

2017 SUSTAINABILITY REPORT



CEO message

It is with great pleasure that Artsana Group presents its 2017 Sustainability Report, with the aim of sharing the milestones that have marked our journey over the years, the results achieved and our goals for the future.

*Based on our strong values and **solid passion for life**, sustainability has always been part of our daily mission and part of our responsible business strategy. Nurturing tomorrow's generations and people's wellbeing, being conscious of the impact we have on our communities and, generally, on our planet is a key driver that guides our choices.*

During the last couple of years we have worked hard in order to introduce a framework to set priorities and targets, to improve the dialogue with our stakeholders and make our contribution to the global agenda of sustainability more transparent and effective.

In 2017, we became proud members of the United Nations Global Compact and confirmed our full commitment to its ten principles on the protection of human and labor rights, the environment, and anti-corruption. We support the Sustainable Development Goals, (SDGs), representing the global 2030 Agenda for people, planet and prosperity, focusing our contribution in particular on those we feel closest to our mission.

*Thanks to our expertise and investment in research and innovation, we work every day with the objective of providing people with safe and high-quality solutions. However, our will to nurture families and children goes far beyond our products: daring to innovate, sharing our know-how and constantly improving our knowledge to offer **quality education** and cultivating **people's health and wellbeing** are our priorities.*

*At the same time, as an international Group, we have the duty of taking an active part vis-à-vis today's global environmental challenges: the continuous initiatives implemented to ensure an accountable supply chain and to mitigate potential environmental impacts, such as greenhouse gas emissions and the use of natural resources, are some tangible examples of our efforts and commitment towards ensuring a **responsible consumption and production** system.*

Our aim is to continually improve the integration of SDGs into our business strategy, culture and operations, challenging our targets and, strong in our global presence and our solid passion for life, to gradually extend our engagement toward a broader sustainable development, to nurture children and families, all over the world.

Claudio De Conto
CEO

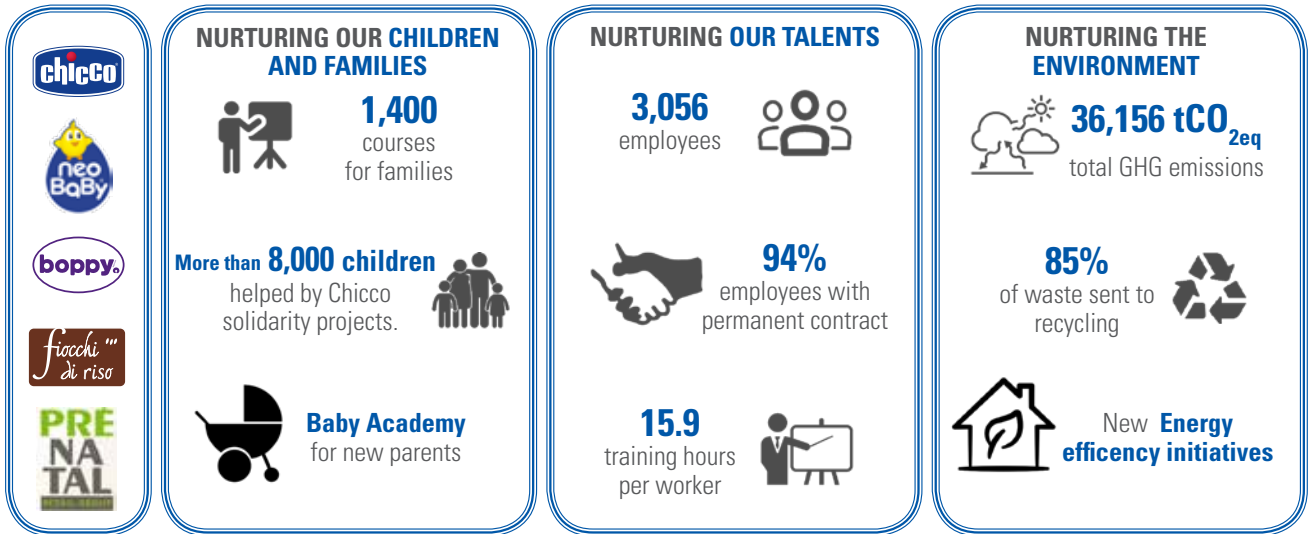
Solid passion for life

OUR SUSTAINABILITY HIGHLIGHTS

GROUP



BABY CARE AREA*



* The information related to the Baby Care area includes the production sites located in Italy and Romania, our commercial subsidiaries in France, Spain, Portugal and the USA, the headquarter located in Grandate (Como) and our Italian owned shops.



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1. An International business with a solid passion for life

1.1 Our Identity and Values

Artsana was founded in Grandate (Como, Italy) by Pietro Catelli in 1946, as a trading company specializing in venipuncture and medication articles. Since then, we have become an international Group operating worldwide in the **baby and health care** industry.

“**Solid passion for life**” is the defining hallmark of our Group, highlighting our mission to celebrate life by caring for children and their families each step of a child’s life and by promoting adults’ wellness.

We are an **international group** with a big **Italian heart** that aims at **excellence**, operating with **experience** and **innovation** in the fields of baby care, through our brands **Chicco, NeoBaby, Fiocchi di Riso and Boppy**, and adults’ wellbeing, through our brands **Pic, Control and Dr Marcus**.

We are committed to nurturing **children**, by constantly learning about their experience and needs, and, also thanks to our meaningful collaborations with experts and medical professionals, we aim to offer families our knowledge, best practices, and solutions that reflect the unique love parents feel for their children. Our brands are inspired by the parents of today, always keeping their child at the heart of each choice they make.

We are committed to nurturing our **people**, their health, safety and well-being, and to investing in their development, by providing a safe and enabling work environment as well as the opportunities they need to express their personal and professional potential.

We are committed to nurturing the **planet**, by evaluating our potential impacts, by adopting the necessary tools to measure, and by promoting initiatives to mitigate them, thus improving our overall environmental performance in each step of our production and distribution process.

Thanks to our commitments and forward way of thinking, Artsana aims at becoming a worldwide benchmark in the health and baby care industry. We continue expanding and looking beyond our boundaries without ever losing sight of our roots, by establishing our brands and simultaneously growing in emerging markets, continuously innovating and developing new communication and distribution channels.

Every day, we work to translate our **solid passion for life** into concrete initiatives and objectives based on the values that have always marked our journey and that continue to inspire us every day. Our values are marked by our **passion** for the work we do and by our focus on **innovation**, as a means to tackling new challenges and strengthening our expertise. We recognize our **responsibility towards** our stakeholders, including current and future generations and our **people**, our most precious resource.

1.2 Our history

Established by Pietro Catelli in 1946, in a small office on the shores of Lake Como, Artsana initially specialized in venipuncture and medication. The founder’s creativity allowed the Company to grow quickly and to become, in just a few years, a leader in the distribution of these products.

Soon after, Pietro Catelli founded Chicco, a brand specialized in baby care, named after the nickname of his first child, Enrico, from an intuition that would soon prove to be his most successful entrepreneurial venture. The economic boom and the growing attention towards the world of children ensured a special place in the homes of Italian families for brand-new, innovative toys, such as the “little bee house” and the feeding bottles featuring the innovative “no-hiccup” system.

Our founder’s ongoing commitment to creativity brought him to obtain the prestigious “Cavaliere del Lavoro” recognition as early as in 1974, for his contribution to creating job opportunities. His entrepreneurial spirit also enabled him to launch new brands: Pic (Italian leader in the self-care sector), Serenity (sold in 2013) and Lycia (sold in 2017).

Starting from 1967, we began to expand our business outside of the Italian borders, thanks to the opening of our European branches. The international expansion continued with the opening of the Hong Kong trading subsidiary in



1992, which paved the way for our growth in the new Asian markets where today the group boasts a solid presence. In 1996, we opened our doors to the retail chain Prénatal, while between 1997 and 1998, the broadening of the foreign markets continued with the opening of the branches in Turkey and the United States. In 2008, the Boppy Company, American market leader in the production of nursing pillows, became part of the Artsana family. The latest company to become part of our Group is Elledifri with the brand Fiocchi di Riso. In 2017 Artsana acquired 100% of the control of Prenatal Retail Group. Our international development also continued to grow: between 2009 and 2011, new branches opened in India, Mexico, Russia and Poland.

ARTSANA GROUP TIMELINE



1946

At the age of 26, Pietro Catelli founds Artsana, as a sales agency specialized in the production and distribution of products for venipuncture and medication, based in Como.



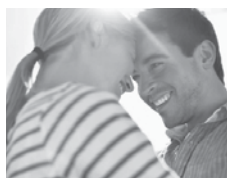
1961

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



1974

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



1977

Starting from 1977 Artsana entered Condoms market taking over the brand of reference in Italy, Spain and Portugal, named Control in 1982.



1981

Artsana founds Serenity to be close to people with incontinence problems. The brand was then sold in 2013.



1958

The entrepreneurial intuition of Mr. Catelli leads to the creation of Chicco, a brand specialized in the field of baby care, meeting all the needs of babies from 0 to 36 months.



1967

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



1975

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



1979

Artsana further expands its product range and founds Lycia, now a renowned cosmetics brand.





1985
Artsana adds to its brands portfolio Dr Marcus.



1992
The opening of the Hong Kong trading subsidiary paves the way for the growth in the Asian markets.



1996
Artsana adds to its brands portfolio the retail chain Prenatal.




1997-98
Opening of US and Turkey branches.



2008
Artsana takes over the Boppy Company, the American market leader in nursing pillows, based in Colorado.



2009-11
The Company continues to expand worldwide by opening new branches in India, Mexico, Russia and Poland.



2015
Prénatal becomes part of MFE² Group S.p.A., resulting from the union between the Giochi Preziosi Group and the Artsana Group.



2016
An investment subsidiary of Investindustrial becomes the main shareholder of Artsana Group. Moreover, Elledifri with the brand Fiocchi di Riso becomes part of the Group.




2017
Artsana acquires 100% of the control of Prénatal Retail Group S.p.A.

1.3 Our Brands

We operate in two distinct core business areas, **baby care and health care**, with dedicated production sites through different brands, specifically created and designed to respond to people's evolving needs and expectations.

Our baby care brands:



A brand dedicated to the entire world of babies, Chicco offers specific and safe solutions to be close to parents each and every day during the unique and extraordinary growth of their children, right from their birth. For over 60 years, Chicco has been "Where there is a child": thanks to its Baby Research Center, to dialogue with parents, to observation of children and to continuous collaboration with experts and with the medical and scientific community, Chicco is close to parents and families in order to listen to them and give them simple and effective answers. Worldwide, Chicco is one of the top 10 Italian consumer goods brands, present in over 120 countries and constantly growing.



For nearly 30 years, NeoBaby has been the leading brand for large-scale distribution of babies' and children's products in Italy. By 1991, the brand already boasted around 80 products and continued to increase the extensiveness of its distribution network. In 1995, NeoBaby started to expand into other European countries. Today, NeoBaby has an assortment of over 90 products.



Ficchi di Riso is a cosmetic brand, designed to help maintain physiological balance in the skin: perfect for babies and children but suitable for the whole family. Natural ingredients make it suitable for the most delicate, sensitive and irritated of skin types.



For 30 years, Boppy has been offering valuable support to mothers all around the world to serenely live the magical moment of maternity with cushions for pregnancy and for breastfeeding. Notably, in 2016 Boppy released the "Nido di coccole" (cuddling nest), a soft and comfortable support for babies. In 2017, Boppy launched a new specific Baby Carrier, "ComfyFit", to support the special relationship between mother and baby.



Prénatal Retail Group was born in 2015 as a joint venture between Artsana and Giochi Preziosi, by concentrating the chains Toys Center, King Jouet, Prénatal and Bimbostore in a unique retail hub. Prénatal in particular was established in France in 1947 and in Milan in 1963, boasting over 50 years of experience in the retail of pre-maternity clothes.

Our health care brands:¹



For over 50 years the most famous self-care brand in Italy, Pic is an example of Italian excellence. Pic's mission is to make the once-difficult easy. It is not enough to simply solve small daily health problems, it is necessary to do so in the easiest and most comfortable way possible. Hence the invention of the single-use painless syringe, the first step in Indolor Experience's research into offering ever faster and less painful injections. Thanks to excellent and continuously updated technical expertise, Pic's know-how has grown far beyond syringes: today its laboratories design and produce innovative solutions for respiratory health, for the treatment of all types of wounds, and for an easier management of pathologies such as hypertension and diabetes.



For over 30 years, Control has been researching, innovating and developing products that are addressed to those who intend for their sexuality to be expressed through shared pleasure, free understanding between two people, and allowing space for emotions.



Dr. Marcus is the leading brand for self-care products in largescale distribution. It is simple, direct, and treats people with dignity. Simplicity from high-quality products and solutions.

² Lycia, another health care brand owned by Artsana Group, was sold at the beginning of 2017.

1.4 Our Global Ambition towards Sustainability

Since the very beginning of our journey, sustainability has always been an integral part of our business and of our operations. Indeed, we believe sustainability is increasingly becoming the compass that guides our daily choices as well as a key pillar of our future growth.

In 2017 we joined **United Nations (UN) Global Compact** formally confirming our long-established commitment to its Ten Principles on human rights, labor rights, the environment and anti-corruption.

United Nations Global Compact



The Global Compact is the world's largest corporate sustainability initiative. It aims to mobilize a global movement of sustainable companies and stakeholders to create a better future by doing business responsibly and aligning their strategies and operations with the Ten Principles listed below. Launched in 2000, the initiative numbers today around 9,500 companies and more than 3,000 organizations around the world, a platform characterized by a global reach and multi-stakeholder connections to help businesses cooperate in shaping the sustainability agenda and becoming a force for good.

THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

Human Rights

- 1 Businesses should support and respect the protection of internationally proclaimed human rights.
- 2 Make sure that they are not complicit in human rights abuses.

Labour

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 4 The elimination of all forms of forced and compulsory labour.
- 5 The effective abolition of child labour.
- 6 The elimination of discrimination in respect of employment and occupation.

Environment

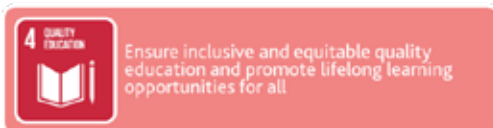
- 7 Businesses should support a precautionary approach to environmental challenge.
- 8 Undertake initiatives to promote greater environmental responsibility.
- 9 Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

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

The UN Global Compact's Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Artsana supports **Sustainable Development Goals** (<https://sustainabledevelopment.un.org>), representing the United Nations Global Agenda for people, planet and prosperity, both through our core business and through collaborative projects aimed at advancing the broader development goals. In particular, while contributing transversally to the whole 2030 agenda according to the UNGC principles, our contribution is mainly concentrated around three specific SDGs, which as a Group we feel are particularly close to our mission and on which we have been focusing our activities so as to maximize their impact.



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, and views sustainability as a daily promise to nurture children, families and people.

We have 60 years' experience in the world of baby care and we continue to build on this expertise, aiming to understand and support children in every step of their growth, with professionalism, active passion and dedication into everything we do.

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


The Sustainable Development Goals


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




2017 RESULTS

FUTURE GOALS (2018 – 2020)

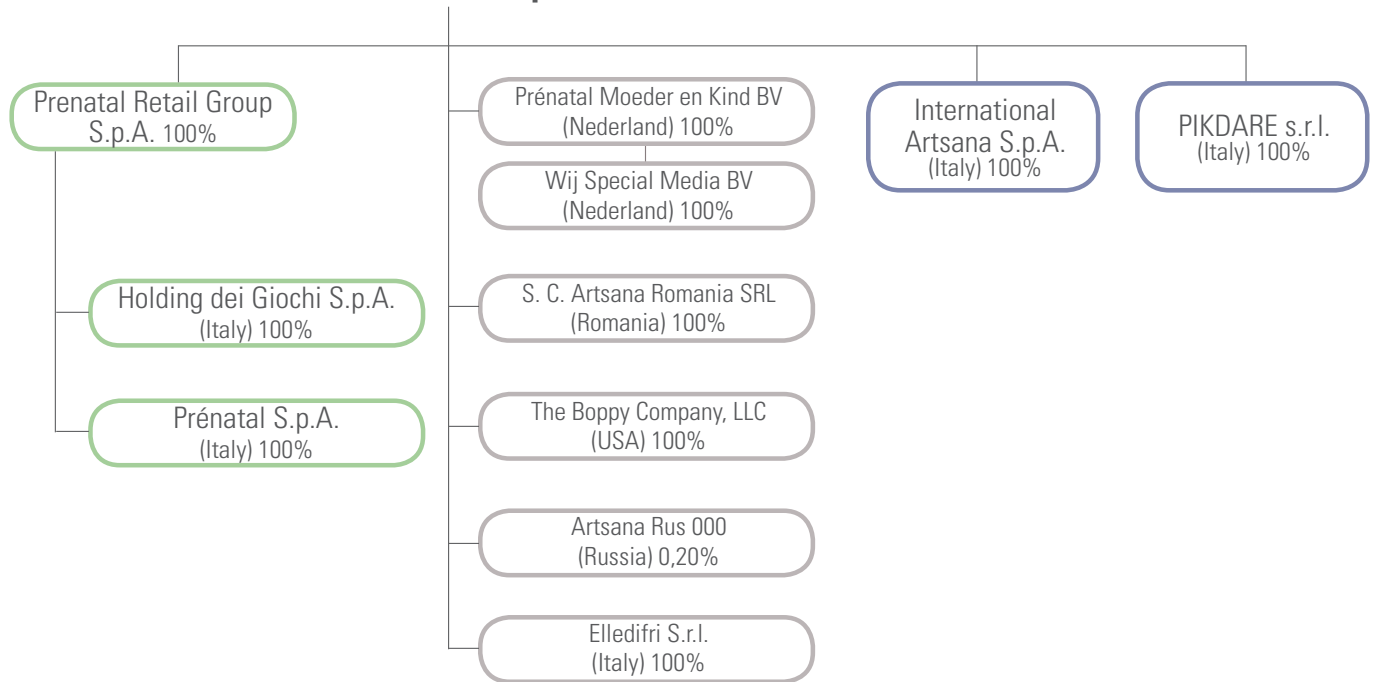
<p>SDG 3 Good Health and Wellbeing</p> 	OUR PEOPLE	
	<ul style="list-style-type: none"> • Healthy work environment through wellbeing programs & initiatives. 	<ul style="list-style-type: none"> • Awareness programs on healthier behavior for all Artsana employees • Wellbeing & benefit plans • Smart-working and work-life balance
	CONSUMERS	
	<ul style="list-style-type: none"> • BebèCare car seat developed with Samsung • Clothing Oeko Tex certification (Indoor lines) • Clinical Research in US on the new Chicco breast-like NaturalFeeling feeding bottles • Babywearing: new Boppy ComfyFit BabyCarrier 	<ul style="list-style-type: none"> • Scientific approach, responsible innovation and high quality solutions for consumers good health & wellbeing • Healthy life-style promotion
COMMUNITIES		
<ul style="list-style-type: none"> • Ongoing CSR projects with our partners: <ul style="list-style-type: none"> - Chicco di Felicità – CAF Association - Chicco da Vida - Happiness goes from heart to heart - Mission Bambini Foundation • Human Milk Link • Children hospitality initiatives 	<ul style="list-style-type: none"> • Continuous contribution through the CSR projects activated • Corporate volunteering • Continuative support to local communities 	

		2017 RESULTS	FUTURE GOALS (2018 – 2020)
<p>SDG 4 Quality Education</p> 	OUR PEOPLE		
	<ul style="list-style-type: none"> • Dedicated training to develop our talents • Design of the new “Values & behavior based performance evaluation system” • Sustainability Management Committee • Launch of Digital Academy program 	<ul style="list-style-type: none"> • Comprehensive Artsana Group’s ESG policy • People engagement on sustainability agenda • Performance evaluation system adoption enlargement for employees 	
	CONSUMERS		
	<ul style="list-style-type: none"> • > 1400 courses offered to families & consumers • Launch of Chicco Baby Academy • New Chicco website to facilitate contents access • Chicco educational toys: new Family games line 	<ul style="list-style-type: none"> • Promote sustainable behaviors through dedicated product communication • Keep building transparent and trustworthy relationships (e.g. Customer Care, CRM, privacy) 	
COMMUNITIES & STAKEHOLDERS			
<ul style="list-style-type: none"> • Promotion of ethical behaviour through company Code of Ethics • Collaboration with institutions, universities & research centers • Internships programs & scholarships 	<ul style="list-style-type: none"> • Promoting SDGs global agenda engagement through collaborative programs • Increase communication of Artsana sustainability agenda to our stakeholders 		

		2017 RESULTS	FUTURE GOALS (2018 – 2020)
<p>SDG 12 Responsible Consumption and Production</p> 	RESPONSIBLE ENERGY MANAGEMENT		
	<ul style="list-style-type: none"> • Start of Verolanuova plant Trigeneration project • LED Relamping project completion at Verolanuova plant • Headquarter air conditioning system renewal 	<ul style="list-style-type: none"> • Trigeneration (other plants) • Introduction of an Energy Manager • Energy consumption software implementation & KPIs development 	
	ENVIRONMENTAL FOOTPRINT REDUCTION		
	<ul style="list-style-type: none"> • First environmental footprint assessment (HQ + Italy & Romania plants) • GHG emissions data framework set up & target setting 	<ul style="list-style-type: none"> • Environmental footprint assessment: extension to Spain, Portugal, US and France subsidiaries • Material consumption (dematerialization; sustainable sources) • Product Life Cycle Assessment 	
SUPPLY CHAIN RESPONSIBLE MANAGEMENT			
<ul style="list-style-type: none"> • New suppliers assessment: 100% coverage of social audits on finished products suppliers • Reshoring of highchairs production (55%) to Artsana Italian plant 	<ul style="list-style-type: none"> • Further extend our international ethical manufacturing program (ICTI ETP, Bangladesh Accord 2.0, Fur Free Retailer Program) • Suppliers engagement and dialogue on environmental performance & KPIs 		

1.5 The Group as of Today

Since 2016, Artsana Group's shares are owned by Baby Care International, an investment company indirectly owned by Investindustrial company (60% of shares), and by Catelli S.r.l. (40% of shares). Artsana Group is composed by a series of entirely owned Companies (International Artsana S.p.A., Prénatal Moeder en Kind B.V., S.C. Artsana Romania S.r.l. and The Boppy Company LTD and since 2017 also 100% of Prénatal Retail Group S.p.A. (PRG Group), as reported below.

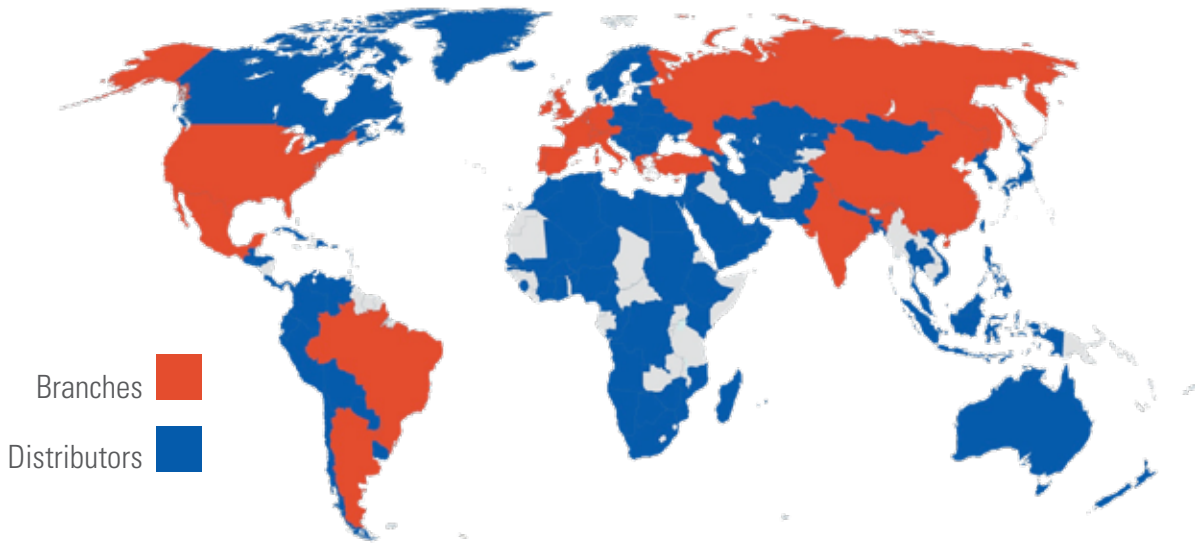


As of December 31, 2017, Artsana Group employs 8,995 people, an increase of 1,905 employees compared to the previous year (because of the acquisition of total control over Prenatal Retail Group), with approximate revenues of € 1,732 million, a reduction of € 37.8 million compared to the previous year (-2.1%) mainly due to Lycia business divestment.

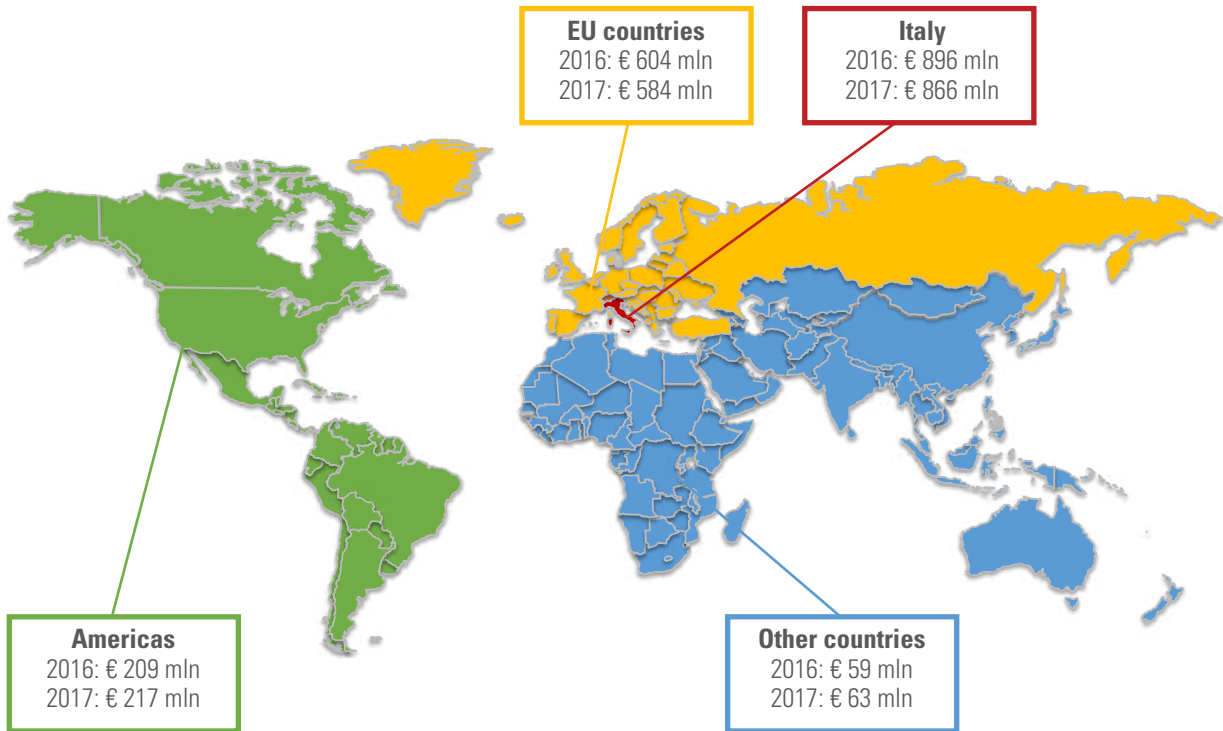


Our market presence

As of December 31, 2017, we have 21 branches worldwide, of which 12 in Europe and 4 in emerging countries, and more than 400 points of sales related to Chicco and more than 700 related to PRG Group.



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

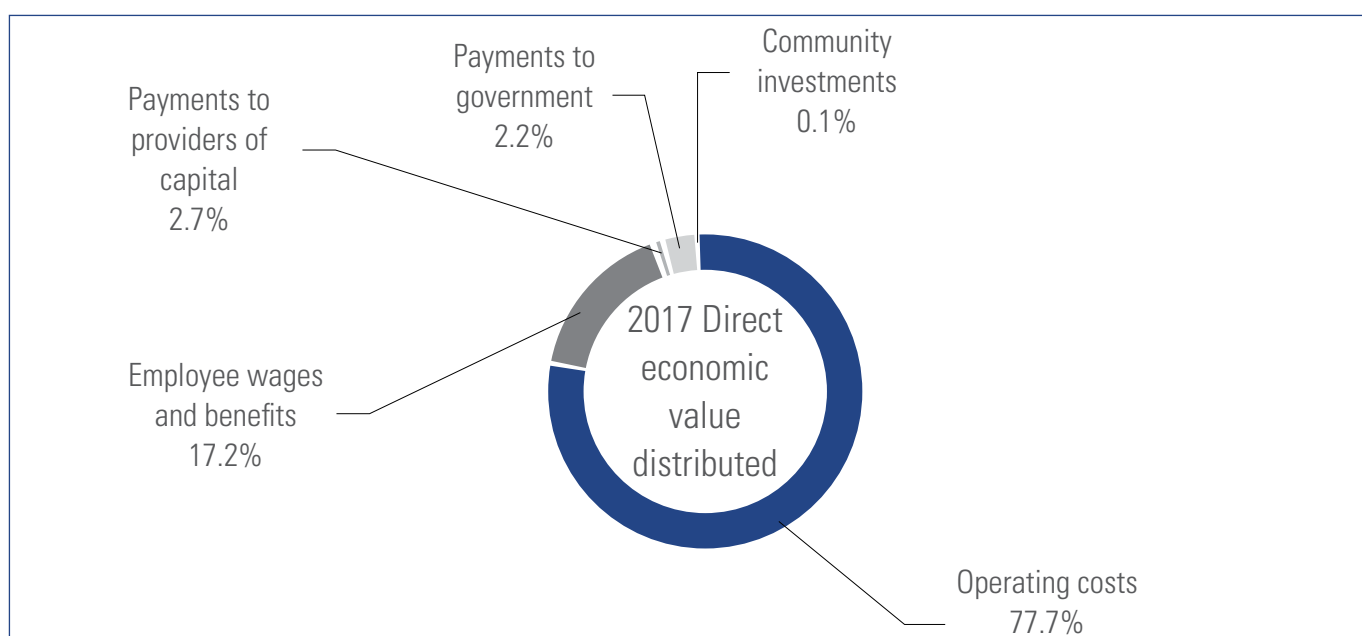


Net sales by region - 2016 data were updated considering PRG acquisition

Considering the whole Group, our **direct economic value generated** and our **direct economic value distributed** amount respectively to € 1,253 million and € 1,162 million.

	2017 ²
Direct economic value generated [€]	1,253,881
Direct economic value distributed [€]	1,161,938
Operating costs	902,599
Employee wages and benefits	200,376
Payments to providers of capital	31,997
Payments to government	25,673
Community investments	1,293
Economic value retained [€]	91,943

The creation and distribution of economic value provides a basic indication of how we create wealth for our stakeholders. In particular, our direct economic value is distributed to **suppliers** through our operating costs (about 77.7%), to **employees** through wages and benefits (17.2%), to **governments** by means of taxation, to **providers of capital** and shareholders through financial interests and dividends and to the **community** thanks to investments in sponsorships and voluntary donations.



Our Corporate Governance

The Board of Directors is Artsana's highest governing body, comprising nine board members (eight men and one woman). Among these, five board members are thirty to fifty years old, while the others are more than fifty years old. In order to ensure the concept of "administrative responsibility", we have implemented our own Organisational, Management and Control Model, in accordance with the requirements of the Italian Legislative Decree no. 231 of 8th June 2001, approved by the Board of Directors of Artsana S.p.A. and continuously updated in order to comply with the latest legal provisions. As a firm and consolidated practice, we adopt a Code of Ethics, which formally establishes a set of fundamental ethical values that underpin the conduct of our activities. Moreover, the Code highlights our rights, duties and responsibilities with regard to all our stakeholders. In addition, thanks to the contribution of the **Sustainability Committee**, created in 2016 to promote collaboration among the top management of different key functions for a more effective governance of the sustainability topics, we have been raising internal and external awareness and shaping our sustainability plans. In particular, the formal definition and communication of our ESG policy is a further step to state our commitment towards our social, environmental, and governance objectives.

² 2016 data are not reported since they are not comparable with 2017 ones due to: i) the consolidation of 100% of PRG Group since September 2017; ii) the change in the accounting principles.

1.6 About this Sustainability Report

Scope

Our Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards. To define the report contents, we have followed the GRI Standards reporting principles (stakeholder inclusiveness, sustainability context, materiality and completeness). In particular, we have carried out a benchmark analysis considering our main competitors and comparables' performance on key sustainability areas and we have organized workshops and interviews with the top management. This process, carried out for the preparation of our 2016 Sustainability Report, was reviewed and updated this year, in order to ensure the quality of the report in terms of accuracy, balance, clarity, comparability, reliability and timeliness, in accordance with the GRI reporting principles. The scope of this Sustainability Report corresponds to the Baby Care area, represented by the brands Chicco, NeoBaby, Boppy and Fiocchi di Riso, and includes the commercial and production sites located in Italy and Romania, our commercial subsidiaries in France, Spain, Portugal and the USA, the headquarter located in Grandate (Como) and our Italian owned shops. Regarding the financial data reported in this document, the reporting scope corresponds to that of the entire Group's consolidated financial statement. In terms of temporal perimeter, our Sustainability Report comprises information referring to the period ranging from the 1st of January 2017 to the 31st of December 2017. Information referring to previous years has also been included, when relevant, to provide a broader understanding of our sustainability performance and trends.

Our Stakeholders

We have identified our stakeholders through the analysis of the distinctive business model of the baby care area, a review of the relationships between the Company and different stakeholder categories, and through interviews with the management team. During dedicated workshops, the Sustainability Committee has validated the list of key stakeholders, defined as those that could be significantly affected by our operations or whose actions could be reasonably expected to affect our ability to implement our strategy.

Main Stakeholders	Engagement
Consumers & families	<ul style="list-style-type: none"> • Meetings • Company website • Brochures • Exhibitions • Focus group • Social Media
Employees	<ul style="list-style-type: none"> • Intranet • Company meetings • Trade unions
Suppliers (including suppliers of finished products and logistic operators)	<ul style="list-style-type: none"> • Code of Ethics • Meetings • Company website • Audit
Retailers, Trade & Shops	<ul style="list-style-type: none"> • Meetings • Company website • Brochures • Trade shows
Distributors	<ul style="list-style-type: none"> • Meetings • Company website
Shareholders	<ul style="list-style-type: none"> • Meetings • Annual Report • Sustainability Report
Regulators and authorities	<ul style="list-style-type: none"> • Round tables • Initiatives • Follow-up to request
Competitors	<ul style="list-style-type: none"> • Round tables – trade & industry associations • Company website

Material topics

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

When conducting the benchmark analysis and the interviews with the Management team, we identified a set of relevant topics, each of which has subsequently been evaluated from both our stakeholders' and Artsana's point of view during a dedicated workshop. In this document, we report on all material topics, i.e. all issues that are relevant for us or for our stakeholders.

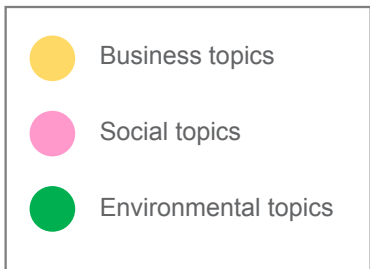
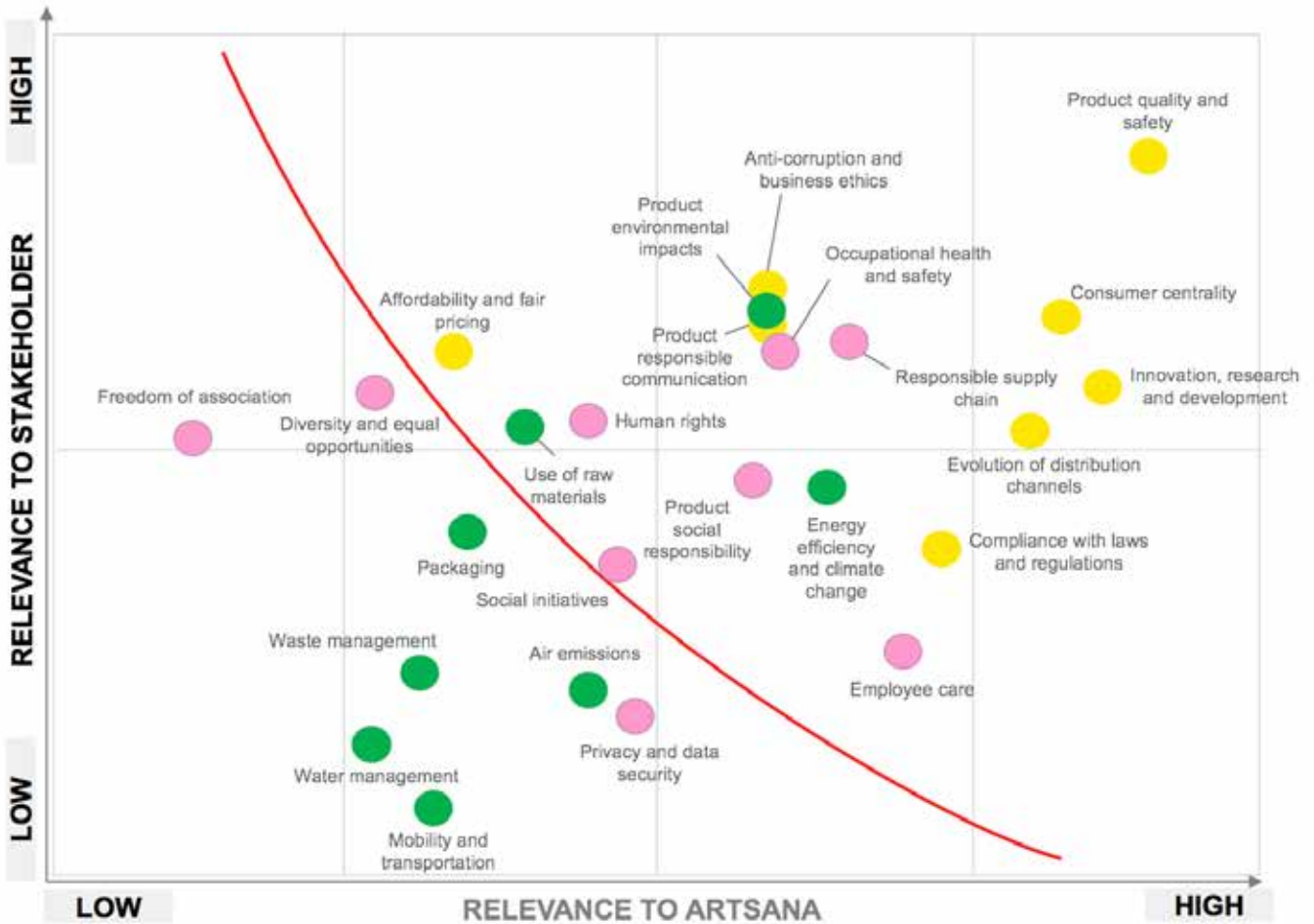
The materiality analysis has led to the following results:

- The main material topic for both Artsana and our stakeholders is **product quality and safety**. Indeed, as the mission of our business is to care for people and children, quality and safety are essential elements of our success;
- Business-related topics include **consumer centrality, anti-corruption and business ethics, product responsible communication, affordability and fair prices, innovation, research and development and compliance with laws and regulations**;
- Some material topics are related to the production process and the supply chain, such as **product environmental impacts, use of raw materials, responsible supply chain** and respect of **human rights**;
- Other relevant topics include **occupational health and safety, employee care** and **energy efficiency and climate change**.

Compared to 2016, some topics have gained relevance for us and/or in the eyes of our stakeholders. In particular, our **social initiatives**, which have always been a cornerstone of our approach to social responsibility, have gained new attention also thanks to the formal adhesion to the principles of the Global Compact and the objectives of the Global Agenda. **Mobility and transportation** have been introduced in the materiality analysis due to Artsana's ever increasing attention towards the evaluation and mitigation of our environmental impact.



Finally, the materiality also reflects dimensions that are more directly linked to the external economic context and regulatory framework: **privacy and data security** and the **evolution of distribution channels**. This topic, which proves to be material for the Group, reflects Artsana’s strategy of diversifying the Company’s distribution channels in order to leverage and to respond to the opportunities represented by new market trends, proven by the acquisition of 100% of the control of Prenatal Retail Group.





2. Nurturing our Children and Families

Following with curiosity and fascination the growth of babies and children, we dedicate all our experience and resources to nurture **children and families** throughout every step of their life. Indeed, we contribute to ensuring a happy childhood by nurturing the emotional, cultural, and educational needs of the children, including the most vulnerable ones. Satisfying children's hunger for knowledge, experience and curiosity, we feed their future.

We are aware that each phase in life is a wonderful adventure, characterized by unique challenges and opportunities to a child's development, education and well-being. We also understand how important it is for families to be able to choose a solution that best fits their child and family needs. To this end, we design safe solutions to meet children's specific needs as they grow; we offer a wide range of products on which parents can rely; and we offer families detailed practical advice.

2.1 Reinforcing our know-how and daring to innovate

In order to offer products that best respond to children's needs, Chicco carries out extensive research through the **Chicco Baby Research Center**, the **Osservatorio Chicco**, in partnership with research centers and institutions.

Our research focuses on better understanding children, their behavior and their world. Infancy and early childhood are delicate phases in every person's life, as they determine children's future ability to learn, interact, and achieve their full physical, intellectual and emotional potential. Through our research, we constantly reinforce our expertise, by carrying out specific studies and developing products for parents and children, from pregnancy to infancy, from breastfeeding up until the children take their first steps. In fact, we recognize the extraordinary value of designing our products based on scientific studies, conducted to define product features in a way that they are able to best meet our children's needs and parents' preferences.

Our Chicco Baby Research Center, the Osservatorio Chicco, was established to develop our knowledge of the world of children. **"Observing, knowing, understanding"** is our mission, that we put into practice through continuous collaboration with a network of independent experts and universities, covering a wide number of different specialties: pediatrics, obstetrics, pedagogics, psychologists, dermatologists, etc. In particular, many efforts are dedicated to the direct observation of the spontaneous behavior of children from 0 to 3 years old and their psycho-physical, emotional and social needs.



PREGNANCY



The time when they are expecting is unforgettable for many women. Perfumes are more intense, emotions are more colorful, foods become cravings, thoughts change into wishes for the future of their baby.

The woman's figure becomes softer, her breast gains volume and weight, and her abdomen grows, all contributing to tiring her back and sleeping becomes more difficult.

As a mother nurtures her child and offers the baby care and protection, we care about mother's daily needs.

FEEDING

Feeding is a delicate experience for parents, especially for mothers and their babies, as it contributes to creating their special bond. In fact, the closeness and intimacy of breastfeeding and the feeling of tranquility and warmth strengthen maternal affection, her nurturing spirit, as well as a child's sense of protection and belonging. It is important that mothers do not feel pressured to breastfeed or guilty if it happens that it is not possible. In order to guarantee the best experience both for parents and children, we study both solutions designed to support mothers during breastfeeding, and the best possible alternative to mothers who cannot breastfeed directly. We also take part in initiatives that support mothers in need, by creating and growing a network of women who are willing to donate their breast milk and those in need. At the heart of our work, is ensuring the child always feels nurtured, loved, and protected.



Studying the dynamic of breastfeeding to mimic natural suction through *NaturalFeeling* baby bottles

In collaboration with the Institute of Clinical Research in Meyfield Heights, Ohio, we have carried out a study for evaluating the new Chicco breast-like feeding bottles on physiological feeding parameters and colic-like symptoms in infants. The study was performed over a period of 9 weeks, on 61 healthy babies of both sexes, aged between 0 and 10 months, breast- or bottle-fed.

The efficacy of feeding with the NaturalFeeling bottle has been evaluated considering three parameters: muscular work, oxygenation and quantity of milk.

The study confirmed that bottle-feeding with the NaturalFeeling bottle does not differ significantly from breastfeeding. It can therefore be stated that the Chicco NaturalFeeling bottle line is able to “biomimic” the dynamics of a natural suction.

human
milklink 

Maternal milk contains all the necessary nutritional substances to satisfy the nutritional and physiological needs of the baby. Breastfeeding is so important that all the leading scientific bodies, such as the American Academy of Pediatrics and the Italian Society of Neonatology, both state that breastfeeding is the optimal source of nutrition for the newborn baby, during at least his first 6 months of life.

For this reason, Fiocchi di Riso, Boppy and Fisiolact are proud sponsors of the **Human Milk Link project**, an innovative system that allows the collection of breast milk directly from the donor's home, or through a pharmacy network in the city, to be distributed to mothers who cannot breastfeed. The service, which is free, has been active in Milan since 2015 and was expanded to Turin in 2017.

Experts and obstetricians collect the donated milk, from donors' house to house, while giving mothers the advice and support they need. The **Bank of the Milk** controls milk collected, to guarantee its quality and safety, and delivers it for free to the newborn babies in need through the hospitals. According to the Italian government, at least 30,000 liters of milk should be collected in order to provide children who are not breastfed with the nutrients they need to grow strong and healthy. Today, only 10,000 liters are collected in Italy. In particular, the Human Milk Link initiative contributes to collecting 60 liters of milk every month, and this number is constantly increasing.



SOOTHING, RELAXING AND SLEEPING



Once home, a new adventure begins for newborns and the family: a new daily routine punctuated by the sleeping and waking moments of the child. Relaxing and sleeping are critical during the early months of the baby's life. During these times, children's soothing is a spontaneous gesture that favors relaxation as well as the development of their mouth. To this end, Chicco designs orthodontic soothers that fit the baby's mouth and actively promote its proper development. The groove, angled shape and small reliefs encourage the correct positioning of the tongue and the distribution of the pressure against the palate. In addition, the extremely soft, narrow base allows for the proper closure of the mouth. During sleep time, proximity to the parents also helps the baby to sleep well, but it is important to do so safely. Chicco designs cots that allow babies to sleep in a dedicated space while being next to their parents, in full safety.

BATH TIME AND SKIN CARE

Bath time is a very intimate and special moment not only dedicated to hygiene but also an opportunity to play, an essential component of a child's development.

Children's skin is thin, dry and more prone to dehydration and irritation compared to adults' skin. Early childhood personal care products (emollients, detergents, protective products) should be dermatologically tested and specifically designed to favor the natural development of their skin without affecting its delicate physiological balance. To this end, Chicco and Fiocchi di Riso design personal care products formulated to clean, protect and nourish children's skin.



CHICCO PHYSIO SOOTHER

Families are the best and most sensitive observers of the needs of their babies and an inexhaustible source of experience and suggestions. In this sense, they provide valuable hints to the activities carried out by the Chicco Baby Research Center and to the development of appropriate solutions.

One of Chicco's iconic products, the Physio soother, is an example of the outcome of such an approach. The Physio soother has been developed counting on leading orthodontists' endorsement to guarantee the functional development of facial muscles and tongue of the baby and the anatomic development of its palate and mouth. It has been improved over the years thanks to families' valuable suggestions and it is the result of our constant innovation process.

Recent independent studies confirm how pacifier use might also prevent sudden infant death syndrome (SIDS), increasing children's safety and parents' serenity.



WEANING



Weaning is a fundamental step in the baby's life: it represents the first separation from the mother and an important step towards autonomy. In this phase, the child has to learn a new way to feed by drinking from a cup and swallowing solid food, a process of discovery that stimulates the development of the baby's tastes and motor skills. Chicco and NeoBaby offer a meal line designed to accompany a baby's progress step by step, from mix and match cups following baby's growth and mother's needs, to cutlery and dishes, as well as highly adaptable highchairs that permit the child to eat together with the family, a perfect balance between closeness and independence.

Open innovation to provide the best 4 in 1 solution

In order to identify clients' needs, we visit families and perform "shadowing activities", meaning, we follow a mother for a day, trying to live a day in her shoes and understanding what her daily necessities are. It is during these types of research activities that we understand the need for products that are multi-purpose, such as our innovative Baby Hug – a product that performs the cradle, high chair, baby bouncer and chair functions all in one. To develop this product, a contest was launched on an online open innovation and crowdsourcing design platform in which the company could upload a public brief and designers competed to propose their own solution to the challenge.



PLAYING

Playing is not only fun, but also extremely important for the child and for the family as a whole. While playing, children discover new things, develop new cognitive and motor skills, and thus grow intellectually and emotionally. Additionally, playing together gives parents and babies the chance to get to know each other. A mother or a father who watches their baby playing learns who their child is now and who he or she will grow up to be. We strive to design games that intrigue, amuse and stimulate children helping them to develop new skills such as manual coordination, essential for their development. In line with current trends, Artsana is increasing its focus on **“edutaining” toys**, meaning, toys that are simultaneously **entertaining and educational**.

All Chicco games are thus designed with an educational angle. Chicco Family games, a specific line of board game launched this year, well represent this concept. This brand new line, developed in collaboration with ANPE (National Association of Italian Pedagogists) and Osservatorio Chicco, extends board games for the very first time to children starting from 2 years. Family games have been created to reinforce moments of socialization and play between children and parents. In fact, each game has growing rules, to respect the abilities of children in different age groups - from 2 up to 99 years!



OUT AND ABOUT



Spending the day in open air is for both children and parents a source of new experiences and fun. However, parents need to ensure they are well-equipped and organized to face different types of situations, all seasons and small unforeseen events. For this reason, Chicco designs solutions to allow for baby transport from infancy up until they are 3 years old, taking into account parents' convenience and babies' comfort and safety.

Baby carriers for helping strengthen the bond between parents and child

After birth, it is important that a child and parents **create a bond**, maintaining the sense of attachment and the physical closeness babies need to feel comforted and protected. A parent's bond with their very own child develops naturally thanks to feeding, hugs and cuddles and through the practice of "**baby wearing**". This term refers to the practice of wearing or "carrying" one's baby on one's own body using a support that carries the baby and keeps it close to the mother or the father.

Carrying the baby meets a newborn's primary need for physical contact and it has been shown to help strengthen the attachment between mother and child, facilitates child care, encourages exclusive breastfeeding for a longer period of time and promotes the emotional development of the child, ensuring a sense of trust and safety. Closeness to parents' chest encourages cuddles and kisses, while embracing and protecting the baby in a warm hug. Moreover, there are numerous benefits from the physical point of view, such as the reduction of the risk of plagiocephaly and, when used correctly, it can also support proper hip and spine joint development. With the aim of encouraging Bonding, Boppy developed the ComfyFit Baby Carrier. It ensures the physical contact between parents and child, the correct position of the baby, with the baby's back in the physiological "C" position and legs in the "M" position, ideal to prevent hip dysplasia. Indeed, this product received the endorsement of the International Hip Dysplasia Institute.

Boppy maintains a continuous dialogue with the main Italian BabyWearing schools for receiving feedback and suggestions in order to continuously improve its products and its communication.



TRAVELING



Traveling is always a great adventure: watching, exploring, discovering new places and situations with the parents has a priceless charm. Tied securely in their seat, comfortable and safe, babies can look around, chat, or perhaps fall asleep, cradled by the car's movement. Selecting child car seats is an important choice, which should take into account three elements: safety, comfort for the baby and practicality of installation and use. Chicco's new car seats grow with the baby: starting from comfortable egg-shaped car seats that welcomes the newly born baby, they accompany and follow the child on the journey of growth.

Ensuring children's safety through the innovative car seats **BebèCare**

BebèCare

Babies being left unattended in the car due to a number of circumstances and consequent turns of events, is something unfortunately heard too frequently in the news.

To help parents avoid such risk to children's safety, Chicco has developed, in collaboration with Samsung, the first innovative system in Europe that warns of the presence of the child in the car through a special app.

Together, we have developed **BebèCare**, the first innovative child car seat integrated system in Europe that informs of the presence of the child in the car through a special app: Indeed, Chicco's new car seat (homologated according to the ECE R44 / 04 and ECE R129 regulations) has been integrated with sensors that signal the child's presence on board.

The operation has been designed to be easy and intuitive: parents just need to connect the Chicco car seat (equipped with **BebèCare** sensors) to the **BebèCare** app, which can be downloaded for free from app stores (for the first six months after launch it will be available only for Samsung devices).

When the adult moves away from the car in which the child seat is installed and the child is still on board, the app sends an acoustic and visual alarm.

In case the first level alarm is not muted by the parent, **BebèCare** app sends a text message, simultaneously, to all the emergency numbers predefined by the consumer, together with the indications to geo-localize the area in which the car and the child are located.



CLOTHING



When dressing their babies, parents watch their children discover and choose colors, find their own sense of style and learn to express themselves.

Chicco constantly reviews its clothing lines in order to ensure they respond not only to the latest trends in baby clothing fashion but also to the specific needs of children.

Practicality and comfort are essential in baby clothing: babies do not like being too covered or wearing rigid clothes, seams, or labels. Dresses of proper size and weight should not impede any baby's activity, allowing free movement.

Natural fibers should be preferred because they do not irritate the skin and allow for its correct perspiration. Chicco also offers a wide range of Oeko-Tex certified clothes.

FIRST STEPS

Every step is a new adventure. It is always a joy to watch a child's first step and discover the surrounding world by walking and running. During the first years of life, the foot has a fundamental function for the child's motor development. Shoes must protect the harmonic development of the foot, respecting its physiology and facilitating the correct dynamics of each step. To this end, Chicco created an innovative range of shoes with soles featuring varying thicknesses, designed to guide the movement of the foot when taking a step and help babies to learn to walk properly. All models have uppers with seams and padding on the front to enhance the flexibility of the shoe while increasing comfort. All Chicco shoes have the Chicco 'Natural Footprint' Insole designed to mimic the natural stimulation required for foot arch formation



Enabling children to discover by walking

The most natural way of learning to walk. For this reason, Chicco developed a line of shoes dedicated to the first steps of a child, designed to guide the movements of the foot during each step and to help the child to learn the correct movements necessary to walk. In particular, Chicco has designed three lines with specific biomechanic solutions: **Chicco imparo**, **Chicco in progress** and **Chicco Start-up**, the first for children who are just learning to walk, the second for children of 2 years and above, who run and play, improving their control and stability and the third for children between 6 and 12 months, to favor the crawling phase and baby's first steps.

2.2 Quality, safety and design

Quality, safety and functional design are the three fundamental elements to meet children and families' needs. In particular, the **quality and safety** of our products are the key drivers of our innovation process. We aim to reach and outperform the high quality standards that our values, brands proposition and customers demand. All of our products are designed, developed and tested to satisfy, exceed or, when possible, anticipate regulatory requirements as well as our strict safety and quality standards.

We ensure manufacturing quality through ISO-compliant processes and a qualified supply chain, regularly audited and monitored. In addition, our quality experts are actively engaged in **standardization projects worldwide** for the development of **future product safety requirements** and cooperate with an **international network** of independent safety experts, scientific advisors and testing laboratories for the assessment and approval of each product. Indeed, thanks to our long-lasting collaboration with the scientific community and international experts, we have established a **Multidisciplinary Scientific Committee** which, in addition to identifying areas of innovation on solid scientific bases and keeping track of new scientific evidence and trends related to our products, has the task of defining a shared and an authoritative position on safety issues.

With the main objective of ensuring and enhancing children's health and safety, we are an active member of leading national and international industry and trade associations, with many of our people directly engaged in technical worktables to develop and improve quality and safety standards.

We also believe in a **responsible and clear communication** on our products and services based on transparency and reliability. Our marketing information and product labels illustrate information confirmed by specific tests and studies. Within an aim to continually improve, we always guarantee an open dialogue with our customers through after sales channels, including Social Media platforms, as a precious input to listen to the voice of our end customers and provide solutions for the best customer experience.



2.3 Sharing our knowledge

Becoming a parent is an extraordinary experience. The precious moments are however often accompanied by doubts and questions, especially for new parents who face the beauty and challenges of having a child for their first time. For this reason, we nurture a meaningful relationship with the families who believe in our brands, offering our expertise and that of the pediatricians, obstetricians, pedagogics and other specialists who collaborate with us with the same passion and goal of providing parents with the necessary tools to face and respond to their doubts and curiosities.

It is indeed extremely important for us to share the knowledge we acquire with families, not only about how to use our products and services, but also about the challenges that their child might face while growing up, and how to address them. For this reason, using different channels to encourage an open and constructive conversation, the Chicco Baby Research Center offers suggestions to help parents – and all those involved in raising a child – in their every-day life. For instance, the Chicco website offers a long list of articles and publications that cover all areas of a child's life, as well as tools and resources that allow families to go deeper into specific topics and find useful information, insights, answers and advices. Moreover, the Chicco Baby Research Center writes educational publications, in collaboration with its team of experts, offering valuable, correct and educational information.



We believe in nurturing relationships with families based on trust and collaboration. For this reason, we also offer face-to-face training courses, in our Chicco shops, pharmacies and baby shops, and, more generally, at all the events dedicated to families with the aim of helping them with practical advice, involving leading experts. We aim at supporting families and maintain a constant dialogue with them, in each precious moment, to make sure that every single one can be enjoyed in complete serenity.

In 2017, the **Baby Academy** was launched, a series of 6 workshops with the simultaneous presence of 3 professional figures: the obstetrician, the pedagogue and the osteopath. During these 6 workshops, the attendees could go through the main stages of becoming parents: from waiting, to childbirth, to the first few months of life.

Over the years, the number of courses provided in Italy has grown from 351 in 2015 to 1,429 in 2017, as a natural result of an ever-closer attention to families. The courses have grown not only in numbers, but also in terms of topics. For example, they now include disciplines such as Yoga, to **help mothers-to-be** in preparation for this extraordinary period of their lives.

The courses provided are dedicated not only to mothers and fathers, but to all of those individuals who are invested in the delicate tasks of nurturing the child, including grandparents. Chicco employees and their families are also welcome to participate in these courses.

Family courses in Italy (number)			
Venue	2015	2016	2017
Pharmacies	116	300	215
Baby Shops	235	300	1.214
Total	351	600	1.429

Starting from 2016, we have also begun arranging training courses for vendors and traders of our products, both in pharmacies and in baby shops, in order to guarantee the best possible support to families.

2.4 Empowering the children and families in our communities

At Artsana, our goal is to nurture all children and families, particularly those most in need. Accordingly, we promote activities inspired by the work and values of our founder, Pietro Catelli, who built his brand based on values such as attention, care, consistency and respect for the community. To this end, every year we support a number of solidarity initiatives, thanks to the commitment of all our brands as well as the contribution of our people.

Artsana Runners Participate in the Milano City Marathon 2017

For the 6th consecutive year, the Artsana Runners, composed by Artsana Group employees, have participated in the Milan City Marathon.

There are now many colleagues and friends who train all year to wear the legendary t-shirt with the smiling heart and to run for Magic children assisted by the Magica Cleme Foundation.

The proceeds will be used to finance the initiatives that Magica Cleme organizes every week for the young patients in the pediatric hemato-oncology department of the San Gerardo Hospital of Monza and the Milan National Cancer Institute.



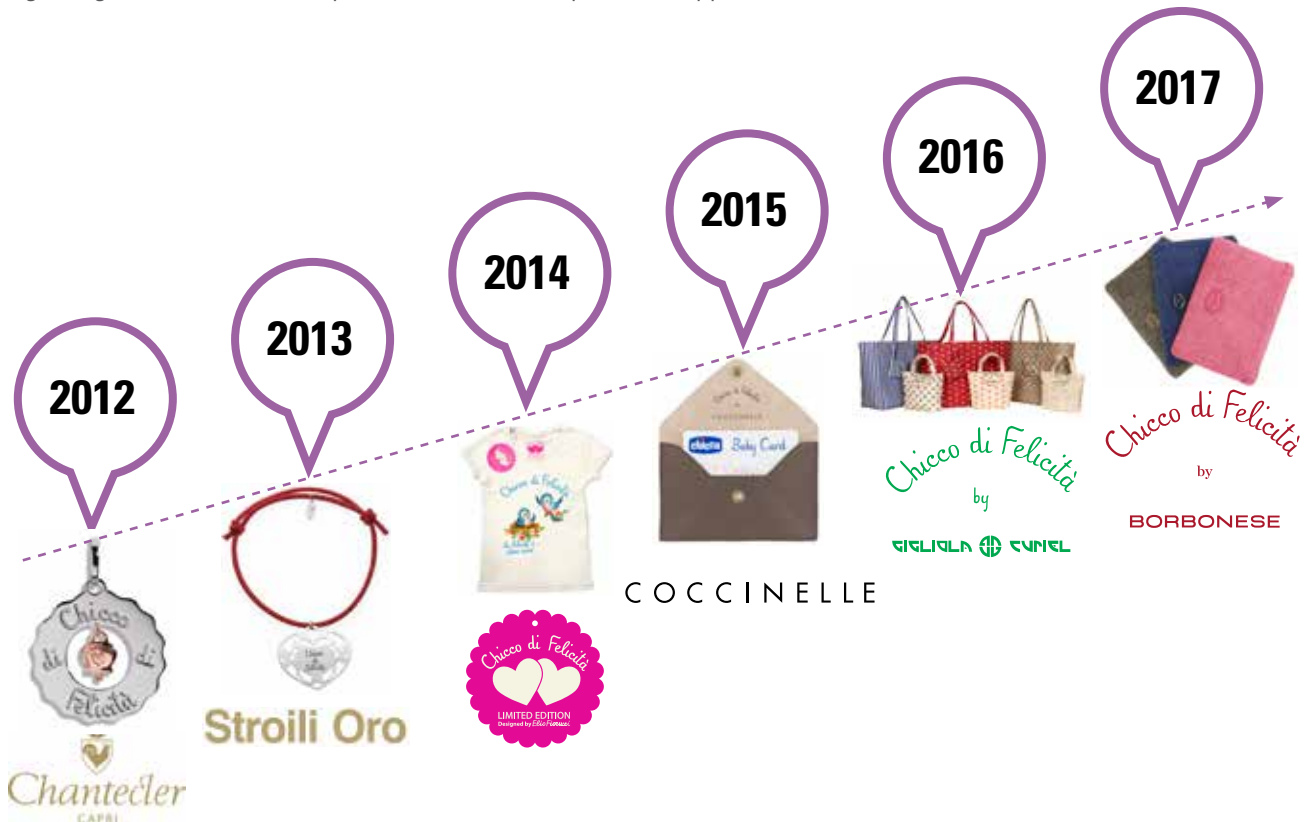
Our solidarity initiatives are based on **long-term strategies with transparent goals and results**, in partnership with non-profit organisations that share our same vision. In particular, two initiatives emerge for their contribution to building long-term and sustainable results, through the creation of resilient networks in support of mothers and children: Chicco of Happiness and Happiness goes from heart to heart.

Chicco of Happiness

Chicco has always committed to nurturing children, especially the less fortunate. This commitment is the reason why Chicco of Happiness was launched in 2010 and became the symbol of our solidarity efforts.

The project consists of the creation of a special accessory, a solidarity gift, characterized by the Chicco of Happiness logo. Year after year, Chicco of Happiness has taken different forms: each year, an ever-changing partner gives its interpretation by creating a special edition of the gift that is available for sale in all Chicco shops in Italy and on the online store.

Choosing the Chicco of Happiness, wearing it or gifting it, embodies people's closeness to the world of children and contributes to spreading our message and shared values. The motto of the project, that has accompanied it from the beginning, summarizes the importance of the each person's support: **The more we are, the more we do!**



Since the beginning of the project, more than 530,000 people in Italy have chosen to wear the Chicco of Happiness, thus witnessing their concrete proximity to children in need.

In 2017, the donations collected through the sales of our Chicco of Happiness accessories were given to our partner, **CAF ASSOCIATION**, in support of child and teenage victims of violence and abuse.

Thanks to the funding provided by Chicco, CAF ASSOCIATION was able to provide assistance to three caring centers. Through the use of appropriate pedagogical and psychological tools, CAF ASSOCIATION staff was able to design structured individualized projects that support children's growth in their daily life, with special attention given to each child's history and unfavorable experience.

In particular, in 2017 a "**space for children**" was designed and created, dedicated to pre-school children waiting to be welcomed in nursery school.

Chicco's funding was also instrumental for CAF ASSOCIATION to pursue its "**Becoming Parents through Home Visit**" project service, whose primary objective is to support fragile or isolated families and to prevent the causes that can lead to the breaking of the parent-child relationship and, in some cases, also to prevent the removal of the child from the family. In particular, the proceeds from Chicco of Happiness in 2017 allowed CAF ASSOCIATION to provide assistance to 21 families, representing 81% of the households supported.

Happiness goes from heart to heart

Since 2013, Artsana has supported the “Mission Bambini” Foundation, which aims to “help and support children who are poor, sick, without education or physically or morally abused, to give them the opportunity and hope of a better life”. Since its birth, the Foundation has helped more than 1,300,000 children through 1,450 projects in Italy and in 73 countries around the world, saving thousands of children with heart diseases.

From the start of the project “Happiness goes from heart to heart” in 2013, Artsana’s people, from Italy, the UK, France, Spain, Germany, Belgium, Switzerland, Russia, the United States and Argentina, have decided to actively contribute to the project with two clear goals:

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

Our Artsana subsidiaries have sustained several local engagement initiatives, such as the organization of a photo exhibition in Paris, with the shots taken during a humanitarian mission in Cambodia in which the Artsana team took part.

Since 2013, the project has achieved significant goals. We have supported 30 medical missions in 11 countries (Cambodia, Myanmar, Zambia, Uganda, Uzbekistan, Eritrea, Romania, Brazil, Kurdistan, Somalia and Kenya), 861 hours spent by an international medical team in training local doctors, 7,074 children received a medical examination and 245 children were operated on and saved from serious heart disease.



Happiness goes from heart to heart



Artsana is also engaged in a number of initiatives through its different brands and local branches. In Italy, for example, every year Artsana celebrates a **Solidarity Christmas**. We gift our employees, customers and suppliers with a charitable gift, a choice that has allowed us to support: in Italy, the association Opera San Francesco for the Poor Onlus of the Capuchin Friars of Milan, through the donation of 2,500 meals to the food bank of the association; internationally, the work of Mission Bambini Foundation, one of Chicco's partners within the CSR project "Happiness goes from heart to heart".

Also in Italy, 2017 saw the continuation of the multi-year partnership launched in 2010 between Artsana and the Polytechnic University in Milan based on the granting of two scholarships dedicated to the memory of our founder, Pietro Catelli, to excellent students who have distinguished themselves during the academic year.

With regards to the initiatives carried out by our international branches, in Portugal we have carried out since 2006 the project Chicco dà Vida, to improve hospitals' capacity to afford child care through the donations of medical equipment to a different neonatal intensive care ward every year. The project has helped different Intensive Care Units in the major



hospitals of 9 cities across the countries, with the donation of equipment including incubators and ventilators. In 2017, a dedicated website was launched. Since 2012, we have also been matching the Christmas sale of each Chicco product with 1 euro, donated to a local institutions that helps mothers and babies in need.

In the USA, Artsana contributes to development of the communities in which it operates through monetary and products donations to a number of charities, including the Jim & Tabitha Furyk Foundation, a non-profit organization that helps families and children in need, Jackson in Action 83 Foundation in support of military families, and Good+ Foundation to empower low-income families to break the cycle of poverty.

In Spain, we take part in a number of initiatives that include the designing of specific training programs in collaboration with birth preparation centers and the donation of essential products for newborns in Galicia, in collaboration with the health regional government.





3. Nurturing our People

Every day, we consistently pursue a goal: nurturing our people and improving their wellbeing, by investing in the development of our talents, by focusing our attention to their personal and professional growth and by creating a culture of change. We also believe in, and foster, empathy and emotional intelligence, because of their power to create a work environment that promotes interpersonal relations and employees' welfare.

At the end of 2017, the **total workforce** of the Artsana baby care area amounted to **3,124 people**, including interns and agency workers. Our number of employees has slightly decreased over the last 3 years (-5.8% in 2017 as compared to 2015) due to the fact that in 2015 and 2016 PIC corporate functions were included in the total workforce (mainly sales force), while in 2017 we have improved our reporting system and we are able to report only on the baby care area employees. The number of agency workers and of interns has increased between 2015 and 2017, shifting from 27 to 31 units and from 12 to 37 units respectively, a choice based on the will to find higher flexibility and provide growth opportunities for youths.

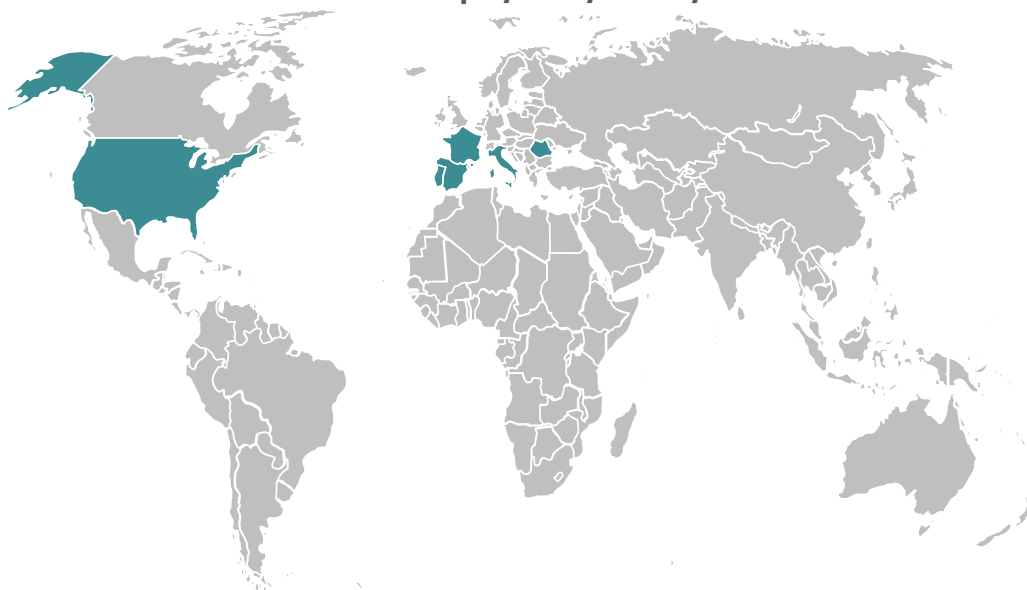
TOTAL WORKFORCE	Unit	2015	2016	2017	
	Of which	n.	3,284	3,270	3,124
Total workforce	<i>Employees</i>	n.	3,245	3,218	3,056
	<i>Agency workers</i>	n.	27	25	31
	<i>Interns</i>	n.	12	27	37
Workforce by gender	<i>Women</i>	%	70.89%	71.22%	72.76%
	<i>Men</i>	%	29.11%	28.78%	27.24%

Our workforce



From a geographical perspective, our employees are distributed around the world as illustrated below:

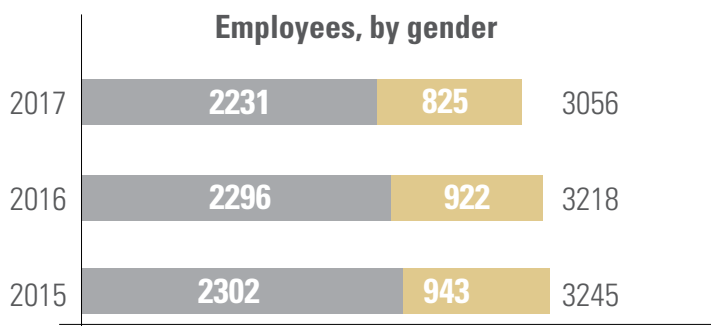
Employees by country



Employees by country	Unit	2015	2016	2017
Italy	n	1,532	1,484	1,300
Romania	n	922	967	993
France	n	66	62	58
Portugal	n	390	380	377
Spain	n	269	256	255
USA	n	66	69	73
Total	n	3,245	3,218	3,056

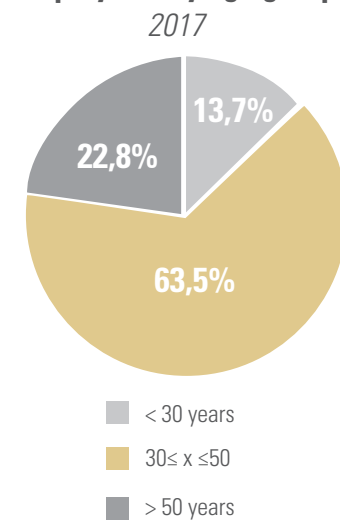
In terms of diversity, the majority (73%) of our employees are women, 2,231 as opposed to 825 men in 2017 and the most represented age group is the one between 30 and 50 years old (63.5%).

Employees, by gender



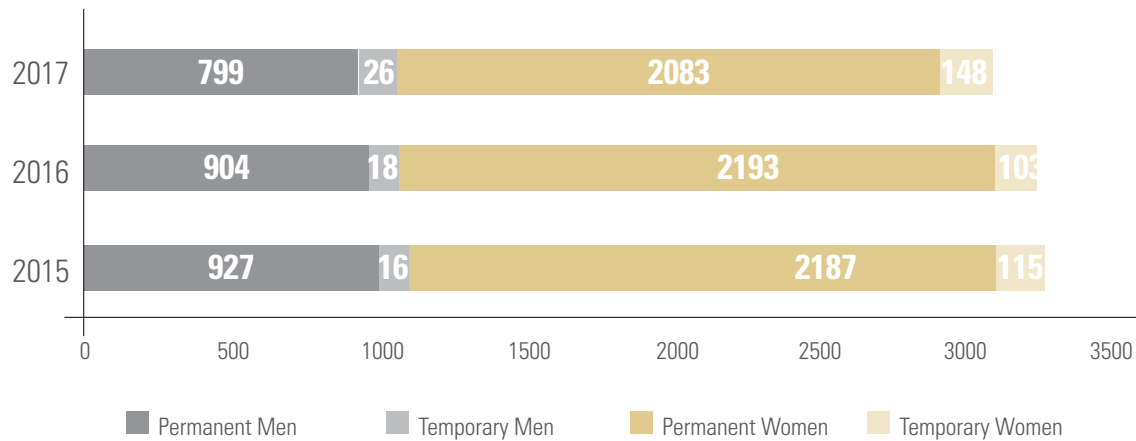
■ Women ■ Men

Employees, by age group



■ < 30 years
 ■ 30 ≤ x ≤ 50
 ■ > 50 years

With regards to the contractual form, in 2017 94% of our employees worldwide had a permanent contract (of which 92% full time, in line with previous years). Overall, the part-time employees represent 10% of the total and most of them are women (95%).

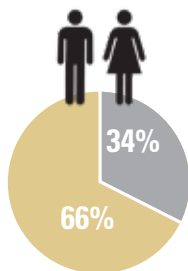


Regarding employee categories, 91.9% of our total employees are blue and white collars. All our employees are covered by collective bargaining agreements, as required by national laws.

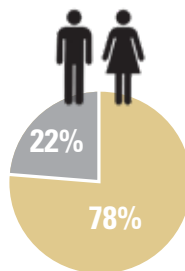
Employees, by category and gender

2017

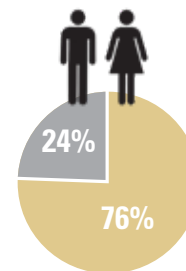
Managers and middle lines (8%)



White collars (44%)



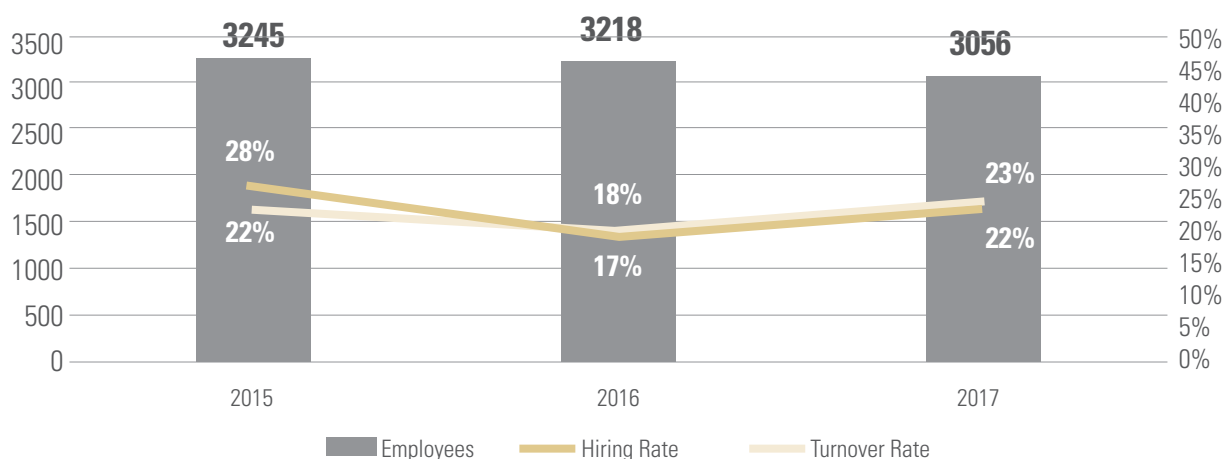
Blue collars (48%)



The following graph shows our annual hiring rate, calculated as the number of new hired employees per year over the number of total employees at the end of the reporting period, and the turnover rate, calculated as the number of terminations in the reporting period over the total number of employees at the end of the same period.

The turnover rate has increased from 22% in 2015 to 23% in 2017, mainly due to an improvement in our data collection process that since 2017 allows splitting employees working in the baby care and in the health area in the Grandate headquarters, while the hiring rate decreased from 28% in 2015 to 22% in 2017.

Employees hiring and turnover rates



Turnover rate includes both voluntary and involuntary terminations

HIRINGS		Unit	2015	2016	2017	TERMINATIONS		Unit	2015	2016	2017
Total	n.		919	549	683	Total	n.		721	570	704
Women	n.		634	406	514	Women	n.		497	405	500
Men	n.		285	143	169	Men	n.		224	165	204
Less than 30 years old	n.		551	291	369	Less than 30 years old	n.		401	281	306
From 30 to 50 years old	n.		358	246	277	From 30 to 50 years old	n.		278	234	319
More than 50 years old	n.		10	12	37	More than 50 years old	n.		42	55	79
Italy	n.		183	78	108	Italy*	n.		138	126	153
Romania	n.		562	315	361	Romania	n.		436	270	335
France	n.		9	7	15	France	n.		13	11	19
Portugal	n.		115	102	110	Portugal	n.		93	110	111
Spain	n.		46	40	79	Spain	n.		37	49	78
USA	n.		4	7	10	USA	n.		4	4	8

**2017 data excludes 140 people working in the PIC division in the Grandate headquarter considered in 2015 and 2016 total workforce.*

3.1 Developing our talent

The development of our people is one of our priorities. To this end, we foster the promotion of international experiences and transversal competencies, and we provide the necessary training and tools to allow for continuous learning.

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

In order to offer employees the specific trainings they need, based on their position, skills, and competencies, we have designed a training program based on the specific career paths within the organization. This program has been

conceived to develop our employees' **leadership and managerial skills** and to strengthen their professional profile also through the advancement of their soft skills with a particular focus on teamwork, inter-functional collaboration, self-empowerment and entrepreneurial capabilities. We approach training on a double level by focusing not only on group initiatives but also on individual actions and personal coaching.

During the reporting period, the total number of training hours has grown from 19,697 hours in 2015 to 48,661 hours in 2017 with a corresponding increase in per capita training hours from 6.1 to 15.9.

TOTAL TRAINING ⁽¹⁾	Unit	2015	2016	2017
Total hours	h	19,697	38,049	48,661
Average hours	h/worker	6.1	11.8	15.9

In terms of average training hours by gender, the per capita training hours offered to men and women was fairly equal in 2017 (13.6 and 14.3 hours respectively). In terms of employee category, data illustrate the investment that the company made to engage its managers and middle lines in the process of re-definition of our values that took place in 2017, as well as in the development of the new performance evaluation process, based on such values. The following table illustrates the number of average per capita training hours by gender and by employee category:

TRAINING ⁽²⁾ – Average training hours, by gender and worker category	Unit	2015	2016	2017
Average hours	h/worker	6.1	11.8	15.9
<i>Women</i>	h/worker	4.3	8.3	14.3
<i>Men</i>	h/worker	7.4	14.9	13.6
<i>Training provided to Managers and Middle lines</i>	h/worker	25.2	24.8	39.2
<i>Training provided to White collars</i>	h/worker	5.6	10.8	10.6
<i>Training provided to Blue collars</i>	h/worker	2.4	7.7	15

A successful example of cross-functional action aimed at providing employees, including managers and middle lines, with a wider understanding of how the company works, as well as customers' needs, is Chicco's initiative Christmas in Stores. On this occasion, employees working in areas such as Marketing, R&D, Quality and Brand Management have the opportunity of supporting the staff working in Chicco stores, experiencing firsthand what the preferences of visiting the stores are and what the challenges and opportunities in selling the products within the current product portfolio are. 178 employees took part in this initiative in 2017.

In order to help our employees better understand the products they design, produce and sell, but most importantly to provide them with useful information for their personal life as well, we offer training on breastfeeding, which includes information on its benefits, challenges and best practices.

Innovation is an important area of investment for our training programs, in particular for the members of our Marketing and R&D departments. Further expanding our innovation-focused training, we have launched a **Digital Academy, a training program with the aim to refine** the knowledge of digital assets and reinforce the awareness about the

⁽¹⁾ The data on training provided excludes France.

⁽²⁾ The data on training hours provided by gender and employee category excludes the training on health and safety offered in Italy, which is reported below.

benefits for daily business coming from valuable digital assets management. The Digital Academy is structured in 8 modules, covered over a 10-day training program, which includes the following topics: website, SEO (Search Engine Optimization), Web Analytics, E-commerce, digital media planning, Social media, Web Reputation, CRM (Customer Relationship Management).

At the end of each session, the participants receive a survey in order to evaluate the usefulness of the sessions, the quality of the content and the clarity of the teacher. As of today, the training evaluation questionnaires have always registered a high level of satisfaction.

To strengthen innovation attitudes throughout the entire company, we are setting up initiatives to promote increased collaboration between employees working for different functions at the international level. An example of such initiatives is the Laboratory for the digital development projects, an innovative space for cross-functional, collaborative work, in particular between the IT and Product Development function, with the goal of designing solutions that increasingly leverage the opportunities offered by digital technologies.

An essential component of our development program is the **performance review** process involving our employees, to ensure they are aware of their strengths and improvement areas, career opportunities and overall performance. In 2017, we created our performance review process based on our values of Passion, Innovation, Responsibility and People and on the work behaviors by which these values are defined. The values and behaviors were identified through an extensive employee engagement process, involving more than 250 people. The system allows employees to gain feedback on their performance not only from their supervisors but also from the colleagues with whom they collaborate (180 degree feedback).

In the past few years, we have started a series of professional development activities, such as **job rotation plans** and **interfunctional projects**, aiming at encouraging the personal and professional growth of our youngest talents. In order to attract new talents and to fulfill our corporate social responsibilities, we consider it is important to encourage the youth's access to the job market, by creating a bridge between schools and our company. For this reason, we endorse an **internship program**, addressed to university and post-graduate students. Moreover, in Italy, we continued to provide internship opportunities to high school students ("alternanza scuola lavoro"). Thanks to the possibility of spending a few weeks in our company, these students benefit from an early-age introduction to the working world that will potentially positively influence their future career choice and access to a first job. Every year, up to 15 students are enrolled to join the initiative.

3.2 Creating a safe and healthy work environment

Ensuring a safe and healthy workplace is one of our main objectives. For this reason, we implement a number of initiatives aimed at both creating a cultural transformation within our employees, by increasing awareness on health and safety issues, as well as improving the production facilities in which we work.

To create a cultural change, every year we provide training courses for all our workers, dedicated to health and safety, exceeding the minimum regulatory requirements. In 2017, the total number of health and safety training hours offered in Italy was 6,638 (13.4 hours per worker).

TRAINING ON HEALTH AND SAFETY TOPICS IN ITALY	Unit	2015	2016	2017
Total hours	h	3,700	5,979	6,638
Average hours	h/worker	6.1	10.1	13.4

We implemented the **Behavior Best Safety (BBS)** project, which consists of assigning to a group of employees,

selected on a rotation basis, the task of evaluating their colleagues' performance on a number of health and safety KPIs. In this process, employees learn to identify potential risks and are rewarded for mitigating such risks, thus improving their colleagues and their own health and safety standards.

Also in 2017, we have offered specific **"360 degree" training** to the security coordinators of each plant, with the goal of improving their operational management of complex, emergency situations, by building meaningful relationships with employees and supervisors and by leading by example. The approach used made it possible for the security coordinators to share problems and solutions. As part of the initiative, improved plans were made to increase plant safety, reducing potential risks. A few projects that have been approved include efforts to facilitate the viability of the warehouses, distribution of flows and storage of materials. Given its success, the program will continue in the coming years. In particular, in 2017, we have invested in the renovation of the fire system in our Italian production plants, which will continue throughout 2018 in particular for the plant of Casnate.

Every year, we also conduct several internal audits to assess our compliance with health and safety regulations.

Finally, because many of our employees spend a significant amount of time on the road, both for work purposes and for their daily commute, we initiated a program to protect them from the potential risks associated with being on the road. In 2017, in fact, we started offering a course on Safe Driving, composed of an e-learning and a practical phase and involving 20 participants. This program was welcomed with enthusiasm by the employees and will continue and be expanded throughout 2018.

As illustrated in the table below, we have registered a reduction (-29%) in the number of injuries, shifting from 45 in 2015 to 32 in 2017 testifying the success of our efforts. In terms of frequency of the injuries occurred, that has also decreased (-27%) since 2015, while the severity of the accidents and the absentee rate have remained constant or slightly increased due to natural fluctuations over the three-year period. No cases of occupational disease were reported in 2017.



HEALTH AND SAFETY	Unit	2014	2015	2016
Number of injuries	n.	45	43	32
Injury rate [number of injuries/hours worked x 1,000,000]	n.	9.0	8.3	6.5
Lost day rate [number of lost days for injuries/hours worked x 1,000]	n.	0.2	0.2	0.2
Absentee rate [number of lost hours for illness/workable hours]x100	%	0.4	0.5	0.5
Number of occupational diseases	n.	2	4	-
Occupational disease rate [number of occupational diseases/hours worked x 1,000,000]	%	0.4	0.8	-

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



4. Nurturing the Planet

To fulfill our commitment of ensuring the wellbeing of children and families, today and tomorrow, it is essential that we care for our planet, our home. We do so by encompassing sustainability throughout our entire value chain, from the selection of our suppliers to the management of our manufacturing activities and the distribution of our products to clients. Only by pursuing this approach will we be able to continue to offer products that are responsible along their whole lifecycle, thanks to the continuous monitoring of our impacts and the identification of new and innovative initiatives to reduce such impacts.

Nurturing the planet represents and summarizes our strong will to play an active role in preserving the environment, natural resources and ecosystems services for the benefit of future generations.

4.1 Building a resilient production network

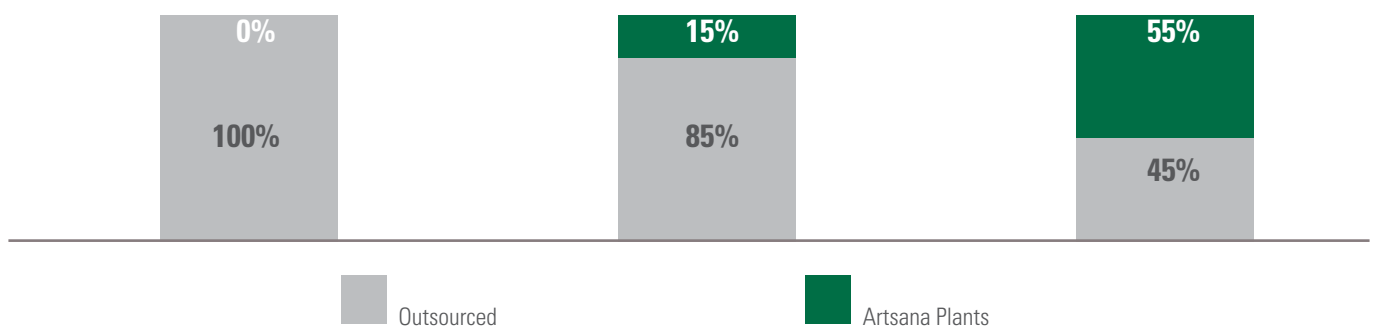
Artsana has built, over the years, a strong and enduring network of commercial and production units, suppliers and distribution channels. Artsana commercial branches are located worldwide but in this report we focus on Italy, Romania, France, Spain, Portugal and the ones in the USA chosen on the basis of their relevance in terms of revenues and workforce. Our production units for the baby care area consist of four manufacturing facilities in Italy and Romania, certified according to international standards on quality management:

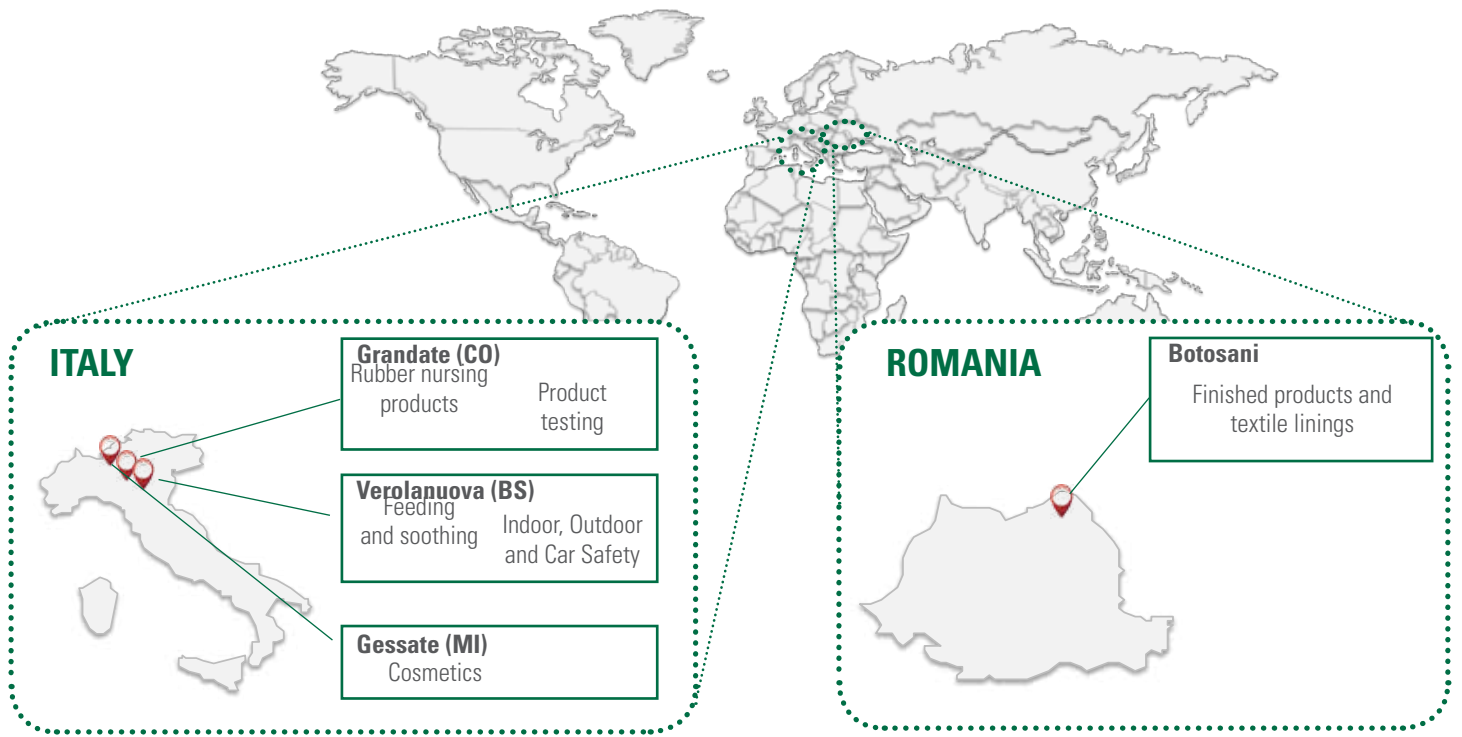
- The **Verolanuova** (Brescia) facility produces juvenile and nursing products;
- The **Gessate** (Milano) production unit is dedicated to cosmetic products;
- The **Botosani** (Romania) production unit produces both finished products and semi-finished textile linings used in the Verolanuova plant;
- The production unit located in **Grandate/Casnate** (Como) is specialized in natural rubber nursing products and includes a laboratory for products and prototype quality tests.

In addition, we rely on three **warehouses** located in Italy: Casnate, which hosts the storage of raw materials and finished and semi-finished products before their international distribution; and Reggio Emilia and Verolanuova, where storages of garments, shoes and juvenile products are based.

The production of our children's highchairs has undergone a re-shoring process, and is increasingly performed in our Italian facilities. As illustrated in the graph below, the percent value of highchairs manufactured in Artsana's own manufacturing plants has increased from 0% to 55%, as the percent value of highchairs outsourced to external suppliers has decreased from 100% in 2015 to 45% in 2017.

Highchairs Production (% Value)





Map of Artsana's production facilities for the baby care area

Inbound and outbound transportation from/to our production units and warehouses mainly occurs via **trucks and ships**. We are committed to constantly maximizing the reliability and efficiency of the distribution networks and to minimizing the relative costs and environmental impacts. In particular, we carefully organize our logistics with the goal of optimizing the transportation paths and number and size of the loads. Also the distribution network from our suppliers to our production sites and from our facilities to the end consumers, is designed with the aim of minimizing the potential impacts of our global network.

4.2 Building responsible supply chains and far-reaching distribution channels

We believe in creating long-lasting supplier relations, based on trust and collaboration. Our suppliers are required to adhere to our **Code of Ethics**, both to build a positive business relationship and to demonstrate their corporate responsibility stance. We monitor multiple sources of public information on human rights and health & safety at work, published for example by the International Labour Organization (ILO), to keep up with key facts and trends and to address them properly through our established ethical manufacturing program. Through this program, Artsana exercises active monitoring and control throughout its supply chain, with a special focus on finished product suppliers, which are assessed according to Artsana's conduct rules, in line with ILO conventions on Human Rights topics, including child or forced labour. Such assessments are made in cooperation with independent international auditing companies and through the adhesion to specific industries' ethical programs, such as the International Council of Toy Industries ICTI CARE for Toys manufacturing and the Bangladesh Accord for the Ready-Made Garment industry. Artsana also recognizes other international programs for other product categories, such as SA8000, BSCI and SEDEX. 100% of finished product suppliers undergo a specific assessment, which includes also the engagement of suppliers to proactively apply Artsana's conduct rules in their own supply chain. A risk-based approach is adopted by Artsana to make direct inspections also to suppliers' own supply chain, to assure an effective adoption of the conduct rules beyond Artsana's direct suppliers.

Artsana carries out social audit on suppliers located outside Italy and Europe every 2 years or, in higher risk countries from the point of view of human rights, child labour or forced labor, (e.g. India, Pakistan and Bangladesh), at least every 12 months. In the 3 mentioned countries, Artsana's program requires a special check on building integrity and fire and electrical safety according to specific rules, which are a voluntary extension of Bangladesh Accord for the Ready-Made Garment industry rules. The audit coverage in the three mentioned countries is 100%.

Artsana membership in Human Rights Association

Artsana adheres to select Human Rights Initiatives and Associations, with the goal of preventing, assessing and mitigating potential risk related to the human along its supply chains.

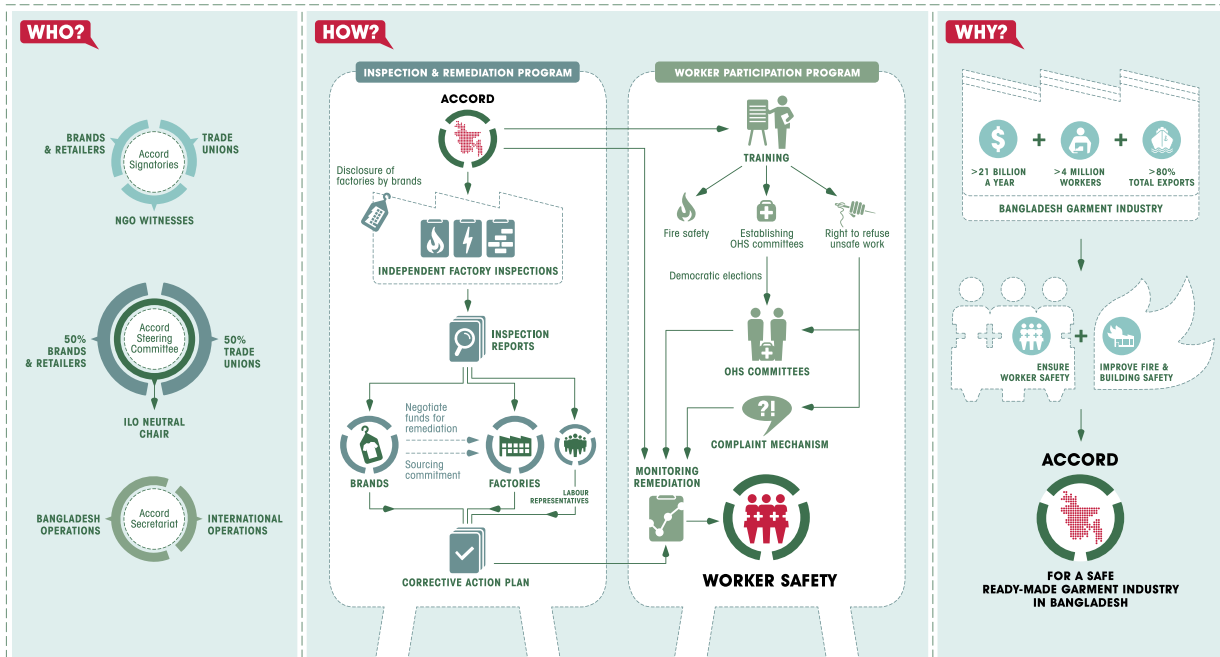
For this reason, since it was first established in 2013, we have signed the Bangladesh Accord in order to testify **our commitment to enable a safe and healthy working environment** in the Bangladeshi Ready-Made Garment Industry.

The Accord has been signed by over 200 apparel brands, retailers and importers from over 20 countries in Europe, North America, Asia and Australia, two global trade unions, eight Bangladesh trade unions and four NGO witnesses.



WORKING FOR A SAFE READY-MADE GARMENT INDUSTRY IN BANGLADESH

How the Accord on Fire and Building Safety works



ACCORD
on Fire and Building Safety in Bangladesh

For more information visit www.bangladeshaccord.org or follow @banglaccord on twitter.

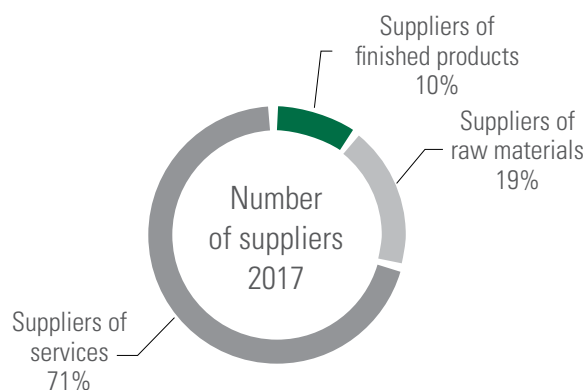
We are also proud members of the International Council of Toy Industries (ICTI), a network with the aim of promoting toy safety standards, of reducing or eliminating barriers to trade and of spreading social responsibility in the sector with programs addressing environmental concerns, fair and lawful employment practices and workplace safety.



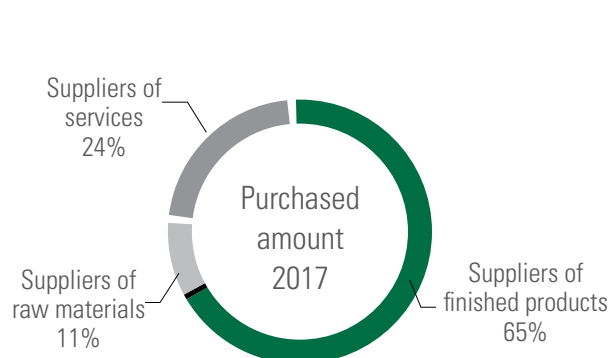
International Council of Toy Industries

In 2017, we spent **€ 410.8 million** on **1,819 suppliers**. Of the total purchase value, 65% was spent on suppliers of finished products, which represent only 10% of the total number of suppliers, due to the fact that we rely on few trustworthy and qualified suppliers for products that are purchased and directly sold through our distribution network. Number of suppliers belongs to the service providers' category, on which we spent 24% of the total purchased value.

Number of suppliers



Purchased amount



SUPPLIERS CATEGORY BY NUMBER & BY SPENDING		Unit	2015	2016	2017
<i>Of finished products*</i>	suppliers (n.)		188	183	177
	spending (%)		69	66	66
<i>Of raw materials</i>	suppliers (n.)		350	360	349
	spending (%)		9	10	11
<i>Of services**</i>	suppliers (n.)		1,510	1,338	1,293
	spending (%)		22	23	24
Total	suppliers (n.)		2,048	1,881	1,819

**PIC suppliers are included **Only Artsana HQ suppliers are included*

We sell our products through several **distribution channels**, which include both direct channels with our end consumers (through our branches and our owned and franchising shops) and indirect channels (by means of intermediaries such as distributors or traders).

In order to anticipate market trends and to meet our clients' needs in terms of higher flexibility, we are continuously exploring new distribution channels, optimizing the efficiency of our distribution networks and leveraging the opportunities of new technologies. We have indeed reinforced our e-commerce, taking us one step closer to our clients, wherever they may be. We have also renewed Chicco's website, with a more user-friendly and attractive interface.

4.3 Managing our environmental impacts

Monitoring our environmental impacts is the basis for increasing our **internal awareness on sustainability topics**. We are committed to improving and widening the scope of our monitoring activities, to enhance data completeness, and to identifying our main improvement areas.

As a first step and proof of our commitment to the protection and safeguarding of the environment, during recent years we have focused our efforts on implementing an **environmental management system**, designed according to the international standard ISO 14001. In a continuous improvement perspective, we carry out internal audits (approximately 50 audits per year) related to health, safety and environmental (HSE) aspects, and we discuss the results of such audits during our monthly management meetings.

Energy consumption and efficiency

Our **energy consumption** related to buildings is mainly due to electricity purchased from the national grid and to natural gas, used for heating purposes in all production units and in our offices and used for the production of steam for industrial purposes in our production unit in Gessate. In addition, a relevant amount of fuels is consumed by our Company fleet, made up mainly of long-term leased diesel vehicles.

ENERGY CONSUMPTION ¹	Unit	2015	2016	2017
Energy consumptions - for buildings	GJ	233,763	232,552	232,924
<i>Of which from natural gas</i>	GJ	108,223	113,126	114,577
<i>Of which from diesel</i>	GJ	7,904	8,891	7,286
<i>Of which from LPG</i>	GJ	95	133	90
<i>Of which electricity from the national grid</i>	GJ	117,541	110,403	110,971
Energy consumptions - for Company fleet	GJ	23,980	24,276	21,753
<i>Of which diesel vehicles</i>	GJ	23,781	24,068	21,610
<i>Of which gasoline vehicles</i>	GJ	199	208	143
Total	GJ	257,743	256,829	254,677

Energy consumption is one of our main environmental impacts, thus **energy efficiency** represents one of our key priorities. For this reason, we monitor energy consumptions to identify and quantify improvement areas and opportunities for energy savings, and to better embed sustainability in our production processes.

In 2017, we implemented a number of initiatives to reduce our energy consumption, for example: the installation of LED lights in the Verolanuova plant, with an estimated annual reduction of more than 1,300 GJ corresponding to about 140 tons of CO₂, and the renewal of the air conditioning system in the headquarters (about 350 GJ per year equal to -40 tons CO₂ per year). In December 2017, we initiated a similar revamping project for our facility located in Romania, with estimated annual energy savings of about 900 GJ (80 tons of CO₂).

Another project, approved in 2017, is the implementation of a **trigeneration plant** in the Verolanuova unit for the production of electricity, cooling and heating originating from the combustion of natural gas with a recovery circuit of thermal energy. This intervention would allow an overall saving in terms of total primary energy consumptions of

¹ Spain's diesel consumption includes Tecnilatex. The information regarding the energy consumption due to company fleet does not include the USA branch as not available.

around 13,000 GJ due to the better mix of natural gas consumption and electric energy production. Considering the GHG emissions, the trigeneration plant will bring about a total reduction of about 400 tons of CO₂, due to a saving of electric energy (1800 tons of CO₂) and an increase of natural gas consumption (1400 tons of CO₂).

Greenhouse gas (GHG) emissions

Last year, we drafted our first **carbon footprint according to the Greenhouse Gas Protocol**, one of the most important internationally-recognized standards for the accounting and reporting of greenhouse gas emissions.

According to this standard, we included in the calculations direct GHG emissions (scope 1), related to the direct energy consumptions and to the refrigerant gases refilling of air-conditioning systems, and indirect emissions from energy purchase (scope 2). In addition to these categories and on a voluntary basis, we also calculated other indirect GHG emissions (scope 3) deriving from employees' business travels by plane and train and from the logistics of our products and materials.

The table below shows the detailed emissions categories considered in the calculation of our carbon footprint and the related trends in the three-year period in terms of CO₂eq.

GHG EMISSIONS ²	Unit	2015	2016	2017
Direct Emissions (Scope 1)	tCO ₂ eq	8,660	8,855	8,734
<i>emissions from heating and other purposes</i>	tCO ₂ eq	6,630	6,946	6,947
<i>emissions from fuel used for Company's car fleet</i>	tCO ₂ eq	1,764	1,786	1,601
<i>emissions from refrigerant gases refilling of air-conditioning systems</i>	tCO ₂ eq	265	122	187
Indirect Emissions from energy purchase (Scope 2)	tCO ₂ eq	11,162	10,525	11,223
<i>emissions from electricity purchased from national grid</i>	tCO ₂ eq	11,162	10,525	11,223
Other indirect Emissions (Scope 3)	tCO ₂ eq	14,387	13,716	16,199
<i>emissions from electricity purchased from national grid (location-based approach)³</i>	tCO ₂ eq	1,172	1,080	1,154
<i>emissions from logistics</i>	tCO ₂ eq	13,215	12,636	15,045
Total	tCO₂eq	34,209	33,096	36,156

Consistently with our energy consumptions, our scope 1 and scope 2 emissions remained fairly constant over the three-year period (slight variations are due to production trends), while scope 3 emissions increased in the reporting period from 14,387 to 16,199 (+13%) due to the introduction in 2017 of our subsidiaries Portugal, Spain, US and France.

Since these are commercial subsidiaries (no production activities), the increase in terms of GHG emissions, involves in particular Scope 3 (logistics and distribution), while scope 1 (direct GHG emissions) and 2 (indirect GHG emissions from consumption of purchased electricity, heat or steam) are not significantly impacted.

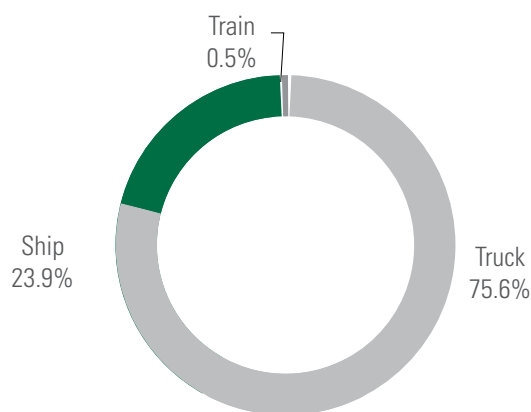
As a result, the total amount of GHG emissions increased by about 6%.

² The information on GHG emissions includes those related to Tecnilatex's energy consumption and excludes the emissions caused by the company fleet in the USA. Moreover, while 2017 data are calculated for the whole perimeter, 2016 data are updated considering the subsidiaries only for scope 1 and 2 emissions (since for scope 3 emissions, subsidiaries data were not available, thus only Italy and Romania were included).

³ On the basis of the market-based method, our Scope 2 emissions are equal to 14,010 tons of CO₂ in 2015, 13,561 tons of CO₂ in 2016 and 13,653 tons of CO₂ in 2017.

Emissions resulting from logistics include inbound and outbound transportation of raw materials and finished and semi-finished products to and from our production units and warehouses. Logistic activities are totally outsourced and they are carried out mainly by trucks and vans (75.6% of the total GHG emissions from logistics in 2017) and by cargo ships (23.9% of the total GHG emissions from logistics in 2017), with a limited contribution of rail transportation.

Emissions from logistics by mean of transport (2017)



Water consumption and waste management

Thanks to the implementation of our environmental management system, we also monitor water consumption and the production of waste deriving from our processes.

Considering all of our production units and offices, water is mainly used for civil purposes and for the production of cosmetic products in Gessate. The total **water consumption**, which is entirely supplied by municipal sources and ground water, has increased over the three year period from 91,568 m3 in 2015 to 101,809 m3 in 2017 (+11%) due to the introduction of some new products with a greater water requirement in their production process and to some leakages in one of the Italian plants.

WATER CONSUMPTION ⁴	Unit	2015	2016	2017
Total water consumption	m³	91,568	92,473	101,809
<i>Of which from surface water</i>	m ³	1,500	1,500	1,500
<i>Of which from ground water</i>	m ³	5,752	5,725	7,552
<i>Of which municipal water</i>	m ³	84,316	85,248	92,757

Excluding domestic water, the only production unit with relevant **industrial discharges** is Gessate, directly related to the cosmetics manufacturing. According to the environmental authorization (AUA – Autorizzazione Unica Ambientale) obtained by this unit in compliance with Italian regulations, we constantly monitor the quality of our discharged water, with specific analysis that takes into account parameters like pH and COD (Chemical Oxygen Demand). In addition, in order to reduce the wastewater sent to disposal, this production unit is equipped with a wastewater treatment system that guarantees purified water.



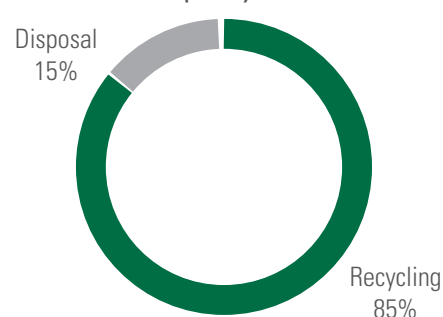
⁴ Spain’s water consumption includes Tecnilatex; water consumption does not include the amount consumed by the shops.

During our monthly management meetings, we monitor the results related to our waste production and management activities. The waste produced by our industrial processes is mainly non-hazardous (96% of the total amount of waste produced in 2017). In line with the other environmental performance indicators, the increase in waste production is mainly due to the increase in manufacturing activities.

WASTE PRODUCTION ⁵	u.m.	2015	2016	2017
Hazardous waste	ton	141	143	162
Non-hazardous waste	ton	3,982	3,839	4,253
Total waste	ton	4,123	3,983	4,415

To achieve our goal of reducing our environmental impacts and thanks to our accurate waste management activities, in 2017 we succeeded in sending a very high percentage of waste to recycling (85%).

Waste produced by disposal method (2017)



Materials and packaging

Considering the variety of our production processes, the main materials we use in our production units located in Italy and in Romania, are: **plastics**, mainly used in manufacturing activities carried out in our production unit in Verolanuova; **chemicals**, mainly used for the production of cosmetics in our plant in Gessate; **metal components**, needed for making products' components and **textiles**, used in the production unit located in Romania (e.g. linings). Furthermore, we outsource part of our finished products to external vendors, which always undergo a strict qualification process in order to ensure they fully meet our quality and safety requirements.

In 2017, for production purposes we have used about 8,200 tons of materials (+23% compared to 2015 and + 5% compared to 2016), of which 5,137 tons of plastics (62%) and 1,727 tons of chemicals (21%). This increasing trend is justified by the increase in our production.

MATERIAL USED	unit	2015	2016	2017
<i>Plastics</i>	ton	3,772	4,684	5,137
<i>Chemicals</i>	ton	1,858	1,882	1,727
<i>Metal components</i>	ton	569	795	840
<i>Textiles</i>	ton	489	464	518
Total	ton	6,687	7,824	8,222

⁵ The information includes the waste produced by Italy, Romania, Spain and Portugal.

In addition to the materials used for production purposes, we used cardboard, pallets and other materials for the packaging of our finished products before distributing them to customers. Consistently with the increase of production, the amount of cardboard used also shows a progressive increase between 2015 and 2017 (approximately +11%), while the quantity of pallets used shows a decreasing trend, due to logistics optimization initiatives.

MATERIAL USED	unit	2015	2016	2017
<i>Cardboard</i>	ton	3,989	3,957	4,431
<i>Pallets</i>	ton	1,832	1,684	1,512
Total	ton	5,821	5,641	5,943

In order to reduce the material used and thus improve our environmental performance in the production units, offices and shops, we have initiated a dematerialization process, where possible, by shifting towards the use of digital documents and tools.





5. Methodological note

Artsana's Sustainability Report has been prepared in accordance with the GRI Standards: Core option. The contents of this report reflect the results of the materiality analysis, as required by GRI Standards and described in Chapter 1.

The following table shows the links between our material issues and the related GRI Standards topics and it illustrates for each material topic the reporting boundaries, i.e. the impacts generated both within and outside Artsana Group. The economic performance is related to the whole Artsana Group, while the social and environmental information refer to the **baby care area**, represented by the brands Chicco, NeoBaby, Boppy and Fiocchi di Riso, and comprise data related to:

- the production sites located in Italy and Romania;
- Italian owned shops;
- our commercial subsidiaries in France, Spain, Portugal and the USA;
- the headquarters located in Grandate (Como).

Any exceptions to the reporting boundary are indicated in the text.

OUR MATERIAL ASPECTS	GRI MATERIAL TOPICS	ASPECT BOUNDARY	
		Within the organization	Outside the organization
Affordability and fair pricing	Economic performance	Artsana Group	-
Anti-corruption and business ethics	Anti-corruption	Artsana Group	-
Compliance with laws and regulations	Socio-economic compliance	Artsana Group	-
	Environmental compliance		
Consumer centrality	-	Artsana Group	-
Employee care	Employment	Artsana Group	-
	Training and Education		
	Diversity and Equal Opportunity		
Energy efficiency and climate change	Energy	Artsana Group	Suppliers
	Emissions		
Evolution of distribution channels	-	Artsana Group	-
Human rights	Child Labor	-	Suppliers
	Forced or Compulsory Labor		
	Human rights assessment		
Innovation, research and development	-	Artsana Group	-
Occupational Health and Safety	Occupational Health and Safety	Artsana Group	Suppliers
Product environmental impacts	Materials	Artsana Group	Final consumers Suppliers
	Energy		
	Water		
	Effluents and waste		
	Emissions		
Product responsible communication	Marketing and Labeling	Artsana Group	-
Product social responsibility	Marketing and Labeling	Artsana Group	-
Product quality and safety	Customer Health and Safety	Artsana Group	-
Responsible supply chain	Supplier Environmental Assessment	Artsana Group	-
	Human Rights Assessment		
	Supplier Social Assessment		
Use of raw materials	Materials	Artsana Group	Suppliers

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

5.1 GHG Calculation Methodologies

In order to calculate GHG indicators included in our Sustainability Report, we have used the methodologies and assumptions described below.

The following table shows the conversion factors that have been used:

Fuel density	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors 2017 - Full set, 2017
LCV (Lower Calorific Value)	MATTM (The Ministry of the Environment and Protection of Land and Sea), Table of national standard parameters, 2017

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



Emissions have been calculated as follows:

GHG EMISSIONS SCOPE 1			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Diesel, natural gas and LPG for heating and other purposes	Fuel consumption	MATTM (The Ministry of the Environment and Protection of Land and Sea), Table of national standard parameters, 2017	Only CO ₂ emissions were considered
Company's car fleet	Fuel consumption	MATTM (The Ministry of the Environment and Protection of Land and Sea), Table of national standard parameters, 2017	Only CO ₂ emissions were considered
Leakages from air-conditioning systems of refrigerant gases	Leakage	-	Global Warming Potentials (GWPs) are taken from IPCC Fifth Assessment Report (AR5).

GHG EMISSIONS SCOPE 2			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Electricity purchased from national grid – location-based method	Electricity consumption	Terna, International Comparisons, 2016 (Total gross production)	Only CO ₂ emissions were considered
Electricity purchased from national grid - market-based method	Electricity consumption	AIB - European Residual Mixes last publication, data referring to 2015	Only CO ₂ emissions were considered

GHG EMISSIONS SCOPE 3			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Business travels by air	Distance per passenger	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors 2017 - Full set, 2017, 2016, 2015	GWPs are taken from IPCC Fourth Assessment Report (AR4).
Business travels by train	Distance per passenger	Italian State Railways, "Sustainability Report 2015", 2015	Only CO ₂ emissions were considered
Logistics (trucks, train and cargo ships)	Distance/Distance per weight transported	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors 2017 - Full set, 2017, 2016, 2015	GWPs are taken from IPCC Fourth Assessment Report (AR4).

5.2 Contacts

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6. GRI CONTENT INDEX

GRI Standard	Disclosure	Paragraph
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016	Organizational profile	
	102-1 Name of the organization	1.5 The Group as of today
	102-2 Activities, brands, products, and services	1.2 Our history 1.3 Our brands
	102-3 Location of headquarters	1.1 Our identity and values 5.2 Contacts
	102-4 Location of operations	1.5 The Group as of today: Our market presence
	102-5 Ownership and legal form	1.5 The Group as of today: Our Corporate Governance
	102-6 Markets served	1.5 The Group as of today: Our market presence
	102-7 Scale of the organization	Our sustainability highlights
	102-8 Information on employees and other workers	3 Nurturing our people
	102-9 Supply chain	4.1 Building a resilient production network
	102-10 Significant changes to the organization and its supply chain	1.5 The Group as of today 4.1 Building a resilient production network
	102-11 Precautionary Principle or approach	1.4 Our Global Ambition towards Sustainability
	102-12 External initiatives	2.4 Empowering the children and families in our communities
	102-13 Membership of associations	2.2 Quality, safety and design
	Strategy	
102-14 Statement from senior decision-maker	CEO Message	
	Ethics and integrity	
102-16 Values, principles, standards, and norms of behavior	1.5 The Group as of today: Our Corporate Governance	
	Governance	
102-18 Governance structure	1.5 The Group as of today: Our Corporate Governance	
	Stakeholder engagement	
102-40 List of stakeholder groups	1.6 About this Sustainability Report: Our stakeholders	
102-41 Collective bargaining agreements	3 Nurturing our people	
102-42 Identifying and selecting stakeholders	1.6 About this Sustainability Report: Our stakeholders	
102-43 Approach to stakeholder engagement	1.6 About this Sustainability Report: Our stakeholders	
102-44 Key topics and concerns raised	1.6 About this Sustainability Report: Material topics	
	Reporting practice	
102-45 Entities included in the consolidated financial statements	1.6 About this Sustainability Report: Scope 5. Methodological note	
102-46 Defining report content and topic Boundaries	5. Methodological note	
102-47 List of material topics	1.6 About this Sustainability Report: Material topics 5. Methodological note	
102-48 Restatements of information	The reporting scope has been changed than the last year report thus 2015 and 2016 data have been updated consequently.	
102-49 Changes in reporting	The reporting scope has been widened from last year, also considering commercial subsidiaries in France, Spain, Portugal and the USA.	
102-50 Reporting period	1.6 About this Sustainability Report: Scope	
102-51 Date of most recent report	2016 Sustainability Report	
102-52 Reporting cycle	Annual	
102-53 Contact point for questions regarding the report	5.2 Contacts	
102-54 Claims of reporting in accordance with the GRI Standards	5. Methodological note	
102-55 GRI content index	6. GRI Content Index	
102-56 External assurance	This report is not subject to external assurance.	

GRI Standard	Disclosure	Paragraph	Omission/Note
Material Topics			
GRI 200 Economic Standard Series			
Economic Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
	103-2 The management approach and its components	1.5 The Group as of Today: Our market presence	
	103-3 Evaluation of the management approach	1.5 The Group as of Today: Our market presence	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.5 The Group as of Today: Our market presence	
Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
	103-2 The management approach and its components	1.5 The Group as of today: Our Corporate Governance	
	103-3 Evaluation of the management approach	1.5 The Group as of today: Our Corporate Governance	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	--	<p>During the reporting period, the Company did not register any confirmed incident:</p> <ul style="list-style-type: none"> • of corruption; • in which employees were dismissed or disciplined for corruption; • when contracts with business partners were terminated or not renewed due to violations related to corruption. <p>The Company did also not register any public legal cases regarding corruption brought against the organization or its employees.</p>
GRI 300 Environmental Standards Series			
Materials			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
	103-2 The management approach and its components	4.3 Managing our environmental impacts: Materials and packaging	
	103-3 Evaluation of the management approach	4.3 Managing our environmental impacts: Materials and packaging	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	4.3 Managing our environmental impacts: Materials and packaging	
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
	103-2 The management approach and its components	4.3 Managing our environmental impacts: Energy consumptions and efficiency	
	103-3 Evaluation of the management approach	4.3 Managing our environmental impacts: Energy consumptions and efficiency	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.3 Managing our environmental impacts: Energy consumptions and efficiency	No renewable energy consumed.



Water

	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
GRI 103: Management Approach 2016	103-2 The management approach and its components	4.3 Managing our environmental impacts: Water consumptions and waste management	
	103-3 Evaluation of the management approach	4.3 Managing our environmental impacts: Water consumptions and waste management	
GRI 303: Water 2016	303-1 Water withdrawal by source	4.3 Managing our environmental impacts: Water consumptions and waste management	



Effluents and Waste

	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
GRI 103: Management Approach 2016	103-2 The management approach and its components	4.3 Managing our environmental impacts: Water consumptions and waste management	
	103-3 Evaluation of the management approach	4.3 Managing our environmental impacts: Water consumptions and waste management	
GRI 303: Effluents and Waste 2016	306-2 Waste by type and disposal method	4.3 Managing our environmental impacts: Water consumptions and waste management	



Emissions

	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
GRI 103: Management Approach 2016	103-2 The management approach and its components	4.3 Managing our environmental impacts: Greenhouse gas (GHG) emissions	
	103-3 Evaluation of the management approach	4.3 Managing our environmental impacts: Greenhouse gas (GHG) emissions	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.3 Managing our environmental impacts: Greenhouse gas (GHG) emissions	
	305-2 Energy indirect (Scope 2) GHG emissions	4.3 Managing our environmental impacts: Greenhouse gas (GHG) emissions	
	305-3 Other indirect (Scope 3) GHG emissions	4.3 Managing our environmental impacts: Greenhouse gas (GHG) emissions	

Environmental Compliance

	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
GRI 103: Management Approach 2016	103-2 The management approach and its components	1.5 The Group as of today: Our Corporate Governance	
	103-3 Evaluation of the management approach	1.5 The Group as of today: Our Corporate Governance	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations		We have not identified any non-compliance with environmental laws and regulations.



Supplier Environmental Assessment

	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
GRI 103: Management Approach 2016	103-2 The management approach and its components	4.2 Building responsible supply chains and far-reaching distribution channels	
	103-3 Evaluation of the management approach	4.2 Building responsible supply chains and far-reaching distribution channels	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	4.2 Building responsible supply chains and far-reaching distribution channels	100% finished product suppliers are screened using environmental criteria (43 out of 177 are new suppliers)

GRI 400 Social Standards Series

Employment

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
	103-2 The management approach and its components	3 Nurturing our people	
	103-3 Evaluation of the management approach	3 Nurturing our people	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	3 Nurturing our people	Rates by age group, gender and region.

Occupational Health and Safety

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
	103-2 The management approach and its components	3.2 Creating a safe and healthy work environment	
	103-3 Evaluation of the management approach	3.2 Creating a safe and healthy work environment	
GRI 403: Occupational Health and Safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	3.2 Creating a safe and healthy work environment	Information unavailable: gender breakdown are not collected and health and safety rates for workers not available.

Training and Education

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
	103-2 The management approach and its components	3.1 Developing our talent	
	103-3 Evaluation of the management approach	3.1 Developing our talent	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	3.1 Developing our talent	

Diversity and Equal Opportunity

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
	103-2 The management approach and its components	1.5 The Group as of today: Our Corporate Governance 3 Nurturing our people	
	103-3 Evaluation of the management approach	1.5 The Group as of today: Our Corporate Governance 3 Nurturing our people	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	1.5 The Group as of today: Our Corporate Governance 3 Nurturing our people	

Child Labor

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
	103-2 The management approach and its components	1.5 The Group as of today: Our Corporate Governance 4.2 Building responsible supply chains and far-reaching distribution channels	
	103-3 Evaluation of the management approach	1.5 The Group as of today: Our Corporate Governance 4.2 Building responsible supply chains and far-reaching distribution channels	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	1.5 The Group as of today: Our Corporate Governance 4.2 Building responsible supply chains and far-reaching distribution channels	



Forced or Compulsory Labor

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
	103-2 The management approach and its components	1.5 The Group as of today: Our Corporate Governance 4.2 Building responsible supply chains and far-reaching distribution channels	
	103-3 Evaluation of the management approach	1.5 The Group as of today: Our Corporate Governance 4.2 Building responsible supply chains and far-reaching distribution channels	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	1.5 The Group as of today: Our Corporate Governance 4.2 Building responsible supply chains and far-reaching distribution channels	



Human Rights Assessment

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
	103-2 The management approach and its components	4.2 Building responsible supply chains and far-reaching distribution channels	
	103-3 Evaluation of the management approach	4.2 Building responsible supply chains and far-reaching distribution channels	
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	4.2 Building responsible supply chains and far-reaching distribution channels	All 177 finished product suppliers have been subjected to human rights reviews (10% of the total number of suppliers, corresponding to 66% of the total amount spent on suppliers).



Supplier Social Assessment

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
	103-2 The management approach and its components	4.2 Building responsible supply chains and far-reaching distribution channels	
	103-3 Evaluation of the management approach	4.2 Building responsible supply chains and far-reaching distribution channels	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	4.2 Building responsible supply chains and far-reaching distribution channels	100% finished product suppliers are screened using social criteria (43 out of 177 are new suppliers)

Customer Health and Safety

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
	103-2 The management approach and its components	2.2 Quality, safety and design	
	103-3 Evaluation of the management approach	2.2 Quality, safety and design	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	2.2 Quality, safety and design	Confidentiality constraints: sensitive information for the business, only qualitative information reported.

Marketing and Labeling

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note	
	103-2 The management approach and its components	2.2 Combining quality, safety and design	
	103-3 Evaluation of the management approach	2.2 Combining quality, safety and design	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	2.2 Combining quality, safety and design	Only qualitative information reported.

Socio-economic Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note
	103-2 The management approach and its components	1.5 The Group as of today: Our Corporate Governance
	103-3 Evaluation of the management approach	1.5 The Group as of today: Our Corporate Governance
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	We have not identified any significant non-compliance with laws and regulations related to social and economic area.
Consumer centrality		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note
	103-2 The management approach and its components	2. Nurturing our children and families
	103-3 Evaluation of the management approach	2. Nurturing our children and families
Evolution of distribution channels		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note
	103-2 The management approach and its components	4.2 Building responsible supply chains and far-reaching distribution channels
	103-3 Evaluation of the management approach	4.2 Building responsible supply chains and far-reaching distribution channels
Innovation, research and development		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note
	103-2 The management approach and its components	2.1 Reinforcing our know-how and daring to innovate
	103-3 Evaluation of the management approach	2.1 Reinforcing our know-how and daring to innovate
Social initiatives		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.6 About this Sustainability Report: Material topics 5. Methodological note
	103-2 The management approach and its components	2.4 Empowering the children and families in our communities
	103-3 Evaluation of the management approach	2.4 Empowering the children and families in our communities

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