generating a positive impact on all stakeholders involved in the Group's business activities. In addition, compliance with **Artsana's Code of Conduct** is contractually mandatory for suppliers of products and components, **to guarantee the respect of fundamental human rights**, including employees' health and safety, fair working hours and salary, no use of child labor, and environmental protection. Artsana's dedication to ethical sourcing has been longstanding and remains a cornerstone in developing supplier relationship.

The Group carries out rigorous and periodic audits based on the supplier's segment and country of origin, unless the suppliers have already obtained an ethical certification recognized by Artsana that confirms their adherence to ethical standards and that these are rooted in their value chain. The risk-based audit process involves both third-party audits

and direct inspections. 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 Bangladesh Accord, with a 100% audit coverage. Additionally, the Group monitors key facts and trends in these subject areas to ensure that human rights and health and safety standards are adequately assessed across the entire the supply chain.

Artsana extends its commitment beyond audits by actively engaging in industry initiatives and ethical programs, such as the **International Council of Toy Industries (ICTI) Ethical Toy Program and the RMG Sustainability Council** (formerly Bangladesh Accord) for the Ready-Made Garment industry in Bangladesh. Certifications such as SA8000, BSCI, and SEDEX, which also include audits made by qualified independent international organizations, are also considered for supplier evaluation. Building on the years of collaboration with suppliers, Artsana strives to enhance further its supplier engagement program and promote the adoption of ESG criteria along the supply chain in the coming years.



1.4 Materiality analysis

With its 2023 Sustainability Report, Artsana identifies and communicates the topics that represent the most significant impacts generated by its value chain on the economy, the environment and the community. The Sustainability Report has been prepared in accordance with the GRI Standards published in 2021 and mandatory for documents published after January 2023.

The 2021 GRI Standards introduced a revised version of the materiality process, which now requires an analysis of the **impacts** directly and indirectly generated by the organization on its value chain. Consequently, through the analysis of its operations and business relationships, Artsana identified the material topics based on the Group's potential and actual, negative or positive, impacts on the economy,

the environment, and the people. These impacts were then prioritized according to their **relevance**. The negative impacts were assessed based on two variables: **severity** (considering scope, scale, and irremediability) and **likelihood**, with the latter being considered only for potential impacts. The positive impacts were assessed considering their **significance** (scale and scope).

Finally, the relevance of the impacts was measured according to a materiality threshold. The identified impacts were singled out and grouped into material topics for reporting purposes.

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

Artsana's material topics:

MATERIAL TOPIC	IMPACT DESCRIPTION	FIELD
ENERGY EFFICIENCY AND CLIMATE CHANGE	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 programs).	ENVIRONMENT
WATER MANAGEMENT	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.	
WASTE MANAGEMENT	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.	
PRODUCT ECO-DESIGN	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.	

<p>PRODUCT SAFETY AND RESPONSIBLE COMMUNICATION AND LABELING</p>	<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>	<p>PEOPLE</p>
<p>OCCUPATIONAL HEALTH AND SAFETY</p>	<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>	
<p>PRIVACY AND DATA SECURITY</p>	<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>	
<p>RESPECT FOR HUMAN AND LABOR RIGHTS ALONG THE VALUE CHAIN</p>	<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>	
<p>PERSONAL AND PROFESSIONAL DEVELOPMENT</p>	<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>	
<p>DIVERSITY AND INCLUSION</p>	<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>	
<p>VALUE CREATION FOR COMMUNITIES AND STAKEHOLDERS</p>	<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>	<p>BUSINESS</p>
<p>INNOVATION</p>	<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

Nurturing is essential for a community to thrive: by taking care of each other and leveraging strengths and passions, members of our communities grow together as a group and as individuals.



Artsana is committed to nurturing present and future communities by encouraging a culture of caring and support. **Artsana's mission is to provide steadfast support to parents and families** as they nurture future generations. Through its various brands, the Group has consistently delivered top-tier solutions that respond to the ever-changing needs of its customers. To date, Artsana continues to ensure that families feel secure, appreciated, and heard, delivering this promise with fervent passion and a forward-looking vision.

Each product is thoughtfully designed to support families by responding to their constantly evolving needs, with the primary objective of **simplifying the lives of parents** and caregivers. Artsana focuses on designing new solutions that bolster the well-being, security, and ease of both the young ones and those who care for them.

Furthermore, every product is the result of collective efforts stemming from comprehensive in-house knowledge and targeted research, founded on continuous dialogue with a multifunctional network of universities, design schools, creativity training centers, professionals, and customers. In doing so, **Artsana delivers prompt solutions to the ever-changing needs** of future generations, ensuring excellence and safety, as well as compliance with the currently applicable standards.

Artsana's determination to identify the complex needs of children and their support networks, embracing their psychophysical, emotional and communal aspects, culminated over the years in the opening of the **Chicco Research Center**, which stands as a concrete manifestation of the brand's ongoing commitment to **innovation and improvement**.

Located in Italy, the center works with a network of healthcare professionals, experienced parents and scholars. Consequently, the Group's brands consistently deliver innovative and practical solutions and are always up to date. Chicco's commitment to delivering "science-based" products and content is corroborated through collaborations with universities and hospitals dedicated to clinical studies or the scientific assessment of products.

This approach not only fosters Artsana's in-house expertise, but it also elevates the Company to a **leading position in the child and community well-being sector**. By integrating research initiatives with its innovation and quality aspirations, Artsana is ready to assist parents, addressing their fundamental worries and challenges.

This is achieved through the Company's profound understanding and expertise in pediatrics and healthcare and by offering an extensive range of educational programs developed in partnership with other experts.

Chicco joins ADAMO Network

In 2023, Chicco joined #AdamoNetwork, a system grouping various entities, including companies, organizations, and associations, that is committed to counteracting the declining birth rate in Italy.

The project focuses on three main areas:

- parents' support in terms of time organization, financial support and services;
- initiatives to promote the work-life balance;
- training for raising children.

These topics have also been addressed in the

Senate conference promoted by the Senate Vice-President entitled "Denatality: from context analysis to actions". The objective was to strengthen collaboration with institutions while raising their awareness to implement actions on a large scale both in the public and private sectors. Artsana's participation in this project is consistent with the Company's commitment to supporting and enhancing not only the role and importance of children in society but also of parents, aiming to protect and assist families as a whole.

2.1 Side by side with families

The driving principle of Artsana's operations, caring, is boundless: it embraces **community**, the **planet**, and **future generations**. Artsana continuously communicates with its customers creating a global community where everybody can feel **empowered, upheld, and heard**.

Live it. Love it. - Chicco revamped positioning

In 2023, Chicco renewed its positioning with a new campaign and a new claim: **Live it. Love it.** This expression aims to symbolize the dedication of a brand that has always been a supportive partner to mothers and fathers and a reliable ally ready to assist whenever necessary, offering support and truly listening. Parenting is a unique, responsibility-laden journey that often leads to self-questioning and external scrutiny. During such challenges, Chicco assists parents in embracing the truth that there is no one-size-fits-all method to raising a child. Chicco's new "Live it. Love it." philosophy celebrates **parental**

freedom where parents learn what's best for their family without fear of judgement.

This supportive stance is at the core of Chicco's mission, providing products and solutions tailored to each family's needs while encouraging parents to cherish every moment in their distinctive style.

Through its new positioning, Chicco conveys a clear message: the brand offers assistance and solutions, yet parenting remains personal and must be free from the pressures of perfection. **Chicco stands close to parents on their parenting journey, leaving them room to shape their unique journey.**

Parents at the center

A brand supporting parents like real partners do: with **collaboration, vision,** and trust in each other.

Joy as a mantra

All that is around parenthood is joy. Chicco is committed to making parents aware and acknowledge it.

Future for kids

An approach driven by study and observation enables the development of the most innovative products that can meet the needs of parents, shaping tomorrow's citizens **while taking care of the planet**





Did you know?

In 2023, **Control** supported the “il Balzo” cooperative, contributing to the organization of a course for parents of disabled or autistic children on the topic of love and sexuality.

Sexual and emotional education starts at home within the family: this is why it is important that parents can talk about these topics with their children from an early age and, especially, in the pre-adolescent and adolescent phases with calm and an open mind. The topic of intimacy is even more delicate when it comes to autistic or disabled children and the role of the family is fundamental in this phase.

The course gave parents an opportunity to engage in open discussions, acquire knowledge and information to assist their children's development.

Key topics were explored including the dismantling of stereotypes and gender roles, understanding physical and mental changes, and raising awareness of one's feelings toward others.

Control has always promoted an idea of inclusive sexuality, free of judgment or prejudice, and the support of this significant initiative is further evidence of the brand's vision.

CHICCO BABY BOTTLE PERFECT 5 AND PHYSIOFORMA®: a little help to feed our children

Artsana, through the **Chicco Research Center**, showcases an unyielding commitment to family support, focusing on the multi-faceted needs of children and parents – their psycho-physical, emotional, and social well-being. By fostering constant product innovation and research, the Chicco Research Center, located in Italy and connected to an international network of medical experts, researchers, startups, and more, is dedicated to enhancing the parenting experience. This dedication not only drives the Group's brands to the cutting edge of innovation but also ensures that caregivers have access to safe, nurturing, and expertly crafted solutions. The center stipulates strict collaborations with external professionals while collecting feedback from a panel of parents to allow a robust analysis of scientific developments and thorough assessment of new product efficacy, confirming Artsana's role in enriching the parenting journey.

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 Perfect 5 to ensure coordination between suction, swallowing, and

breathing in a population of late pre-term babies. In 2023, the **clinical study regarding Chicco Perfect 5 baby bottle was published** on *Frontiers in Pediatrics* with extremely positive results, confirming the great care and effort that Artsana puts into its work every day to offer the best reliable solutions for the well-being of infants.

More specifically, the study confirmed that when breastfeeding is not possible for late preterm infants from birth, valved infant bottles with ergonomic teats provide a helpful alternative. These specialized bottles closely mimic the natural rhythm of breastfeeding and have been shown to positively influence the coordination of sucking, swallowing and respiration in these infants. Finally, they contribute to a more advanced feeding technique by improving the synchronization of such actions, potentially reducing episodes of apnea and lowering the risk of inhalation during feeding.

Besides the successful conclusion and publication of the P5 study, 2023 saw the discovery of more benefits associated with **PhysioForma®**, the unique anatomical-functional shape that Chicco employs for its pacifiers. The **PhysioForma®**, already designed in

collaboration with pediatricians, orthodontists, and the Chicco Research Center, featured in 2023 further collaborations with new relevant figures, such as speech therapists, which have emphasized its positive impact on the **full range of oral functions**. Moreover, these collaborations have led to an update of the usage advice for parents.

While the product remains unchanged, the scientific narrative has evolved to reflect a deeper understanding of its benefits:

- **BREATHING:** the special shape of PhysioForma™ adheres perfectly to the palate and allows the tongue to have its space and to position itself forward and upwards. This creates an ideal condition of opening the airways which supports physiological breathing and maintains correct oxygen saturation.
- **SUCKING:** PhysioForma trains the first of the baby's vital activities, non-nutritive sucking.
- **SWALLOWING:** it encourages the vertical movement of the tongue on the palate, favoring the gradual transition from infantile swallowing to adult swallowing.
- **CHEWING:** trains a physiological muscular action which, together with the correct position of the tongue and nasal breathing, is fundamental for the alignment of the teeth and, consequently, for the quality of chewing.
- **PHONATION:** its shape favors the physiological position and mobility of the tongue and the regular alignment of the teeth. All this is preparatory to the development of correct linguistic articulation.

Chicco PhysioForma® pacifiers are available in a wide range of colors and model. In 2023 the “Physioforma® Luxe” was released, the first pacifier equipped with a modern textured shield and characterized by different matt colors depending on the size.



BOPPY COMMITMENT FOR MORE SUSTAINABLE PRODUCTS

Beginning in 2019, in response to the evolving consumer trends and market needs, the Boppy brand broadened its assortment of products to include a greater selection of **Organic options**. The current Organic collection has a total of **22 products**: besides to Nursing Support it also features 100% Organic Pregnancy Pillow Covers.

In 2023, Boppy launched new products, like the “Boppy Play Mat” and a “Compact Bassinet” made with high quality materials, perfectly fitting for the first months of mother and baby.

Also, at the beginning of 2023, Boppy chose to start converting pillow fiber from virgin to recycled. In 2024, US manufacturing will be using 100% recycled fibers, which accounts for over 95% of the total production volume. Boppy is currently working with its overseas manufacturers to convert the balance of their products to recycled fiber. Boppy opted for recycled polyester, recognizing that the carbon footprint—and consequently, the environmental impact—of recycled polyester (rPET) is substantially lower than that of virgin polyester (PET), a fact corroborated

by multiple studies. Specifically, rPET generates a carbon footprint of 0.45 kg CO2 equivalent per kilogram against 2.15 kg CO2 equivalent per kilogram attributed to virgin PET. Recycling and reuse are set to become predominant trends, with rPET being integral to achieving the textile industry's sustainability objectives: Boppy is proactively contributing to this movement.



Did you know?



The Momkind Project

In 2023, Boppy continued its commitment to the **Momkind Project**, focusing on family empowerment and community strengthening through education and support in areas such as infant safe sleep practices and promoting healthy pregnancies. The partnership with organizations like **First Candle** enables Boppy to integrate educational content on safe sleep practices with its products and provides resources for breastfeeding support, including donations of Boppy Pillows to mothers in need. The company also contributes to various non-profits and initiatives, particularly supporting **military and underserved communities** by donating products to baby showers and family events, emphasizing its broad commitment to family well-being and early parenting support.

Finally, in 2023 Boppy renewed its commitment to children's safety and, in adhering to this vital principle, it emphasized the correct and safe use of its products.

In 2023, the company sustained the **Boppy Pledge campaign** with a view to further engaging parents to confirm their attention to the safe and appropriate use of products while encouraging their peers to do the same through community sharing.

The goal of the initiative is the dissemination of information about safe product usage and infant's safe sleep, leveraging the influence and support of the Boppy parent community.

For every pledge made, Boppy contributes \$1 to First Candle, reinforcing the organization's mission to education about infants' safe sleeping practices.

CARING FOR THE PLANET FROM FORMULATION TO PACKAGING

In line with previous years, in 2023 Chicco concentrated significant efforts in adopting a sustainability-first approach for the manufacturing of cosmetic products and paid close attention to both the formulations and packaging without ever relenting on the products' high quality.

In 2023, Artsana introduced innovative formulations and packaging for **Baby moments SUN**, the sunscreen products line. Chicco's new sun care line is meticulously formulated to nurture and shield children's delicate skin from the full spectrum of solar radiation. These innovative formulas are specifically designed to minimize environmental impact and support marine ecosystem sustainability.

Offering robust protection against UVA (SPF 50+), UVB, and infrared (IR) rays, the products contain **PEG-free emulsifiers** for enhanced skin compatibility. The result is a lightweight, non-greasy texture. Furthermore, the range is **free from Oxybenzone** (Benzophenone-3) **and Octinoxate** (Ethylhexyl methoxycinnamate), two UV filters often found in sunscreens but recently prohibited by legislation

aimed at protecting the Hawaiian coral reefs. Artsana's dedication to environmental responsibility extends to its packaging, with all plastic bottles made from 100% recycled PET (rPET), tubes from 50% recycled PE (rPE), and boxes produced using recycled FSC-certified cardboard.



Did you know?



Nurturing our future means also taking care of communities' health, especially of the most fragile, including children. With this in mind, in 2023 **Fiocchi di Riso** gave his contribution by supporting the Associazione Italiana Banche del Latte Umano Donato (A.I.B.L.U.D.) (Italian Association of Donated Human Milk Banks), a non-profit organization that promotes breastfeeding and breast milk donation by working in concert with Neonatology and Neonatal Intensive Care Centers. Besides this, AIRBLUD also plays an important role in coordinating all the Donated Human Milk Banks in Italy and promotes the establishment of new Banks. Fiocchi di Riso stands with AIRBLUD in supporting the donation of human milk to the Banks and made a donation to promote its use in the feeding of the

most fragile newborns. This support also extends to possible emergency situations, unfortunately frequent in our country, such as earthquakes, floods, and situations of geographic isolation. In addition to its commitment to supporting the community, Fiocchi di Riso cares about its environmental impact: its products are made with **100% recycled plastic bottles and 100% FSC certified packaging**. The slogan "Dermocentric by nature, Fiocchi di Riso is also responsible by nature" perfectly expresses the brand's commitment to using materials from sustainable sources.

GROWING UP WITH ARTSANA PRODUCTS

Chicco incorporates sustainability into its product development by employing good design strategies, focusing on durability and quality transformable concept. The development of long-lasting mealtime solutions, accompanying child's growth, was the result of attentive listening to parents' insights and needs. Innovation-oriented discussions regarding highchairs led to the understanding that parents look for products that adapt to their child's growth from weaning with an adult design that seamlessly integrates into their homes. This initiative highlighted the importance of products that contribute to family engagement during meals but also present a solution to avoiding product waste, testifying to Artsana's commitment to combining sustainability and functionality. In the wake of these considerations, the new **"Crescendo Up"** evolutive highchair was developed to meet the demand for a durable product that doesn't skimp on convenience or adaptability. The product aligns with current interior design and furniture trends with features that make it suitable for use in different types of kitchen including foldability for compact spaces. This innovative chair smoothly



evolves from a secure highchair for infants as young as 6 months old to a sturdy chair fit for children up to 40 kg of weight, and finally to a reliable adult chair with a capacity of up to 110 kg, accommodating users up to 99 years of age. With the inclusion of additional feet, the "Crescendo Up" highchair can be adjusted to fit even the highest tables, making sure that children sit at the same level as the rest of the family promoting inclusivity during meals.

At the same time, pursuing an optimal combination between design and sustainability, Chicco has prioritized the use of recycled fibers for its textiles.

The Eco+ line is characterized by its specific features, like the replacement of virgin raw materials with recycled ones: as an example, **the Crescendo Up Seatpad** is made with 100% recycled polyester. Moreover, with the purchase of the dedicated kit, Crescendo Up can evolve further to become a Montessori-inspired learning tower that allows children to participate in daily household tasks alongside their parents. **Next2Me Essential** is a crib made of 62% recycled polyester, part of another collection that features an Eco+ line version.



ECO+ TOYS LINE

Chicco is founded on the belief that nurturing children encompasses a responsibility to preserve the planet they will inherit. In line with this philosophy, in 2019 Chicco introduced **Eco+ Toys**, a line focused on the environmental sustainability of the materials used. The Eco+ range features products made with **recycled plastics, recycled polyester,** and **bioplastics**, i.e., materials derived from renewable resources like plant fats and oils, corn, starch, straw, wood shavings, sawdust, etc., reflecting the brand's commitment to reducing environmental impact. The Eco+ toy packaging is also carefully designed, using **paper from responsibly managed forests and controlled sources** to align with the brand's commitment to sustainability. The design of Chicco Eco+ toys is modern, featuring simple and ergonomic shapes, catering to the developmental



needs of infants. The soft colors of the toys enhance the child's play experience with naturalness and an optimistic look for the future.

The product range dedicated to infants is broad and increases year after year: in 2023, 4 new products were added to the list of toys made with recycled materials: the first one, **Happy Hippy Primipassi Eco+** is made of 80% recycled plastic and comes with recyclable packaging made of paper derived from responsibly managed forests. Similarly, the new **Trenino Eco+ and Torre degli animali Eco+** made with 80% recycled plastic from industrial waste were added. Milestone Playmat is made of 65% post-consumer recycled polyester. In line with this approach, many of the brand's most iconic products, including the **Baby Rodeo, Billy and Billy4**, are now made of recycled materials.



Did you know?



The packaging of the Eco+ toys features the FSC® certification mark, reflecting Chicco's decision to use paper packaging solutions sourced from supply chains that respect forests and the life within them. The Forest Stewardship Council® (FSC) is an international non-profit organization recognized as the most credible solution for responsible forest management. It ensures

not only the preservation of biodiversity and environmental values but also serves social purposes by respecting the rights of indigenous peoples and the needs of local communities, supporting economic sustainability by preventing profit from compromising forest heritage.

TRAVELING SAFELY WITH CHICCO

In recent decades, despite the lower number reported thanks to the introduction of preventive regulations, road accidents still represent a significant cause of death and disability among children globally, particularly in highly motorized countries. In this respect, on September 1, 2023, **the ECE R129 EU** regulation became effective for car seat safety with a sell-out transition period of one year for ECE R44 products already in the distribution channels.

The ECE R 129 aims at reducing risk of misuse while ensuring greater safety with 3 important differences compared to the ECE R44/04:

- The use of car seats is classified according to the child's height instead of body weight;
- Rearward-facing installation is mandatory for up to 15 months, to increase the child's safety;
- In addition to the frontal and rear impact tests, side impact tests were introduced to ensure greater protection, especially for the child's head and neck.

In preparation for these significant changes, Chicco opted for expanding its suite of family-oriented services and informational sessions to advocate best practices when journeying with children.

In particular, Chicco is intensifying efforts to educate families on safe car traveling with children in light of the significant risks. Statistically, every week, **10 children** die on the roads of Europe and **1150 suffer injuries**. The Company stresses the importance of proper car seat usage, which can increase survival by 75% even on short trips.

A specific section in Chicco's Italian website along with a guide created in collaboration with **Quattroruote**, one of Italy's most popular and authoritative car magazines, offer detailed safety information. Moreover, free workshops and courses are provided to circulate information in support of families.



Did you know?

In June 2023, a board of five representatives from leading pediatric societies, **Italian Society of Neonatology (Società Italiana di Neonatologia, SIN)**, **Italian Society of Perinatal Medicine (Società Italiana di Medicina Perinatale, SIMP)**, **Italian Society of Pediatrics (Società Italiana di Pediatria, SIP)**, and the **Italian Federation of Pediatricians (Federazione Italiana di Medici Pediatrici, FIMP)**, discussed the necessity to address the pressing issue of child road safety. Recognizing the importance of parents' education, they agreed to launch an educational initiative targeting healthcare professionals with the support of the Chicco Research Center. The collaboration led to the creation of a comprehensive vademecum — a document containing scientific research outcomes, expert guidelines, and the board's recommendations — targeted to updating medical professionals and empowering healthcare workers to counsel parents effectively. The guidebook *“Prevention of childhood trauma in road accidents: Car safety education and protective equipment”* is specifically targeted to pregnant women and new parents. It shares clear, authoritative recommendations backed by scientific societies and professionals on proper safety practices and the appropriate use of child restraint systems, especially in light of the evolving European regulations on child protection on vehicles.



Finally, Chicco developed the **Full 360° i-Size modular system** to ensure safety and ease for child's growth, demonstrating its commitment to child car safety.

The 360° base modular system features a Full 360 i-Size rotation base to mount the **Kory Plus i-Size** infant car seat (**ADAC and TCS tests 4 star winner in 2023**) or the **Kory Essential i-Size**. Later, when the child grows up, the base can mount the Chicco Bi-Seat i-Size child seat.

Therefore, the **Full 360° i-Size modular system** follows a child's growth up to 150 cm. With these initiatives, Chicco aims to give support to families in the field of car safety, showing, once again, its attention to the parent's needs.



Did you know?



reddot winner 2023

In 2023, Chicco distinguished itself with the launch of the new modular system - "Trio Mysa" - which received double recognition: the iF Design Award and the Red Dot Winner Award 2023.

These prestigious design awards highlight the system's exceptional combination of design, functionality, and comfort. Launched in 2022, the Mysa Trio includes a stroller, the Cushy Hug reducer mattress, the Chicco Mysa carrycot, and the Chicco Kory Plus I-size car seat, suitable for children from 40 to 85 cm.

Additionally, the Chicco Trio Mysa features also a Glam Re-Lux version with external materials that are 60% made of **100% recycled polyester**, again testifying to Artsana's commitment to responsible sourcing, and innovative and more sustainable design.

In addition to the Mysa Re-lux collections, the Goody stroller Black Re-Lux also stands out for at least 60% of its fabrics composed of 100% recycled polyester.



Did you know?

In 2023, Artsana participated in **Ecopack 2023**, an initiative launched by **CONAI**, the Italian National Packaging Consortium, where it emerged as one of the winners. The competition recognized businesses that have developed packaging solutions adopting eco-design criteria, bestowing special awards upon the winners. Artsana won for the innovative design of its **"Set Prima Pappa"** baby meal set packaging. The packaging of the set was changed from a microwave box with a PET window and

an internal transparent thermoformed tray, to a smaller size microwave box with a taut cardboard interior.

The primary eco-design strategy involved the complete removal of plastics from the smaller boxes. This contest aims at urging companies to incorporate more recycled materials or enhance their recyclability, streamline production methods, minimize raw material consumption, optimize logistics, and create packaging that is either more reusable or easier to simplify.

SUSTAINABILITY IN CLOTHING PRODUCT RANGE

In addition to the Eco+ products, Chicco's the **Spring/Summer 2023 and Autumn/Winter 2022-23** collections feature a selection of denim pieces crafted from recycled yarns and outerwear made with recycled polyester.

Each garment is constructed from BCI certified organic cotton and adheres to the international **OEKO-TEX standards**. Notably, there has been a significant increase in the use of Oekotex-certified fabrics, rising from 43% in the Spring/Summer 2022 collection to 50% in Spring/Summer 2023, with expectations for a further rise in 2024.

Outerwear items of these collections feature DuPont's Sorona® Aura filling, which blends high-performance fibers with renewable **plant-based materials**. This cutting-edge filling not only enhances the breathability and longevity of the garments but also promotes environmental sustainability by reducing energy consumption by 30% and greenhouse gas emissions by 63% during production.

Furthermore, in 2023, all Chicco swimwear was produced using **recycled polyester**, underscoring Artsana's commitment to sustainable fashion practices.

ERION TEXTILES: a step forward towards textile waste management

In 2023, Artsana joined the **Erion Textiles consortium**, part of the Erion multi-consortium system, the most important **Italian Extended Producer Responsibility System**. The new Consortium sees the collaboration of Artsana and other major players in the sector, who have decided to join forces to create a more efficient collective system.

The Consortium - open to all Producers in the sector - intends not only to express the desire to pursue ambitious sustainability objectives, but also to represent a reliable, safe and transparent interlocutor in the new

path towards *Extended Producer Responsibility*. Currently, the Italian decree, which should regulate the extended producer responsibility (EPR), has been put on standby, waiting for clearer instructions from the EU to proceed. Despite this, Artsana is still contributing, through the consortium' activity, to the development of future European legislation on textile waste, with the aim of supporting the transition towards circular economy in a key sector for the EU sustainability strategy, in line with its social and environmental commitment.

Certifications

Chicco's commitment to promoting sustainable fashion is clear in its firm policy against the use of animal furs in its products. In line with ethical practices, Chicco participates in **fur-free initiatives** alongside organizations like **LAV** and the **Fur Free Alliance**. Additionally, Chicco has obtained the **OEKO-TEX certification**, confirming its commitment to product safety and minimizing the use of hazardous chemicals in the textile manufacturing process of its items.



2.2 Quality, Safety and Innovation

Since its foundation, Artsana has always prioritized **quality, innovation and safety**. The company's products are not only designed and developed to meet regulatory standards but also to exceed and predict them whenever feasible. Artsana's business operations are meticulously crafted and improved in line with the ISO standards.

Artsana applies a risk-based approach from the initial design phase to ensure the quality and safety of its products, which includes an extensive evaluation of materials and finished goods. The company has also obtained compliance certifications for its products

from globally recognized independent laboratories. The quality assurance program that Artsana implements encompasses direct inspections and monitoring of its production processes to maintain product excellence and safety.

Dedicated to maintaining the highest standards of product quality and safety, Artsana's specialists are actively involved in **international technical committees** and contribute to the drafting of future **safety regulations and standards** through **standardization initiatives** across the globe.



A concrete example of Artsana's dedication to safety is the **Crash Test Laboratory**, established in 2019 in Verolanuova (BS), Italy. The lab is one-of-its-kind in Italy built by an industry operator and equipped with top-notch technologies for simulating and studying various types of collisions.

These tests comply with the most up-to-date standards and stringent testing protocols for **Chicco's car seats**. The lab's team is constantly running tests on new designs and prototypes, as well as on ongoing production items, to ensure unfailing quality assurance.

Another notable effort that underscores Artsana's

commitment to environmental care and safe materials is the introduction of the **ClearTex®** car seat range in the US. These seats comply with federal flammability requirements without relying on fire-retardant chemicals, and they are also equipped with a Greenguard Gold Certified, meaning that they are tested to meet low chemical emissions standards, which contribute to healthier air quality around babies.

Additionally, Artsana rigorously tracks its product performance by managing customer feedback via dedicated sections on the websites of its brands, ensuring a thorough and systematic response process.

In 2023, Artsana did not report new recalls related to significant product safety issues. However, the Company progressed with the Boppy lounger recall, initiated in September 2021 in collaboration with the U.S. Consumer Product Safety Commission. This action was a response to incidents reported in the U.S. involving the use of infant loungers as sleep support, contrary to the product's instructions and safety warnings.

Artsana is dedicated to maintaining clear and ethical communication about its offerings, fostering

transparent relationships with its customers through customer service channels and social media platforms. These channels represent an important point of contact for customer engagement and user experience improvement.

Furthermore, Artsana is actively involved in exchanging ideas in various industry and trade group meetings, establishing strategic relationships to pursue a common goal: improving the quality of life by creating **innovative, secure, and functional** products and services.



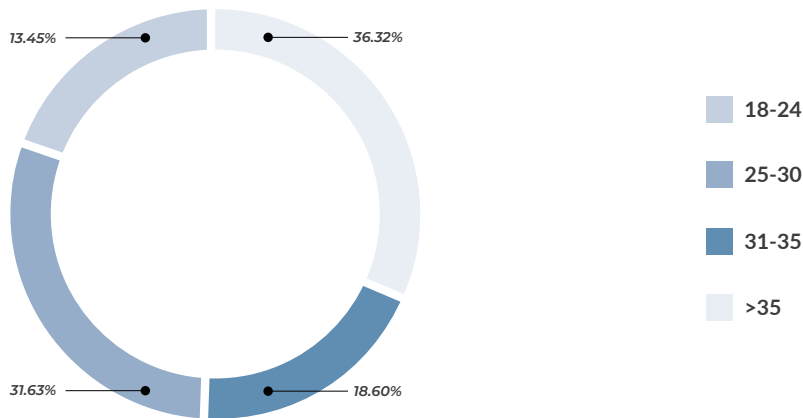
For more than 70 years, **innovation** has been a fundamental pillar for Artsana, with its products serving millions of families. Innovation at Artsana is driven by a forward-thinking mindset and thorough research. Artsana values different opinions and recognizes the strength of collaborative intelligence for the benefit of all.

The company supports innovation through the sharing of knowledge and intuition, promotes voluntary contributions, and encourages connection with creative people from around the globe. In line with this approach, in 2018, Artsana launched an

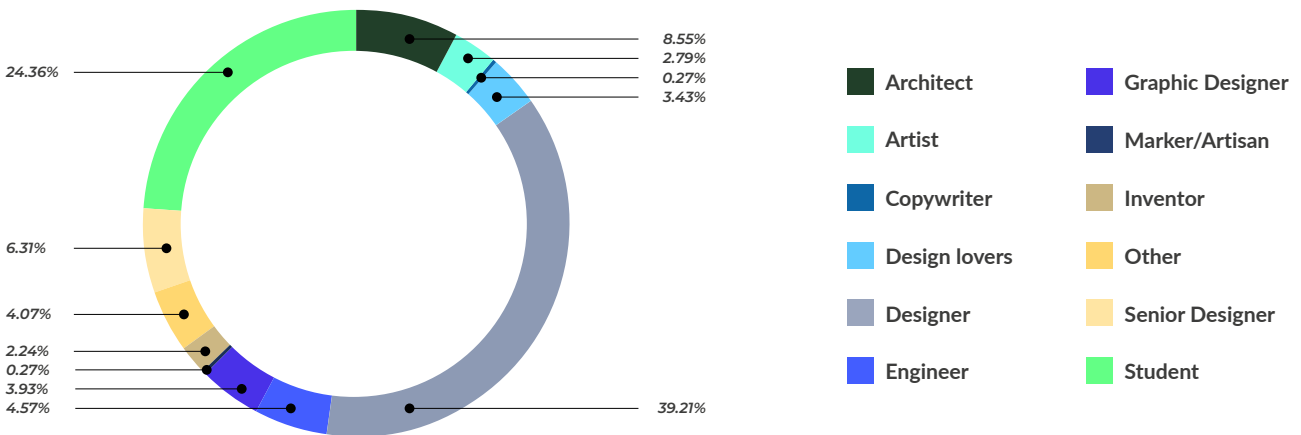
international Open Innovation Platform dedicated to design and innovation. The platform is open to a wide array of participants with different experiences, cultural insights, and professional skills, including designers, architects, engineers, and international creative talents.

The purpose of the platform is to collect outstanding contributions from various fields to create effective solutions for the complex needs of parents and their children.

Artsana Open Innovation Platform: Members by Age



Artsana Open Innovation Platform: Profiles



In 2023, the platform continued operations expanding its community of innovators consistently. The expansion was fueled by the regular introduction of various challenges, which served to inspire and engage its members.

Since its launch, the platform attracted nearly 4,000 members, ranging from students and budding designers to experienced professionals. In 2023, 3 new contests were launched. The first one, **Fit&Function Bra**, regarding breastfeeding, aimed at creating a user experience for the mother as serene and easy as possible. In this context, Chicco explored

new solutions for an adjustable nursing bra to make moms' breastfeeding experience as serene as possible. The second one, **Reinventing Mobility** considered the importance of integrating sustainability in parents' life. In line with this, Chicco invited users to explore the world of childhood and designed new family experiences centered around the future of mobility. The last project, **Revolutionary Carseat** revolved around the concept of a new car seat. Users were invited to create an innovative structure to mitigate the challenges and reduce the pressure upon parents when securing their child in the seat.

2.3 Learning together

Artsana places a great deal of attention to maintaining an ongoing dialogue with parents. By engaging in this dialogue, Artsana acquires crucial insights of the needs and desires of parents and their children, enabling the Company to offer **advice and assistance** to face their everyday challenges. To this end, Artsana uses several

communication channels, including online websites, social media, physical stores, and educational initiatives. Through these diverse channels, Artsana can guarantee thorough involvement and support for parents and caregivers throughout the various phases of raising their children.

NUMBER OF COURSES CARRIED OUT IN ITALY			
	2021	2022	2023
<i>Pharmacies</i>	242	245	214
<i>Baby Shops</i>	197	274	182
TOTAL	439	519	396

In 2023, a total of 8,811 participants attended the online courses offered while 7,370 participants attended in-person.

Several Artsana Group brands, including Chicco, Fiocchi di Riso, and Boppy, have produced a collection of **video content** covering a broad range of topics. These videos address important topics like weaning, breastfeeding, safe sleeping habits, and car safety. Delivered by professionals, including pediatricians, midwives, educators, and other collaborating experts like nutritionists, these video resources and courses are designed to enlighten and assist parents throughout their parenting experience.

The **Chicco website** is a pivotal resource for Artsana to share knowledge with its consumers. It acts as a platform where the Chicco Research Center in collaboration with its expert team posts and shares articles, and creates videos addressing various aspects of child and parental life. Topics covered

include breastfeeding, weaning, safety measures, colic prevention, correct sleep practices, pediatric unblocking techniques, nutrition during pregnancy, postnatal physical and mental recovery, parenting role, and much more.

Information and the valuable insights provided are accessible by all interested parties. Some of these sessions are held in person at locations like the Chicco Stories store in Milan or the Chicco Village in Grandate. Additionally, certain Chicco stores host **local training sessions**, offering complimentary sessions for families and consumers on relevant subjects, led by specialists in various fields.

Artsana also dedicates efforts towards professional development, organizing training for **healthcare professionals** on the correct use of its products. **Training** is also provided to salespeople and traders, particularly with regard to Artsana products available in pharmacies and retail outlets, ensuring that customers receive suitable advice and suggestions based on their specific needs.



2.4 Supporting communities all over the world

In 2023, Artsana continued its tradition of contributing to charitable causes that assist children and families facing hardships. The company collaborates closely with non-profits and local groups in the regions in which it operates. The involvement in two major initiatives,

"**Happiness goes from heart to heart**" and "**Chicco di Felicità**," enabled Artsana to provide significant support to disadvantaged children. These projects are built on sustainable collaborations with specific objectives and measurable outcomes, both in Italy and abroad.

CHICCO DI FELICITÀ PROJECT – CHICCO IN FAVOR OF CAF ASSOCIATION

The **Chicco di Felicità** initiative, launched by Chicco in 2010, underscores the brand's commitment to reaching out to underprivileged children and creating impactful connections. Since 2017, the project has been a pillar of support for the CAF Association, which runs **five centers** dedicated to supporting minors in need. The initiative raised funds for the CAF Association, accomplishing two primary objectives: offering targeted psycho-pedagogical support to enhance or re-establish parental skills, and guiding parents on the intricacies of embarking on foster care. Chicco confirmed its commitment

to the CAF Association by backing its **Foster Care Service** through the enduring "*Chicco di Felicità*" project. Foster care, a crucial yet underrecognized option, ensures children can grow in environments that meet their educational and emotional needs. The CAF's multidisciplinary team offers personalized psycho-pedagogical support to each foster care case, ensuring comprehensive daily assistance to children, biological families, and foster carers. Committed to aiding families, Chicco is supporting the CAF's foster care service this year, helping families navigate challenging circumstances.



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 been supporting the Mission Bambini Foundation with the following goals:

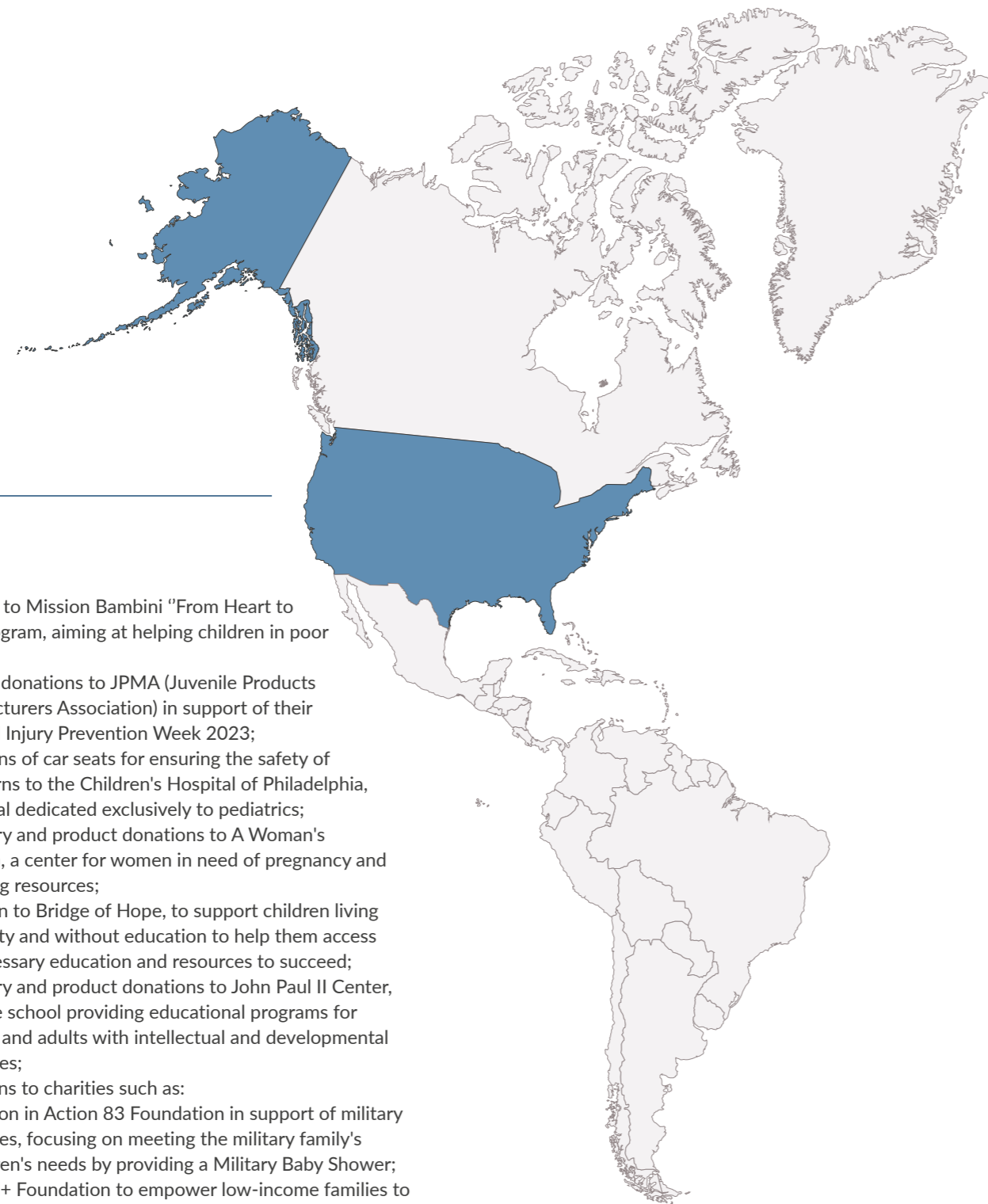
- save the lives of children with serious heart defects, most of whom are born in developing

countries without access to medication, adequate health facilities, and skilled medical staff;

- develop local hospital autonomy through the provision of training programs.

In particular, in 2023, Artsana supported a life-saving project in Nepal, which includes cardiac surgery, post-surgery visits and cardiac screening for children with heart disease who would otherwise not have access to treatment.

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;

- Product donations to JPMA (Juvenile Products Manufacturers Association) in support of their National Injury Prevention Week 2023;
- Donations of car seats for ensuring the safety of new-borns to the Children's Hospital of Philadelphia, a hospital dedicated exclusively to pediatrics;
- Monetary 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 support children living in poverty and without education to help them access the necessary education and resources to succeed;
- Monetary and product donations to John Paul II Center, a private school providing educational programs for children and adults with intellectual and developmental disabilities;
- 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;
 - Smaller monetary and product donations in various amounts to a number of associations and charities including: JPMA, youth sports, local schools, community centers, Kidz in Motion (child passenger safety awareness), and First Candle (organization dedicated to ending SIDS).

Italy

- In 2023, Chicco stores hosted again the "Baby Spesa SOSpesa" with over 1,500 products collected and donated to families in need among the cities of Milan, Bari, and Naples;
- Donation of 500 Chicco toys to children and families in need in the city of Como and the surrounding municipalities for Christmas through the "Amici di Como" Association;
- Donations to the Banco di Solidarietà di Como, to make families in need receive basic supplies directly at their homes for Christmas.

France

- Donations to Mission Bambini, aiming at helping children in poor countries;

Switzerland

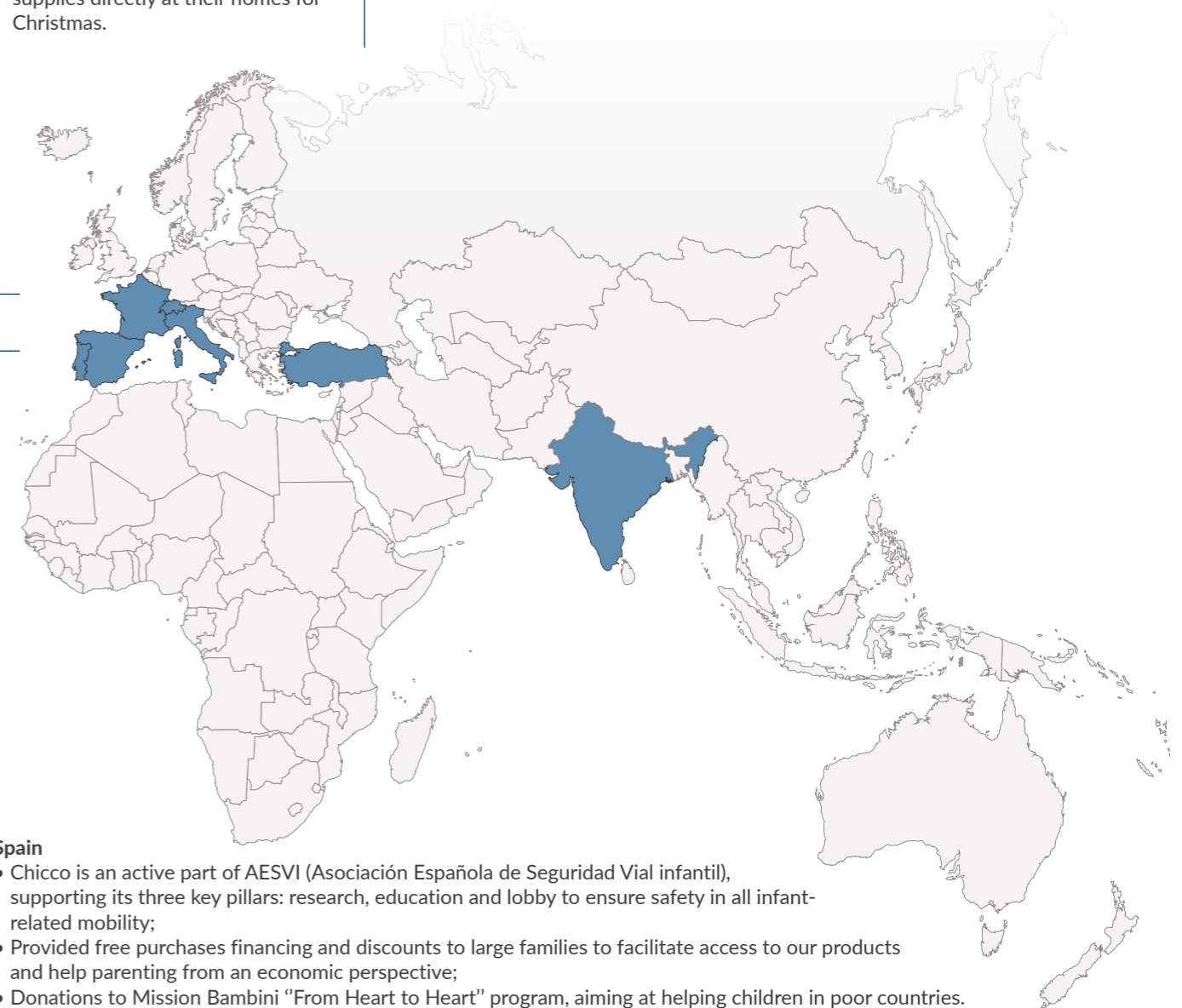
- Donations to Mission Bambini aiming at helping children in poor countries;

India

- Product donations to underprivileged children

Turkey

- Throughout 2023, Artsana cooperated regularly with doctors and made hospital visits, to explain the physical benefits of using soothers and bottles.



Spain

- Chicco is an active part of AESVI (Asociación Española de Seguridad Vial infantil), supporting its three key pillars: research, education and lobby to ensure safety in all infant-related mobility;
- Provided free purchases financing and discounts to large families to facilitate access to our products and help parenting from an economic perspective;
- Donations to Mission Bambini "From Heart to Heart" program, aiming at helping children in poor countries.

Portugal

- Chicco Dá Vida is a project that aims to improve the quality of life of premature babies. In 2023, Chicco Dá Vida arrived to Hospital Fernando da Fonseca, helping to equip its NICU (Neonatal Intensive Care Unit). It is the hospital with more users in the country, serving more than 600 thousand people. Chicco donated two equipment, one for therapeutical hypothermia and one for intensive phototherapy, therefore completing the NICU, now able to better serve the babies born in the hospital and also capable of receiving babies from other hospitals.

3

How we care for the Artsana community

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



Artsana has always been committed towards its **employees and communities**, promoting welfare, professional advancement, well-being and safety while fully acknowledging **employees' vital role in building the Group's success**.

The Company places high value on enriching the bond with the community and developing a culture of reciprocal support. In this way, Artsana's employees are empowered to excel and elevate the Group's goals. Year after year, the Group's management confirms its commitment to channeling resources, expertise, and personal insights to safeguarding the health and safety of its employees through the promotion of well-being and career progression.

Artsana's core values include a commitment to **innovation** and collaborative sharing of **skills**, as well as a focus on **talent development and professional growth**. These are the pillars of the Group's identity. Reflected in Artsana's ESG policy are the tenets of sustainability, ranging from social and environmental considerations to corporate governance – all underscoring the strategic imperative of fostering employee well-being while promoting an inclusive

and positive work environment. To this end, in the last years, Artsana launched programs aimed at increasing employees' **work-life balance**, reinforcing a key aspect that has gained relevance within the Company over the years.

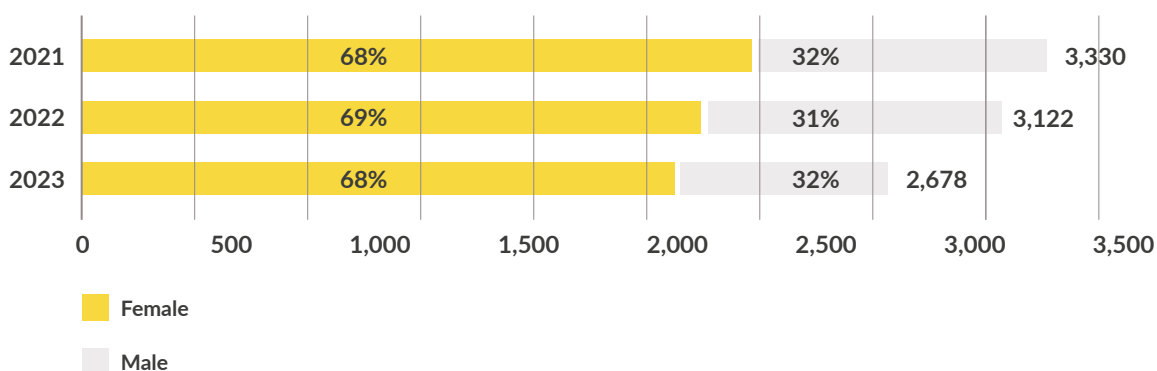
For instance, employees at the Headquarters and in the majority of the subsidiaries are given access to remote work on a routine basis (2 days a week).

At the end of 2023, **Artsana's headcount**, including interns and agency workers, totaled **2,814 people**, down 15% vs 2022. This reduction is attributable to a process of **internal reorganization** that the Company commenced in 2023 and is expected to be continued in 2024.

This process was necessary as a result of lower production volumes, which resulted in layoffs and reduced hirings in Romania, a high number of terminations in Spain and Italy following the transfer of the Control and Goovi brands, the shutdown of the branches in Japan and the UK after the liquidation in December 2023, and, last but not least, the introduction of early retirement incentives in Italy.

NUMBER		UNIT	2021	2022	2023
TOTAL		n.	3,616	3,311	2,814
Of which	Employees	n.	3,330	3,122	2,678
	Agency workers	n.	238	149	99
	Interns	n.	48	41	36
	Others	n.	0	0	1

Total employees by gender in 2023 (%)



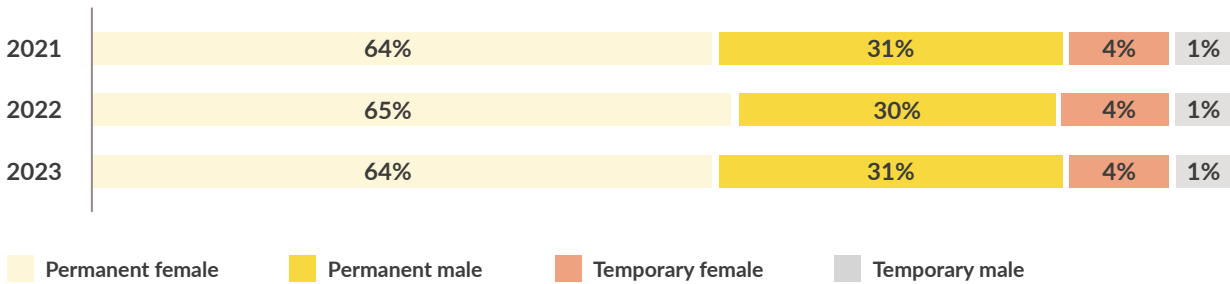
Artana's **international** character is reflected in its employees scattered around the globe.

The majority (over 79%) is concentrated in key locations including Italy, Romania, Portugal, Spain, and China, covering a significant part of the Company's operations, including its headquarters, manufacturing plants, storage facilities, and several stores.

In 2023, the Company did not report cases of discrimination on grounds of ethnicity, color, gender, religion, political affiliation, or national and social

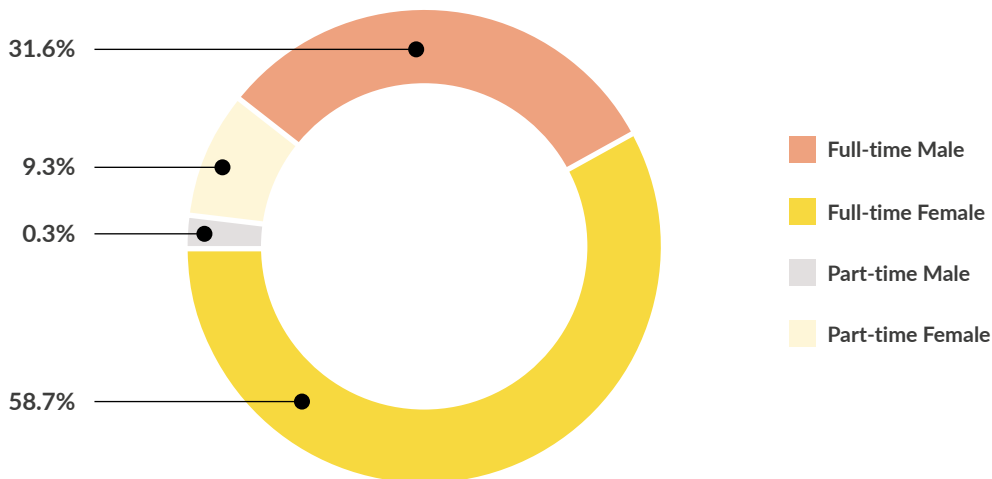
background as defined by the International Labor Organization and continuing on its track of zero incidents. In 2023, 95% of employees worldwide had a permanent **contract**, in line with the previous years' trend, while 5% of employees had a temporary contract. Considering the total headcount, more than 10% of employees have a part-time contract, which Artsana considers to be a pillar of flexible work enabling the Company to pursue its organizational and business goals and employees to better control their work-life balance, including family care.

Employees by type of contract in 2023 (Permanent vs temporary)¹ (%)



¹ It should be noted that in 2023, one person had a non-guaranteed hours type of contract; this number equals 0.04% of the total number of employees in 2023. Please, note that the sum of the percentages might differ from 100% because of approximations.

Employees by type of employment in 2023 (full-time vs part-time)² (%)



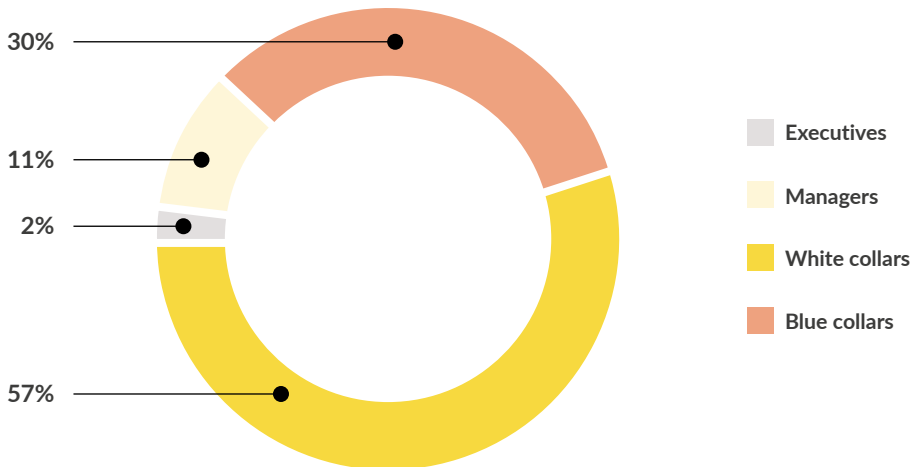
² 2021 data (100%) represented an assumption based on the fact that Artsana complied with national laws and regulations. Starting from 2022, punctual data have been collected from the entire Group, to represent a more accurate figure.

In the same year, 78%² of employees were covered by **collective bargaining agreements**. This percentage varies from country to country depending on national laws. In countries such as Italy, France,

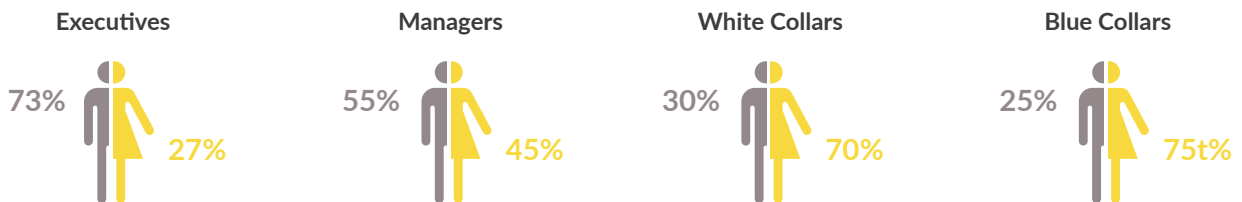
Germany, and Spain, for example, the percentage is 100%. Considering **employee categories**, 13% are executives and managers, while 87% of the total workforce is blue and white collars.

² 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.

Employees by professional category in 2023 (%)



Employee category by gender in 2023 (%)

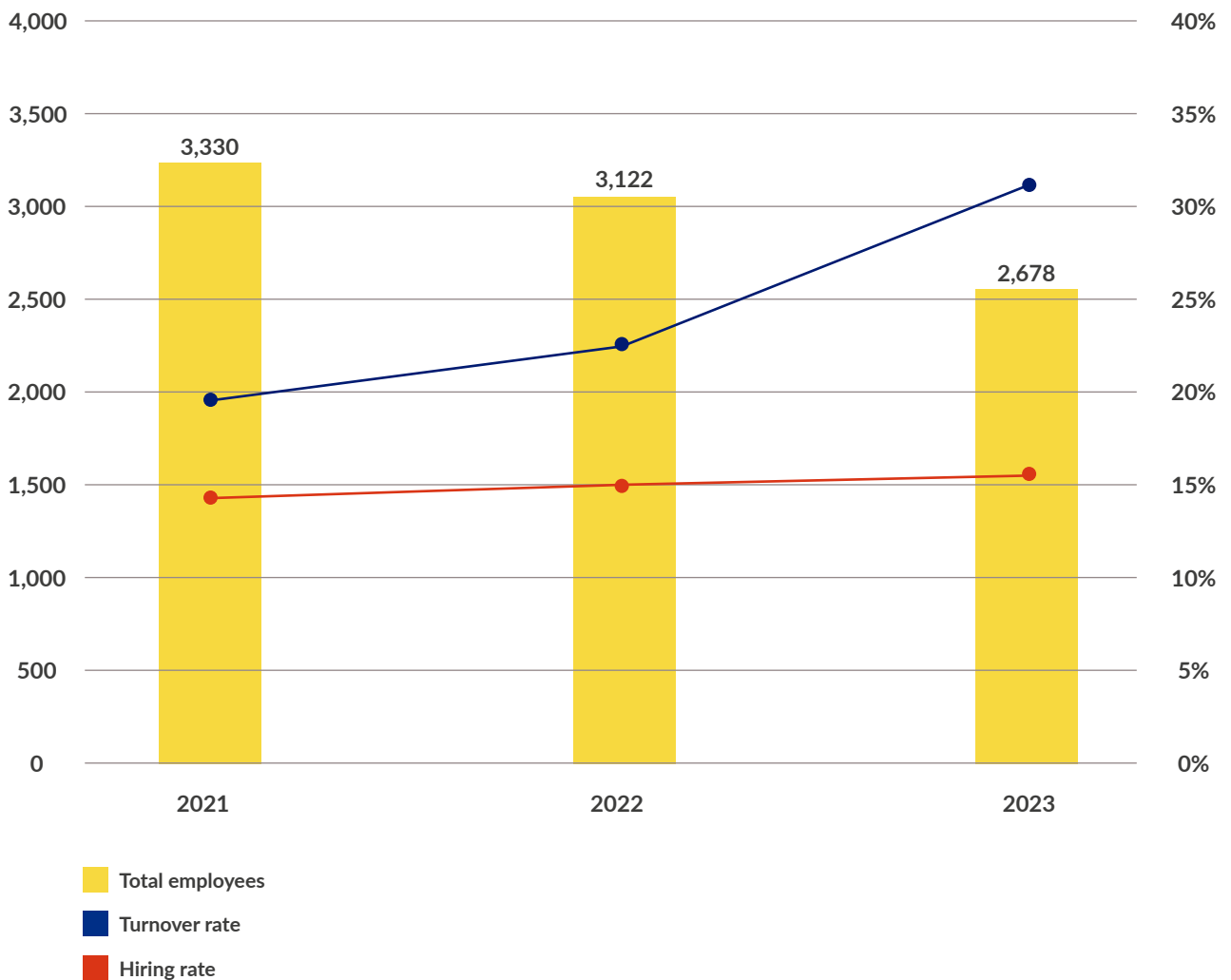


Employee **age distribution** at Artsana includes mainly the 30-50 age group, which represents 59% of the total headcount; the younger age group (<30 y.o.) accounts for 10% of the total while the over-50 age group makes for 31% of the total number of employees. A significant change was reported in the **turnover rate**, calculated as the ratio of both voluntary and non-voluntary terminations in the reporting period and the total number of employees at the end of the same period. This rate rose from 21% in 2022 to 31% in 2023. This increase is attributable to a slight increase in the **hiring rate** (from 15% in 2022 to 16% in 2023), calculated as the number of newly hired employees in the period over the number of total employees at the end of the reporting period. Artsana is committed to attracting new and young competencies on a global scale, particularly in the

areas of digital technology and marketing. This approach reflects the Company's intention to carry out an internal reorganization process that includes employee upskilling, generational turnover through the implementation of non-traumatic measures to favor early retirement, and the hiring of new resources. In this way, Artsana adapts to the fast-paced market transformations leveraging its competitive edge, while holding on its firm conviction that in-depth knowledge comes from experience.

For this reason, changes in the workforce must be carried out rationally by considering both Company's and employees' needs. In the 2022-2023 two-year period, eligible employees were offered an early retirement program as well as a voluntary leave program. Overall, 165 people voluntarily decided to terminate their contracts.

Employee hiring and turnover rates



3.1 Taking care for Artsana people

Artsana strives to help its employees achieve **fulfillment in their lives**, both professional and personal. To this end the Group implements several initiatives. Over the years, the Company has encouraged employees to take part in training courses and provided a series of benefits and incentives to guarantee a better **work-life balance**.

More specifically, in 2023, Artsana continued to offer services in the framework of the **#Conciliamo** project promoting family-work conciliation with a time horizon that spans to December 2024. The initiatives identified by Artsana for 2023 focused on three pillars: support to parents, support to caregivers, and health and lifestyle.

Concerning the first pillar, Artsana distributed a **Baby Welcome Kit** to all employees with a newborn. The Kit includes two virtual cards that allow parents to choose the best baby care products free of charge in any Chicco store, as well as mother-specific products. Moreover, parents are given the possibility of attending courses to learn more about this new chapter of their lives and mothers can attend a course focusing on re-entering their job after maternity leave (**Welcome Back Coaching**). This course addresses new mothers and supports

them in facing this challenging period with three 1-hour individual coaching sessions 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. Support is also given to parents with children of different ages, as they can benefit from a package of affiliated **tutoring** services for kids aged 4 to 12.

Concerning **health and lifestyle**, in 2023, Artsana expanded its offer of benefits to promote employees' physical and mental health, by delivering webinar courses on digital well-being, nutrition and postural gymnastics and allowing access to medical teleconsultation, including mental health professionals. Moreover, Artsana developed an **intranet platform** to facilitate communication within the Company through the circulation of information useful for all employees.

This service is now available in five countries and will be further extended to the other four countries involved in the project within 2024.



Artsana is always committed to providing important benefits to improve the well-being of its employees. In 2023, the Group continued the implementation of initiatives beyond the #Conciliamo project. For instance, diapers are given for free for the first six months after the birth of the baby and employees have access to 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. Moreover, Artsana provides vouchers to ease the access to nursery schools and summer campuses all over Italy.

Artsana's range of benefits and incentives are not only in favor of parents but of the entire company population. Performance bonuses can be used as **"Flexible Benefits"** for discounts on all the Company's brands and many other products and services, such as gym memberships and personal trainers, yoga and wellness practices, supermarkets and technology. Moreover, the Group has a collective bargaining agreement that recognizes bonuses.

Artsana takes care of its employees by listening to them and collecting their feedback. In the spring of 2023, an in-house climate survey was carried out - called **"Artsana Voice"** - involving the entire population globally, with a view to strengthening internal communication and increasing employee engagement. Employees were asked to express their opinion about their comprehension of Artsana's Strategy and their alignment to it. More than half of the total population participated in the survey (56%). The response rate increases to 76% if we consider the total number of employees with a company email address.

The survey revolved around two sides of the same process: Internal Reputation and Strategic Alignment. Findings showed that Artsana has a good overall reputation, which people trust, admire and respect. Some of the identified reputation drivers are Artsana's high product quality, customer satisfaction, and good value for money.

Employees also consider Artsana an innovative company which can adapt quickly to changes, offer equal opportunities, reward employees fairly, and care for their health and well-being. Last but not least, inclusiveness is the most recognized element related to the Leadership Model while other elements would need to be strengthened.



Did you know?

In 2023, Artsana was listed among the **2023 Sustainability Leaders** by Statista, a leading market research company specializing in rankings and analysis of company data, in collaboration with Il Sole 24 Ore, Italy's most important financial newspaper. The study took into account approximately 450 large Italian companies based on their sustainability reports and financial

statements measuring 45 key performance indicators regarding Corporate Social Responsibility.

On top of the Environment and Governance dimensions, within the Social area Artsana was assessed in relation to aspects pertaining diversity and equal opportunity, health and safety in the workplace, working conditions, and training.

3.2 Improving our people knowledge

Artsana puts a great deal of attention to the mental and physical well-being of its employees, encouraging their **personal and professional development** through the provision of a variety of training and tools for upgrading and upskilling. Training options span from technical to soft skills, personal development, languages and negotiation strategies.

With a view to increasing employee involvement in training, in 2022, Artsana launched a new e-learning platform - **Artsana Learning** - which offers courses and training pills for employee self-training. In 2023, the platform was implemented in many countries giving access to a multitude of open contents (+250,000), mainly from authoritative sources, and classified by theme and language. Each category is a collection of constantly updated pre-selected titles on specific areas and employees can build their personalized learning journey according to their personal needs and interests. Employees can access Artsana Learning using any device with an internet connection, for an easy reconciliation of employees' needs for professional growth and personal commitments. The goal for 2024 is extending the opportunity to participate in dedicated trainings delivered via the Artsana Learning platform to warehouse workers.

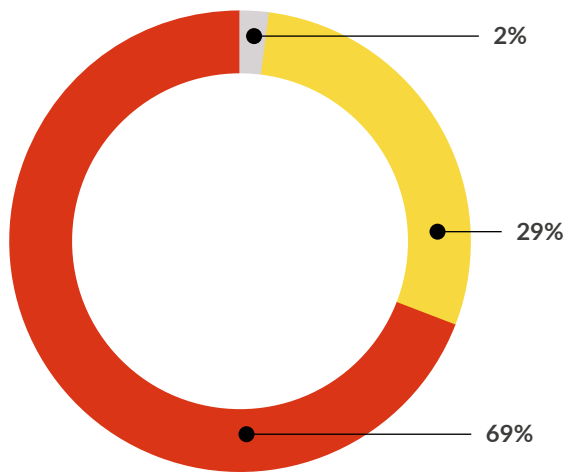
The platform is also used within the context of the WAVE Evaluation Project. In giving the final feedback and supporting the development of individual areas identified as improvable, the line manager defines, together with the involved employee, an action plan

for the training of soft skills through the use of the platform. Launched in 2018, **WAVE (We Are the Value of the Enterprise)** is Artsana's evaluation program on non-technical skills, which was updated and re-launched for international implementation in 2023. The objective is supporting individual development and knowledge of the Company's values, individual points of strength and areas for improvement. The evaluation includes a systematic comparison between self-assessment and the assessment by others, the development of a feedback-based culture, and the fine-tuning of managerial skills in relation to the management of collaborators. The evaluation is carried out on three levels, although not for the entire population: self-assessment, assessment by direct managers, and assessment by clients and/or internal suppliers, centered on the performance of employees from the previous year.

The 2023 WAVE survey focused specifically on the 5 new Artsana values: "We are driven by passion", "We build together", "We act to improve", "We are consumer and customer centric", and "We care for the community, planet and future". WAVE helps employees discover and improve their soft skills through the feedback given by their colleagues and internal clients; based on this process, a personalized action plan is developed every year to assist the individual through support, projects and on-the-job training.



WAVE 2023 Participant Overview



The 2023 WAVE survey involved **697** participants from various organizational levels across 9 countries, who received:

747 evaluations by **Managers**

2,212 evaluations by **Internal Clients**

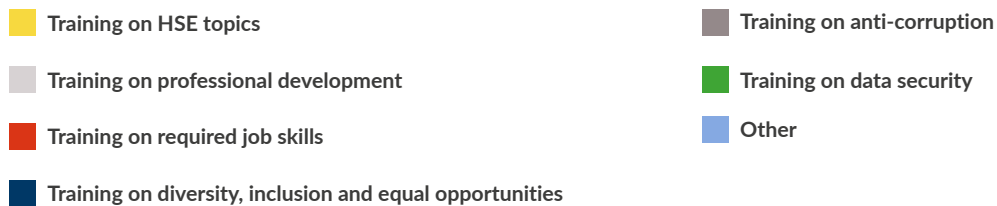
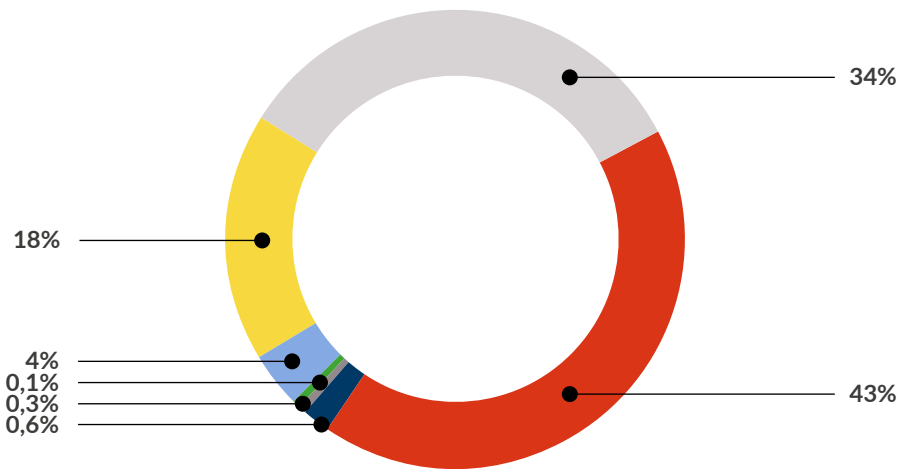


With a view to continuous improvement, Artsana designs its **training program** to enable its employees to develop both the required job skills - which represent the most discussed topics during the training courses (43%) - and other skills for professional development, such as foreign languages and soft skills (Internal

Negotiation, Public Speaking, Time Management, and Problem Solving), which accounted for 34% of the total training hours.

The training groups formed to develop soft skills involved the participation of employees across different functions.

2023 Percentage of training hours by topic³



³ Please, note that the sum of the percentages might differ from 100% because of approximations.

In recognizing the relevance of the feedback provided by the WAVE survey, training hours rose from 21,346 in 2022 to 22,524 in 2023, resulting consequently in an increased number of training hours per capita (from 6.8 in 2022 to 8.4 in 2023), showing a successfully growing trend started in 2020 (4.4 hours) and continued in 2021 (5.1 hours).

In 2023, Artsana focused on developing employee **soft skills**, especially younger ones, and tailored its offer by designing a training program based on their specific career paths within the organization. Firstly, junior employees follow a 3-year training program to develop both soft and hard skills in line with the WAVE competences. In this way, young employees

can better understand their points of strength and areas for improvement and learn how to best perform and excel in their new job.

Secondly, Artsana implements the dedicated action plans, including trainings on teamwork, time management, public speaking, negotiation and English as a foreign language, but also personal skills, like decision-making, problem-solving and interpersonal skills, aimed at promoting a more productive and inclusive work environment.

Lastly, in 2023, vertical training focused on store managers and leadership, communication and teamwork competencies to improve further the customer experience.



Did you know?

In 2023, Artsana focused on improving the **time-to-market strategy**. To this end, it carried out an in-depth analysis of the existing process to identify and remove bottlenecks in terms of resources, tools, process, organization and responsibilities. The analysis involved a large number of people across all functions.

In addition, the Company provided specific training on the concepts of **design-to-value** and **design-to-cost** to help employees understand how to obtain the best results in terms of time-to-market and cost efficiency when designing and selling new products, while still prioritizing value. The shared

training course, which involved several business units and product development teams, aimed at shifting the focus from cost to value based on the conviction that companies that only think about cost have no choice but to "remove" features from the products, thus making it more difficult to stand out from the competition.

Artsana's strategy starts from the identification of the product functions and its priorities, continues with the analysis of the relationship between needs, technical characteristics and competitor products and, finally, determines the value for the consumer by carefully analyzing whether to add cost or not.

3.3 Creating a culture for a safe and healthy work environment

Personal and professional growth are only possible when employees are granted **health and safety** in the workplace. These are unfailing priorities to Artsana, which have been formalized in the Company's **HSE Policy**, updated in 2023, and included in the Group's values and vision. To manage all the H&S aspects, Artsana has developed a Health & Safety Management System, even if not certified.

Artsana is committed to providing ongoing training and information to strengthen employee awareness and prevent H&S-related injuries given that the majority of cases typically are the result of human error, such as slips, stumbles, bumps, uncoordinated movements, incorrect lifting, and falls. The Company has taken steps to introduce more interactive and innovative courses, including the so-called **theatre drama** in the Casnate warehouse.

This initiative was launched in 2022 and was extended to the Gessate plant in 2023. The 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. By illustrating these risks in a comedic and relatable manner, these innovative solutions aim at educating employees on the importance of identifying and addressing potential risks in their daily work routines.

This creative approach aims at making training on health and safety matters more enjoyable and memorable, while promoting a culture of awareness and responsibility among employees. Artsana also provides more **traditional training**.

In 2023, it offered 4,058 hours (1.5 h/employee) of training focused on health and safety issues. At year end, 39 injuries had been reported, down from 59 in 2022. The injury rate dropped from 9.6 in 2022 to 8.2 in 2023. Artsana carefully monitors the number of injuries and takes steps on those dimensions where the Group has direct control, with a view to identifying and removing the root cause of accidents. The majority of work-related injuries have occurred in Spain and Portugal in the performance of activities involving the lifting of boxes or sudden movements and falls. Artsana also constantly monitors the safety of third-party groups of workers (such as carriers, maintenance workers, cooperative members, and visitors), who are not Artsana's employees, to have a complete understanding of the Company's work environment. Compared to the previous year, the high-consequence injury rate for external workers rose from 5.1 in 2022 to 7 in 2023 as a result of the decrease in the total hours worked by third-party workers, since the number of high-consequence injuries was stable compared to the previous year, with only 1 injury in Brazil.



Did you know?

In January 2024, the *Agenzia di Tutela della Salute* (ATS) – Health Protection Agency – of Insubria, in collaboration with the University of Insubria, presented "The Targeted Plan for the Prevention of Accidents in the Use of Forklifts", with the **aim of sharing strategies, best practices and interventions**, tools and methods to re-evaluate, when necessary, companies' risk management systems and adopt suitable solutions to guarantee an environment, equipment and working methods that respect the health and safety of workers.

Artsana was invited to give its contribution in front of representatives of the National Institute for Occupational Accident

Insurance (INAIL) and several attendants from the industry and presented its internal traffic risk assessment methodology and the measures that the Company has implemented in 2023 to prevent injuries. Some of these solutions are the development of a road plan, the implementation of traffic signs and the use of safety bars on the vehicles.

Moreover, Artsana installed sensors to signal in advance the passage of vehicles or pedestrians at blind spots, and developed a fleet management platform that includes the installation on vehicles, such as forklifts and pallet trucks, of a "black box" to collect data to be transferred to a management portal.

HEALTH AND SAFETY - EMPLOYEES		UNIT	2021	2022	2023
	Number of injuries	n.	54	59	39
	Injury rate [number of injuries/hours worked x 1,000,000]	n.	10.3	9.6	8.2
	Number of high-consequences work-related injuries	n.	0	0	0
	High-consequence injury rate [number of injuries/hours worked x 1,000,000]	n.	0	0	0
	Number of fatalities	n.	0	0	0
	Fatality rate [number of fatalities/hours worked x 1,000,000]	n.	0	0	0
	Hours worked	n.	5,244,399	6,129,583	4,787,164

Note:

2021 hours worked do not include Russia

2022 hours worked in Portugal have been estimated

HEALTH AND SAFETY - OTHER WORKERS		UNIT	2021	2022	2023
	Number of injuries	n.	5	5	4
	Injury rate [number of injuries/hours worked x 1,000,000]	n.	32.7	25.5	28.0
	Number of high-consequences work-related injuries	n.	0	1	1
	High-consequence injury rate [number of injuries/hours worked x 1,000,000]	n.	0	5.1	7.0
	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.	152,715	196,214	142,897

Note:

2021 hours worked do not include Italy.

2022 hours worked in Brazil, China Caben AP, Italy, Japan, and Portugal have been estimated.

2023 hours worked in Italy have been estimated.



Did you know?

In 2023, Artsana continued to carry out a **microclimate investigation** 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 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.

The aim of this investigation is to evaluate the thermal comfort or discomfort of the individual in relation to heat or cold distress to avoid situations that can potentially compromise the normal functions of the body leading to syncope and/or heat stroke.

The 2023 investigation focused on the assessment of possible comfort/discomfort and highlighted values within the "optimal" range as defined by the ISO 7730 technical standard.

Human resources data appendix

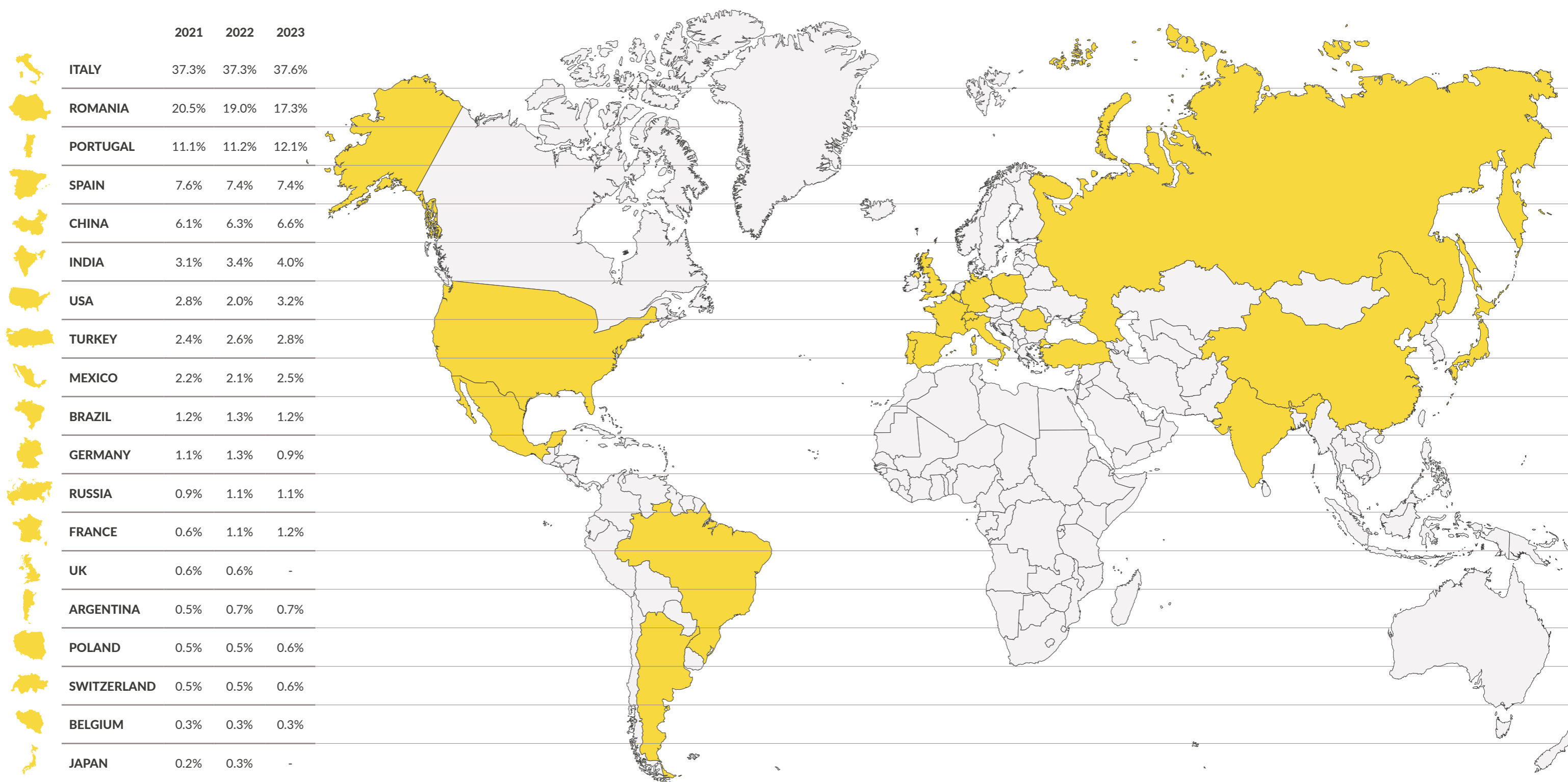
DIVERSITY

EMPLOYEES PER CATEGORY	U.M.	2021	2022	2023
EXECUTIVES	n.	53	49	45
MANAGERS	n.	320	321	298
WHITE COLLARS	n.	1,846	1,775	1,524
BLUE COLLARS	n.	1,111	977	811
TOTAL	n.	3,330	3,122	2,678

	2023			TOTAL
	<30 Y.O.	30-50 Y.O.	>50 Y.O.	
EXECUTIVES	0	19	26	45
MANAGERS	6	187	105	298
WHITE COLLARS	221	921	382	1,524
BLUE COLLARS	49	440	322	811
TOTAL	276	1,567	835	2,678





















Employees by country⁴



⁴ Spain data include both Artsana Spain and Control employees. USA data includes both Artsana USA and Boppy employees. Please, note that the sum of the percentages might differ from 100% because of approximations.

Hirings and terminations

	Unit	HIRINGS			TERMINATIONS		
		2021	2022	2023	2021	2022	2023
WOMEN	n.	322	370	316	447	498	627
MEN	n.	134	113	99	146	193	209
Less than 30 years old	n.	194	241	217	162	222	219
From 30 to 50 years old	n.	244	225	174	315	326	434
More than 50 years old	n.	18	17	24	116	143	183
 ARGENTINA	n.	0	6	3	1	4	5
 BELGIUM	n.	0	0	2	2	1	1
 BRAZIL	n.	14	9	7	11	8	14
 CHINA	n.	27	31	10	25	36	31
 FRANCE	n.	4	9	4	6	5	5
 GERMANY	n.	4	5	0	3	5	0
 INDIA	n.	33	41	25	38	39	25
 ITALY	n.	84	114	135	114	191	295
 JAPAN	n.	0	0	0	0	0	0
 MEXICO	n.	71	38	21	26	45	21
 POLAND	n.	4	5	4	6	5	6
 PORTUGAL	n.	66	101	103	87	119	129
 ROMANIA	n.	61	43	6	171	130	137
 RUSSIA	n.	8	9	9	6	12	12
 SPAIN	n.	39	41	58	56	63	92
 SWITZERLAND	n.	3	2	1	1	1	2
 TURKEY	n.	12	12	19	19	10	25
 UK	n.	2	8	0	0	10	19
 USA	n.	24	9	8	21	7	17
TOTAL	n.	456	483	415	593	691	836



Training

TOTAL TRAINING	UNIT	2021	2022	2023
TOTAL HOURS	h	17,095	21,346	22,524
Average hours	h/employee	5.1	6.8	8.4

TRAINING ⁵ – Average training hours by gender and employee category	UNIT	2021	2022	2023
Men	h/employee	4.9	8.2	10.7
Women	h/employee	4.8	6.2	7.3
Training provided to Executives	h/employee	9.5	11.1	10.8
Training provided to Managers	h/employee	3.7	5.8	10.4
Training provided to White collars	h/employee	7.1	6.5	7.8
Training provided to Blue collars	h/employee	2.0	7.5	8.6

⁵ Due to more accurate data retrieved, 2022 data were modified compared to the values published in the 2022 Sustainability Report

Work-related injuries:


















Employee data by region:

2023	Number of Injuries	Number of high-consequence work-related injuries	Work-related fatalities
UNIT	n.	n.	n.
ARGENTINA	0	0	0
BELGIUM	0	0	0
BRAZIL	0	0	0
CHINA	0	0	0
FRANCE	1	0	0
GERMANY	0	0	0
INDIA	0	0	0
ITALY	8	0	0
JAPAN	0	0	0
MEXICO	0	0	0
POLAND	0	0	0
PORTUGAL	9	0	0
ROMANIA	0	0	0
RUSSIA	0	0	0
SPAIN	20	0	0
SWITZERLAND	0	0	0
TURKEY	0	0	0
UK	0	0	0
USA	1	0	0
TOTAL	39	0	0



Other workers data by region:

Work-related injuries, other workers data by region

2023	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	1	0
 CHINA	0	0	0
 FRANCE	0	0	0
 GERMANY	0	0	0
 INDIA	0	0	0
 ITALY	4	0	0
 JAPAN	0	0	0
 MEXICO	0	0	0
 POLAND	0	0	0
 PORTUGAL	0	0	0
 ROMANIA	0	0	0
 RUSSIA	0	0	0
 SPAIN	0	0	0
 SWITZERLAND	0	0	0
 TURKEY	0	0	0
 UK	0	0	0
 USA	0	0	0
TOTAL	4	1	0

2023 FTE data

HUMAN RESOURCES	UNIT	MALE	FEMALE	TOTAL
<i>Total number of employees</i>	FTE	845.7	1,660.6	2,506.3
<i>Number of permanent employees</i>	FTE	819.6	1,557.9	2,377.5
<i>Number of temporary employees</i>	FTE	25.5	102.7	128.2

4

How we care for the planet and the future

Artsana is deeply focused on pursuing environmental sustainability.



Caring for the **environment** is one of the principles that guide Artsana's business approach. This means acknowledging its environmental impacts. The Group is firmly committed to constantly monitoring and mitigating its environmental impacts at every stage of its value chain, including all of its operations and both upstream and downstream activities.

To Artsana, taking care for the planet means also caring for the well-being and prosperity of present

communities and future **generations**. The Company is aware of its responsibility in ensuring that this goal is reached by implementing sustainable practices. To Artsana, prioritizing sustainability calls for an integration of sustainability-oriented well-being into the core of corporate activities resulting in a commitment targeted to cultivating a prosperous and enduring legacy for everyone.

4.1 A sustainable production

The Artsana Group's production activities take place in 3 manufacturing facilities, 2 of which are located in Italy and one in Romania.

Artsana has 3 production plants, one for each product area. The juvenile and nursing products, toys and medical devices are manufactured 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). In 2023, the plant also obtained

the ISO 45001 (health and safety) certification. Moreover, in addition to manufacturing and production facility, the Verolanuova plant features also a Crash Test Lab for car seat testing. The **Grandate/Casate** (Como, Italy) facility features a laboratory for finished products testing and quality control inspection, and a workshop for juvenile products and toy prototyping.



Did you know?



In September 2023, Artsana completed the process for the **ISCC PLUS** (International Sustainability & Carbon Certification) certification. The ISCC PLUS certification is an international voluntary scheme for circular economy, focusing on the **traceability of biobased, bio-circular and circular materials**. Specifically, the ISCC PLUS certification applies to bio-based plastic materials used in the manufacturing

of Artsana's child care products. This scheme allows companies to use certified materials to control the traceability and mass balance requirements of the entire system along the entire production chain.

This is another step forward for Artsana, testifying to its commitment to supporting today's families by contributing to a more sustainable future.

The production of cosmetic products and medical devices is concentrated in the facility located in Gessate (Milan, Italy). The Gessate plant 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). The **Botosani** (Romania) production plant produces both finished products and semi-finished textile components that are then processed in the

Verolanuova plant. This facility implements a quality management system certified according to the international standard ISO 9001:2015. In April 2023, the Artsana plant in Romania obtained the ISO 14001 certification. Until the end of 2023, Artsana had been operating a production plant in **Alcorcon** (Spain), mainly dedicated to the production of condoms under the Control brand, one of Europe's most famous sexual wellness brands.

In December 2023, Artsana transferred the business unit to a third party in line with Artsana's strategic decision to concentrate its business on its core areas of expertise. All production processes are subject to strict quality rules in compliance with the strictest international standards. Moreover, Artsana has three

warehouses in Italy: **Casnate** 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.

As evidence of its engagement in sustainability, in 2023, Artsana received important recognitions and awards:

Climate Conscious Company Award

For 2 years in a row, in 2022 and 2023, Artsana was included in the “Climate Conscious Company” ranking at the top of the consumer goods category. This award is the result of the collaboration between the Italian renowned newspaper Corriere della Sera, Pianeta 2030 and Statista, the German digital platform that manages one of the world's leading portals for statistics and digital intelligence. Statista ranked the 130 top Italian companies (out of a sample of 550 companies included in the analysis), which most contributed to reducing their carbon footprint in the 2019-2021 period (2023 Award) or in the 2018-2020 period (2022 Award). These companies were selected based on their headquarters in Italy or presence on the Italian stock exchange. In the case of international groups, only the Italian operations were taken into consideration. The analysis considered both Scope 1 and Scope 2 impacts in relation to revenue. In addition, the selection was made using corporate databases and sector lists, including the publication of a 2021 sustainability report or similar financial document as one of the main requirements. Artsana was selected for the ranking under the “finished products and consumer goods” category.

Leaders in sustainability 2023

Artsana was included in the “Leaders in Sustainability 2023” ranking published in “il Sole 24 ore”, one of Italy's most prominent financial newspapers, in partnership with Statista. Statista analyzed the Environmental, Social and Governance dimensions in more than 1500 companies through various indicators. The study included numerous Italian companies, which had published their sustainability report and financial statements. The ranking is the result of a complex process that, due to the interval of data collection and analysis, reflects data from 2021.

Climate leaders 2023

“Climate Leaders” is an additional important recognition published by the Financial Times. Artsana was included among the 500 “Climate Leaders” companies for 2023. Also in this case, the ranking was the result of the collaboration between Statista and Financial Times, making the qualification even more significant given the reputation of both entities. In its third edition, Statista has tightened its valuation methodology, adding SBTi as part of other applicable criteria. The analysis ranked the companies in Europe that performed “better than others” in reducing their carbon footprint (emissions and intensity) in the 2016-2021 period.

ESG perception leaders 2023

Artsana with its “Chicco” brand was also included among the top 30 most sustainability-oriented companies in the Brand Finance ranking. Brand Finance is an independent consultancy world leader in brand evaluation, which has also contributed to the ISO 10668 and ISO 20671 development for brand assessment. ESG perception leaders takes into account consumer perception on brand commitment regarding ESG topics (300 brands were included in the analysis).

4.2 Monitoring our environmental footprint

Artsana is fully committed to continuously reducing its impact on the environment.

To this end, the Company 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 Group firmly believes that the implementation of management systems enables it to have an approach geared towards **continuous improvement**, assisted by internal audits and management reviews.

4.2.1 Energy consumption and efficiency

Artsana recognizes the extent of its environmental footprint, with a considerable portion stemming from energy usage, primarily within its production processes and office operations.

The Company is constantly dedicated to reducing its impact on energy resources by continuously adopting

and integrating **energy-efficiency measures and innovations**. The main quota of Artsana's energy consumption derives from natural gas (approx. 57%), used for heating purposes in the production units and offices, steam production at the Gessate site and to fuel the trigenerator plant in Verolanuova.



Did you know?

In the wake of the last three years, in 2023, Artsana entirely covered the consumption of energy in all of its production plants and subsidiaries through the **Guarantees of Origin (GOs)** certificates, which certify that the electricity used originated from renewable sources. This commitment resulted in almost 8,690.39 tons of CO₂e_q saved in the atmosphere (market-based approach) in 2023.

Through the purchasing of GOs and PV produced electricity, in 2023, **100% of electricity was generated from renewable sources** resulting in an additional 7% increase compared to 2022, and a total increase by 35% considering the 2021-2023 three-year period.

Approximately 32% of energy consumption derives from electricity purchased from the national grid. The remaining part includes petrol, diesel and LPG. In 2023, Artsana recorded an **overall reduction in energy consumption by approximately 16%** compared to the previous year. This was due - on one hand - to operational changes, and, on the other, to energy efficiency initiatives, such as the replacement of the Casnate thermal power plant

with a new one equipped with three modules and a lower fluids temperature requirement. The redesign of the Casnate thermal power plant was completed by carrying out a relocation from diathermic oil to single-generation condensation modules. Thanks to the multiple module design, a significant energy loss was prevented. In 2023, natural gas consumption decreased from 144,994 GJ to 116,805 GJ, down **-19%** compared to the previous year.

This was mainly attributable to the implementation of efficiency measures at all Artsana's facilities in Italy and a generic higher outdoor temperature, which made it possible to reduce heating.

All the factors described above contributed to reducing Artsana's energy consumption.

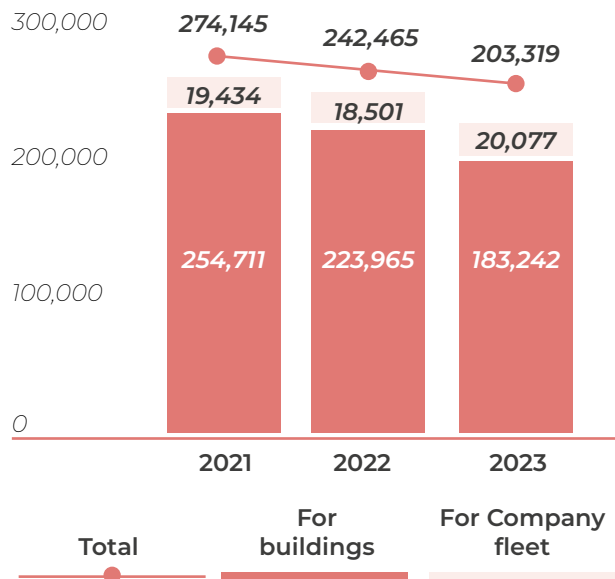
The Group is committed to continuously reducing fossil source energy usage and, at the same time, increasing energy generation from renewable sources in order to increase the self-generated portion as much as possible.

After obtaining the authorization for three new photovoltaic systems in 2022, the **Gessate photovoltaic plant was put into operation in September 2023**; the other two plants in Verolanuova and Grandate will be put in operation in 2024. Moreover, a general assessment was carried out on all direct stores.

To meet its energy needs through self-generation, in 2022, Artsana worked on the installation of a **cogeneration unit** for the generation of heat and electricity at the Grandate plant. The release of the electrical workshop license, initially scheduled for 2023, is still underway.

The planned **relamping** project for the headquarters included a feasibility plan completed in 2023. After completion, an estimated 160 tons of CO₂ will be saved every year. Finally, a preliminary study was conducted to understand the feasibility of geothermal wells in Verolanuova.

Energy consumption (GJ)



Note: the sum might differ from the exact total due to approximations.

Additionally, a preliminary study assessing the refurbishment of the compressed air system at Verolanuova was completed, with plans to proceed with the installation in the next years.

Finally, Artsana also replaced ceiling fan coils for the Gessate plant with more efficient ones, which contribute to decreasing overall energy consumption. The following table lists the main energy-efficiency initiatives implemented in 2022 and 2023 with the related energy and CO₂ savings expected per year.

MAIN ENERGY EFFICIENCY INITIATIVES IN 2022/2023	COUNTRY	ENERGY SAVINGS (GJ/y)		CO ₂ SAVING (ton CO _{2e} /Y)	
		2022	2023	2022	2023
Relamping of manufacturing department	Italy (Gessate)	433	584	29	39
Energy switch from steam to electric warm rooms	Italy (Gessate)	975	975	85	85
Photovoltaic system installation	Italy (Gessate)	-	1,177	-	170
Installation of a condensation boiler	Italy (Grandate)	838	907	60	65
Compressor revamping and LED lights installation	Romania	1,411	1,108	133	114
Free cooling plant	Italy (Verolanuova)	959	823	64	55
Redesign Thermal Power Plant	Italy (Casnate)	-	5,609	-	320
TOTAL		4,616	11,183	371	848

4.2.2 Greenhouse gas (GHG) emissions

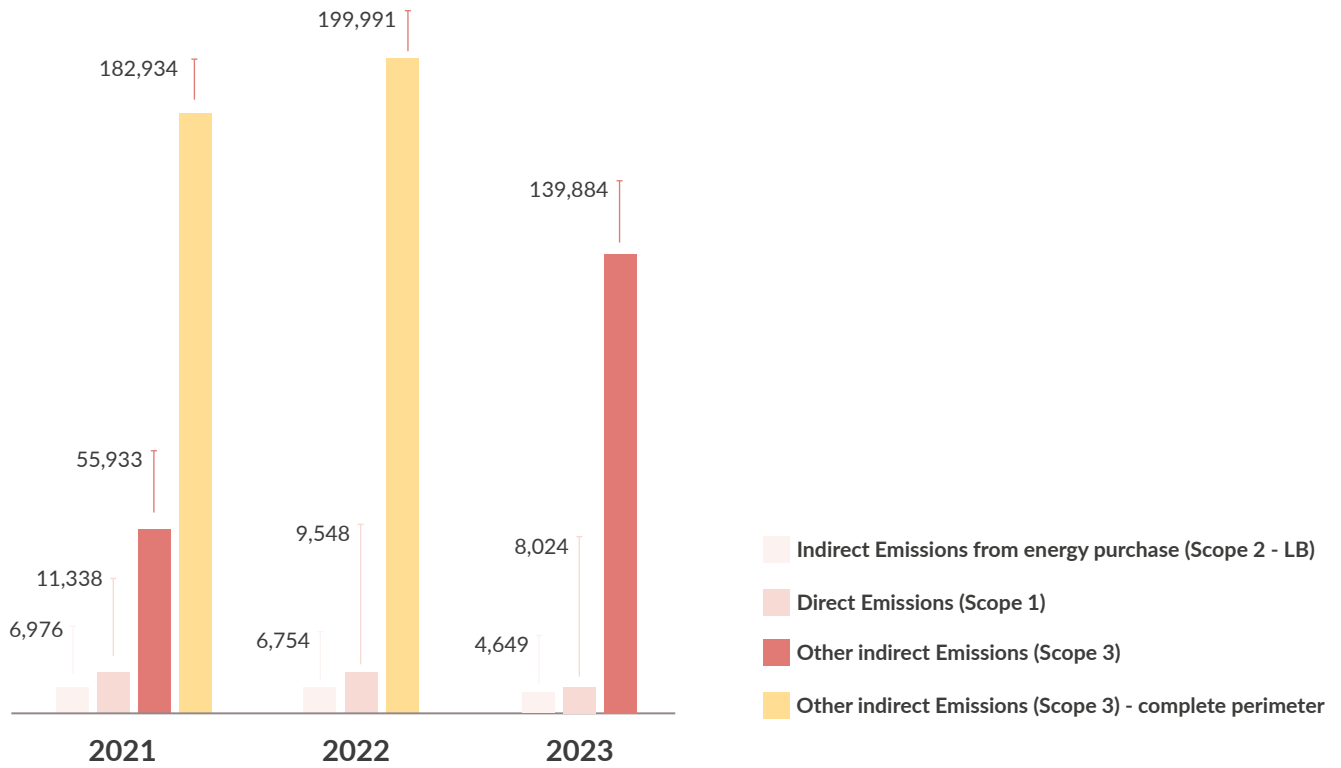
Artsana recognizes that its environmental impacts extend beyond its direct operations, contributing to climate change through greenhouse gas emissions from both upstream and downstream activities associated with its value chain. Acknowledging this broader impact, the Group is actively tracking and mitigating its greenhouse gas emissions across the entire value chain.

Moreover, in line with its strategy, in 2022 Artsana took part into the **Climate Ambition Accelerator**, a six-month accelerator program proposed by the **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.

In 2023, for the eighth consecutive year, Artsana conducted a thorough analysis of its **carbon footprint** to improve the overall vision 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 2023, 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 along side shows the perimeter considered for each Scope 3 category.

EMISSIONS CATEGORY	2023
Scope 1	Totally calculated
Scope 2	Totally calculated
Scope 3 Purchased goods and services	Totally calculated
Scope 3 Capital goods	Not relevant for 2023
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	Partially calculated only for Italian scope
Scope 3 Downstream transportation and distribution	Not relevant
Scope 3 Processing of sold products	Not applicable
Scope 3 Use of sold products	Not calculated
Scope 3 End-of-life treatment of sold products	Applicable
Scope 3 Downstream leased assets	Applicable
Scope 3 Franchises	Partially calculated only for Italian scope
Scope 3 Investments	Not applicable

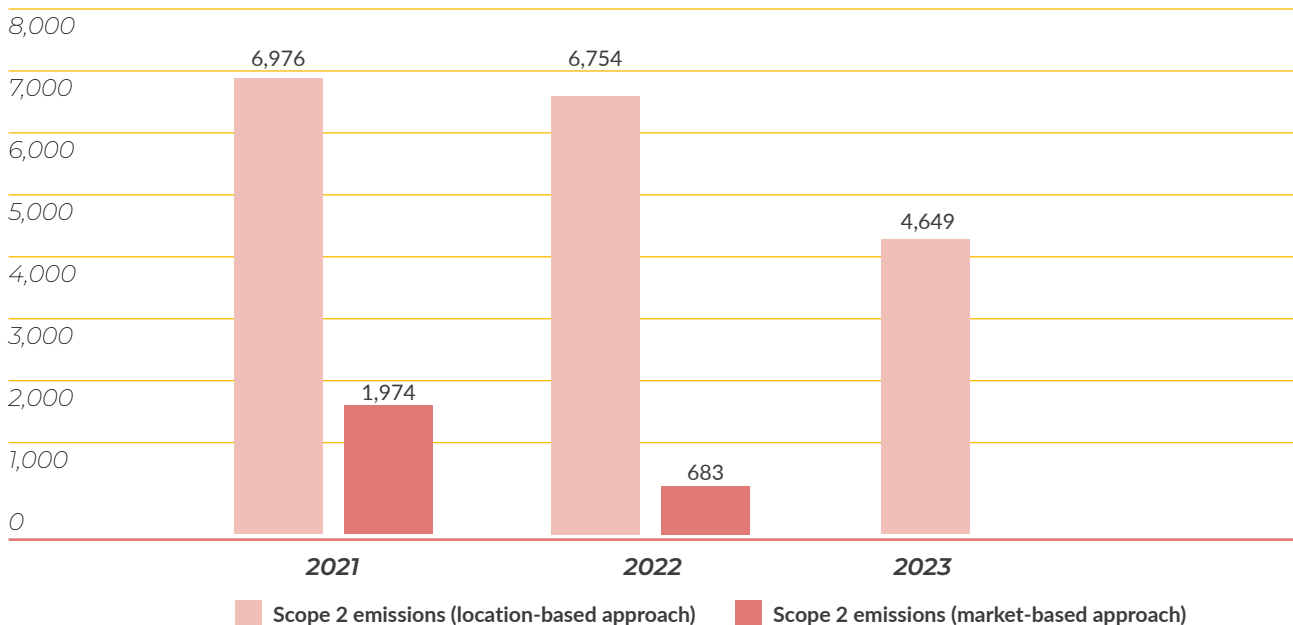
GHG emissions (tCO_{2eq})



Compared to 2022, **Scope 1 GHG emissions** decreased by 16% in 2023, thanks to the combination of several factors such as operational changes, and the decreased natural gas consumption due to the efficiency measures implemented. In the 2021-2023 three-year period, **Scope 2 GHG emissions**

progressively dropped - considering both location and market-based approaches. Considering just market-based Scope 2, Artsana obtained **0 tCO_{2eq}** as a result of the purchase of 100% certified energy from renewable sources, risen from approximately 93% in 2022 to 100% in 2023.

Comparison between Location-Based and Market-Based approach



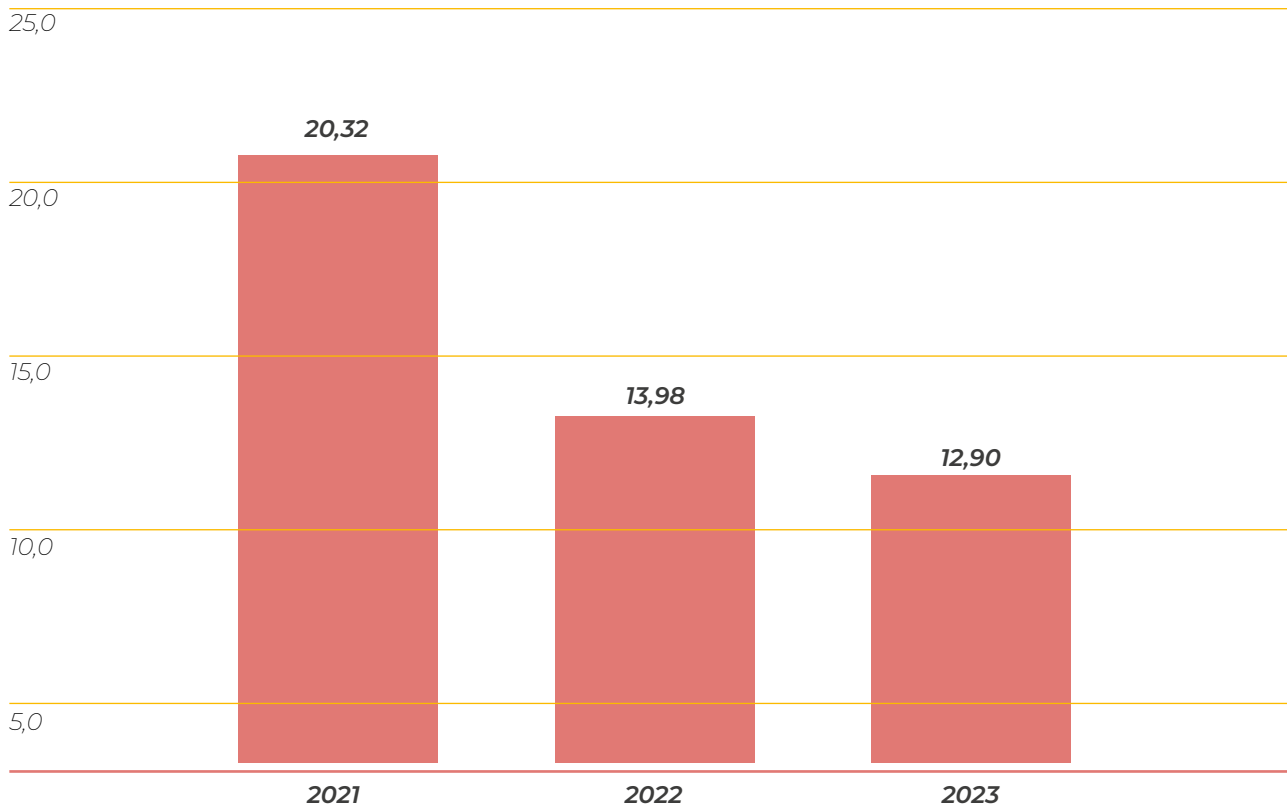
Artsana is also focused on monitoring its **emission intensity**, a metric that is calculated as the ratio between the sum of Scope 1 and Scope 2 market-based emissions and the annual revenues of the Company.

The further drop in **emission intensity** (-8% vs 2022)

underscores the effective measures adopted by Artsana to improve its environmental performance and carbon footprint.

The components that most influenced this reduction are attributable to a lower consumption of natural gas and the purchasing of electricity from renewables.

Emission intensity 2021-2023³

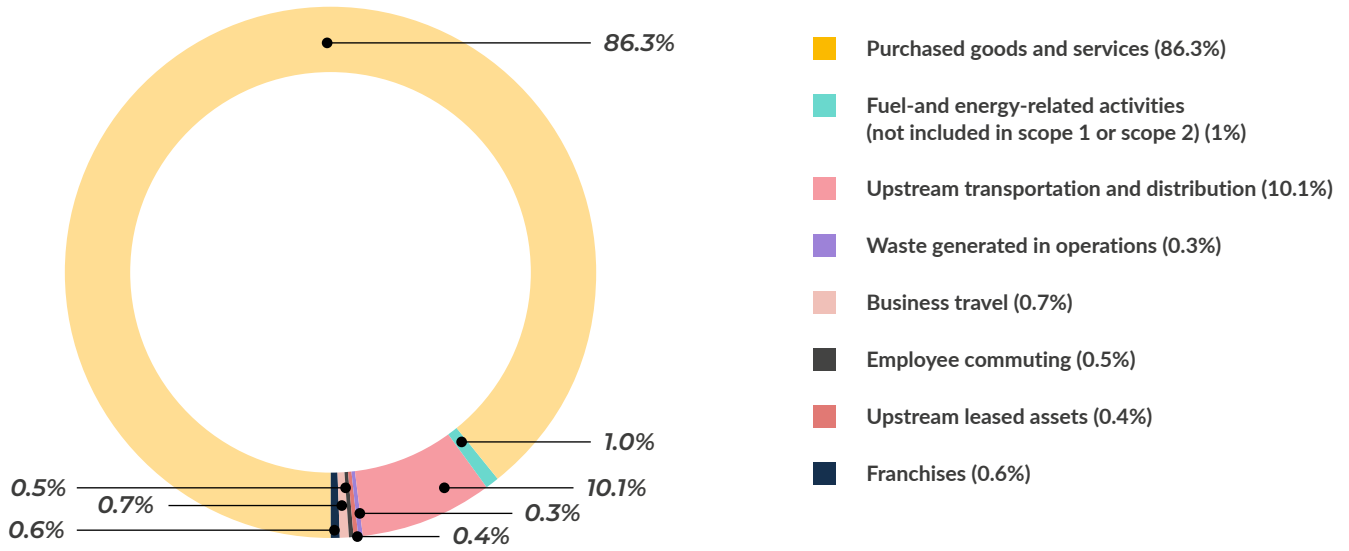


Considering the overall 2021-2023 3-year period, Scope 3 emissions rose in 2022 vs 2021 as a result of a 10% increase in production volumes and decreased again by 30% in 2023.

The chart below shows clearly that the emissions associated with **purchased goods and services** are the most relevant ones, accounting for approximately 86% of Artsana's measured Scope 3 emissions. Compared to 2022, this category of emissions dropped by 32%. The decrease in Scope 3 emissions reflects a combination of factors, including a shift in production volumes and the Company's strategic decision to reduce the use of plastic materials in manufacturing and logistics in favor of more sustainable or recycled materials, where feasible. Among the other categories, a significant 24% reduction was reported in the "Fuel-

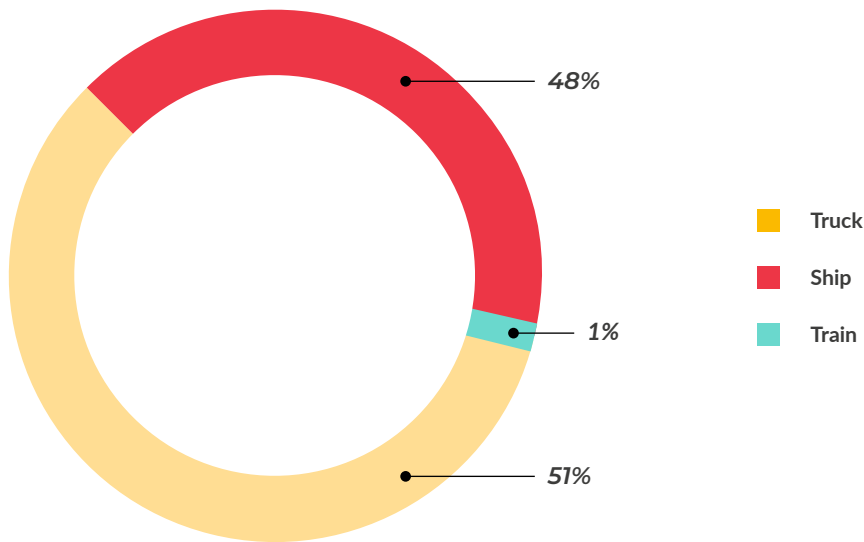
and energy-related activities (not included in Scope 1 or Scope 2)" category compared to the data from 2022. This reduction is in line with the overall trend of energy consumption reduction observed for Scope 1 and Scope 2 emissions. Conversely, the "Business travels" category increased compared to the previous years. The increase is attributable to the post-Covid recovery, which also led to resumption of business travelling. Similarly to category 1, the "Upstream transportation and distribution" category decreased by 14% in emissions due to a variation in production volumes. An in-depth analysis of this category shows that trucking is the most used mode of transportation, accounting for roughly 51% of related emissions, while maritime shipping accounts for approximately 48%, and rail transport generates only 1% emissions.

Scope 3 GHG emissions by category (%)



Note: the sum might differ from the exact total due to approximations

2023 Upstream T&D emissions, by means of transport



Science-based target: taking part to ambitious corporate climate action

The Science Based Targets initiative (SBTi) is a **corporate climate action organization** that enables companies and financial institutions worldwide to play their part in tackling down the climate crisis. The initiative develops standards, guidance and tools which allow companies to set greenhouse gas (GHG) emissions reduction targets in line with the indications to keep global warming below severe levels and reach net-zero by 2050 at the latest. The SBTi collaborates with major partners in the NGO world, such as CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

The emissions reduction targets support the definition of targets both in the **near term** (5-10 years from the date of submission) and in the **long term** (more than 10 years from the date of submission), with a strong call to action in this decade to avoid the catastrophic impacts of climate change and align with the goals of the Paris Agreement to limit global warming to well below 2 degrees Celsius.

At the end of 2023, Artsana adopted a climate strategy with a view to achieving SBTi 'near-term' targets by 2030. Submitting an SBTi target is a great opportunity not only for Artsana, but also for the other players involved in its value chain to reduce further their impact on the environment.

Carbon offsetting projects

As a complement to **Artsana's** initiatives to manage and reduce its absolute greenhouse gas ("GHG") emissions, the Company has since (2020) purchased carbon credits to neutralise ("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 removal of one ton of CO₂ equivalent (CO₂e), 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 project¹, 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 project², Central America

The Guatemalan Conservation Coast program 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 487 jobs for indigenous and local communities.

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 CO₂e.

4.2.3 Raw materials and packaging

Companies are becoming more aware of their environmental impact, especially when it comes to the depletion of natural resources due to the consumption of raw materials in manufacturing processes and product packaging. In this context, Artsana is committed to mitigating its impact on the environment through the implementation of a strategy geared to reducing the use of raw materials while expanding the use of recycled materials, where technically feasible. In its production facilities, Artsana divides materials into three types: plastics and metals, predominantly used in the manufacturing activities carried out at the Verolanuova plant in Italy; chemicals, most commonly used for the production of

cosmetics in the Gessate (Italy) and Alcorcon (Spain) plants; and **textiles** for the manufacturing of products in its Romanian factory, including, for example, linings. In 2023, Artsana used comprehensively 5,000 tons of materials for production purposes, with a significant 29.5% reduction compared to the previous year. This reduction is mainly attributable to the operational changes applied by the Group. Artsana implemented various initiatives and practical measures to reduce the environmental consequences associated with the consumption of materials. These efforts are targeted – on the one hand - to the reduction of the overall quantity of materials used and - on the other - increased use of recycled materials.

MATERIAL USED	UoM	2021	2022	2023
<i>Plastics</i>	ton	4,184	3,921	1,907
<i>Chemicals</i>	ton	1,901	2,063	2,111
<i>Metal components</i>	ton	852	900	431
<i>Textiles</i>	ton	378	212	53
TOTAL	ton	7,315	7,096	5,002

MATERIAL USED	UoM	2021	2022	2023
<i>Cardboards</i>	ton	3,092	3,004	2,614
<i>Pallets</i>	ton	1,812	1,787	1,450
TOTAL	ton	4,904	4,791	4,064

In 2021, Artsana conducted for the first time an analysis of its use of raw materials in relation to GHG emissions across its products in order to calculate Scope 3/Cat1 of GHG inventory and guide improvements in environmental performance while reducing indirect emissions. In 2022 and 2023, Artsana has been working on the fine-tuning of this calculation methodology and data collection with a view to highlighting the choices made by the Company to reduce its carbon footprint (for example, the use of more sustainable or recycled materials).

In addition to the materials used in manufacturing, Artsana uses also **cardboard, pallets** and other materials for the distribution of its products to clients. Last but not least, 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's environmental commitment results in an effort to reduce the use of raw materials and, at the same time, promote sustainable alternatives. This commitment spans across all the Group's activities, from production to sales. Some initiatives were implemented in 2022– such as the TakeBack program for re-usable clothing hangers launched in the Chicco stores or the fee charged on paper shopping bag to encourage customers finding alternative solutions to carry their purchases with the purpose of reducing waste. As a result, the use of paper bags consistently dropped in the last couple of years. Furthermore, with a view to providing customers with a sustainable alternative, in 2022, Chicco introduced new shopping bags made partially (50%) from recycled plastic. The goal is to reach 100% recycled plastic by 2024. Artsana supports the practice of sustainable forestry through an increasing use of FSC (Forest Stewardship Council) certified materials in packaging. Artsana is committed to achieving 100% FSC-certified paper for consumer packaging across its entire fashion line. Also, in the Fashion business unit, the use of recycled materials in polybags rose from 30% to 50% in 2023.

In addition to retail initiatives, Artsana is actively researching alternatives to make its packaging more sustainable within its production. In this respect, Artsana continuously increased the percentage of sustainable cotton in clothing. In 2023, 40.5% of the total cotton used was BCI (Better Cotton Initiative) certified, and 3.1% organic cotton.

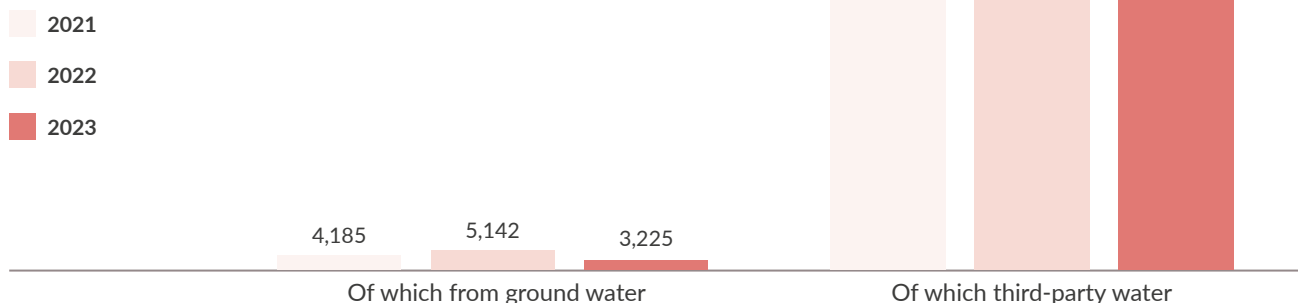
4.2.4 Other environmental aspects

Besides energy consumption, GHG emissions and materials, Artsana aims at reducing its environmental impact through a holistic approach that includes the monitoring of other critical aspects within manufacturing. In line with this strategy, the Group monitors water consumption and waste production in all of its production facilities with a view to progressively improving efficiency and reducing its environmental footprint.

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

Artsana's water consumption is particularly high in the plants located in Italy with 93% of the total water used (55% at the Grandate plant; 24% at the Gessate plant, and 14% at the Verolanuova site), while the plants in Spain and Romania account for 3.4% and 3.5%, respectively. At the Group level, 96% of the water is withdrawn from third-party supply systems and 4% from groundwater (e.g., wells). The water withdrawn by the Company is exclusively fresh water with $\leq 1,000$ mg/l of total dissolved solids, and most importantly, Artsana does not take water from water-stressed regions.

Water consumption (m³)



Note: The perimeter of the 2021-2023 data reported in the charts only includes the production plants of Verolanuova, Gessate and Grandate/Casnate (Italy), Botosani (Romania), and the production plant in Spain. The 2023 water consumption of Verolanuova from public networks was estimated through internal measurements.

Targeting water footprint reduction, in 2022, Artsana installed a state-of-the-art **reverse osmosis plant** at the Gessate plant, which came into full operation at the end of the year.

After one year of full operation, the reverse osmosis plant harvested the first benefits thanks to the use of a specific membrane that purifies water. The process led to a significant increase in the water purification efficiency rate to 80%, a remarkable improvement compared to the 44% rate recorded with the old system.

In addition, the upgrade also led to a 10% reduction vs 2022 – when water consumption was above the average due to a breakdown – in the total water quantity taken from the municipal supply network thanks to the internal water recycling. Furthermore, the process wastewater generated by the new system is now recyclable and can be used for ancillary applications like machinery cleaning.

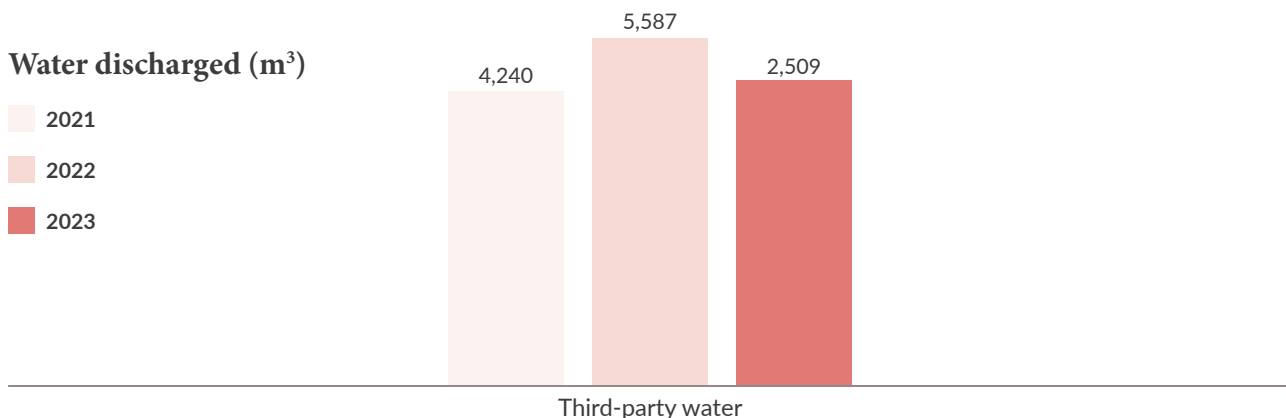
Regarding wastewater management, the Gessate

plant - where cosmetic products are manufactured - is the only production facility with an **industrial water discharge system**.

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).

The Gessate plant is also equipped with a water treatment system to purify water, which allows the overall reduction of wastewater sent to disposal. All the wastewater produced by the Artsana plants is discharged into third-party facilities.

In terms of performance, the amount of discharged water between 2022 and 2023 decreased by 55%. This was mainly due to two factors: firstly the benefits of the osmosis system, and, secondly, a reorganization of production lines.



Note: The perimeter of water 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.

Artsana is also committed to carrying out efficient **waste management** by monitoring waste production data as part of its management review meetings to discuss possible waste reduction options. Efficient waste management is essential not only to reduce environmental impacts, but also to decrease resource depletion, contributing to the overall health of the people. Moreover, a proper

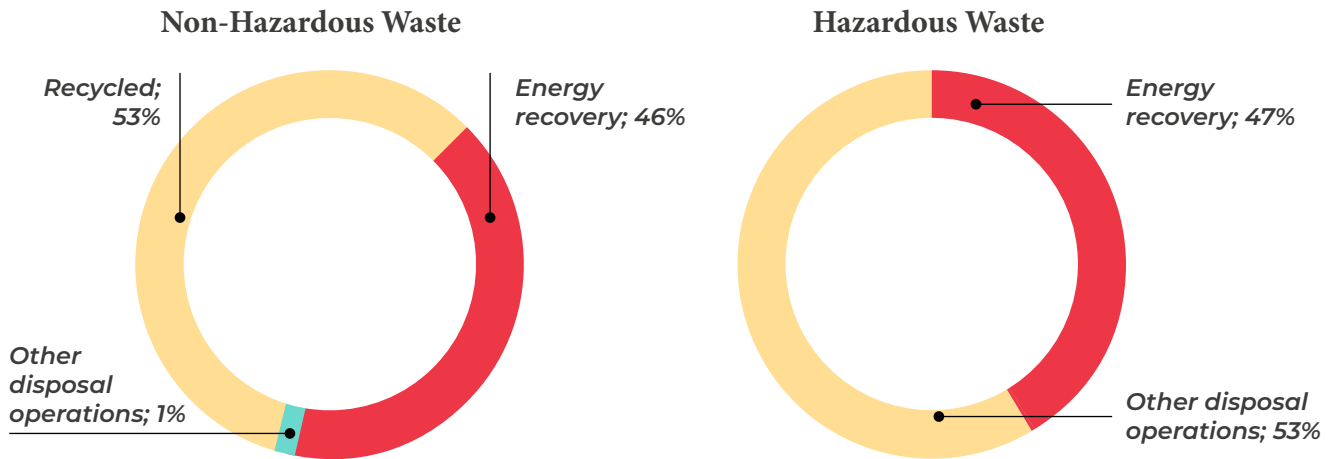
waste management system can prevent the release of harmful pollutants and contaminants into the environment, ensuring cleaner air, water, and soil, which, in turn, helps in safeguarding public health and creating a healthier living environment for the local communities. Artsana’s industrial processes generate mainly **non-hazardous waste** (almost 91% of the total amount of waste produced in 2023).

WASTE PRODUCTION	UoM	2021	2022	2023
Hazardous waste	ton	209	254	255
Non-hazardous waste	ton	2,714	2,565	2,549
TOTAL WASTE	ton	2,924	2,820	2,804









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.

Artsana's approach to waste management is marked by a clear commitment to **optimizing waste recovery**, with a strong focus **on recycling and energy conversion**, while striving to decrease the reliance on landfilling. In 2023, the Company achieved significant progress in handling non-hazardous waste, successfully recycling approximately 53% (+4% compared to 2022) of total waste and allocating

around 46% (+6% compared to 2022) to energy recovery processes, leaving a minimal 1% to be managed through other disposal routes, yet notably excluding landfilling. Regarding hazardous waste, Artsana converted 47% into energy – a further improvement compared to 31% in 2022 - while the remaining 53% was disposed of through other methods.



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

Waste management project	Facility	Achieved result in 2023
 <p>Together with the CORIPET consortium, installation in 2022 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.</p>	Chicco Village in Grandate (Italy)	155,602 bottles recycled
 <p>Implementation of plastic extensible collection.</p>	Grandate and Verolanuova (Italy)	17.65 tons of plastic extensible collected
 <p>Collection of plastic toys free of electronic and electric parts.</p>	Grandate (Italy)	3.33 tons of plastic toys collected
 <p>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.</p>	Grandate (Italy)	16.8 tons of iron were recovered
 <p>Production of recycled cardboard from siliconized paper.</p>	Gessate (Italy)	17.5 tons of cardboard produced
 <p>Use of washable rags with the objective of reducing the production of special hazardous waste.</p>	Verolanuova (Italy)	99% less hazardous waste related to rags compared to 2019
 <p>Separation and recovery of electric and electronic waste in logistic warehouses.</p>	Grandate (Italy)	13.5 tons of electronic and electric components recovered
 <p>Separation of fabrics from the plastic of car seats, disposing of such waste as plastic rather than as undifferentiated waste.</p>	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. Furthermore, an improvement plan for segregated waste collection is expected to be implemented at the Headquarters in 2024. The launch of the

project is scheduled for the beginning of 2024 with the installation of “new eco-island” near break areas and redistribution of the bins with different containers for the different types of waste. The first results of the project will be available at the end of 2024. Moreover, the new osmosis system will bring significant benefits also on production since the on-site treatment of effluents will contribute to reducing waste generation.

The residues derived from the reverse osmosis system, then, will have a second life and be used for less noble purposes, such as systems and equipment rinsing. This will also result in an overall reduction of water taken from the water supply network with consequent cost reduction. Lastly, a reduction is also expected in the quantity of water sent to the depuration system (currently at its maximum operating capacity).

Environmental data appendix

	ENERGY CONSUMPTION	UoM	2021	2022	2023
Energy consumption - for buildings	GJ		254,711	223,965	183,242
Of which from natural gas	GJ		163,895	144,994	116,805
Of which from diesel	GJ		6,321	28	72
Of which from LPG	GJ		83	52	21
Of which from petrol	GJ		2,536	159	-
Of which electricity from the national grid	GJ		81,666	78,504	66,055
Of which auto-produced from electricity from renewable sources	GJ		210	228	289
Energy consumption - for Company fleet	GJ		19,434	18,501	20,077
Of which diesel fueled vehicles	GJ		17,483	15,094	16,129
Of which gasoline fueled vehicles	GJ		1,950	3,406	3,949
TOTAL	GJ		274,145	242,465	203,319

	GHG EMISSIONS	UoM	2021	2022	2023
Direct Emissions (Scope 1)	tCO ₂ eq		11,338	9,548	8,024
emissions from fuels for heating and other purposes	tCO ₂ eq		9,750	8,062	6,475
emissions from fuels used for Company's car fleet	tCO ₂ eq		1,449	1,369	1,484
emissions from refrigerant gases refilling of air-conditioning systems	tCO ₂ eq		138	118	65
Indirect Emissions from electricity purchased from national grid "Location-based approach" (Scope 2)	tCO ₂ eq		6,976	6,754	4,649
Indirect Emissions from electricity purchased from national grid "Market-based approach" (Scope 2)	tCO ₂ eq		1,974	683	0
Other indirect Emissions (Scope 3)	tCO ₂ eq		55,933	199,991	139,884
Purchased goods and services	tCO ₂ eq		35,197	178,419	120,666
Fuel- and energy-related activities (not included in scope 1 or scope 2)	tCO ₂ eq		2,540	1,880	1,436
Upstream transportation and distribution	tCO ₂ eq		15,026	16,528	14,161
Waste generated in operations	tCO ₂ eq		487	416	435
Business travel	tCO ₂ eq		225	341	992
Employee commuting	tCO ₂ eq		776	769	746
Upstream leased assets	tCO ₂ eq		804	703	567
Franchises	tCO ₂ eq		878	935	882
TOTAL (location-based approach)	tCO₂ eq		74,247	216,293	152,557
TOTAL (market-based approach)	tCO₂ eq		69,245	210,222	147,908

Note: The sum might differ from the exact total due to approximations.

5

Methodological note

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.



5.1 GHG Calculation Methodologies

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
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 labor 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	-

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:

Fuel density	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2023, 2022, and 2021
NCV (Net Calorific Value)	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2023, 2022, and 2021

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, 2021, 2022, 2023	Only CO ₂ emissions were considered
Company's car fleet	Fuel consumption	MATTM (Ministero dell'Ambiente e della Tutela del Territorio e del Mare), Tabella parametri standard nazionali, 2021, 2022, 2023	Only CO ₂ emissions were considered
Leakages from air-conditioning systems of refrigerant gases	F-Gas Leakage	Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) over a 100-year period.	CO ₂ equivalent emissions were considered

GHG EMISSIONS SCOPE 2			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Electricity purchased from national grid – location-based method	Electricity consumption	For European countries: EEA, 2022. For non-European Countries: Terna, Confronti Internazionali, 2019, 2018 (Total gross production)	Only CO ₂ emissions were considered
Electricity purchased from national grid – market-based method	Electricity consumption	For European countries: AIB - European Residual Mixes, 2022, 2021, 2020. For non-European Countries: Terna, Confronti Internazionali, 2019, 2018 (Total gross production). For USA: E-Grid data provided by US Environmental Protection Agency, (2021, 2022, 2023 emissions data)	Only CO ₂ emissions were considered

GHG EMISSIONS SCOPE 3

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Purchased Goods & Services (GHG Protocol Cat.1)	Weight of purchased raw, process and packaging materials. For 2023, emissions data for this category were calculated based on real weight data for 2022 and economic trend data.	Ecoinvent v.3.9.1	CO ₂ equivalent emissions were considered
Fuel and Energy related activities (GHG Protocol Cat.3)	Fuel and electricity consumption	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2023. For country-specific upstream emissions of purchased electricity and upstream emissions associated with electricity transmission and distribution losses, DEFRA 2021 emission factors have been considered.	CO ₂ equivalent emissions were considered
Upstream Transportation & Distribution (GHG Protocol Cat.4)	Distance covered by plane, truck or ship and transported weight. For 2023, the activity data from 2022 have been repropotioned on the basis of economic data for 2023.	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2023	CO ₂ equivalent emissions were considered
Waste generated in operations (GHG Protocol Cat.5)	Weight of disposed waste.	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2023 Ecoinvent v.3.9.1	CO ₂ equivalent emissions were considered
Business Travels (GHG Protocol Cat.6)	Distance travelled per business by plane or train.	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2023	CO ₂ equivalent emissions were considered
Employee Commuting (GHG Protocol Cat.7)	Distance travelled by employee in commuting. For 2023, only Italian HQ data have been considered and were estimated based on the activity data from 2022, repropotioned on the number of employees for 2023.	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2023	CO ₂ equivalent emissions were considered
Upstream Leased Assets (GHG Protocol Cat.8)	Surface of each leased assets.	EEA, 2022. AIB - European Residual Mixes, 2022	CO ₂ equivalent emissions were considered
Franchises (GHG Protocol Cat. 14)	Surface of each franchising.	EEA, 2022. AIB - European Residual Mixes, 2022	CO ₂ equivalent emissions were considered

As for 2021 and 2022, 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 the three-year period, the emissions data for this category were calculated based on purchased volumes and economic data.
- 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 2023, the

activity data from 2022 have been repropotioned on the basis on economic data of 2023.


- 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 and 2022. 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 01.01.2023-31.12.2023.</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
General Disclosures		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. Empowering communities to nurture our future
			1.1.1 Our brands 1.3.1 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	

GRI Standard	Disclosure	Location	Omission
General Disclosures		Requirement(s) omitted	Reason Explanation
2-11	Chair of the highest governance body	1.1.2	Our governance
2-12	Role of the highest governance body in overseeing the management of impacts	1.1.2	Our governance
2-13	Delegation of responsibility for managing impacts	1.1.2	Our governance
2-14	Role of the highest governance body in sustainability reporting	1.1.2	Our governance
2-15	Conflicts of interest	1.1.2	Our governance
2-16	Communication of critical concerns	1.1.2	Our governance
2-17	Collective knowledge of the highest governance body	1.1.2	Our governance
2-18	Evaluation of the performance of the highest governance body	1.1.2	Our governance
2-19	Remuneration policies	1.1.2	Our governance
2-20	Process to determine remuneration	1.1.2	Our governance
2-21	Annual total compensation ratio	1.1.2	Our governance
	2-22		CEO message
	2-23	Policy commitments	1.1.2 Our governance 1.2.1 How we manage our impacts 1.3.3 Our commitment for a socially sustainable supply chain 1.3.2 Our commitment for an environmentally sustainable supply chain

GRI Standard	Disclosure	Location	Omission
General Disclosures		Requirement(s) omitted	Reason Explanation
	2-24	Embedding policy commitments	1.2.1 How we manage our impacts
			1.3.3 Our commitment for a socially sustainable supply chain
			1.3.2 Our commitment for an environmentally sustainable supply chain
	2-25	Processes to remediate negative impacts	1.2.2 How we care for our stakeholders
	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

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

GRI Standard	Disclosure	Location	Omission
General Disclosures			Requirement(s) omitted Reason Explanation



MATERIALS

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



ENERGY

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



WATER AND EFFLUENTS

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



EMISSIONS

GRI 3 – Material topics 2021	3-3	Management of material topics	1.2.3 4.3.2	Materiality analysis Greenhouse gas (GHG) emissions
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GRI Standard	Disclosure		Location	Omission
General Disclosures			Requirement(s) omitted	Reason Explanation
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.3.2	Greenhouse gas (GHG) emissions Environmental data appendix
	305-2	Energy indirect (Scope 2) GHG emissions	4.3.2	Greenhouse gas (GHG) emissions Environmental data appendix
	305-3	Other indirect (Scope 3) GHG emissions	4.3.2	Greenhouse gas (GHG) emissions Environmental data appendix



WASTE

GRI 3 – Material topics 2021	3-3	Management of material topics	1.2.3	Materiality analysis
			4.3.4	Other environmental aspects
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	4.3.4	Other environmental aspects
	306-2	Management of significant waste-related impacts	4.3.4	Other environmental aspects
	306-3	Waste generated	4.3.4	Other environmental aspects
	306-4	Waste diverted from disposal	4.3.4	Other environmental aspects
	306-5	Waste directed to disposal	4.3.4	Other environmental aspects



SUPPLIER ENVIRONMENTAL ASSESSMENT

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

GRI Standard	Disclosure	Location	Omission
General Disclosures			Requirement(s) omitted Reason Explanation
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	1.2.1 How we manage our impacts	
		1.3.2 Our commitment for an environmentally sustainable supply chain	



EMPLOYMENT

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



OCCUPATIONAL HEALTH AND SAFETY

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

GRI Standard	Disclosure	Location	Omission
General Disclosures		Requirement(s) omitted	Reason Explanation
403-6	Promotion of worker health	3.3	Creating a culture for a safe and healthy work environment
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.3	Creating a culture for a safe and healthy work environment
403-9	Work-related injuries	3.3	Creating a culture for a safe and healthy work environment. Human Resources data appendix



TRAINING AND EDUCATION

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



DIVERSITY AND EQUAL OPPORTUNITY

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

NON DISCRIMINATION

GRI 3 – Material topics 2021	3-3	Management of material topics	1.2.3	Materiality analysis
			3.	How we care for the Artsana community

GRI Standard	Disclosure	Location	Omission
General Disclosures			Requirement(s) omitted
			Reason
			Explanation
GRI 406: Non discrimination 2016	406 -1 Incidents of discrimination and corrective actions taken	3. How we care for the Artsana community	



CHILD LABOUR

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



FORCED OR COMPULSORY LABOR

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



SUPPLIER SOCIAL ASSESSMENT

GRI 3 – Material topics 2021	3-3 Management of material topics	1.2.3 Materiality analysis	Our commitment for a socially sustainable supply chain
		1.3.3 Our commitment for a socially sustainable supply chain	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	1.3.3 Our commitment for a socially sustainable supply chain	

GRI Standard	Disclosure	Location	Omission		
General Disclosures			Requirement(s) omitted	Reason	Explanation

CUSTOMER HEALTH AND SAFETY

GRI 3 – Material topics 2021	3-3	Management of material topics	1.2.3 2.2	Materiality analysis Quality, safety and innovation
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.2	Quality, safety and innovation

MARKETING AND LABELING

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

CUSTOMER PRIVACY

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

INNOVATION AND R&D

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