

ARTSANA

2020 Sustainability Report





CEO message

Dear Stakeholder,

2020 has been a year that none of us will forget because of the **critical health and socio-economic context caused by the Covid-19 pandemic** that involved the entire globe.

Artsana, with its **presence and branches worldwide** and the consequent complexities, has put in place a great effort to manage this crisis giving absolute priority to the **health and safety of its employees**, and aiming at guaranteeing the **business continuity**, and the **constant dialogue with its customers and all its stakeholders**.

For the safeguarding of our employees, we established a **specific Company Committee** with the aim of drawing up the **Artsana's Covid-19 Protocol**, and then verifying the correct application of its rules. Additionally, in order to reduce the contact between people, we activated **smart working** for all employees who can carry out their work from home, providing them all the necessary tools. Furthermore, we monitored contagions in order to ensure a healthy and safe working environment, launched a **screening campaign** for the personnel of warehouses, and tested employees that came into potential contact with positives people for all the other sites.

To ensure closeness to our customers, Artsana carried out the **#NEXT2YOU project**, with which Chicco offered all its support to the families during this difficult period, activating several online initiatives to stay *"apart but close"* to parents.

With the ambitious aim of creating a **sustainable thinking** to extend progressively across the whole organization, starting from headquarter level, in 2020 we continued to carry on the initiative – started in 2019 - called **"How to spread sustainability culture"**, a dedicated training program to spread the sustainability culture across the Group.

Within this scenario and path, 2020 was also the year of consolidation of the new vision of our Group, thanks to which **sustainability is confirmed as a key company value**. With the concept of **sustainable parenting**, Artsana's commitment has been extended not only to children, parents, or people in general, but also to the future, including new generations, the whole society and the environment.

According to this, 2020 has been the year in which Artsana has reaped the fruits of the work done in previous years, widening its commitment in sustainability, as well as the scope of this report that, for the first time, also included the brand **Control**. For

Control, one of the leading sexual wellbeing brands in the European market, **parenting** becomes something to learn before becoming parents and, with its *manifesto*, it celebrates **diversity** and elevates **inclusivity**: two important pillars of social sustainability.

Starting from this year, the Group has established a set of strategic, connected with different **ESG (Environment, Social and Governance)** macro-areas, such as *GHG (Greenhouse Gas) Emissions & Climate Change, Environmental Sustainability of Products & Packaging, Responsible Value Chain, and Social Commitment & Human rights*, with the aim of developing these approaches year after year, converting them into practical initiatives, actions, and measurable targets.

In particular, the reduction of GHG emissions is a strategic area of responsibility for all the companies, and, in line with this commitment, we have continued on our path in this direction, installing photovoltaic panels at Gessate to generate renewable electric energy and purchasing **Guarantees of Origin** for the overall Italian electricity consumption.

The Group has also continued to introduce, within its production process, the use of more **sustainable materials**, both in terms of raw and packaging materials, in order to reduce the relative **environmental footprint**. Also, the integration of sustainability in innovation and product development will be a priority for the coming years, and it will be driven by the new common culture of the teams involved, supported by specific internal tools and guidelines and monitored in projects reviews.

To tell and deepen our commitment and our initiatives, it is with real pleasure that I present the Artsana's **2020 Sustainability Report**, prepared with the goal of communicating our approach on sustainability and our progress on economic, social and environmental challenges, in line with the **United Nations Global Compact**, for which we are a signatory member since 2017, and our continued efforts in transparent communication and dialogue with our stakeholders.

Claudio De Conto
Artsana CEO

Our Sustainability Highlights

ARTSANA  GROUP



41

Branches
Worldwide



€ 1,516 mln

Net
Revenues



8,316

People Employed
Worldwide



€ 1,430 mln

Direct Economic
Value distributed

Our Sustainability Reporting*



PARENTING
FOR **GROWING**
TOGETHER

4,800
family
course
attendees



>1,500
members of
Artsana Open
Innovation
Platform



>8,000
children
helped by
solidarity
initiatives



>10,000
products
distributed thanks
to "Baby Spesa
SOSpesa"



PARENTING FOR
STRENGTHENING
OUR PEOPLE

3,853
workforce



68%
of the workforce
are women



95%
employees with
permanent
contract



15,279 h
of training
for employees



PARENTING
THE EARTH

1,665 tCO₂
avoided CO₂
emissions from
projects



83%
non-hazardous
waste sent
to recovery



18,776 GJ
energy
savings
from projects



100%
finished product
suppliers
screened using
environmental and
social criteria

Note:

* The information corresponds to the brands: Chicco, NeoBaby, Boppy, Fiocchi di Riso, Fisiolact, Goovi, Recaro and Control, and includes the commercial and production sites located in Italy, Romania and Spain, the commercial subsidiaries in Argentina, Brazil, Belgium, China, France, Germany, India, Japan, Mexico, Poland, Portugal, Russia, Switzerland, Turkey, UK and the USA, the headquarter located in Grandate (Como) and the Italian owned shops.

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How we parent

Since its birth in 1946, Artsana has always had a clear goal: to care for families and children. Over time, this vision has progressed and grown along with changes in society.

For this reason, our concept of **care** today is broader and includes **society** and the **environment**.

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

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

The new concept of "caring" for Artsana today concerns not only parents and children, but also the plethora of figures who are involved in the care and love of children. This listening to broader needs has allowed the Group to develop know-how across the various product categories (from car safety to dermocosmetics, from nutrition to clothing), aware that being a parent, in the broadest sense of the term, means developing a **deep care**, not only for children, but for the whole world in which they grow up.



1.1 The values for sustainable parenting

Thanks to its heritage and knowledge and through a wide range of brands and competences, Artsana always stays close to people by promoting and supporting parents, families and children's well-being in every moment of their life.

The global success of Artsana is attributed to its strong **passion**, high sense of **responsibility**, **innovation** and its commitment to enhance its **people**, values that are common to the entire Group worldwide and all its brands that are inspiring a new vision of sustainable parenting.

In fact, even in its daily operations and initiatives Artsana embraces this vision, leveraging on its **specialist expertise**, consolidated by more than 70 years of experience, and its commitment for **sustainability**.

On the way to sustainable parenting

Through Chicco, its most recognised brand in Italy and worldwide, Artsana has strong market positioning. This is also due to its attention to children and their families, offering **parents 360° support** thanks to its perfect knowledge of the needs of children and parents.

Based on these insights, the brand continuously evolves its approach, starting with **parents** or, in a broader sense, **care givers**, offering them practical solutions to **meet their needs**, while also ensuring the well-being of their children.

The moment a child is born, a parent is also born. And as a child grows, a parent learns to become one, day after day. Because **parenthood is a journey**, not a point of arrival. Artsana works to **make this parenting an accessible and desirable choice for everyone**, guiding and facilitating every parent in every daily challenge.

Parenthood is becoming one of the main values, not only for Chicco, but for the entire Artsana ecosystem, where each brand applies it according to its specificity, satisfying all the vertical needs of parents. But parenting is a concept that embraces many different people who live close to and care for children.

In accordance with this concept, **parenting** for Artsana is a **sustainable choice** and is promoted as a pillar of human culture.

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

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

Artsana Group Timeline

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

1946

Pietro Catelli founds Artsana, as a sales agency specialised in the production and distribution of products for venipuncture and medication.

1958 

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

1967



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

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



1975

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



1977

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



1992

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



1996

Opening of branches in the US and Turkey



19
98

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



20
08

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



20
11

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.



20
16

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



20
17

goovi
good. easy. natural.

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

RECARO

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

20
18

20
19



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

Opening of Artsana Japan branch.

1.2 The Group as of Today

Since 2016, Artsana Group's shares are owned by Baby Care International (60% of shares), a company indirectly participated in by funds managed by Investindustrial and by Catelli S.r.l. (40% of shares)

Prenatal Retail
Group S.p.A. 100%



International
Artsana S.p.A. (Italy) 100%

The Good Vibes Company S.r.l. (Italia) 75%

S.C. Artsana Romania SRL (Romania) 100%

The Boppy Company, LLC (USA) 100%

Recaro Kids S.R.L. (Italia) 100%



As of December 31, 2020, Artsana Group employs 8,316 people. The 2020 approximate revenues are equal to € 1,516 million.



1.2.1

Our Brands

Artsana operates in the **parenting area**, which means more than baby-care. That is why, through its wide brands portfolio, it inclusively embraces parenting, a key value of its **ecosystem**, not in the strict sense, but as a whole, with brands also

dedicated to individual and couple wellness. According to this, every brand applies parenting in a different way with a specific competence, making Artsana a multi-specialised and transversal company.

Artsana's brands:



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



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



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



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



FISIOLACT
giusto per il tuo latte

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



RECARO

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



**PRE
NA
TAL**
RETAIL GROUP

Prénatal is the international flagship retail brand, tackling parents' functional and emotional needs. It's about a 360° product assortment, combined with a long-lasting brand heritage of independence and competence, well recognised and trusted by parents. Prénatal spans many parenting needs, with around 300 stores in Europe. Babycare Retailer n.1 in Italy



goovi
good. easy. natural.

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



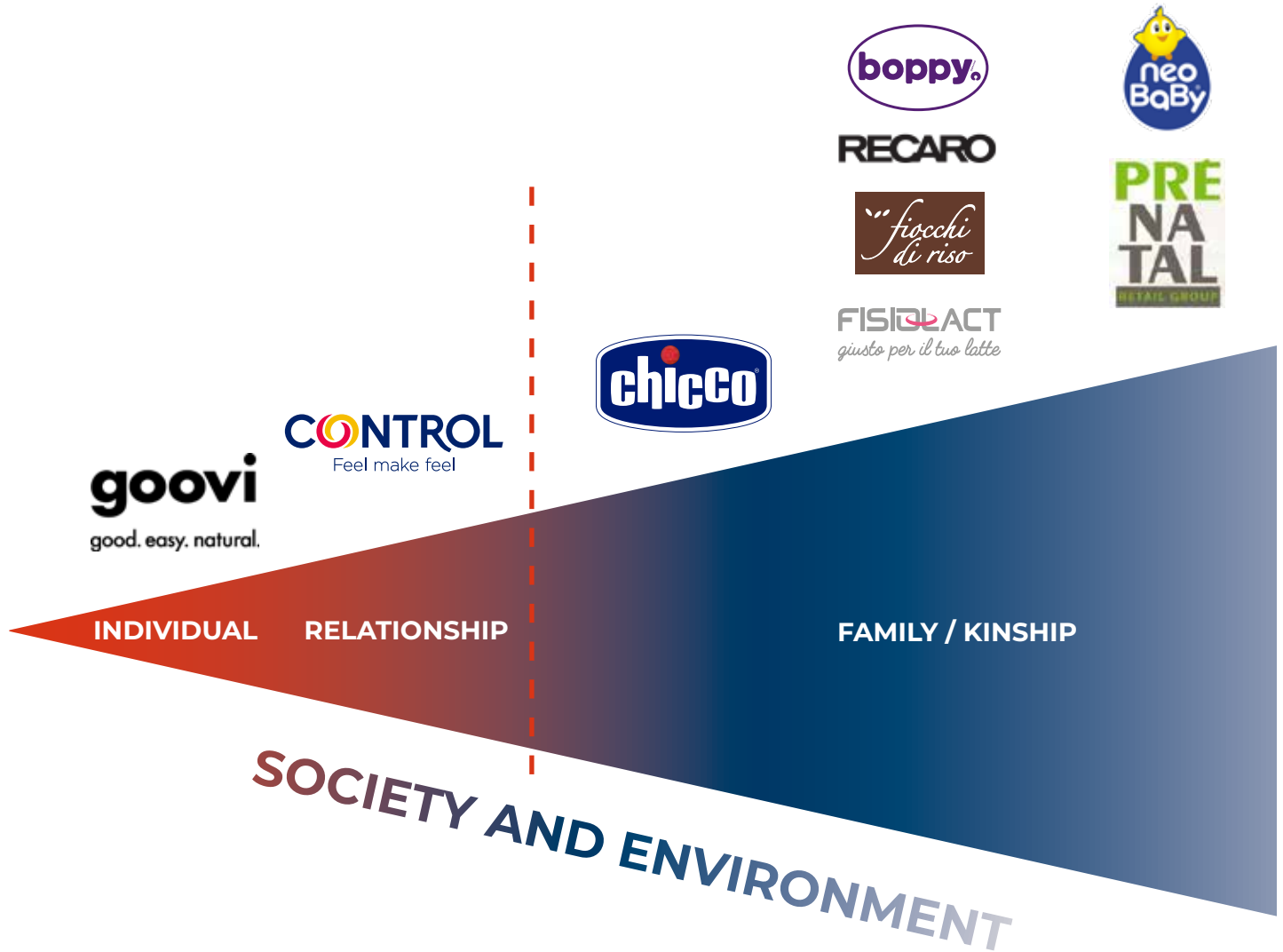
CONTROL
Feel make feel

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



We operate in the parenting area, which means more than baby-care: our broad brand portfolio caters for all the challenges faced by those who parent children, society, and the environment.

Every brand applies parenting, a key value of the Artsana ecosystem, in a different way with a specific competence.





CONTROL

Feel make feel

Control, one of the leading sexual health brands in the European market, was created in 1977, as a **specialist brand of condoms**. In 2002 the business expanded with the introduction of another category of products, the **gels**, and then, in 2017, also the **toys** category was included.

Between 2019 and 2020, the brand achieved a **complete relaunch** including **positioning, logo, packaging and communication**.

According to the **new positioning**, Control aims to be the guide enlightening everyone in the extraordinary journey towards pleasure through **free, well-informed and happy sexuality**.

Artsana has a long tradition of childhood-based products, but the 'parent more' approach has led the Group to consider all the nuances of parenting and to open up to new horizons. In this context, the whole Artsana's brands portfolio aims to reflect the ambitious purpose of nurturing parenting rather than just satisfying parents. According to this, sex is a preliminary step where people learn to merge individual pleasure and altruism in the same act and healthy relationships are necessary steps to learn

parenting. For Control, parenting starts from the mutual respect of relationships, especially when it comes to sex, in order to avoid living sexual pleasure by an egocentric perspective. Control claims sex as care about someone else's well-being, both in terms of pleasure and health.

The **values** in which Control believes are **personal relationships, self-expression, safety** and **pleasure** and its **mission** is making sexual well-being possible for everyone, building happy relationships with ourselves and the others, at any time in life.

Moreover, the brand has written down a series of principles to guide people on the fascinating journey to discover sexuality, and to always remind them which side to stand and what to fight for. This is the **Control Manifesto**.

CONTROL MANIFESTO

We stand for the pursuit of pleasure and the pleasure of giving pleasure to others.

We stand for a positive, inclusive, open idea of sexuality

We believe age is an opportunity, not a fence.

We believe human gender is not determined by biological sex.

We stand for free and individual rules of attraction, because you fall in love with human beings, not with their sex.

We stand for respect and consent in every kind of relationship.

We stand for pleasure as a right, never as a duty.

We believe all bodies are beautiful, no matter their shape or size.

We stand for sexuality as a journey in which we learn, we change, we evolve.

This Manifesto is a hymn to diversity and inclusion and **#LoveAsYouAre** is its expression.



Love As You Are is the line that express the positioning in communication. It celebrates **diversity**, elevates **inclusivity** respect to different genders, sexual orientations, type of bodies, age and ethnicity, empowers **freedom of expression**, and encourages everybody to love who they are, and love as they are.

Sexuality and a **new sense of gender** are the biggest shift in our culture, and it is happening in our lifetime.

The contemporary sexuality is characterised by different factors, such as the rise of new values (diversity, inclusiveness, respect and consent), new gender identities, the digitalisation of sex, the disorientation of the new generations and also the Covid-19 effect on relationships. In this evolving scenario, the pursuit of sexual well-being becomes a journey through changes in people and the society we live in.

At the end of 2019, Control launched the advertising campaign: **Sex is beautifully Imperfect**, that is part of the new and broader brand positioning.

The campaign is based on the fact that sex is often shown as something perfect, but, on the contrary, real life shows us the opposite. According to this, the concept of the campaign

focuses on those moments when sex doesn't go exactly as expected or imagined, to say that this is perfectly fine. An idea of inclusive sexuality, without judgement or prejudice, without pretence or provocation.

Launched in Italy in November 2019 and in Spain and Portugal in 2020, the campaign consisted in a film with four different subjects for four very significant and above all real insights, which make people smile when faced with realistic situations with which they can easily identify, precisely because they are far from the glossy representation of a relationship between two people.

The success of Control's film 'Beautifully Imperfect Sex' has been recognised at **The Indie Awards**, the Global Awards designed for independent agencies across all communications disciplines, receiving the silver in the Creative - Audiovisual category.

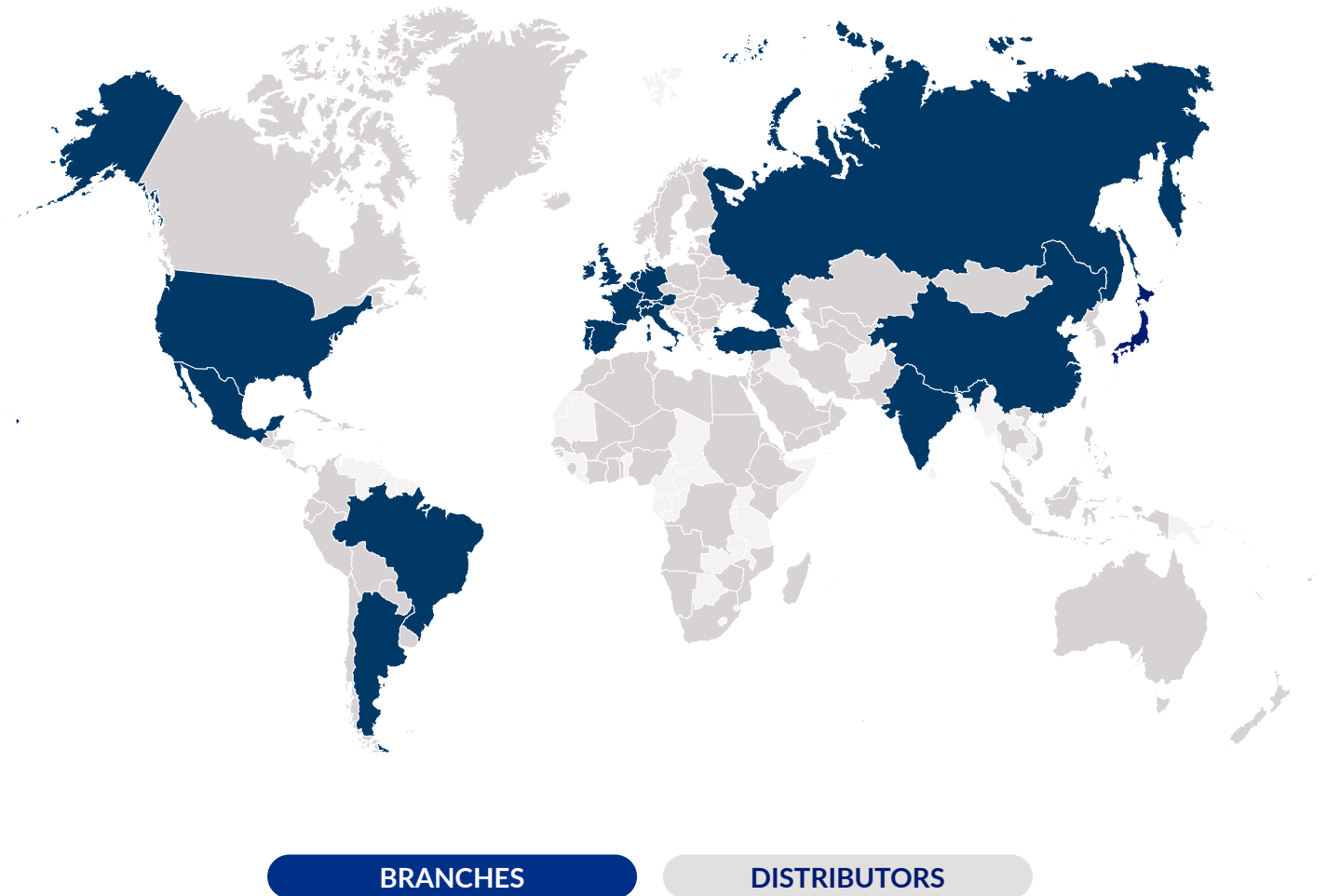
In addition, it has also received three other awards at the **Argentinean festival El Circulo de Creativos Argentinos**, one of the most important national awards of South America. Specifically, the film won a silver for the best direction and a silver for best acting, as well as a bronze for the best cinematography.

1.2.2

Our market presence

As of December 31, 2020, Artsana has **41 branches (27 Artsana and 14 PRG Group) worldwide, more than 300 points of sales** related to Chicco and more than 700 related to PRG Group.

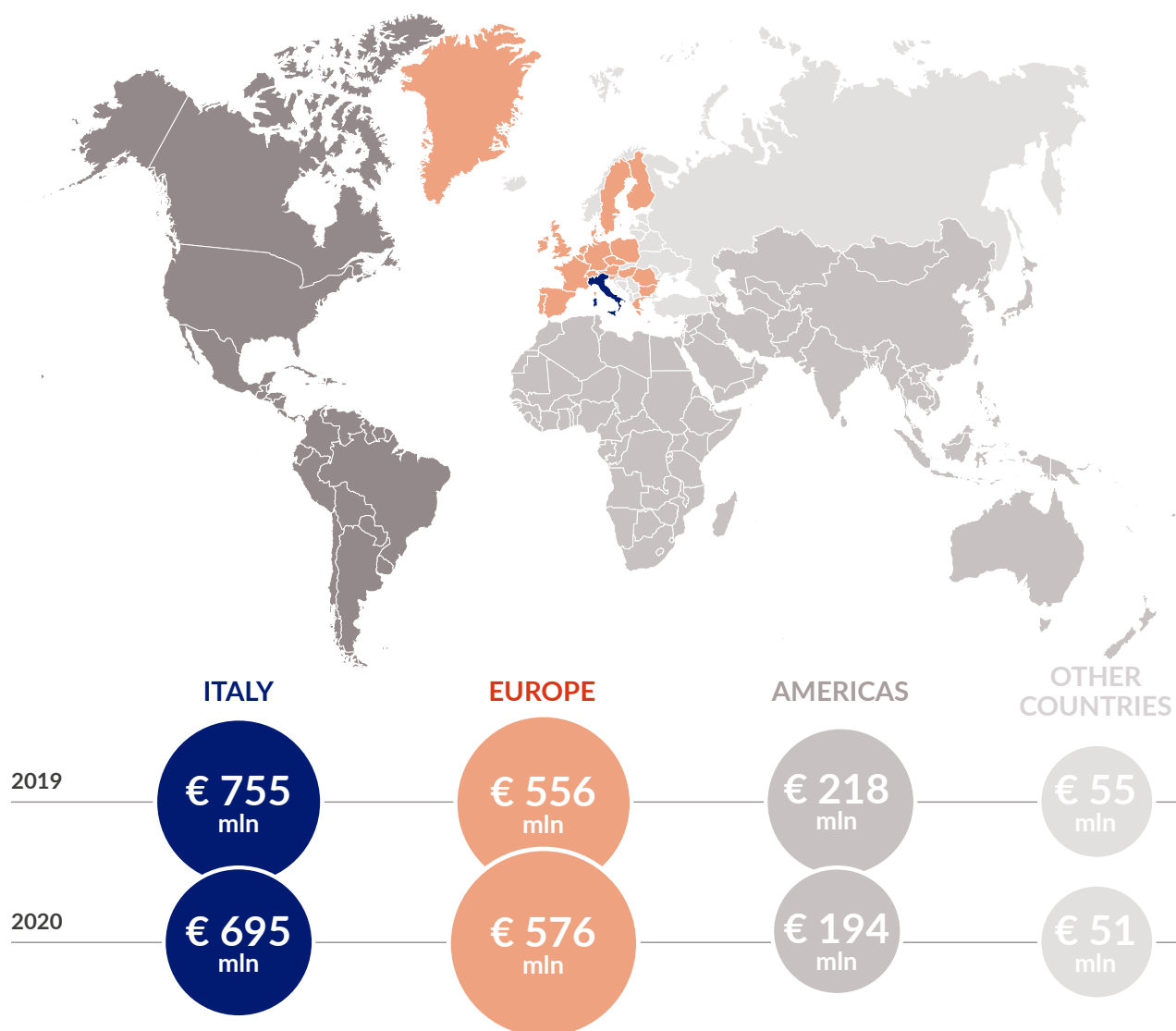
Artsana branches and distributors worldwide



Thanks to its rich brands and products portfolio, the Group is present in all the most important **distribution channels** at a worldwide level: baby shops, pharmacies, international distributors, mass market and e-commerce.

In the recent years, Artsana has been creating dedicated e-stores in many different countries: in June 2020, a Chicco e-store has been just launched in Spain, and in September 2020, in Turkey.

Net sales by region



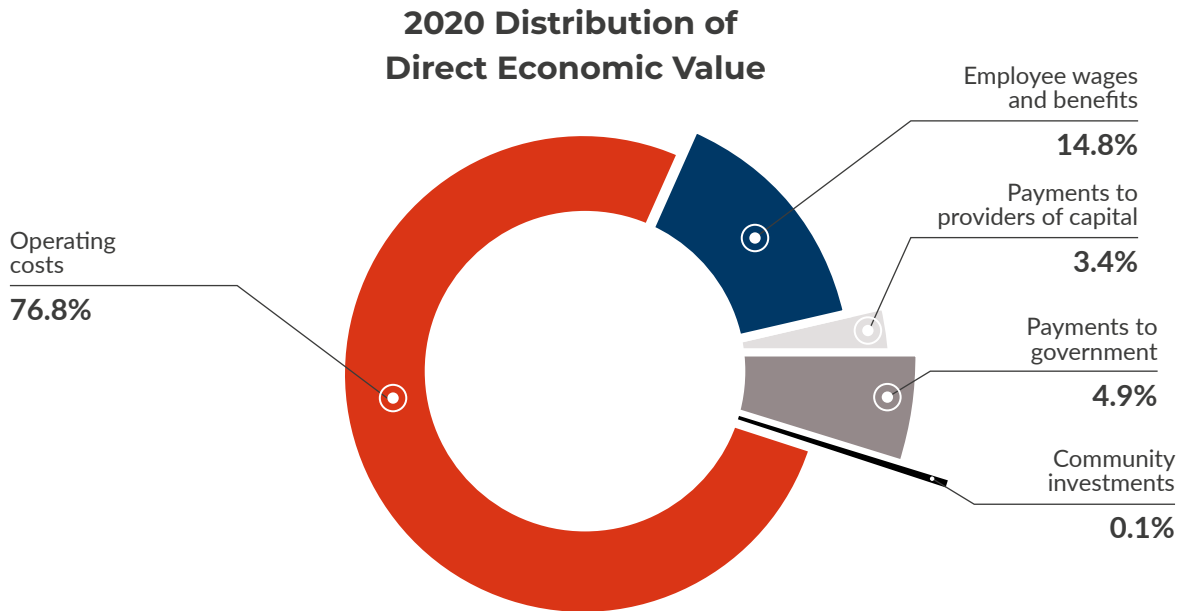
Considering the whole Group, **direct economic value generated** and **direct economic value distributed** amount respectively to € 1,543 million and € 1,430 million.

	2018	2019*	2020
Direct economic value generated [k€]	1,665,541	1,628,577	1,542,618
Direct economic value distributed [k€]	1,586,204	1,498,419	1,430,166
Operating costs	1,241,233	1,146,481	1,098,033
Employee wages and benefits	228,444	226,543	211,272
Payments to providers of capital	33,639	48,444	48,640
Payments to government	81,444	75,761	70,977
Community investments	1,444	1,191	1,244
Economic value retained [k€]	79,337	130,158	112,453

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

The creation and distribution of economic value provides a basic indication of how Artsana creates wealth for stakeholders. In particular, direct economic value is distributed to **suppliers** through operating costs (about 76.8%), to **employees** through wages and benefits

(14.8%), 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 highest governing body

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

In order to ensure the concept of “administrative responsibility”, the Group has implemented its own **Organizational, Management and Control Model**, in accordance with the requirements of the Italian Legislative Decree no. 231 of 8th June 2001.

The 231 Model is approved by the Board of Directors of Artsana S.p.A. and continuously updated in order to comply with the latest legal provisions. Additionally, Artsana is constantly engaged in improving the internal practices

on topics relating to anti-corruption and whistleblowing. According to this, **no episodes of corruption** were reported in the Group in the three-year period 2018-2020.

As a firm and consolidated practice, Artsana adopted a **Code of Ethics**, which formally establishes the set of fundamental ethical values that underpin the conduct of activities, as well as rights, duties and responsibilities with regard to all the stakeholders.

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



Did you know?

Artsana has prepared some **specific questionnaires** to be submitted to its **Distributors** in order to verify their **compliance with Anti-Bribery and Anti-Corruption laws and regulations** including, without limitation, the *U.S. Foreign Corrupt Practices Act of 1979*, the *UK Bribery Act of 2010*, and *Italian Legislative Decree no. 231/2001*, and all applicable economic sanctions, export, import, reexport, and transfer controls, and anti-boycott laws and regulations. The aim is improving the Group's control over the entire supply chain by ensuring the compliance with all applicable laws and regulations against anti-bribery and anti-corruption.

1.3 Our Sustainability commitment

1.3.1 Our strategy

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

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

For this reason, Artsana decided to report its sustainability performance via its **Sustainability Report**, starting from 2016, with the goal of introducing a framework to set sustainable priorities and targets and enriching year after year the communication with its stakeholders about its goals and plans on future challenges. In the same year, to spread Artsana's sustainability culture and to lead the Company's integration of sustainability throughout the business, the **Sustainability Committee** was created with the aim of raising internal and external awareness and implementing its sustainability agenda.

Since 2017, Artsana became a signatory member of the **United Nations Global Compact (UNGC)**,

the world's largest corporate sustainability initiative, adopting its Ten Principles on human rights, labor rights, environment and anti-corruption, and integrating them in its strategy. Additionally, Artsana is a member of the **Global Compact Network Italy Foundation** and actively participates in local working groups, round tables and activities within the network, aiming to address sustainability topics and to foster **Sustainable Development Goals (SDGs)** implementation, thanks to cross sectors cooperation. In particular, Artsana has aligned its goals within the 17 SDGs approved in 2015 by the General Assembly of the United Nations, with the aim to call for 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, social and environmental issues of our time.

The Group's contribution is visible especially on three specific SDGs, n. 3, n. 4 and n. 12, which are close to its mission and on which it was chosen to focus on, and, starting from this year, also on the SDG n. 13:



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

Guided by strong and shared values, Artsana has always had the health and well-being of the individual at its heart and it views sustainability as a daily promise to nurture children, families and people.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Artsana has 60 years' experience in the world of baby care and it continues to build on this expertise, aiming to understand and support children in every step of their growth, with professionalism, active passion and dedication into everything it does.



Ensure sustainable consumption and production patterns

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 Artsana to lay down deep roots in order to support a more sustainable future, to be considered with renewed awareness.



Ensure a world for the future generation, mitigating climate change impact

Climate change and the mitigation of its effects is one of the key challenges the world is facing. Artsana is committed to contribute to Climate Action SDG with the progressive reduction of GHG emissions, through energy consumption reduction, energy management/efficiency, use of renewable energy, circularity and value chain engagement.

Artsana aims to positively contribute to and promote sustainable development globally. According to this, it has defined its **ESG policy**, applicable to all subsidiaries and all processes and functions of the Artsana Group. In this way, the Group aims to ensure responsible business

both from an **environmental** point of view by measuring, monitoring and reducing Artsana's impact, and from a **social** and **governance** point of view by guaranteeing quality in the production and management of its business.

Responsible communication and transparency

Artsana **Sustainable Parenting** is the commitment to act responsibly, respecting people and environment, with an outlook to future generations. The Group assigns great importance to correct communication on the sustainability characteristics of products, through claims and icons placed on packs or

other communication and marketing tools. In order to avoid unsubstantiated claims, communication on sustainability features of materials and products is reviewed internally and with the support of external laboratories and advisors, taking into consideration, for example, rules and criteria set by international standards on environmental claims and labelling. In 2020, the Group decided to **extend its claims portfolio** by making it more detailed.



SUSTAINABLE PARENTING

Artsana Sustainable Parenting is the commitment to act responsibly, respecting people and environment, with an outlook to future and next generations.



SUSTAINABLE PRODUCT

Artsana aims at designing and providing products and services with an improved sustainability profile, with a positive impact for people and environment.



SUSTAINABLE PACKAGING

The packaging of Artsana products is designed and produced applying sustainability criteria, with the aim to reduce environmental impact and improve benefits for people.



RESPONSIBLE VALUE CHAIN

Aware of its role in developing a responsible business, Artsana encompasses sustainability throughout its whole value chain, from supplier's selection, to manufacturing activities and the distribution of products to customers, with the aim to positively impact on social, environmental and economic scenarios on a global scale.



SOCIAL COMMITMENT

Artsana is committed to develop a comprehensive culture of parenting, promoting the dialogue with all its stakeholders to foster people health & wellbeing and develop social and environmental consciousness, by:

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

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






In 2020, Artsana updated and shaped the pillars of its sustainability strategy for the coming years (2020-2030), aware of the continuously

evolving international scenario and of the growing challenges, dealing in particular with environmental sustainability and climate change.

ESG PILLAR	KEY TOPICS & APPROCH	RELATED SDGs and INITIATIVES
<p>GHG Emissions & Climate Change</p>	<p>Energy use and efficiency:</p> <ul style="list-style-type: none"> • Implementation of more efficient technologies and proper energy resources management approach definition. <p>Renewable energy:</p> <ul style="list-style-type: none"> • Increase in renewable energy consumptions. <p>GHG emissions:</p> <ul style="list-style-type: none"> • Reduction of GHG emissions generated (direct emissions and indirect emissions from energy purchase); • Measurement of other indirect GHG emissions and development of reduction strategies for coming years; • Evaluation of off-setting approach on residual GHG emissions. 	     
<p>Environmental Sustainability of Product & Packaging</p>	<p>Product:</p> <ul style="list-style-type: none"> • Assessment and progressive reduction of environmental footprint • Integration of sustainability criteria into the New Product Development (NPD) process • Introduction of sustainable and/or recycled materials • Focus on circularity, durability, and end of life <p>Packaging:</p> <ul style="list-style-type: none"> • Reuction of plastic & use of recycled plastic • Paper/cardboard from responsibly managed forests and/or recycled sources • Packaging reduction and optimisation • Reduction of packaging for e-commerce 	    

Artsana's commitments on sustainability remain unchanged and rooted in all its brands and activities, but, starting from this year, all initiatives, goals and targets dealing with sustainability will be reported referring to these four pillars:

- GHG emissions & Climate change;
- Environmental sustainability of Products and Packaging;
- Responsible Value Chain;
- Social commitment & Human rights.

ESG PILLAR	KEY TOPICS & APPROCH	RELATED SDGs and INITIATIVES
<p>Responsible Value Chain</p>	<ul style="list-style-type: none"> • Management system • Waste management • Water consumption • Transport & distribution • Suppliers ethical manufacturing • Suppliers environmental footprint <p>Build resilient and sustainable value chain, through suppliers engagement on ESG topics and continuous improvement of our manufacturing processes and facilities according to best practices.</p>	     
<p>Social Commitment & Human rights</p>	<ul style="list-style-type: none"> • Our people wellbeing, work life balance and professional skills development • Consumers and families good health and wellbeing • Sustainability culture & education • Communities & Solidarity <p>Keep on developing a comprehensive culture of parenting, promoting the dialogue with all stakeholders to foster people health & wellbeing, develop social and enviromental consciousness. Maintain and enlarge the commitment towards CSR projects for local communities.</p>	     

1.3.2

Our Stakeholders



Artsana has different stakeholders that could be significantly affected by its operations or whose actions could be reasonably expected to affect the ability to implement its strategy.

To identify them, Artsana has analysed the

relationships between the Company and the different categories of stakeholders, with the direct involvement of the management team and a constant and open dialogue with stakeholders. Additionally, Artsana's Sustainability Committee

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











As part of this constant effort, Artsana maintained also during 2020 a special focus on the project, launched in 2019, to build and spread the sustainability culture among its **employees**, through the creation of working groups engaged in proposing initiatives to be implemented within

the Company and with the goal of integrating sustainability in business processes.

Furthermore, the Group has started a dialogue with its **suppliers** to discuss their experiences on sustainability projects, with the aim of reaching a positive impact on sustainable consumption and production.

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

Stakeholder engagement model at Artsana

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

1.3.3

Material topics

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

The Sustainability Report has been prepared in accordance with the **GRI Standards, Core option**, and to define the report contents, Artsana followed the **GRI Standards reporting principles: stakeholder inclusiveness, sustainability context, materiality and completeness**.

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

For the **internal relevance analysis**, Artsana's branches and Corporate were asked to prioritise the same list of topics also from the Artsana's point of view.

The intersection of the results of these two analyses led to the definition of the Materiality Matrix 2019.

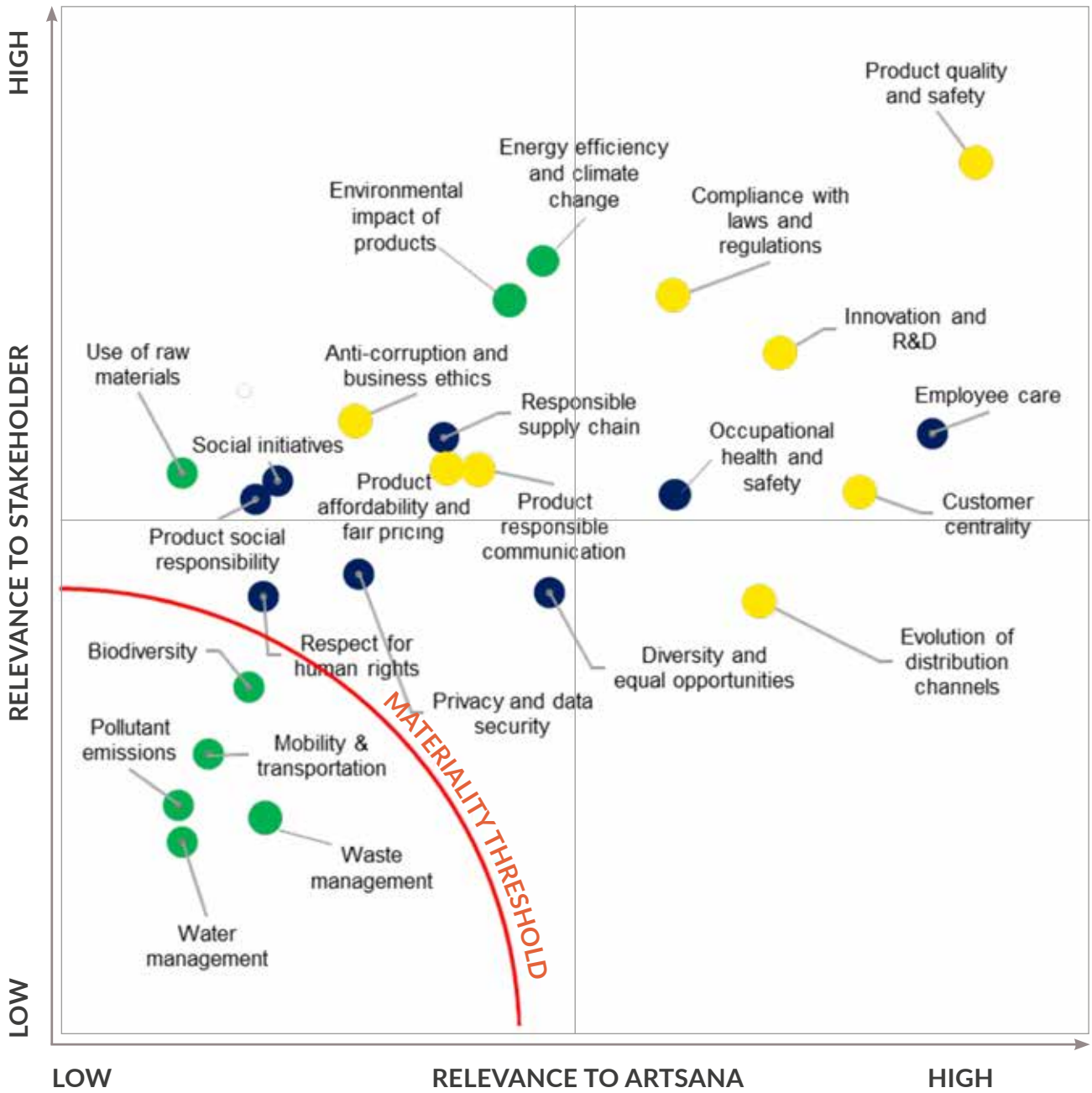
In 2020, in order to determine the relevance of topics from the stakeholder point of view, the

following analysis were again carried out: *a study of the Artsana's sector, a media review, a benchmark analysis and a macro trends one*. The relevance of topics from the Company point of view has been investigated during Artsana's Corporate interviews.

The Artsana's Materiality Matrix 2020 is fundamentally unchanged as compared to the previous year, except for the following movements:

- the topic **"Energy efficiency and climate change"** has been moved up along the y-axis due to the increasing attention paid to it by the stakeholders, and, at the same time, it has been shifted to the right along the x-axis in the light of the Group's drive in this direction due to the projects put in place;
- the topic **"Occupational health and safety"** has been moved up along the y-axis following the attention at global level towards this aspect due to the Covid-19, and, at the same time, it has been shifted to the right along the x-axis in the light of the Group's commitment demonstrated during the pandemic;
- the topic **"Environmental impact of products"** has been moved right along the x-axis according to the path undertaken by the Group to define and measure a series of sustainability topics associated with the product development;
- the topic **"Waste management"** has been also shifted to the right along the x-axis because of the several projects implemented by the Group to recycle and recover waste, remaining anyway below the materiality threshold.

ARTSANA'S 2020 MATERIALITY MATRIX



BUSINESS TOPICS

SOCIAL TOPICS

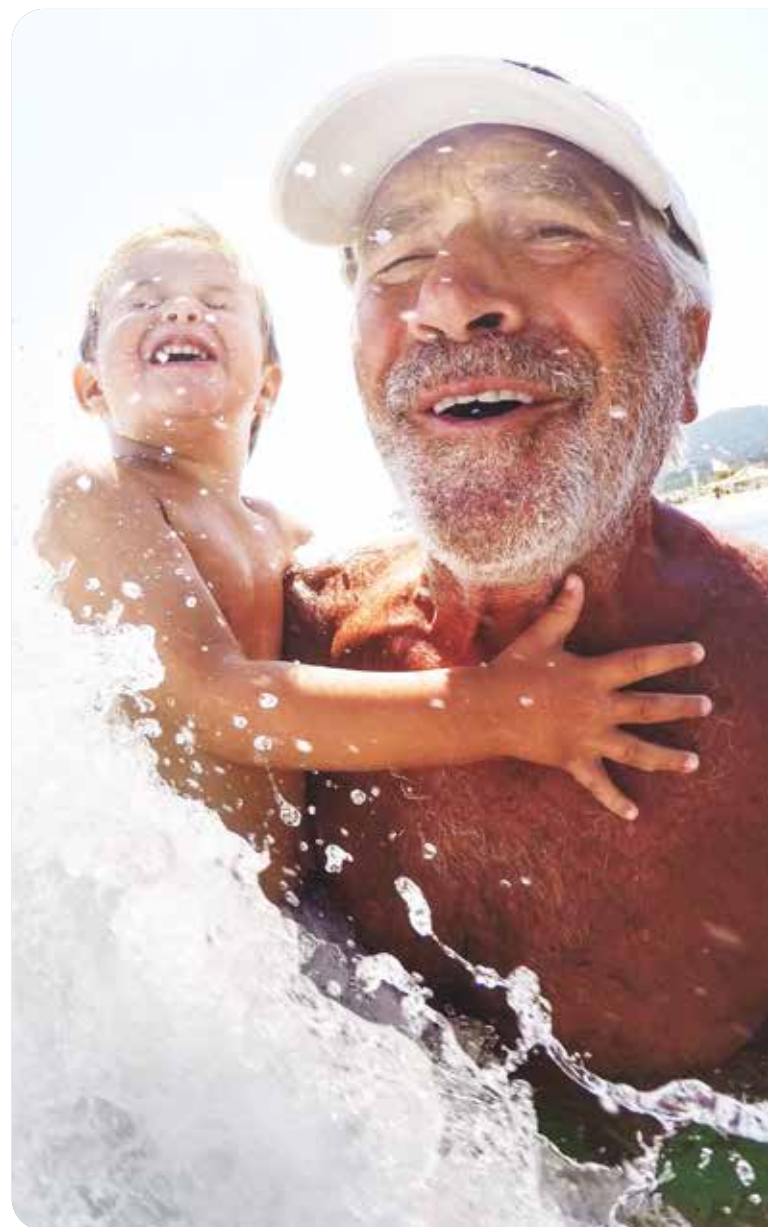
ENVIRONMENTAL TOPICS

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

In particular:

- the most relevant topics, both according to corporate and stakeholders, are **“Product Quality and Safety”**, **“Compliance with law and regulation”**, **“Innovation and R&D”** in line with the Group's priority of providing, in compliance with current regulation, innovative, high quality and safe solutions to families;
- **“Employee care”** and **“Customer centrality”** are the most relevant topics for Artsana, underlining the importance that the company attributes to its people and customers;
- in line with Artsana's commitment for responsible management in the supply chain and stakeholder requests on these topics, the **“Responsible Supply Chain”** and the **“Evolution of distribution channels”** have been identified as relevant topics;
- **“Environmental impact of products”**, **“Anticorruption and business ethics”**, **“Product responsible communication”**, **“Product affordability and fair pricing”**, **“Use of raw materials”**, **“Social initiatives”** and **“Product social responsibility”**, always considered important from Artsana, mainly reflect the emerging sustainability issues felt by the different stakeholders and Artsana itself in terms of support for CSR initiatives and respect for environment;
- the topics concerning people, such as **“Respect for human rights”** and **“Diversity and equal opportunities”**, result with the same relevance for both Artsana and its stakeholders, underlining how these are essential requirements from both sides;
- **“Privacy and data security”** reflects the importance Artsana attributed to it, and the last years growing attention to these issues.

The aspects **Business Continuity** and **Group Governance** are not reported as topics in the Materiality Matrix, since they are essential for the existence of the Company and transversal to all the topics reported in the Materiality Matrix itself. Due to the Covid-19 pandemic, in 2020, these two aspects have been widely impacted, increasing their relevance not only from an external point of view, but particularly from the internal one, due to the commitment and effort demonstrated this year by Artsana in contrasting this critical situation and guarantee the Group continuity. Therefore, these two aspects are considered highly material by definition.



Artsana's material topics:

Anti-corruption and business ethics	Ensure integrity and ethical behaviours, by avoiding anti-competitive practices, preventing corruption, fraud and money laundering in all the business operations.
Compliance with laws and regulations	Compliance with all national and international applicable legislation.
Customer centrality	Consider customers' and consumers' needs at the core of business processes management and decision making.
Evolution of distribution channels	Manage the evolution of distribution channels to meet or anticipate clients' needs and market trends (e.g. e-commerce).
Innovation and R&D	Research and development of new products, services and technological solutions for customers.
Product quality and safety	Assure quality and safety of products to meet or exceed customer expectations.
Product responsible communication	Ensure fair and correct communication to customers on all channels (e.g. marketing claims, website, advertising).
Energy efficiency and climate change	Limit energy consumptions, fostering energy-efficient solutions and spreading energy saving culture within and outside Artsana, with the aim of decreasing the overall impact on climate change (e.g. GHG emissions reduction programs).
Environmental impact of products	Environmental impacts of products during their entire life cycle (design, production, use and disposal). Impacts can be reduced through material use reduction, use of more sustainable materials, eco-design for use/end of life, packaging.
Use of raw materials	Use of sustainable materials from renewable sources (e.g. FCS certified paper), and/or recycled or bio-based (e.g. bioplastics).
Diversity and equal opportunities	Guarantee equal opportunities and combat all forms of discrimination (e.g. gender, religion, political opinion, nationality).
Employee care	Establish a welcoming, stimulating and positive working environment, caring for work-life balance, welfare and benefits programs and ensuring proper training and people empowerment.
Occupational Health & Safety	Ensure a safe and healthy workplace, promoting structured safety management procedures and programs and spreading the knowledge of a safety culture.
Privacy and data security	Protect customers' sensitive information and personal data and prevent cyber-attacks, breaches, data losses and un-authorized diffusion of information.
Product affordability and fair pricing	Set prices with the aim of meeting customers' needs and life styles, for making them accessible and competitive.
Product social responsibility	Developing products with a positive social impact (e.g. wellbeing, education, responsible parenthood).
Respect for human rights	Ensure and respect the protection of internationally proclaimed human rights.
Responsible supply chain	Promote sustainable management of the supply chain, by considering environmental and social criteria while selecting suppliers (including the choice of local partners), by monitoring and evaluating their performances and by managing potential environmental and social risks along the supply chain.
Social initiatives	Support local communities through sponsorships to local initiatives, projects or donations and actively contribute to the development of the communities in which Artsana operates.

Other relevant topics:

Biodiversity	Protect and conserve biodiversity, considering the direct or indirect impact of business processes on the integrity of the environment to preserve living species.
Mobility & transportation	Maximise the efficiency in transports to minimise costs and environmental impacts, optimising the transportation paths, and the number and size of the loads.
Pollutant emissions	Contribute to the reduction of air pollutant emissions (e.g. NOx, SOx, PM) through concrete actions and process optimization.
Waste management	Follow an efficient waste management and disposal procedure, complying with all local laws and regulations and engage in a constant and continuous reduction of waste produced.
Water management	Optimise consumption and management of water resources, by reducing water spills or losses during the production processes and incentivising the reuse of water.

1.3.4

Scope of the report

The scope of this Sustainability Report corresponds to brands **Chicco, NeoBaby, Boppy, Fiocchi di Riso, Fisiolact, Goovi, Recaro** and **Control**. It includes the **commercial and production sites located in Italy and Romania**, the **commercial subsidiaries in Argentina, Brazil, Belgium, China, France, Germany, India, Japan, Mexico, Poland, Portugal, Russia, Spain, Switzerland, Turkey, UK** and the **USA**, the **headquarter located in Grandate (Como)** and the **Italian owned shops**. From this year, due to the inclusion of the brand **Control**, the **production site located in**

Spain is also included. 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, this Sustainability Report comprises information referring to the **period ranging from the 1st of January 2020 to the 31st of December 2020**.

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









2

Parenting for growing together

Artsana's activities are all guided by one goal: to study **innovative and effective solutions** that have a positive and tangible impact on the daily lives of families.

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

Nevertheless, to live each of these moments with awareness and serenity, Artsana is here to give solutions that not only fit children needs, but also those of the parents. In this sense all Artsana's products are a **"problem solver"**, focusing not only on children needs, but also on those of the parents and care givers who look for brands able to give **practical solutions** to their daily needs.

Artsana is a real ally for parents, easing parents' daily life while caring their children. The Group guarantees quality and safety in the development of all its products by responding to regulatory requirements as well as to internal strict safety and quality standards.

Moreover, Artsana pursues product development through a multifunctional network based on strong internal expertise and on a continuous and open partnerships with universities, or targeted research studies related to the development of its products and to maintain a dialogue with the new generations, the parents of tomorrow.

In addition to design schools, design schools, creativity training centres, designers and, of course, with consumers. Putting its expertise in the baby care and health care sectors at parents' service, Artsana offers every year, in collaboration with experts, a wide catalogue of courses to help parents answer their main questions and concerns. Artsana's research, studies and innovative solutions, are also shared with community through philanthropic initiatives aimed at supporting and helping individuals and families in difficult situations all around the world. Artsana, through its portfolio of brands, has introduced the philosophy of parenting into the way of facing the new challenges of parenthood. A concept that embraces all the people who, in different ways and with different roles, take care of children. Through Chicco and its other brands, Artsana always listens to the needs emerging from families in every phase of a child's life. The model of family nowadays is evolving in a more fluid and inclusive way with respect to the past. Parenting is more than biological parenthood, it is an extended attitude, including also grandparents, uncles, friends and all the care givers of children in general.



In this context, the **Chicco Research Center**, created in 2001 as Osservatorio Chicco, is Artsana's research unit dedicated to the parenting world, to identify children's and parents' psychophysical, emotional and social needs, the place where experts and parents meet.

It combines the involvement of **3rd party specialists**, such as medical experts, researchers, academics and start-ups, which enable the Group's brands to be constantly updated and ready to offer innovative solutions, and a qualified panel of parents, who are the most attentive experts, for better understanding children's needs.

Depending on the knowledge needed to support a new project, the Chicco Research Center analyses scientific literature and involves external experts for professional advice, as well as cooperates with Universities and Hospitals for clinical research or scientific evaluation of products and creates independent scientific committees to deepen specific topics.

The Center is located in Italy, at the heart of Artsana's flagship brand but it connects an international scientific network of different experts, which guarantees the confirmation of Chicco brand credibility and the development and communication of the best possible «science-based» solutions and contents, coherent with parents' insights.

In particular, Artsana collaborates with the scientific and medical community, managing the research agenda directly linked with Artsana's innovation and quality goals; and organising all the new evidence through published studies in the field of healthcare, baby care, feeding/nutrition, dermatology and toxicology.

This internal cross functional roundtable also represents an occasion to develop internal knowledge, one of Artsana's success factors in playing a leadership role in the well-being sector, focusing on children and families.



Academic Institutions & Scientific Committees



Health Professionals & Independent Experts



Babies



Parents

Research and scientific evidence

Experiences, suggestions, dialogue



Observing, Knowing, and Understanding

INNOVATION • QUALITY • DESIGN • SAFETY

2.1 Side by side with parents

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



NEXT2YOU: Apart but close

Chicco has always offered specific solutions to support parents as their babies grow, especially in a 2020, a year in which parents, due to the COVID-19 pandemic, faced new challenges for the first time, such as managing children at home or the lack of moments of confrontation during pregnancy. Chicco has been able to respond to these needs by listening to its consumers and offering them additional services and new content formats. In particular with the **#NEXT2YOU project**, Chicco offered support to families in a new way: online. Several initiatives have been activated:

- **advice from the experts:** through Chicco's social channels and website, various activities have been implemented, such as the activation of free advice desks in collaboration with professionals such as educators, nutritionists and midwives. These appointments provided different Q&A moments and workshops, also leveraging on gamifications to involve children of all ages, with the aim of supporting new parents in their daily parenting activity.



- **workshops** which Chicco never interrupted during the lockdown, organising the events remotely. In the Chicco Stores, the services that were already in place before the lockdown were integrated into an all-round digital experience that aimed to offer as many options as possible to customers. It was possible, in fact, to book an appointment with a **dedicated personal shopper** or the customer could ask for support with the WhatsApp video call service, in order to be followed, even at a remote distance, by Chicco staff.
- **suggestions from the Chicco Research Center:** ideas and suggestions on how to spend the days at home with children were published on the website.

Chicco's support directly at home: Chicco implemented during this difficult period, services designed to provide parents with the essential products with no need for them to leave their home. The service included nappy delivery, without shipping costs, and two kits, "Kit primi giorni" and "Kit pronto", with the essential products to welcome the arriving baby, specifically designed to meet their essential needs.

Research and innovation allow for the development of solutions designed for every phase of a child's life and care, Artsana's broad brand portfolio covers all of the needs of people who parent children, society and environment.



PREGNANCY

As a mother offers the baby care and protection, Artsana cares about the mother's daily needs.



FEEDING

Artsana provides a concrete support towards parents for this delicate and special experience. Practical and easy solutions that ensure both child and parents well-being.



SOOTHING, RELAXING AND SLEEPING

Artsana designs specific soothers promoting natural orthodontic development and supporting physiological respiration and cots designed to simplify parent's life: allowing babies to sleep in close proximity to their parents in safety, the sleep quality is enhanced for both of them.



CLEANSING AND SKINCARE

Artsana designs practical solutions to support bath and change time, like bath seats and folding changing tables, as well as specific personal care products to clean, protect and nourish children's skin and satisfy its specific needs.



WEANING

Weaning is a fundamental step in a baby's life: it represents the first separation from its mother and an important step towards autonomy. Artsana accompanies a baby's progress step by step and provide the tools for a perfect balance between closeness and independence.



PLAYING

Artsana designs games that stimulate child creativity, manual coordination and shape recognition skills, essential for their development, ensuring security to parents.

OUT AND ABOUT

Spending time together in the open air is a source of new experiences and fun for both children and parents. For this reason, Artsana develops solutions supporting them to enjoy each moment out and about together.



TRAVELING

Artsana develops its car seats always focusing on research and technological innovation to guarantee the best quality of materials and the most updated safety standards. The range follows the baby from birth along the entire growth journey, offering those who take care of the baby safe, easy to use and comfortable products.

CLOTHING

Artsana constantly reviews clothing lines in order to ensure they respond to the specific needs of children, making them free to move and parents assured about the quality of the materials, and make kids fashion more and more sustainable.



FIRST STEPS

Artsana's innovative range of shoes have soles featuring varying thicknesses, designed to guide the movement of the foot when taking a step and help babies learn to walk properly.



PERFECT 5: THE ANTI-COLIC REVOLUTION

As a result of Artsana's scientific commitment and hard work in developing innovative products, **PERFECT 5** is born. It is the **first line of biofunctional feeding bottles** designed and developed to adapt to the needs of each newborn baby, **respecting** their sucking **intensity and rhythm**.

A clinical study on 30 babies was carried out by the Bio-Medical Campus University of Rome in collaboration with the Chicco Research Centre, which confirmed that PERFECT 5 follows the sucking rhythm, reducing interruptions, allowing a smooth feeding and reducing the cases of regurgitation by 90% in the population tested. The main component that makes the PERFECT

5 line unique is the INTUI-FLOW SYSTEM™, that combines the action of the Physio teat with the Equilibrium Membrane one. The membrane is characterised by a dynamic behaviour: located at the base of the bottle, it is constantly activated to allow air to enter the bottle and thus inhibit the formation of a vacuum that would hinder the feeding. The Physio teat is made of a soft silicone with skin like finishing and has a symmetrical shape that facilitates proper latch and nourishing suction movement with four different flows.

A market survey on 450 babies who tried PERFECT 5 showed that: 96% of mothers noted a reduction in reflux episodes, irritability and colic and 98% of them confirmed that the feeding bottle helps babies to suck without swallowing air, thus ensuring the baby's well-being and consequently the family's.





BOPPY ANYWHERE- NURSING PILLOW: A SOLUTION FOR EVERY OCCASION

The Boppy brand has designed the "**Boppy Anywhere® Nursing Pillow**", a safe, comfortable and compact pillow that can be taken anywhere thanks to its practical design, and capable to facilitate breastfeeding wherever the mother wants without sacrificing comfort and imprinting with her baby.

It gives relief to shoulders, arms and back thanks to a wrap-around belt that keeps the pillow in the right position, allowing to lift the baby into a more ergonomic and appropriate position.

Additionally, the nursing pillow is equipped with labels to instruct the parent on the correct way to use it, **keeping the child safe** from accidents caused by any possible misuse of the product itself.



Did you know?

Scientific evidence is the Group's inspiration and its guide in both innovation and communication. According to this, in order to support mothers and new mothers Artsana undertakes to develop, in collaboration with its scientific specialists (midwives, pediatricians and psychologists), information materials such as the **Breastfeeding Guide**, and specific articles on its website and social networks, that illustrate the importance of breastfeeding for the well-being of mother and baby, its biological and emotional benefits and the main indications given by the **WHO (World Health Organization)** for good breastfeeding management.

The Group is committed to respect mothers' choices and needs by also preparing contents to support them in mixed or bottle feeding.



PhysioForma®

PhysioForma® is a project born thanks to the great passion that distinguishes Chicco that after several researches and collaborations with experts Neonatologists, Orthodontists and Paediatricians created an innovative orthodontic teat shape implemented in all Chicco pacifiers. Thanks to its unique profile, the PhysioForma® pacifier teat allows to promote a peaceful and safe sleep. In fact, following a study carried out in collaboration with the University centre

pacifier in order to prevent respiratory disorders in sleep. Thanks to its shape, it respects the physiological positioning of the tongue inside the mouth, contributing to promote correct muscle tone, maintain adequate retro-lingual space, and promote the physiological development of the palate. The PhysioForma® line has pacifiers for all ages (from 0 to 36 months) with particular attention for newborns:

- **PhysioForma® Micrò** for babies from 0 to 2 months with a smaller teat that adapts to a smaller palate;



of the Sette Laghi health authority, it has been found that newborns that using pacifier while sleeping, sleep more safely, as they maintain greater physiological respiration, since SpO2 is higher, and at the same time the pacifier plays a protective role against **SIDS** (Sudden Infant Death Syndrome)*. According to this, between November and December 2020, a **newsletter** dedicated to midwives and pediatricians has been realized to recommend choosing the

- **PhysioForma® Mini Soft** the all soft pacifier for babies from 0 to 2 months and **PhysioForma® Soft** for babies from 2 to 6 months with a size adapted to a larger palate.

All the presented pacifiers prevent oropharyngeal obstructions, support physiological breathing, allow the physiological development of the upper jaw and the correct permutation of the teeth.

* Source: American Academy of Pediatrics



MORPHEUS PROJECT

Chicco has always known how important sleep is for the well-being of children and consequently adults, but also knows that it is not always easy to pass on a sleep routine to a child, especially an older child.



With this in mind, together with the **Novella Fronda Foundation**, which has been working for years on excellent scientific research and studies on the subject, Chicco started a project entirely dedicated to the importance of sleep in 2019 that continued in 2020 with an enriched set of services and activities. The aim of the project is to inform parents about the importance of the

topic and to support them in setting up a proper bedtime routine.

Several courses were virtually delivered by an expert of the Foundation and totally free of charge, since one of Chicco's missions is to take care of those we love, starting with the parents. A child who properly sleeps is more often relaxed and in a good mood, with more energy and greater concentration, and Chicco knows that the well-being of the child is reflected in the well-being of the whole family.

The topics covered were the importance of sleep during the development, the circadian rhythm, sleep deprivation and finally an advice was given on the hours needed according to age.

In addition, Chicco, has created a section dedicated to the **Morpheus project** on its website and, thanks to the content developed ad hoc by the Foundation's experts, a booklet "**Good sleepy-bye**" has been produced, the purchase of which contributes to the Foundation's awareness and research work on the subject and to a new future course.



NEXT2ME FOREVER

2020 has been a year of particular sensitivity on the part of Artsana towards consumer needs. One of the new products in the Next2Me line is the result of this careful listening: it is NEXT2ME FOREVER, a crib that promotes the circularity of products by making them more sustainable, reducing the amount of raw materials used to produce other cribs through the creation of a single evolutionary cosleeping solution that could be used for up to 4 years with 3 different configurations.

- 1. Cosleeping crib function** allows the child to be close to the parent during the night thanks to safety belts used to ensure a strong hooking of the cot to parents' bed;
- 2. Stand alone cot function** facilitates the gradual independence of the child as he or she grows;
- 3. Floor cot function** encourages child autonomy.

In addition, the cot is adjustable and it is equipped with a mesh fabric for better airflow.





DERMOCENTRIC FOR NATURE

Fiocchi di Riso has always paid attention to the raw materials of its products characterised by natural and biocompatible formulations that favour respect for the environment and for the largest organ of our body: the skin. The brand has focused its research on babies' skin, which is the most delicate and defenceless, developing products designed to **respect the**

skin's natural balance thanks to the highest quality dermo-fine nourishing active ingredients. Fiocchi di Riso takes great care with its products, carrying out additional testing, such as **nickel testing** and test on selected by-products.

As well as supporting the wellbeing of the baby's skin, it also pays particular attention to the wellbeing of the skin of the baby's nurturer, the mother, by creating specific breast products to be used both during breastfeeding and pregnancy.





HEALTHIER FOR THE WORLD

Artsana has a very clear vision: a world in which to give birth to and raise children that is desirable and sustainable for everyone. This is why we are committed every day to building a better future through concrete and responsible actions and choices. This willingness is expressed by a strong focus on sustainability, which we view as a necessary ingredient of parenting, where we actively take care of both people and the planet through our long-established commitment. Artsana it is committed every day to safeguard their future acting responsibly in respect both of people and environment. **Eco+ by Chicco** was created for this reason: **a line of toys made of recycled plastic or bio plastic**. Even the packaging is recyclable and made from paper from sustainably managed forests and controlled sources. The toys are also made with a matt texture and finish to convey a more natural feel

and encourage contact with nature for the child. In addition, once used they are recyclable, increasing the circularity of the products and the reuse of materials to build a more sustainable future. Artsana has been investing in the use of materials alternative to plastic for a few years now and this year Chicco has also created a **toothbrush made from natural Bamboo**, which is gentle on both children and the planet for a sustainable dental hygiene. Bamboo is the fastest growing plant in the world and can store up to 600 tonnes per hectare of CO₂ over a 30-year period. This makes the Bamboo a low-carbon alternative to materials such as wood, steel and plastic. Additionally, it is naturally antimicrobial and completely biodegrades.





SAFE AND AROUND WITH Boppy® ComfyHug® Newborn Carrier

The Boppy® ComfyHug® Newborn Carrier was approved by *Amati prima* and *Baby Wearing Italia*, as **ideal product for containing, cuddling and carrying babies during their first days of life, as it can be used from 2.5 kg up to 9 kg.**

It is also suitable for **premature babies**, with the previous recommendation of pediatrician, who often have a prolonged need for affectionate, human and intimate skin-to-skin contact: the baby carrier wraps the new-born in its soft straps, reminding them of the sounds of intra-uterine life and facilitating their well-being. Specifically, the ComfyHug allows for safe contact right from the beginning, ideal for **Kangaroo Mothercare Therapy**, and ensures comfortable transport. The baby carrier is:

- adaptable to keep the small child secure;
- made of soft fabric only, ideal on children's skin (also ideal for skin-to-skin);
- easy and safe to wear, even on your own.

It has a removable bolster that can be placed inside to raise the baby to the correct height and provide proper head and neck support. It also offers the possibility of breastfeeding the baby inside in a private and intimate mode.



Did you know?

Artsana knows how to take care of the needs of today's parents, because it is always **projected into the future**. From this vision comes the collaboration with TUC for a revolutionary project.

Together, Artsana and TUC have designed and developed a **new car seat concept** capable of connecting to the cutting-edge TUC mobility system.

Chicco's car seat is equipped with Chicco BebèCare, the first system with anti-abandonment system (launched in 2018), which is focused not only on safety but also on the serenity of parents and children with an innovative speaker system integrated into the headrest that makes the travel experience fun thanks to the possibility of listening to music, lullabies and fairy tales. This new concept makes the car seat an intelligent ally for advanced mobility, without neglecting a fundamental aspect: safety.



SUSTAINABLE AND ETHICAL CLOTHES FOR KIDS

Artsana has been pursuing the development of more environmentally sustainable fashion through various initiatives since 2018, with the **Ecodown** project and in keeping, in 2020, marketed the multi-purpose **recycled nylon jacket** presented in 2019.

Chicco's goal is to find alternative materials that are increasingly environmentally friendly, such as organic **cotton** from sustainable sources and **recycled polyester**, and to offer multi-purpose products. In 2020, the 4.53% of the autumn-winter collection marketed by the Group contained, in variable percentage, recycled materials or organic cotton, made of natural fibres from organic farming.



Chicco has a long-running commitment avoiding the use of animal furs in its products and confirms its dedication to promote sustainable fashion through the renewed adhesion to fur free programs with LAV and the Fur Free Alliance.

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



Did you know?

During the lockdown, Chicco launched an initiative called **#WELOVECHICCO** involving consumers who became the protagonists of the photoshooting of the new fall/winter 2021 collections. An original way to put families at the center: designed for them, promoted by them.

To take part in this initiative, parents had to post one or more spontaneous photos with their children on Instagram, telling the composition of their family and specifying the age and the size of their children.

Every week, a group of experts selected the material and contacted the chosen family to whom they sent clothes and shoes from the new collection to take photos. The initiative was a great success, with **3,000 families taking part.**





Did you know?

In 2020, more than one of Artsana's brand have launched different initiatives due to Covid-19. For example, **Goovi**, to show its support in such a difficult period as the lockdown, provided free hand sanitiser with most online orders. In addition, to support the immune system and to keep it strong and healthy, it has created two types of food supplements:

- *My defence*: oro-soluble and rich in vitamin C, D and zinc;
- *Vitamin C Bomb*: a concentrate of vitamin C ideal in cases of tiredness and fatigue.



Thanks to the continuous collaboration between the Chicco Research Center, Universities, ANPE (Italian Association of Pedagogues) and other scientific centres, such as the Aita Centre for Child Neuropsychiatry, Chicco created two new lines of educational toys: Edu4You and Sense&Focus. **Edu4You** is a line that guides children into the world of learning, from letters to numbers, from logic to problem solving skills, through play and interaction with evolutionary stimuli inspired

by educational and didactic approaches such as STEM (*Science, Technology, Engineering and Mathematics*) and the *Montessori method*. According to STEM, these toys consist of an educational process based on real and authentic applications that have proven to be very valuable in the acquisition of skills related to numerical intelligence.

Additionally, in line with the principle of the Montessori method linked to experience, they are projected to give immediate feedback the child who performs a wrong action and suggest how the action can be correctly repeated.

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

Since today's children are already subjected at an early age to increasingly rapid visual and auditory stimuli, the **Sense & Focus** line is designed to train their attention from early childhood. The line was designed and developed to offer activities aimed at sensory, tactile, visual and auditory development, as the senses are the first means by which children begin to experience reality. The activities are calibratable and modulable by the parent, who has, for example, the possibility to choose to let their children play without sounds and music, helping them focus on light stimuli only.

2.2 Quality, safety and innovation

Quality, safety and innovation are the core of Artsana's DNA since its origins. All Artsana products are designed, developed and tested to satisfy, exceed and, when possible, anticipate regulatory requirements, as well as the company's strict safety and quality standards. All business processes are designed and continuously improved following ISO management system standards.

To assure products and processes quality, Artsana applies a risk-based approach starting from the design stage, with a comprehensive testing program on materials and products, as well as product compliance certification by the most authoritative independent laboratories

worldwide. Additionally, product quality and safety are also guaranteed through the quality program that Artsana applies to its suppliers, for their qualification and control, through direct inspections and processes monitoring.



Did you know?

With a constant commitment to product quality and safety, Artsana experts participate in **technical committees** and **working teams**, as well as **standardisation projects** worldwide for the development of **future safety requirements**. For example, Artsana has actively contributed to the development of **ISO PC 310** on the international standard **ISO 31110:2020** related to pushchairs and prams, published in December 2020, after a **three-year work period** which involved **27 countries around the world** (12 direct participants and 15 observers, according to ISO rules).

Artsana also participates at several normative activities of the **European Committee for Standardisation (CEN)**.

Different subsidiaries participate at specific regulatory committees, one example is the participation of Artsana US to the **ASTM (American Society for Testing and Materials) International Technical Committee** for *F15 - Consumer Products*, such as *F15.19 - Infant Bedding* and *F15.22 - Toy Safety*; but also for *ISO/TC 136 WG6 - Children's and nursery furniture*. Another example is Artsana Brazil, which participates to *CB05 - Brazilian Automotive Committee* for car seat regulation and *CB210 - Brazilian Committee for Baby and Children Products* for regulation about nursing and juvenile products (e. g. pacifiers, bottles, and strollers). Also Tecnilatex participates to regulatory committees, such as for *CTN 111/SC 3 Sistemas de Gestión*, the Spanish National Technical Committee working on ISO 13485 "Medical Devices- Quality management systems-requirements regulatory purposes" and also for *ISO/TC 157 for non-systemic contraceptives and STI barrier prophylactics*.

Finally, Artsana participates at the **UNI Technical Commissions**, such as *UNI/CT 042/GL 12 - Safety of toys*, *UNI/CT 042/GL 13 - Childcare articles* and *UNI/CT 046/GL 03 - Safety of children's clothing*, and **CEI (Electrotechnical Italian Committee) Technical Committees**, such as *GL59/61 GR 7 - Electrical Toys* and *GL59/61 GR 5 - Personal care and heating appliances in contact with the person*.

A concrete example of Artsana's commitment to safety is the **Crash Test Laboratory**. Implemented in 2019 in Verolanuova (BS), it is the only one of its kind in Italy to be built by a player in the sector. The Lab is equipped with the latest generation technologies to recreate and analyse different types of impact, according to the latest regulations and the most severe test protocols for **Chicco's and Recaro's car seats**. In the first year of activity, 700 launches were carried out during different phases: design, product development and production conformity monitoring. Product homologation tests were entrusted to independent accredited laboratories (*Technical Services*), as well as the tests required by European regulations on

individual production batches. Additionally, in 2020, Artsana developed the Management System for the Lab according to criteria and requirements established by the international voluntary standard **ISO 17025**, as well as **ISO 9001**, providing dedicated procedures for test management, maintenance of dummies and plant, measurement uncertainty and validations management, recording of results, non-conformities management, staff training and continuous improvement. The Management System applies to all dynamic tests that the Crash Test Lab performs on *Child Restraint Systems (CRS)* that Artsana designs, develops and manufactures, internally or at selected qualified suppliers.



Did you know?

In November 2020, Artsana has participated at the **International Product Safety Week 2020**, which this year, due to Covid-19, has been a digital edition. Every two years since 2006, the **European Commission's Directorate General for Justice and Consumers** puts together safety experts from all around the world to spread their competences during a week dedicated to product safety: an opportunity for discussion among a broad range of stakeholders, including national authorities, international regulators, consumer organizations, industry, standard-makers, test laboratories, academics, lawyers and other product safety experts. This year's event included sessions dedicated to best practices in product traceability, to which Artsana contributed with its own experience and testimony "**Traceability: quality & safety at heart**" and a workshop for regulators on the fundamentals of product safety organized with UNCTAD. Additionally, since 2013, Artsana has participated at the **CINEAS Master in Risk Engineering & Management**, bringing its own testimony on **Product Liability Prevention and Recall Management**.

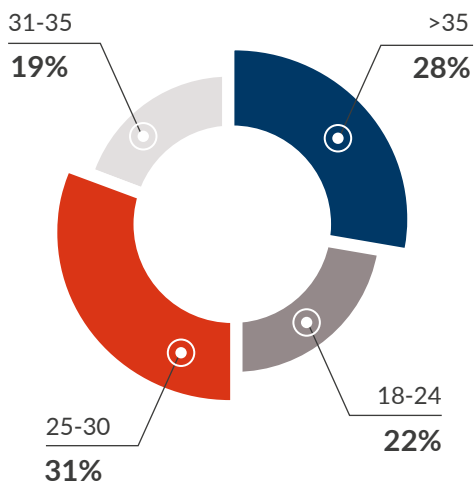
Artsana monitors the performance of its products on sale through a structured responsive process to manage customers feedback, which includes dedicated posts and pages on Artsana brands' websites.

According to its commitment to ensure the safety of children and families and the highest quality standards, Recaro announced the **precautionary recall** of child restraint system Recaro Tian (Core and Elite), sold from August 2020 onwards. The recall was initiated after determining that possible interference between the harness system and the internal components of the child restraint system could cause difficulties in the harness adjustment and, in some cases, the potential loss of integrity of the harness system during the adjustment operations. Contacting the local *Customer Service* or through *Contacts* section on www.recaro-kids.com, Recaro offered its assistance and a replacement unit free of charge. Artsana believes in responsible and clear communication about its products and services and guarantees an open dialogue with its customers through after sales channels, including *social media platforms*, which allows for precious customer input and insight and provides solutions for the best customer experience. Artsana participates in multistakeholders tables, including

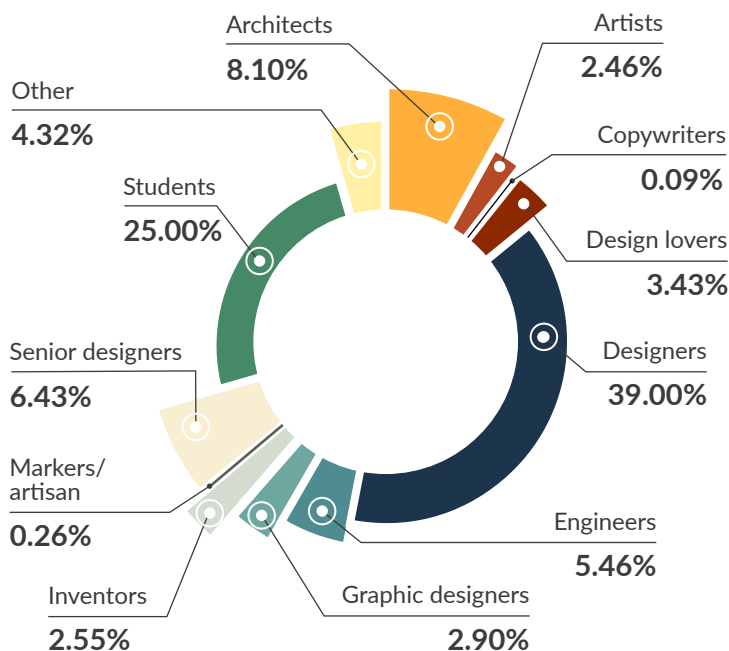
industry and trade associations, to create valuable partnerships for a common goal: contributing to the quality of life by developing practical, safe and **innovative solutions and services**. **Innovation** is one of the most important values for Artsana, whose products have been supporting millions of families for over 70 years. In the end it is the result of grand visions and lots of research. Artsana has always been open to listening and gathering new ideas and points of view, and continues to believe in collective intelligence as a mutual benefit. The open innovation approach enhances collective expertise and intuition, stimulates spontaneous participation and encourages connection with creative people from all over the world. According to this, in 2018 Artsana created an international **Open Innovation Platform** dedicated to the world of design and innovation, involving a wide range of users to reach various profiles with very different experiences, cultures and professional skills, including designers, architects, engineers and creatives from all over the world. The purpose of the platform is indeed to bring together expertise from various fields to find practical solutions that can solve the complex problems that parents and children face.

Artsana open innovation platform:

Members by age



Profiles



Despite the Covid-19 crisis, the activity on the platform continues to be fuelled and the community of innovators is growing thanks to the continuous stimulus provided by the various contest launches, reaching in 2020 **more than 2,000 members** among students, young designers and more senior profiles. Since the launch of the platform, six contests have been published with the participation of almost 300 designers and inventors and the results of each of them have been included in the product development plan. In 2020, in order to stimulate

young designers forced to stay home during the lockdown, Artsana promoted two contests asking for innovative solutions that would help parents and children to live more serenely the delicate and stressful moment of lunch: *Enjoy your meal* and *Let's go out to eat*. As always, the contest launched on the platform started from parents' observations and interviews. In the case of these two projects, **25 families** have been involved and **77 designers** participated at the two contests sending their project proposals.

Chicco Voice Project

In light of the exponential growth of the **voice technology phenomenon**, which allows humans to interact with a machine through their voice, Artsana has not missed out on this new channel of communication and has decided to provide its content also using the applications coming from the voice world: Google Actions and Alexa Skills. This is how the **Chicco** voice project was born: a technological infrastructure based on

a semantic engine capable of creating a match between the requests submitted by new parents in the form of natural language and the more than 600 contents present in the articles of the website www.chicco.it. All the process is conveyed through the two main voice assistants of the moment: *Google Assistant* and *Amazon Alexa*. Thanks to the Chicco voice project, new parents will be able to ask questions such as: "*Chicco, until when is it compulsory to use a car seat in the car?*" or "*Chicco, how do you know when your baby is hungry?*".



2.3 Spreading knowledge

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

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

NUMBER OF COURSES CARRIED OUT IN ITALY

	2018	2019	2020
<i>Pharmacies</i>	397	264	165
<i>Baby Shops</i>	104	410	127
TOTAL	501	674	292

Due to Covid-19, the courses have been provided virtually and their number has decreased as compared to the previous year. On the other hand, the number of attendees remained high, **crossing the 4,800 participants**. Several **video pills** have been offered by different brands of the Group, such as Chicco, Fiocchi di Riso and Boppy, covering a range of topics from weaning to breastfeeding, passing through sleeping safety and car safety. Both courses and video pills have been held by **experts** (paediatricians, midwives and pedagogues) and other specialists who collaborate with the Group, as nutritionists, also thanks to the **#NEXT2YOU** project. Additionally, due to the difficult period caused by Covid-19 emergency, Goovi also provided content for its community posted on the social media (Instagram, Facebook, Twitter), but also live with the co-founder Michelle Hunziker. The aim was

sharing emotions and serenity, offering tips to better manage the time spent at home during the lockdown (such as workouts to do in the living room), or suggesting hobbies to be done offline (such as reading a book or cooking). At the same time, Artsana has continued to organise training courses for paediatricians, directly in the hospital, on how to use its products, and for vendors and traders on Artsana products sold in pharmacies and shops, in order to better understand and serve customers by offering the right products according to their needs. Among the different channels, there is also the **Chicco website**, where the Chicco Research Center, in collaboration with its team of experts, drafts and publishes **several educational articles** offering valuable information covering different areas of a child's and their parents' life.



Did you know?

In 2020, the **Human milk link project**, sponsored by Artsana with its brand **Fiocchi di Riso**, had to change form. Due to Covid-19, as breast milk could not be collected from the donor's home to be delivered to the Milk Bank, Fiocchi di Riso decided to support mothers by implementing about **384 free consultations** in presence and, during the lockdown, about **100 online**, providing information on breastfeeding and also on complementary foods, vaccinations for infants or psycho-motor development.

In addition, **nine online courses** have been held with Q&A desks in collaboration with Chicco and finally a newsletter has been carried out by several specialists to stay by the side of mothers in the most intense periods of their lives and those of their child.

2.4 Together with communities

Artsana has always been strongly committed to philanthropic initiatives for **supporting children and families** in difficult situations, collaborating with non-profit organisation and local institutions of the communities and territories in which it operates.

Despite Covid-19 crisis, in 2020 Artsana continued to propose two solidarity initiatives, enabling the Group to stay close to children in need, and positively impacting their lives both locally in Italy and around the world.

These initiatives, based on long-term partnerships with transparent goals and results, are: **Happiness goes from heart to heart and Chicco di Felicità**.

Chicco di Felicità Project–Chicco in favour of CAF Association

Chicco di Felicità (Chicco of Happiness) is the symbol of Chicco's solidarity efforts to stay close to less fortunate children. It was launched in 2010 and is renewed year after year.

The project consists of "solidarity gifts" which are sold in all Chicco shops in Italy and on the online store where corresponding proceeds are donated, to support children who have been raised in difficult family environments and to assist families in regaining parenting skills. In particular, since 2017, collected funds were donated to the **CAF Association (Centro di Aiuto ai Minori e alla Famiglia in crisi)** that provides assistance to five caring centers supporting child victims of violence and abuse thanks to a staff specialized in pedagogy and psychology,

and helps families in trouble. The mission of the project – unchanged from the very beginning – summarises the importance of each person's support: **The more we are, the more we do!**

Since the beginning of the project, **more than 660,000 people in Italy have chosen to wear the Chicco di Felicità accessories**, thus witnessing their tangible solidarity with children in need.

During 2020, thanks to Artsana's donations, **6 families have been assisted through the "Becoming Parents through Home Visit" project service**, which consist of supporting fragile or isolated families, preventing the causes that can lead to the breaking of the parent-child relationship and, in the worst cases, the removal of the child from the family. Part of the contribution has also supported **the reception and care of 10 children aged between 3 and 6 years, welcomed into a care center** following serious traumatic events experienced in their family.



Happiness goes from heart to heart – Chicco in favour of Mission Bambini Foundation

“Happiness goes from Heart to Heart” is an international project within the “Mission Bambini” Foundation, which is dedicated to saving the lives of children born with congenital heart diseases.

Since 2013, Artsana has supported the Mission Bambini Foundation with the goal of:

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

Some numbers (2013-2020):

9 Artsana branches are today involved in this international project: Belgium, China, France, Germany, Russia, Spain, Switzerland, UK and the United States.

Between 2013 and 2020, Artsana:

- supported **36 medical missions in 12 countries** (Nepal, Zambia, Myanmar, Cambodia, Uganda, Uzbekistan, Eritrea, Romania, Brazil, Kurdistan, Somalia and Kenya);
- delivered **1,304 hours of training** for local doctors by an international medical team;

- performed about **7,500 diagnostic screenings** which resulted in 385 children receiving an operation and being saved from serious heart disease.

To cope with the **Covid-19 pandemic situation**, in 2020 Artsana had to implement **strategic changes**, such as the **reallocation and rationalisation of resources**, to pursue the expected results as much as possible, especially in terms of treated children, for example by increasing support to local partner hospitals.

Supported projects in 2020:

- in **Myanmar**, cardiac surgery was supported at the Yankin Children Hospital for 30 children with congenital heart defects;
- in **Nepal**, Artsana financed the travel cost to Kathmandu for **20 children** awaiting surgery, as well as room and board for the caregiver, for the entire duration of the hospital stay, and it also supported a medical camp of **cardiological screening**;
- in **Zimbabwe**, the follow-up for about **70 children** operated on in the past years was supported, to constantly monitor drug therapy;
- in **Uganda**, Artsana supported the consumables cost for the heart surgery of **10 young patients**;
- in **Italy**, the reception of **2 children** from Albania to be surgically treated at the Niguarda Hospital in Milan was supported.



Covid-19 and solidarity

In addition to annual solidarity projects, in order to support who needs it the most, at the time of Covid-19 emergency Artsana has launched several initiatives and offered its contribution through different donations.

In the post-emergency Covid-19 phase, Chicco has renewed its commitment to support children in difficulty, consolidating its collaboration with the **Mission Bambini Foundation** and hosting in Chicco stores, from June until September 2020, the

“Baby Spesa SOSpesa”

With this initiative Chicco staff invited customers to add basic necessities to their purchases, with the aim of donating them to Italian children and families in difficulty due to the Covid-19 pandemic. Thank to this initiative, over 10,000 products were collected and distributed to more than 100 families of Milan, Rome, Naples and Palermo.

During Covid-19 crisis, Artsana contributed with **donations** to the Italian **Sant’Anna Hospital** in Como and to the **Poliambulanza Foundation** of Brescia: two key pillars in the front-line management of the emergency that are close to the Group’s main territorial realities.

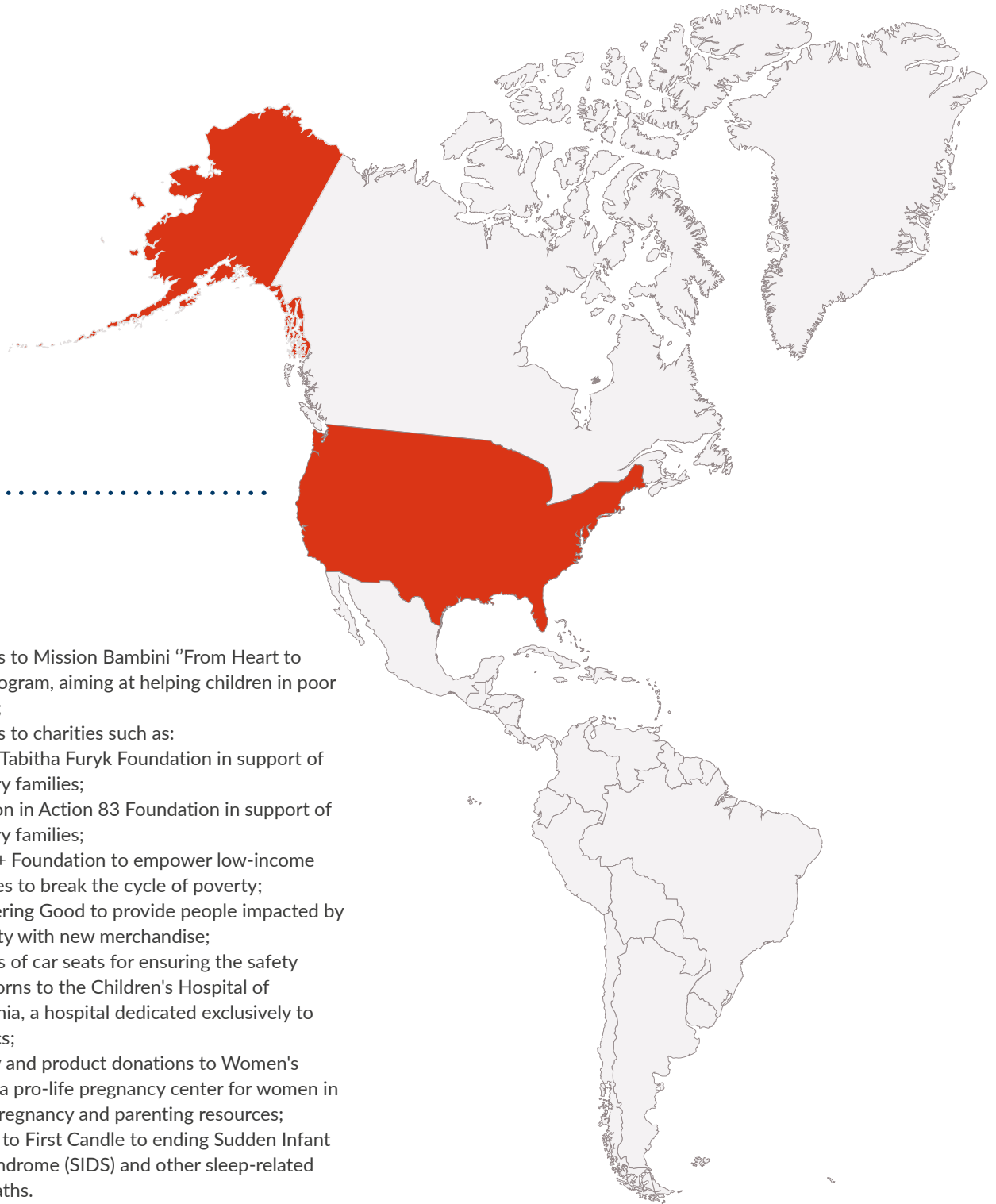


In occasion of Christmas, Artsana donated **Chicco games** to needy children and families of the city of Como and the surrounding municipalities.

Also in 2020, as in previous years, Artsana made a **donation to the Banco di Solidarietà di Como** for Christmas, thanks to which families, even more in need due to the Covid-19 pandemic, received essential food goods directly at their homes.

Finally, since 2011, Artsana has awarded 2 scholarships, named in memory of its founder Pietro Catelli, to deserving students of the Politecnico di Milano University.

Also Artsana branches are committed to stay close to their communities, promoting specific and local CSR initiatives.



USA

- Donations to Mission Bambini "From Heart to Heart" program, aiming at helping children in poor countries;
- Donations to charities such as:
 - Jim & Tabitha Furyk Foundation in support of military families;
 - Jackson in Action 83 Foundation in support of military families;
 - Good+ Foundation to empower low-income families to break the cycle of poverty;
 - Delivering Good to provide people impacted by poverty with new merchandise;
- Donations of car seats for ensuring the safety of new-borns to the Children's Hospital of Philadelphia, a hospital dedicated exclusively to paediatrics;
- Monetary and product donations to Women's Concern, a pro-life pregnancy center for women in need of pregnancy and parenting resources;
- Donation to First Candle to ending Sudden Infant Death Syndrome (SIDS) and other sleep-related infant deaths.

France

- Donations to Mission Bambini "From Heart to Heart" program, aiming at helping children in poor countries;
- Donation of toys and childcare products samples to "Les resto du Cœur", a charity association that cares for poor people and to "SOS FEMMES 77", an association that takes care of battered women.

Romania

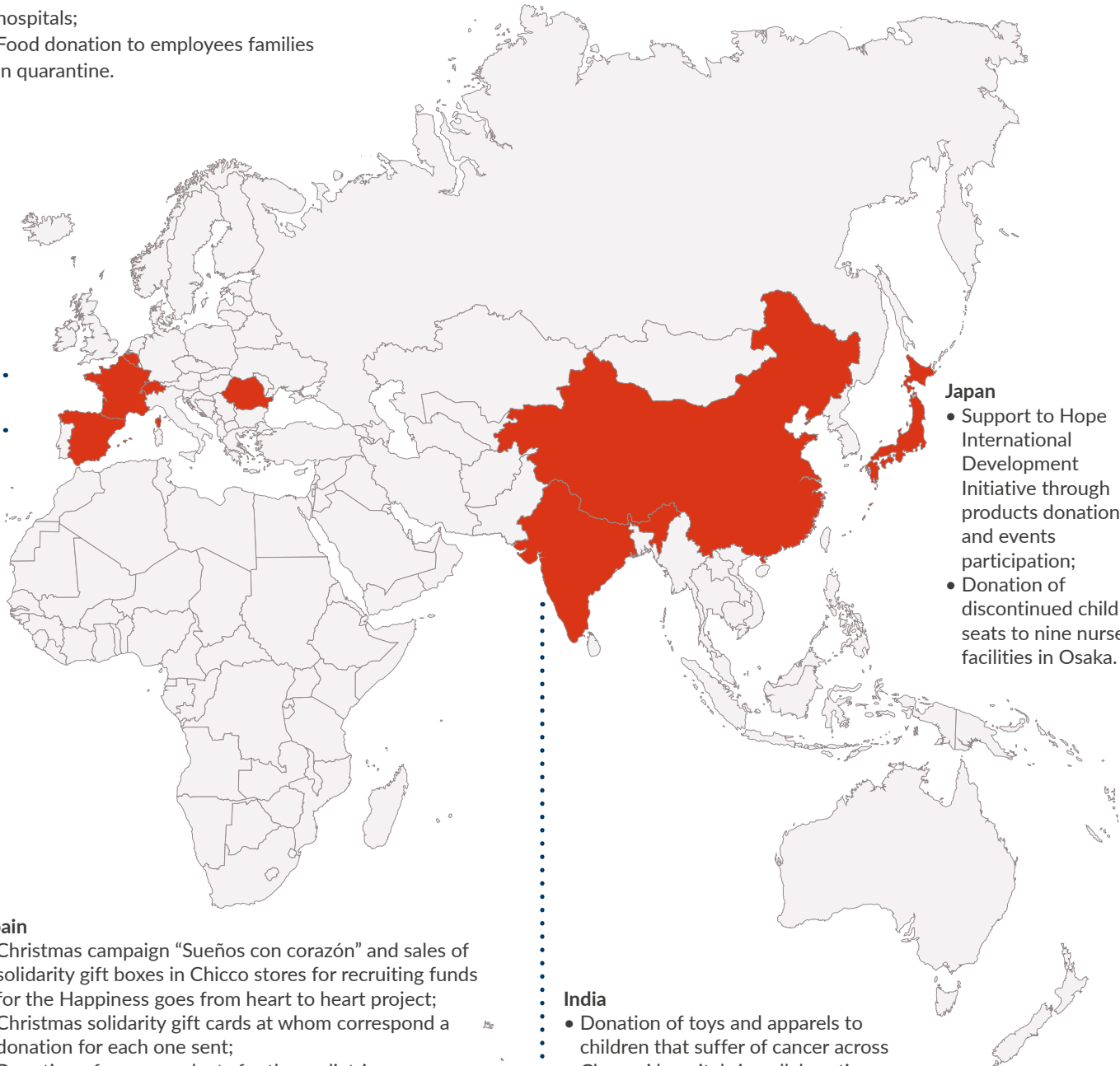
- Donation of anti-Covid-19 PPE to hospitals;
- Food donation to employees families in quarantine.

Belgium

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

Switzerland

- Donations to Mission Bambini "From Heart to Heart" program, aiming at helping children in poor countries;
- Christmas crowdfunding campaign in favor of Mission Bambini Foundation.



Japan

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

Spain

- Christmas campaign "Sueños con corazón" and sales of solidarity gift boxes in Chicco stores for recruiting funds for the Happiness goes from heart to heart project;
- Christmas solidarity gift cards at whom correspond a donation for each one sent;
- Donation of some products for the pediatric area (toiletries and baby monitors) to Hospital Puerta de Hierro and Fundación Jimenez Diaz;
- Donation of some products for families under critical conditions (toiletries) to Hermanas de San Vicente Paul;
- Donation of fresh fruit (destinated to employees at not pandemic time) to Hospital 12 de Octubre and to Hospital La Paz.

India

- Donation of toys and apparels to children that suffer of cancer across Chennai hospitals in collaboration with the Sankalp A Beautiful World NGO.

China

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





3

Parenting for
strengthening
our people

COVID-19 CRISIS MANAGEMENT

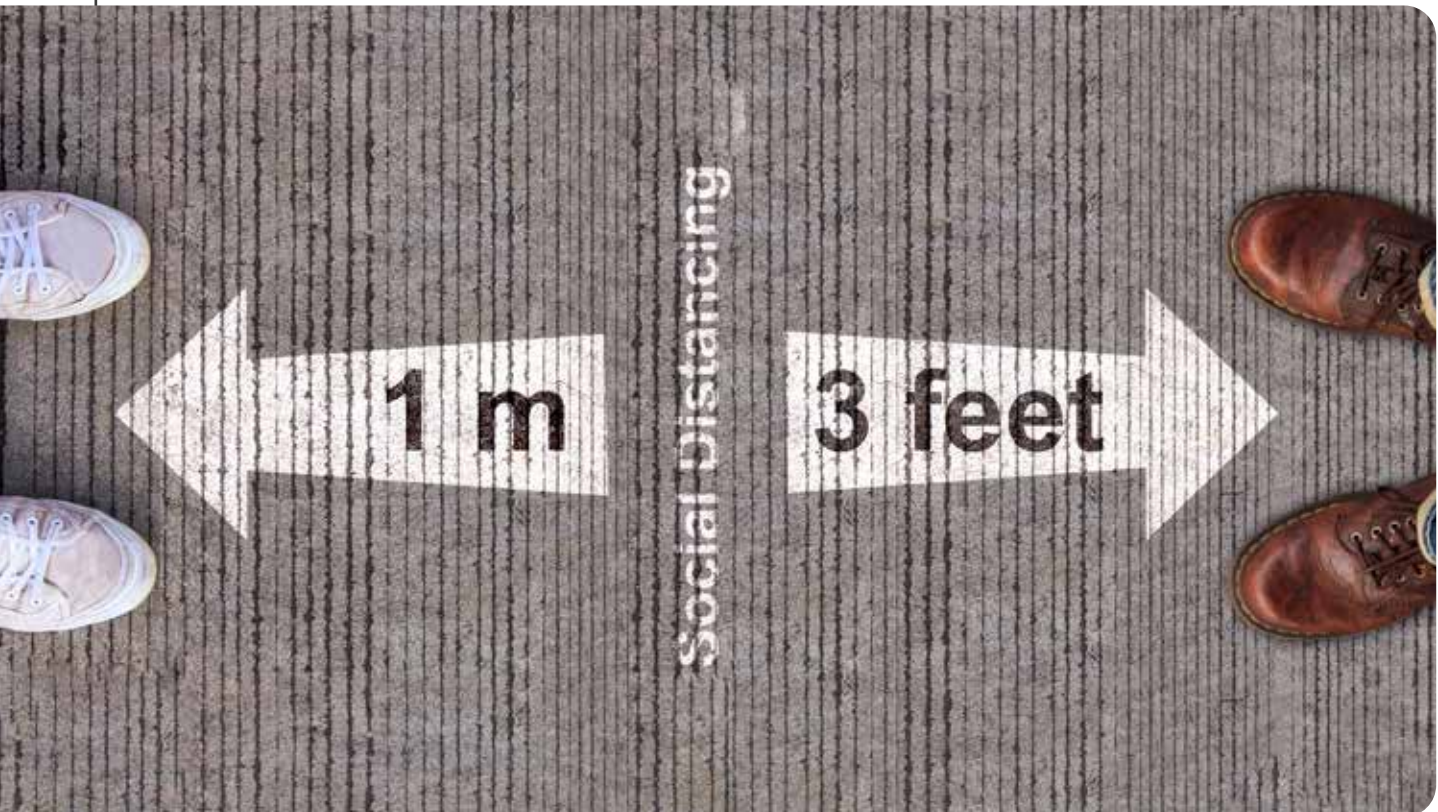
2020 was a very challenging year for all companies at global level, as it was marked by the **Covid-19 health emergency**.

Artsana promptly replied to the crisis by establishing a **specific Company Committee** with the aim of better managing the crisis due to Covid-19. The figures involved in the Committee, that have met and will meet as often as necessary, are: the Employer's Delegate, the HR Manager, the Legal Office Manager, the General Services Manager, the RSP, the ASPP, the Competent Doctor (in videoconference) and the RLS. The main purpose of the Committee is to apply and verify the rules defined by **Artsana's Covid-19 Protocol** issued by the Company, ensuring the timely implementation of all measures and any other useful action to safeguard the health of employees and contain the spread of the virus, as well as the periodically monitoring of their implementation and the definition of the necessary corrective measures.

Additionally, two **crisis management mailboxes** (one for the offices and facilities, and the other one for the stores) have been created to permit the communication between the Committee, and the employees, and vice versa: each employees can write an e-mail in case of questions on how to correctly manage situations related to the pandemic and the virus.

Artsana's Covid-19 Protocol, which is updated each time a new Covid-19 provision is issued, establishes all the fundamental conditions to guarantee a healthy and safe work environment, such as the measurement of body temperature for each employee or visitor who enters the Company sites, the respect of the safe distance, the observation of hand hygiene rules, and the use of the surgical face mask (or FFP2 mask) at all times.

The Group ensures daily cleaning and periodic sanitisation of spaces, workstations and break areas, and all vehicles, such as forklifts and Company cars for mixed use, are disinfected after each use.





Access to common areas (changing rooms, break areas and canteen) has been restricted by modifying shifts where necessary. Additionally, the layout of some workstation within the offices has been revised to guarantee the respect of a distance of at least one metre between two employees. Also, business travels towards abroad countries have been forbidden and movements between the different Italian sites have been subjected to a specific regulation.

Access for external visitors has been mostly precluded, except in cases where services are essential (e.g. cleaning, extraordinary maintenance, maintenance): in these cases, visitors must comply with all Company rules and sign a self-certification.

In order to reduce the contact between people, the Group has activated **smart-working** for all employees who can carry out their work from home (starting with more than 200 employees in smart-working in February 2020 and reaching over 500 at the end of the year). Artsana is also committed to provide all smart-working employees with the necessary tools to work from home, such as laptops, monitors, smartphones, sim-cards and keyboards.

To protect its employees, Artsana has also launched a preliminary **screening campaign** using rapid antigenic Covid tests for the employees of warehouses, because these employees were the most exposed to the infection, to which about 90% of the personnel has adhered. In the other sites, the screening was in case of employees that came into potential contact with those that have tested positive. Additionally, Artsana cooperated with the health authorities for tracing the contact with those that have tested positive and successfully passed the inspections conducted by the control agencies in different Company locations, such as Production Unit and stores. Furthermore, the Company has adhered to every pre-adhesion campaign for employees' **vaccination**, launched by health authorities and municipalities. Moreover, thanks to its know-how, Artsana has also started the production of hand sanitiser, which is both used in dispensers at Company sites and is sold commercially. Lastly, also the Artsana subsidiaries located outside Italy applied the protocols in force concerning the containment of the pandemic, according to the different laws adopted in the various countries.



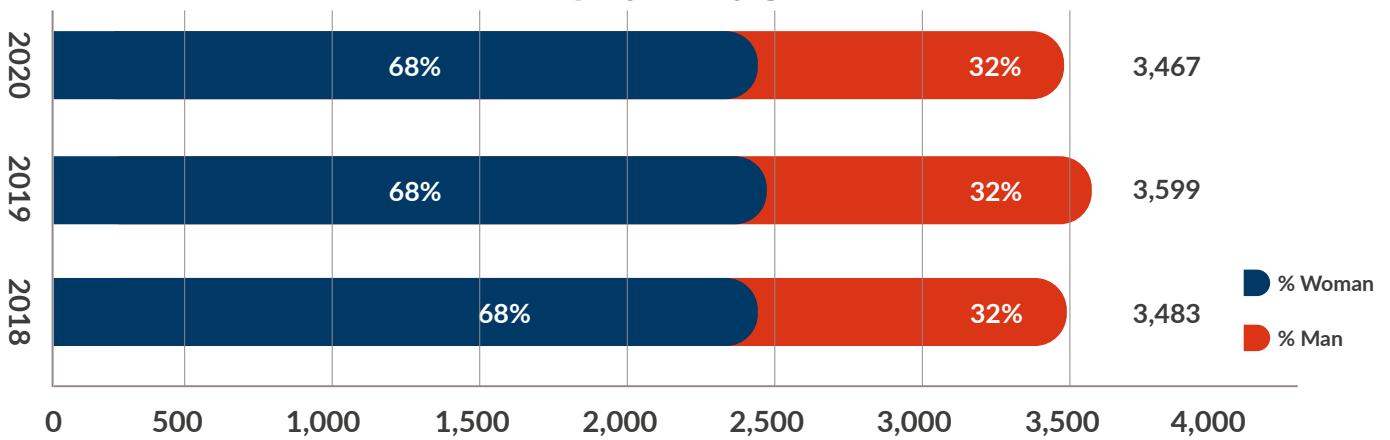
Artsana is always committed to parenting, not only as a core element for its clients, but also for its people. **Parenting means care, commitment, and passion;** Artsana truly knows and believes that without its employees there's no way to deliver a such fundamental principle to others. And for this caring for their wellbeing is essential. These aspects have become more and more important in 2020, a difficult year in which everyone had to protect their own health and wellbeing and as well as that of their communities due to the global pandemic. During this year, the Group did its best to protect its people, both from a health point of view (with the introduction of several initiatives to fight the spread of the virus) and from a working point of view (with the application of different solutions in order to preserve and guarantee the work continuity). Beside the crisis, in Artsana the constant willingness to work as a team, as a family, dealing with every problem from different points of view, putting together all the resources, professional skills, personal experience and the potential represented by the young generation has remained and persisted in this particular moment. Artsana adopted a Code of Conduct

several years ago, with the aim of **guaranteeing the respect of fundamental human and trade union rights**, the protection of the environment and the employees' health and safety. The Code of Conduct commits the company to ensure that these rules are also respected by the companies with which Artsana collaborates for the manufacturing of its products: especially with regard to workers' health and safety, working hours, wages and child labour. At the end of 2020, the **total workforce** amounted to **3,853 people**, including interns and agency workers. The total workforce has faced a slight decrease with respect to 2019 (-1%), considering Artsana's employees and other workers, while it increased (+2%) with respect to 2018. The decrease occurred between 2019 and 2020 is mainly linked to the Covid-19 crisis, that slowed down the Group's growth process. In 2020, as compared to 2019, the Group's employees decreased from 3,599 to 3,467 (-4%). This data shows the effect of the Covid-19 crisis over the employees' population. In particular, the most significant decrease occurred within shops employees' population, the ones most affected by the crisis.

TOTAL WORKFORCE		UNIT	2018	2019	2020
TOTAL		(n.)	3,764	3,909	3,853
Of which	Employees	(n.)	3,483	3,599	3,467
	Agency workers	(n.)	223	250	340
	Interns	(n.)	58	60	46
Workforce by gender	Women	%	68%	68%	68%
	Men	%	32%	32%	32%

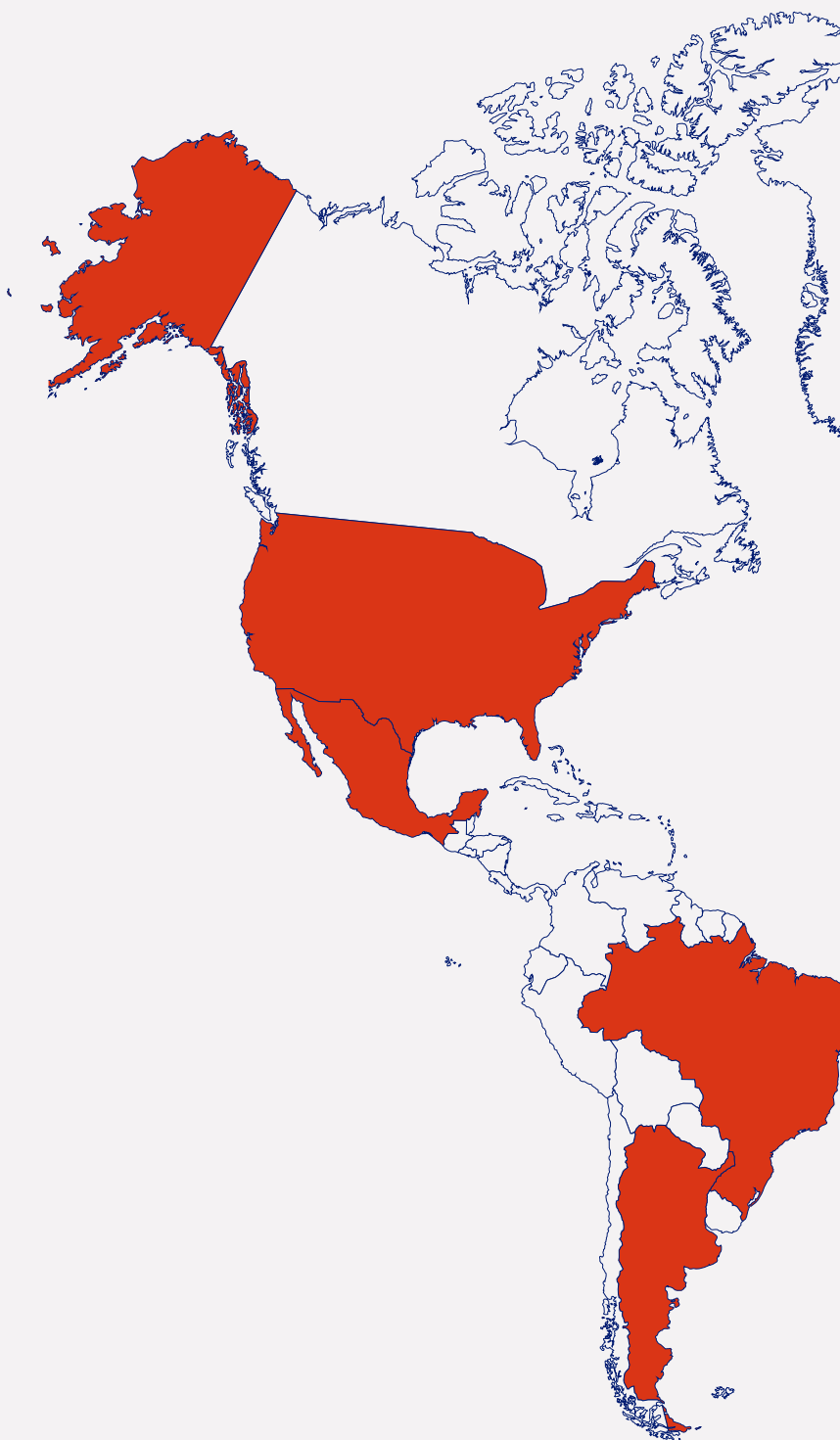
2018 data do not include employees that are on parental leave at 31st December.

Total employees by gender



From a geographical perspective, employees are distributed **all around the world** and in particular in Italy, Romania, Portugal, Spain and China which cover more than 84% of Artsana's workforce, and where the headquarter, factories,

EMPLOYEES BY COUNTRY	2018	2019	2020
ARGENTINA	1.1%	0.7%	0.6%
BELGIUM	0.3%	0.3%	0.3%
BRAZIL	3.5%	3.3%	1.0%
CHINA	5.7%	5.7%	5.8%
FRANCE	0.9%	0.9%	0.9%
GERMANY	0.7%	1.2%	1.1%
INDIA	2.9%	2.9%	3.1%
ITALY	36.1%	36.3%	36.7%
JAPAN	-	0.2%	0.2%
MEXICO	0.8%	0.8%	0.9%
POLAND	0.5%	0.5%	0.5%
PORTUGAL	10.9%	11.3%	11.3%
ROMANIA	22.1%	21.9%	22.8%
RUSSIA	1.1%	1.1%	1.0%
SPAIN	7.2%	6.9%	7.8%
SWITZERLAND	0.5%	0.4%	0.4%
TURKEY	2.8%	2.7%	2.5%
UK	0.7%	0.6%	0.5%
USA	2.3%	2.3%	2.6%
TOTAL	100%	100%	100%

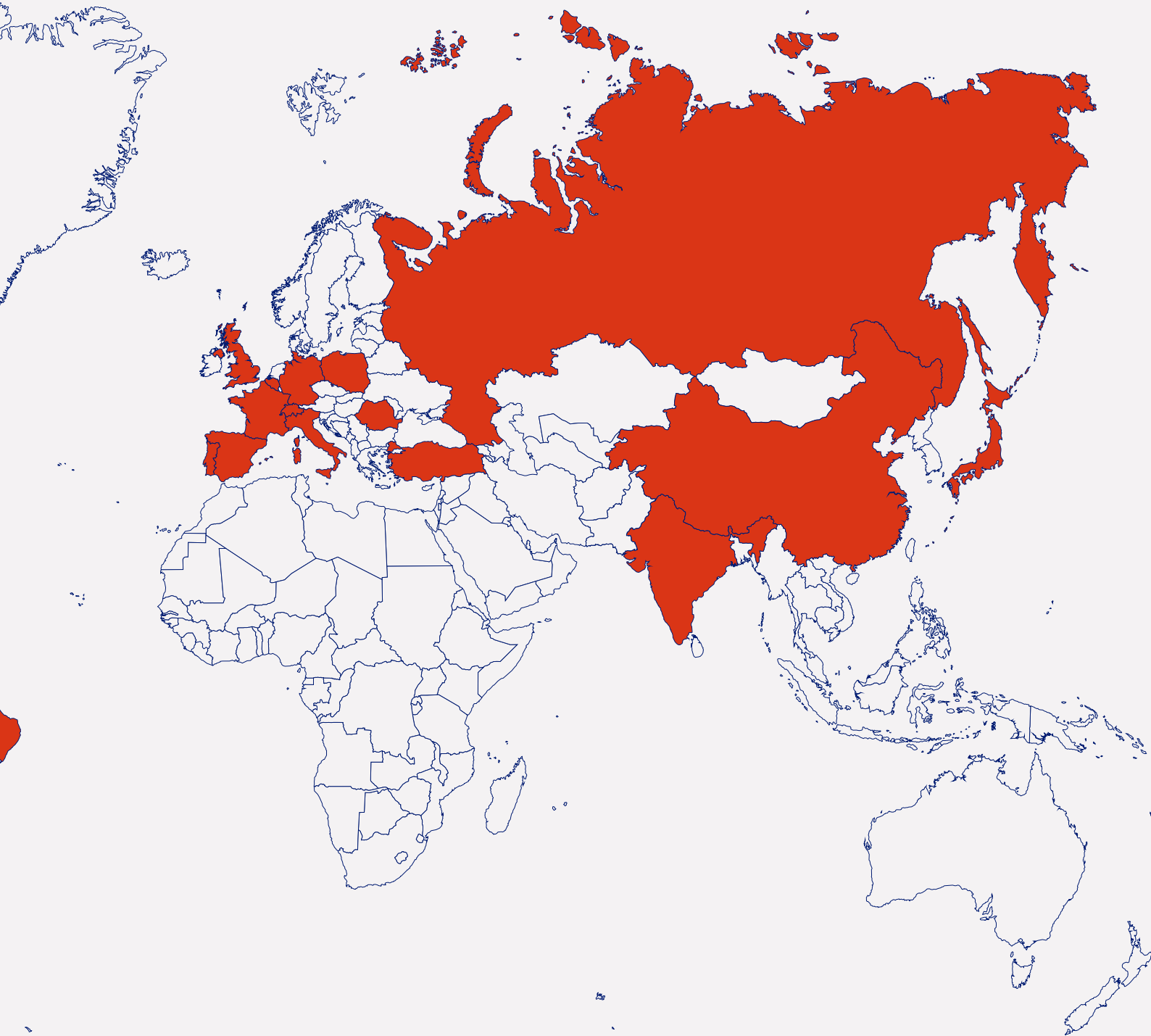


2019 and 2020 Germany data include both Artsana Germany and Germany Recaro employees.

2020 Spain data include both Artsana Spain and Tecnilatex employees.

2018, 2019 and 2020 US data include both Artsana USA and Boppy employees.

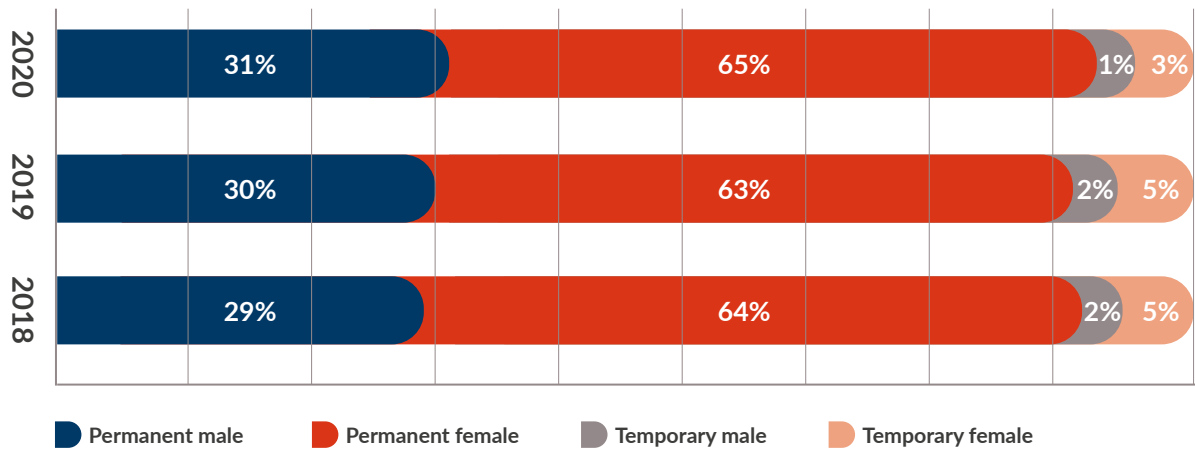
warehouses and a large number of shops are located. With respect to 2019, in 2020 Artsana people employed in the Tecnilatex plant (Spain) have been included within the Report.



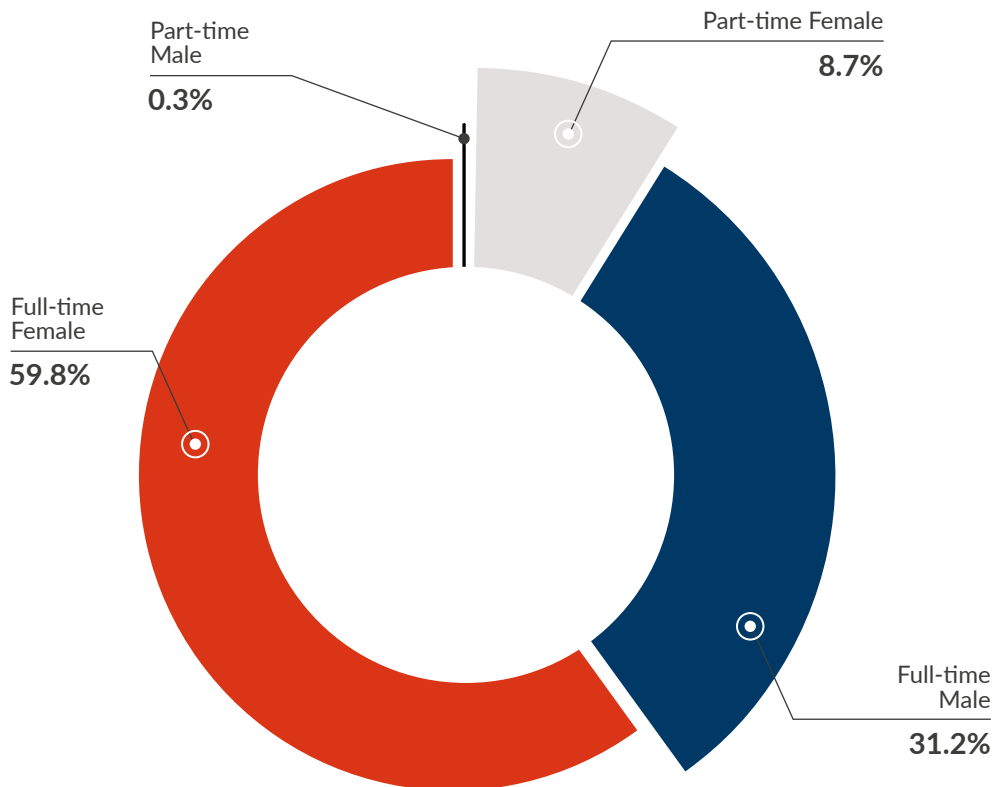
With respect to the type of contract, in 2020, 95% of employees worldwide had a permanent contract (of which 91% full time), in slight increase compared to 2019 figures (93%). The 97% of part-time employees (9% of the total) are women. Artsana considers part-time

work to be one of the most important levers of flexibility linked to family caring that the company implemented (and that will be deepened later on in the text), given the prevalence of female staff, and this is particularly true in the store area.

Employees per type of contract (temporary or permanent)



Employees per type of contract (full-time or part-time)

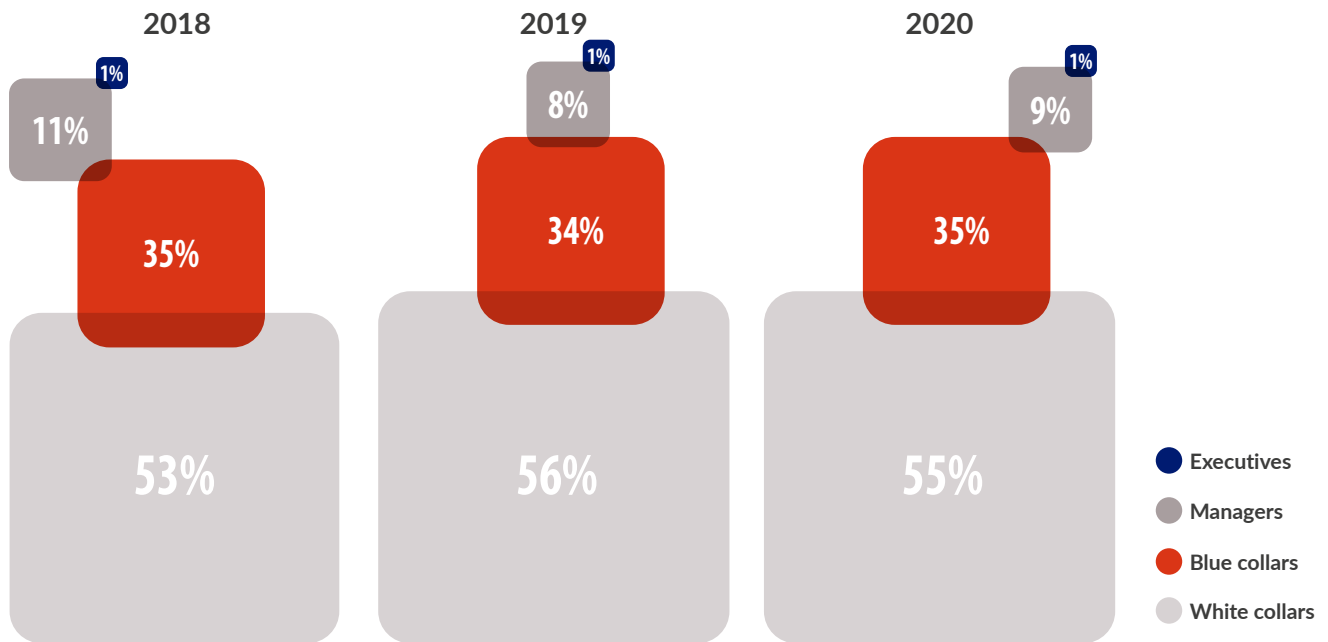


All employees of Artsana are covered by collective bargaining agreements, as required by national laws.

Regarding employee categories, 90% of total employees are blue and white collars, the remaining 10% is represented by executives and managers, of which respectively 23.5% and

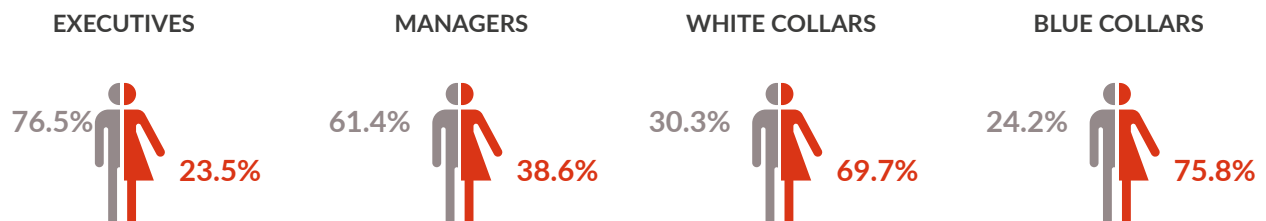
38.6% are women. As for white and blue collar workers, in both cases, the majority are women (69.7% and 75.8% respectively). Regarding age group classification, the largest group of Artsana people are between 30 and 50 years old (61.6%), while 12.3% are younger than 30 years old and 26.2% are elder than 50.

Employee per category



EMPLOYEES PER CATEGORY	Unit	2018	2019	2020
EXECUTIVES	N°	49	49	51
MANAGERS	N°	369	305	298
WHITE COLLARS	N°	1,846	2,014	1,906
BLUE COLLARS	N°	1,219	1,231	1,212
TOTAL	N°	3,483	3,599	3,467

2020 Employee category by gender

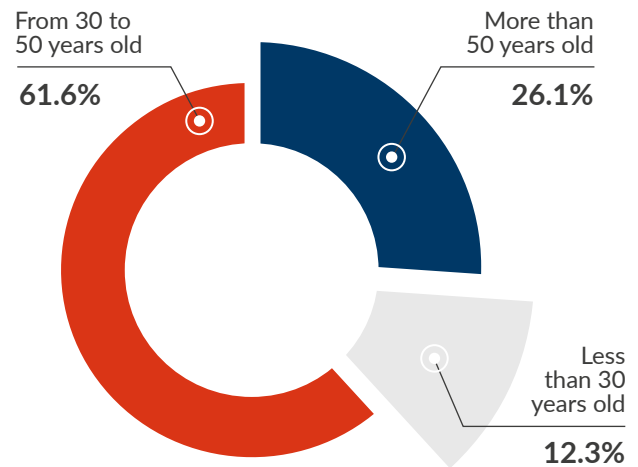


	2020			TOTAL
	Younger than 30	Between 30 and 50	Older than 50	
EXECUTIVES	0	23	28	51
MANAGERS	9	206	83	298
WHITE COLLARS	289	1,217	400	1,906
BLUE COLLARS	129	688	396	1,212
TOTAL	426	2,134	907	3,467

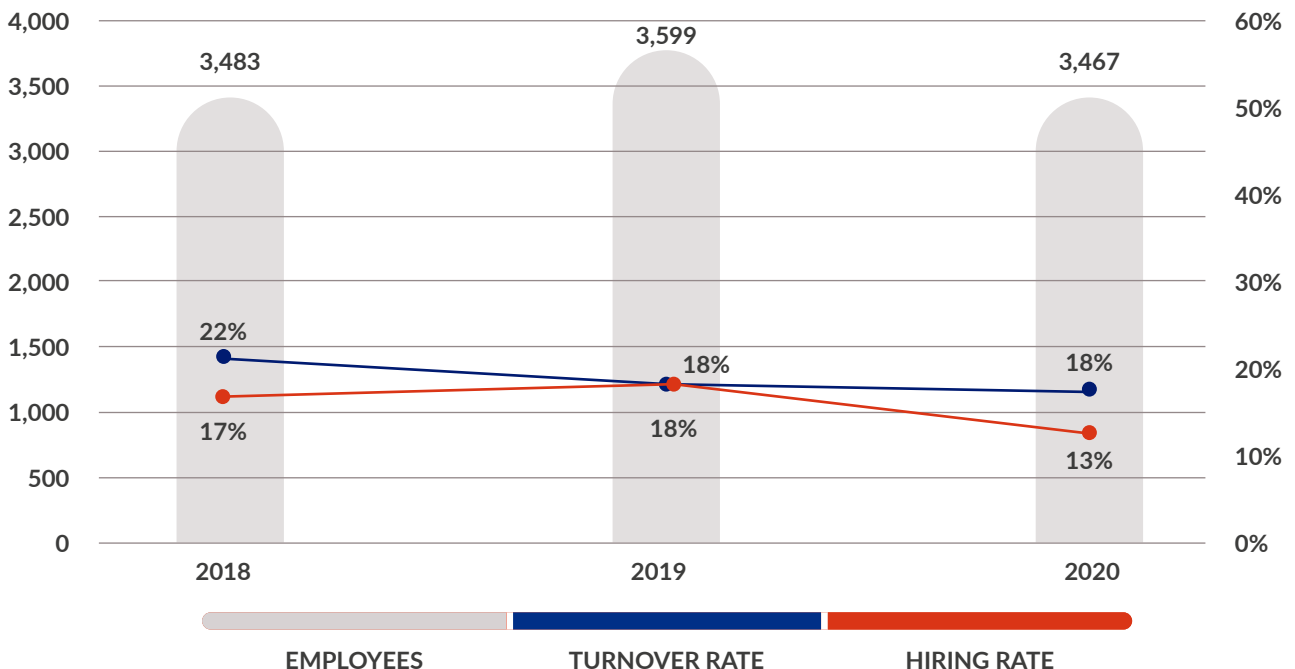
The turnover rate, calculated as the number of voluntary and non-voluntary terminations in the reporting period over the total number of employees at the end of the same period, has remained aligned with 2019 and is equal to 18%. The hiring rate, calculated as the number of new hired employees per year over the number of total employees at the end of the reporting period, decreased from 18% in 2019 to 13% in 2020.

This data reflects once again the effects of the Covid-19 crisis, that did not allow Artsana to maintain employee growth as in the previous years. Instead of hiring new people, the Group focused all its efforts to preserve the job position of its employees.

Employees, by age group 2020



Employees Hirings and Turnover rates



3.1 Taking care of Artsana People

Artsana has always **cared about** its **people** as they are the core of its values and mission.

The culture of innovation, the care about professional growth, competence sharing, talent development and employee integration into the organisation are the pillar of the Group's identity. To valorise its people's potential and to foster development within the organisation, Artsana promotes international experiences, transversal growth within different business units and functions, graduate programs and continuative

training both for managers, professionals and universities. As all the other topics, Covid-19 affects also the development of initiatives and activities promoted by Artsana for its employees. However, beside the difficult circumstances, the Group was able to implement some projects, in order to testify the closeness to its people and to try to **guarantee a regular working life to its employees.**



Did you know?

In April 2020, Artsana CEO wanted to organise a 3-hour online meeting with his employees in order to discuss the emotions and feelings they had experienced during the Covid-19 crisis, to show his closeness and to speak about what was happening in relation to the pandemic event. The initiative, called **"Stop and think together"**, aimed at guaranteeing a truthful and transparent conversation, by using an anonymous question and answer system platform. During the meeting a series of questions such as **"What is your biggest concern?"** or **"What do you feel you need?"** were discussed "live" with the employees in order to share all the possible situations and emotions with the entire Artsana population. The goal of the initiative was to focus the attention of the entire Group not only on the business continuity within a crisis period, but also on the important aspects of everyone's life, both as a single person and as a group of people and aims at positively trying to learn what the Covid-19 crisis can teach.

In addition, to maintain the link between Artsana people, some sharing moments between the Artsana CEO and the members of the different areas (such as Purchasing, IT, Finance, Supply Chain, etc.) were organised.

Artsana offers to its employees not only projects and initiatives, but also several **benefits, aimed at easing their working and personal lives.** In 2020, Artsana has continued to implement actions to favour and help the parents-to-be among its employees. For this

reason, on the occasion of a birth among its people, the Group expresses its welcome by providing a range of useful products for free. Among these, it's possible to find all the products that represent the brands within Artsana.



Also during 2020, Artsana was pleased to donate **Bebé Boxes** to those of its employees who had a newborn coming, wishing them all the happiness for this new chapter of their lives. In addition, all mothers and fathers after the birth of their babies receive a **kit with Chicco products** and can take advantage of a 40% discount on the purchase of Artsana products for the first 12 months of the child's life as well as a free **BebèCare Easy-Tech device system for baby car seats**. Artsana continues also to supply **free diapers** for all its employees' newborns in the first 6 months of the child's life. Moreover, other benefits are provided to Artsana employees.

For example, to encourage work-life balance, Artsana offers its employees a series of “family tools” like the “Children Village”, a nursery school which has been specifically studied to meet Artsana’s and local families’ needs. However, this structure was closed in 2020 due to the pandemic and related national regulation, but was reopened as soon as possible considering health and safety conditions.

In order to support the psycho-physical well-being of its employees and of their families, Artsana offers them easier access to sport and wellness facilities across Italy and abroad, that in 2020 have been replaced with on-line workouts due to the pandemic.

Additionally, employees can use their performance bonus, which is subject to a preferential tax rate, as **“Flexible Benefits”** using a dedicated web portal to acquire personalised vouchers, services, goods and allocate shares to pension funds.

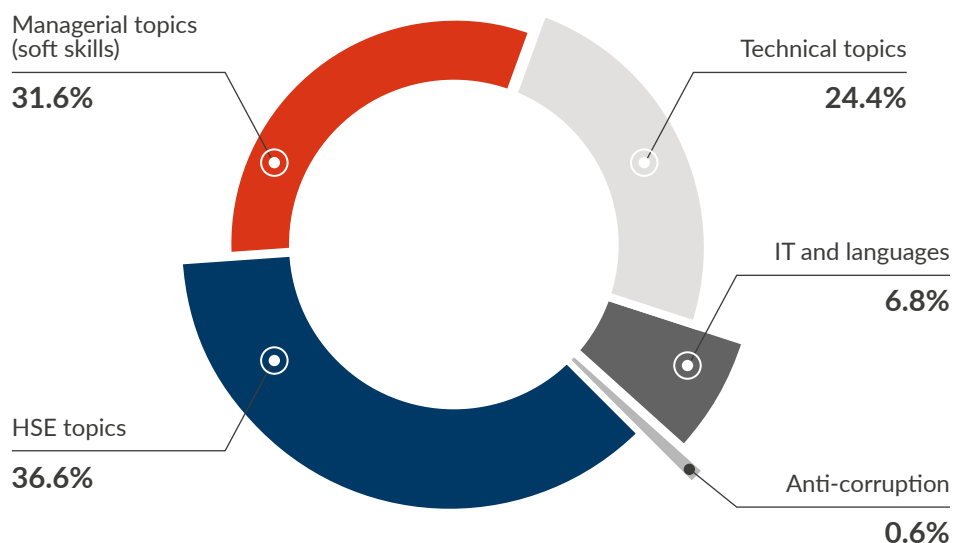
3.2 Improving our people knowledge

In the same way a care giver teaches to a child how to become an adult, Artsana whole-heartedly promotes the development of its people offering a series of activities with the aim of **encouraging** their **personal and professional growth**.

In particular, the Group strives to foster the promotion of international experiences and transversal competencies, and it offers the necessary training and tools to allow for continuous learning. Artsana provides employees with both technical and non-technical training courses on various subjects such as innovation, negotiation, entrepreneurship and the international management of different communication channels, problem solving, decision-making and finally English courses. The development of all the previous-mentioned initiatives has been very difficult in 2020, but Artsana has done its best in order to guarantee all the possible courses and professional development experiences. In order to do that, all the training courses during 2020 were offered online, guaranteeing both the continuity in training and skill development programs and

health and safety for the employees. To offer to employees the specific training they need, based on their role, skills, and competencies, Artsana designed a **training program** based on the specific career paths within the organisation. This program was conceived to develop employees' leadership and managerial skills, and it represents one of the most discussed topics during the training courses (31.6%). The Group strives to strengthen their professional profile also through the advancement of their soft skills with a particular focus on team working, inter-functional collaboration, self-empowerment and entrepreneurial capabilities. However, in 2020, the largest portion of courses (36.6%) was dedicated to HSE (Health & Safety and Environment) topics, consequently to the pandemic period.

2020 Percentage of training hours by topic



Between 2019 and 2020, the total number of training hours significantly decreased from 29,214 hours to 15,279, due to the effect of Covid-19 crisis that did not allow the normal

development of the courses. Consequently, pro capita formation hours decreased from 8.1 to 4.4.

TOTAL TRAINING	UNIT	2018	2019	2020
TOTAL HOURS	h	26,760	29,214	15,279
Average hours	h/employee	7.7	8,1	4,4

2019 Data on training provided excludes France.

TRAINING - Average training hours by gender and employee category	UNIT	2018	2019	2020
Men	h/employee	11.6	11.8	6.4
Women	h/employee	5.9	6.4	3.5
Training provided to Executives	h/employee	61.2	78.7	23.9
Training provided Managers	h/employee	10.0	11.7	6.5
Training provided to White collars	h/employee	6.4	8.9	5.2
Training provided to Blue collars	h/employee	0.9	3.2	1.9

Aiming at improving skills and knowledge of its youngest employees, Artsana has continued a *Coaching & Tutoring path*. This approach has different objectives such as enhancing the Group's resources by strengthening the self-confidence of employees, autonomy and planning capacities, but also integrating learning activities with professional experience. This initiative is very useful because it allows new employees to start their professional career under the guidance of more competent people, promoting a quick and safe integration into the work environment and also ensuring an immediate learning of Artsana rules and practices. In a view of continuous improvement

for its employees, Artsana has launched the **assessment & individual plan for new joiners at all levels**, aiming at evaluating its people both from a technical skills and knowledge point of view and from soft skills and transversal competence point of view.

This assessment plan allows the young employees to understand which are their strengths and weaknesses, in order to best perform and improve. Also, it promotes the development of individual responsibilities and fosters a proper management of their career in Artsana. Lastly, it helps them to follow an individual and specific training and development plan.



Spread sustainability within the group

The Group believes that **sustainability** is a core component of its mission and of its strategical vision, as stated in Artsana's ESG Policy and as described in Sustainability Reports.

A specific project was developed to spread the sustainability culture among employees, to foster the ESG Policy implementation and the sustainability integration within the production processes, through people's awareness and involvement, making sustainability a core aspect of the organisation culture.

The name of this initiative, launched in 2019, is **"How to create a sustainability culture"**. The aim is to create a sustainable thinking, integrating **sustainability in all business** processes. To achieve these goals, the Group, in 2019, started organising a series of working groups, each one covering a defined sustainability topic, at a head quarter level, with the aim of extending the initiative progressively into the whole organisation.

After this first phase, in 2020 the Group started to design some specific projects taken from the working groups.

Once discussed, these projects are presented and implemented through a dedicated engagement plan. In this second phase, some guidelines have driven the activities.

For example, speaking about innovation and product development, the projects should be focused on the health and wellbeing of the customer and to reduce the use of natural resources along the value chain.

Considering the supply chain and production processes management, the Group aims at developing initiatives that incentivize the respect of human and workers' rights and reduce the environmental footprint.

During 2020, some specific outcomes resulted from the implementation of this initiative: for example, the *"Back to the future"* project, that aims at incentivising the process digitalisation and the consequent materials consumption reduction. With the same goal, also *"Paperless"* project has been developed.



Did you know?

In 2020, Artsana has continued to implement the series of meetings between its **young employees and the Artsana CEO** started in 2019.

The objective of this initiative, which involves Artsana people under 30 years old (or that are within the Group since less than 3 years) from all the Artsana department, is to discuss different issues related to sustainability.

Many topics are discussed, such as **diversity and inclusion**, chain of responsibility, product sustainability, people's welfare and sustainable behavior, communication and digital evolution.

In addition, the meetings provide forum for sharing everyone's experience at Artsana, gathering possible improvement points, and are characterised by an informal and spontaneous context.

3.3 Creating a culture for a safe and healthy work environment

Ensuring a **safe and healthy work environment** is one of Artsana's main objectives. For this reason, a large number of initiatives has been implemented aimed at creating a cultural transformation among employees, by increasing awareness on health and safety issues.

To maintain a safe work environment, every year the Group provides training courses for all employees dedicated to health and safety, for a total of 5,585 hours in 2020, in slightly decrease with respect to 2019 (1.6 hours per employee). Training provided was more and more customised on the basis of the function's responsibilities in order to create more specific and tailored sessions and increase the efficacy and effectiveness of the courses.

In addition, Artsana decided to educate its employees by filming and sharing with them a **training video** that simulates daily work situations, in the context of real working environment. The aim is to **show the incorrect behaviour to avoid and the correct behaviour to adopt in order to guarantee one's own safety and that of others** in the context of the activities carried out both in the office and in the warehouse.

Training on health and safety topics	UNIT	2018	2019	2020
TOTAL HOURS	h	6,773	6,393	5,585
<i>Average hours</i>	<i>h/employee</i>	1.9	1.8	1.6

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

understanding the safety aspects within Artsana workplaces.

This aspect is testimony to Artsana's willingness to take care of all the people involved in its value chain and not only of its employees.

The main causes of injuries within Artsana in 2020 are related to slips, stumbles, bumps, uncoordinated movements, and falls.

Health and safety - employees		UNIT	2018	2019	2020
	Number of injuries	n.	36	43	57
	Injury rate [number of injuries/hours worked x 1,000,000]	n.	6.1	7.3	11.0
	Number of high-consequence work-related injuries	n.	0	0	1
	High-consequence Injury rate [number of injuries/hours worked x 1,000,000]	n.	0	0	0.2
	Number of fatalities	n.	0	0	0
	Fatality rate [number of fatalities / hours worked x 1,000,000]	n.	0	0	0
Note: 2019 and 2018 data do not include Control plant (Spain).	Hours worked	n.	5,969,412	5,888,235	5,189,591

Health and safety - other workers		UNIT	2018	2019	2020
	Number of injuries	n.	-	2	5
	Injury rate [number of injuries/hours worked x 1,000,000]	n.	-	8.0	24.6
	Number of high-consequence work-related injuries	n.	-	0	0
	High-consequence Injury rate [number of injuries/hours worked x 1,000,000]	n.	-	0	0
	Number of fatalities	n.	-	0	0
	Fatality rate [number of fatalities / hours worked x 1,000,000]	n.	-	0	0
Note: Worked hours by other workers data in Italy is not available.	Hours worked	n.	-	250,664	203,396

Other activities related to covid-19 crisis

Due to Covid-19 pandemic, Artsana had to implement **several activities**.

In addition to the provision of Artsana's Covid-19 Protocol, many specific operative procedures and instructions have been issued to cover all the wide range of aspects linked with the emergency.

Among these procedures, there is the one related to the **management of both Covid-19 positive and suspected cases**, setting the activities and the steps to be performed when an Artsana employee test positive to Covid-19 or when they or a visitor manifests some symptoms, including all the responsible parties to be involved in each case. Other examples are the operative instruction for the use of the thermometer for the **measurement of the temperature** by the Porter Service Officer to anyone who enters Company areas. The entry is prohibited to anyone who has a temperature

equal or higher than 37.5°C. **For the employees carrying out their job at customers' premises** (i.e. Product Specialist/Area Manager), the Group has prepared **behavioural Covid-19 guidelines** containing further measures and general indications in addition to those provided by the Artsana's Covid-19 Protocol for the management of the virus.

In all the Company areas, and also in the stores, several **posters**, illustrating the main safety rules to avoid the spread of the contagion, have been affixed.

In the end, in order to verify the compliance with all the measures described in Artsana's Covid-19 Protocol, the Group has also created a **check-list** and conducted specific internal control audit.

Wash your hands **often**



Properly wear **the mask**



Human Resources data appendix

Hirings and terminations

	HIRINGS				TERMINATIONS			
	Unit	2018	2019	2020	Unit	2018	2019	2020
WOMEN	n.	445	498	341	n.	553	481	151
MEN	n.	159	166	98	n.	203	168	460
Less than 30 years old	%	54	52	45	%	46	41	34
From 30 to 50 years old	%	45	45	48	%	47	47	52
More than 50 years old	%	1	3	7	%	7	12	14
ARGENTINA	n.	10	7	0	n.	14	17	6
BELGIUM	n.	1	2	1	n.	1	2	0
BRAZIL	n.	48	49	13	n.	48	52	97
CHINA	n.	31	34	13	n.	19	27	18
FRANCE	n.	7	8	1	n.	9	7	2
GERMANY	n.	1	15	3	n.	2	5	7
INDIA	n.	57	35	20	n.	32	30	17
ITALY	n.	78	122	90	n.	108	86	126
JAPAN	n.	-	1	2	n.	-	0	1
MEXICO	n.	5	5	11	n.	24	5	9
POLAND	n.	4	6	5	n.	1	5	4
PORTUGAL	n.	120	128	54	n.	119	101	68
ROMANIA	n.	103	103	163	n.	240	171	160
RUSSIA	n.	5	1	0	n.	2	4	5
SPAIN	n.	71	74	28	n.	75	58	49
SWITZERLAND	n.	4	0	1	n.	4	1	2
TURKEY	n.	50	52	18	n.	48	53	27
UK	n.	3	3	2	n.	7	10	4
USA	n.	6	19	14	n.	3	15	9
TOTAL	n.	604	664	439	n.	756	649	611


	HIRINGS				TERMINATIONS			
	Unit	2018	2019	2020	Unit	2018	2019	2020
WOMEN	%	13	14	10	%	16	13	13
MEN	%	5	5	3	%	6	5	4
Less than 30 years old	%	9	10	6	%	10	7	6
From 30 to 50 years old	%	8	8	6	%	11	8	9
More than 50 years old	%	0	0	1	%	2	2	2
ARGENTINA	%	0	0	0	%	0	0	0
BELGIUM	%	0	0	0	%	0	0	0
BRAZIL	%	1	1	0	%	1	1	3
CHINA	%	1	1	0	%	1	1	1
FRANCE	%	0	0	0	%	0	0	0
GERMANY	%	0	0	0	%	0	0	0
INDIA	%	2	1	1	%	1	1	0
ITALY	%	2	3	3	%	3	2	4
JAPAN	%	-	0	0	%	-	0	0
MEXICO	%	0	0	0	%	1	0	0
POLAND	%	0	0	0	%	0	0	0
PORTUGAL	%	3	4	2	%	3	3	2
ROMANIA	%	3	3	5	%	7	5	5
RUSSIA	%	0	0	0	%	0	0	0
SPAIN	%	2	2	1	%	2	2	1
SWITZERLAND	%	0	0	0	%	0	0	0
TURKEY	%	1	1	1	%	1	1	1
UK	%	0	0	0	%	0	0	0
USA	%	0	1	0	%	0	0	0
TOTAL	%	17	18	13	%	22	18	17

Note:




















2018 termination data do not consider Pikdare employees, that instead are included within workforce data.
2018 termination figures have been updated with respect to the 2018 Artsana Sustainability Report.
2018 employees' data do not include employees in parental leave at 31st December.

2020 figures for work-related injuries

Employee data by region:

	Number of Injuries	Number of high-consequence work-related injuries	Work-related fatalities
UNIT	n.	n.	n.
 ARGENTINA	0	0	0
 BELGIUM	0	0	0
 BRAZIL	18	0	0
 CHINA	0	0	0
 FRANCE	0	0	0
 GERMANY	0	0	0
 INDIA	0	0	0
 ITALY	9	1	0
 JAPAN	0	0	0
 MEXICO	0	0	0
 POLAND	0	0	0
 PORTUGAL	14	0	0
 ROMANIA	0	0	0
 RUSSIA	0	0	0
 SPAIN	15	0	0
 SWITZERLAND	0	0	0
 TURKEY	0	0	0
 UK	0	0	0
 USA	1	0	0
TOTAL	57	1	0

Other workers data by region:

	Number of Injuries	Number of high-consequence work-related injuries	Work-related fatalities
UNIT	n.	n.	n.
 ARGENTINA	0	0	0
 BELGIUM	0	0	0
 BRAZIL	0	0	0
 CHINA	0	0	0
 FRANCE	0	0	0
 GERMANY	0	0	0
 INDIA	0	0	0
 ITALY	3	0	0
 JAPAN	0	0	0
 MEXICO	0	0	0
 POLAND	0	0	0
 PORTUGAL	0	0	0
 ROMANIA	0	0	0
 RUSSIA	0	0	0
 SPAIN	0	0	0
 SWITZERLAND	0	0	0
 TURKEY	0	0	0
 UK	0	0	0
 USA	2	0	0
TOTAL	5	0	0

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





4

Parenting the earth

Even in a complicated year such as 2020, Artsana has maintained its deep motivation towards environmental sustainability, in all its aspects. This is due to the fact that the concept of **sustainable parenting**, launched in 2019, is more than just a claim: it is a way to approach the business ethically and responsibly.

The Covid-19 crisis has demonstrated that human activities cannot be careless of the environmental impacts they generate and, for this reason, Artsana considers as its own and primary responsibility taking care of the world surrounding us, by controlling and mitigating all the possible effects on the environment that

its activities could generate, alongside all the value chain. To demonstrate the willingness and the commitment towards the preservation of our planet, Artsana has formalised its guiding principles into the **Artsana's ESG (Environmental, Social, Governance) policy**, based on specific pillars, which will translate into



planned actions, that show the engagement of the Group towards these topics. Artsana is therefore convinced that it is its primary responsibility to monitor and mitigate its environmental impacts, knowing that every component of the global landscape, from the

individual citizen to the large multinational corporation, can work to achieve an adequate level of environmental sustainability, capable of preserving the place we call **home**, because taking care of children also means taking care of the world in which they will grow up.

4.1 A sustainable production

Artsana's production activities are conducted at its five manufacturing facilities, located in Italy, Romania and Spain, and dedicated to different products and brands:

- the **Verolanuova** (Brescia, Italy) facility produces juvenile products, nursing products, toys and medical devices. This facility runs an environmental management system certified according to the international standard ISO 14001:2015; ISO 9001:2015;
- the **Gessate** (Milan, Italy) production unit is dedicated to cosmetic products and medical devices. This facility also runs an environmental management system certified according to the international standard ISO 14001:2015; ISO 13485:2016, ISO 9001:2015, and ISO 22716:2007.
- The production unit located in **Grandate/Casnate** (Como, Italy), an external plant of the Verolanuova production unit, is specialised in natural rubber semi-finished nursing products and includes a laboratory for products and prototype quality tests;
- the **Botosani (Romania)** production unit produces both finished products and semi-finished textile linings used in the Verolanuova plant. This facility has a certified management system according to the international standard ISO 9001:2015;
- the **Alcorcon (Spain)** production unit, which is included within the Sustainability Report boundary starting from 2020, is mainly dedicated to the production of condoms for the brand Control. This facility is certified ISO 13485:2016.



ITALY

- Grandate (CO)**
 - Rubber nursing products
- Gessate (MI)**
 - Cosmetics
- Verolanuova (BS)**
 - Feeding and soothing
 - Indoor, Outdoor and Car Safety

ROMANIA

- Botosani**
 - Feeding and soothing
 - Indoor, Outdoor and Car Safety

SPAIN

- Alcorcon**
 - Condoms

In addition, Artsana relies on three **warehouses** located in Italy: **Casnate**, the European central Hub, which hosts the storage of hard goods finished products **Grandate** and **Verolanuova**, garments, shoes and juvenile products warehouses.

Tecnilatex production plant

Control is leading brand in the sexual wellness sector within the European market. It is the market leader in Portugal, in Paraguay, the second player in Italy, Spain and positive presence in Middle East.

For over 40 years, Control has been committed to producing high quality condoms, gels and toys, always pursuing the highest standards of safety and innovation. Embracing the concept of **sustainable parenting**, well-being and sexual

protection are the key principles around which the brand revolves.

The production footprint sees the Tecnilatex Factory in Madrid and the Artsana UP14 Italian Factories as the core of the Control manufacturing asset.

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

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

Artsana is committed to progressively and continuously increasing the reliability and efficiency of the distribution networks and to minimising the relative costs and environmental impacts. In particular, logistics is carefully organized for optimizing the transportation paths in terms of numbers and load size. Also,

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



4.2 Our responsible supply chain

Always pursuing trust, quality and collaboration at the core of its relationship with suppliers, Artsana has continuously aimed at creating a responsible supply chain that is able to minimise its own environmental and social impacts, coupled with guaranteeing the highest products and services quality levels.

With the intent to create and cultivate a solid relationship, the Group requires its suppliers to adhere to its **Code of Ethics**, which represents Artsana's ethical values and outlines the rights, duties and responsibilities that they need to maintain for positive collaboration built on responsible business management.

The Group keeps up with key facts and trends, monitoring multiple sources of public information on human rights and health & safety at work, to adequately address them throughout the supply chain. Indeed, Artsana exercises active monitoring and controls its suppliers in line with ILO conventions on Human Rights topics. A fundamental requirement is the adhesion to

specific industries' ethical programs, such as the International Council of Toy Industries (ICTI) Ethical Toy Program and the Bangladesh Accord for the Ready-Made Garment industry. Other certifications, such as SA8000, BSCI and SEDEX, that include also accreditation audits made by independent international organizations, are taken into consideration for suppliers' evaluation and qualification.

100% of finished product suppliers undergo a specific assessment to assure the effective adoption of the conduct rules. A risk-based approach is adopted to make direct inspections: Artsana carries out onsite audits on suppliers located outside Italy and Europe every 2 years or, in higher risk countries from the point of view of human rights, child labor or forced labor, at least every 12 months. In India, Pakistan, Bangladesh and Egypt, Artsana carries out third-party audits 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, with a 100% audit coverage.

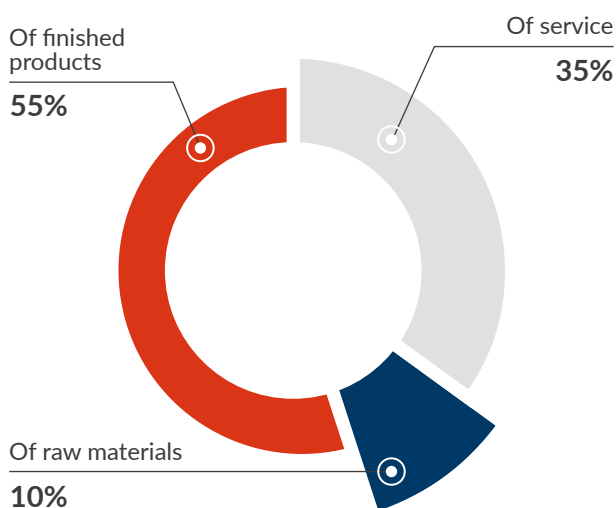
In order to share good behaviors and best practices, the Group meets and engages suppliers to share with them its sustainability policy, strategy and projects, and to evaluate their approach to sustainability. This process aims at creating a responsible and constructive collaboration with all the actors of Artsana's value chain, by sharing ideas, projects, objectives and best practices. The involvement of suppliers is key also in the analysis and reduction of the environmental footprint of the products, from



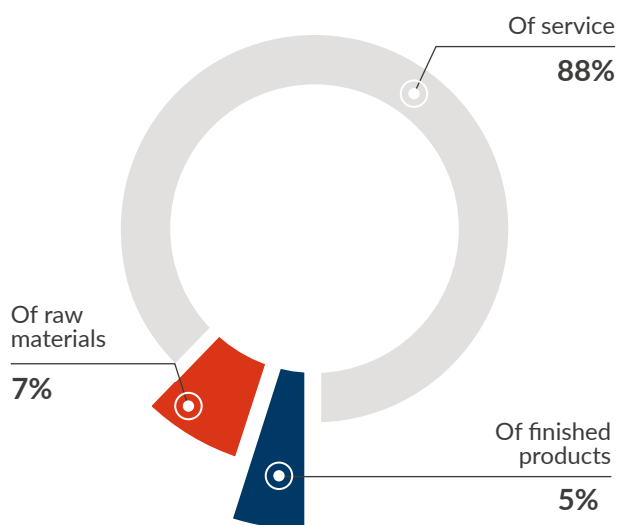
packaging reduction to the introduction of recycled materials to increase product circularity. In 2020, the Group spent **€446.8 million** on **5,175 suppliers**. Of the total purchased value, 55% was spent on suppliers of finished products, which represents only 55% of the total number of suppliers, since Artsana relies on few

trustworthy and qualified suppliers for products that are purchased and directly sold through its distribution network. The largest number of suppliers belongs to the service provider category, on which Artsana spends 35% of the total purchased value.

Purchased value in 2020, by supplier



Number of suppliers in 2020, by category



SUPPLIERS CATEGORY BY NUMBER AND BY SPENDING		UNIT	2018	2019	2020
Of finished products	suppliers (n.)		197	206	237
	spending (%)		54%	55%	55%
Of raw materials	suppliers (n.)		400	397	375
	spending (%)		11%	10%	10%
Of services	suppliers (n.)		4,352	4,812	4,563
	spending (%)		35%	35%	35%
TOTAL		suppliers (n.)	4,949	5,415	5,175

Artsana sells its products through several **distribution channels**, which include both direct interactions with the end consumers (through Artsana branches and its owned and franchising shops) and indirect deliveries (by means of intermediaries such as distributors or traders).

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

4.3 Monitoring our environmental footprint

Artsana is committed to managing its environmental impacts and working to progressively reduce them. Indeed, the Group pays special attention to its energy, raw materials and water usage, and it implements new initiatives to reduce consumption and decrease the amount of GHG (Greenhouse gases) emissions and waste produced.

As a first step and proof of its responsibility of protecting and safeguarding the environment, Artsana has focused its effort during recent years on implementing **environmental management systems (EMS)** in its production units, according to the ISO 14001 international standard. As a result of these efforts, in 2018 and 2019 respectively, EMSs of Gessate and

Verolanuova units were certified according to **ISO 14001:2015**. Certification of Artsana plant in Romania is planned within 2022. Internal audits and management review, required by EMSs, are key aspects in the governance of processes, projects and objectives and enable continuous improvement.



4.3.1

Energy consumption and efficiency

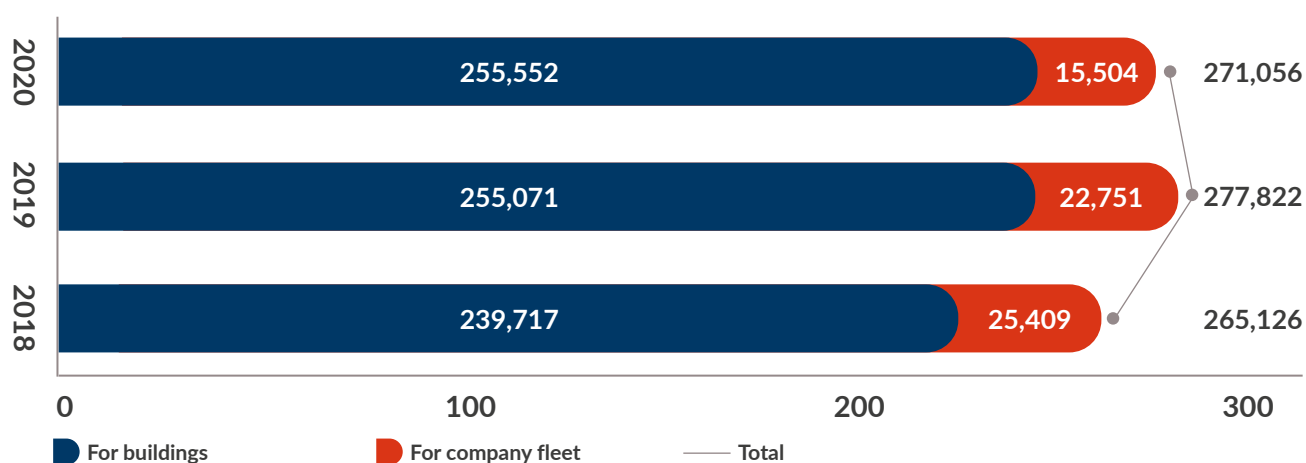
Artsana's **energy consumptions** are mainly related to electricity purchased from the national grid (more than 32%) and to the consumption of natural gas (more than 58%), which is used for heating purposes in the production units and offices, and for industrial purposes in the production of steam in the Gessate site. In 2020, the total energy consumption decreased

about 2% with respect to 2019, mainly due to the limitations related to the Covid-19 crisis. In particular, energy consumption related to Company car fleet decreased by almost 32%. Despite this, the energy consumption related to buildings (production plants and offices) remained aligned with 2019.

ENERGY CONSUMPTION	UNIT	2018	2019	2020
Energy consumption - for buildings	GJ	239,717	255,071	255,552
Of which from natural gas	GJ	120,087	153,974	158,334
Of which from diesel	GJ	6,878	7,703	8,843
Of which from LPG	GJ	89	63	76
Of which from petrol	GJ	423	604	147
Of which electricity from the national grid	GJ	112,240	92,727	88,152
Energy consumption - for Company fleet	GJ	25,409	22,751	15,504
Of which diesel vehicles	GJ	24,304	21,222	14,777
Of which gasoline vehicles	GJ	1,105	1,529	727
TOTAL	GJ	265,126	277,822	271,056

Tecnilatex's consumptions are included. 2019 data not available for Belgium. For France only electricity consumption data was available.

Energy consumption GJ



Energy management represents one of the key priorities within Artsana's environmental strategy and also one of its most significant environmental impacts. To deal with this topic and consequently with related GHG emissions, the Group has constantly and carefully monitored

its energy consumptions, in order to identify and propose specific technical and management improvements to increase the energy efficiency, to reduce energy consumption and to increase renewable energy utilization.



Did you know?

Starting from 2020, Artsana has decided to cover all its electricity consumption occurring in Italy with **Guarantees of Origin**. According to this, all the electrical energy consumed in the Headquarter, Italian production plants and stores is certified as produced by renewable sources.

In 2020, almost 57,600 GJ were certified. This means almost 7,400 tons of CO_{2eq} not emitted into the atmosphere (market-based approach).

Indeed, **energy efficiency** represents one of Artsana's key priorities, and for this reason energy consumption is carefully monitored in order to identify and quantify improvement areas and opportunities for energy savings. Throughout the Covid-19 crisis, Artsana continued to study specific initiatives to be carried out in the coming years. Nevertheless, some specific projects have been finalised.

Starting from 2020, in **UP10** plant, a **photovoltaic panel of 50 kW** is able to generate renewable electric energy. This has an impact on GHG emissions produced by the Group, since zero emissions are associated with the electricity generation occurred from a PV panel. In **Artsana Spain, a revamping of the thermal energy** plan has been performed, increasing the energy efficiency and shifting from diesel to natural gas (which has a lower impact in terms of effect on climate change). Other projects are under

evaluation and, once they will be implemented, they will allow the Group to improve energy efficiency and renewable energy consumption. The Group is evaluating the installation of other photovoltaic panels in other production units and a revamp program with a cogeneration system has already been planned for the headquarters. The new cogeneration unit will start producing within 2021.

The **metering system** installed in 2018 within the production plants has allowed the Group to better monitor energy consumption and to take the most appropriate decisions when renewing equipment or industrial systems. For example, thanks to the metering system, Artsana has decided to carry out an extraordinary maintenance on the **HVAC system** installed inside **UP14**, rather than buying a new one, as initially evaluated, reducing expenses and material consumption.

The energy and CO₂ savings occurred in 2020 and associated to the projects implemented in 2019 are summarized in the reported table:

MAIN ENERGY EFFICIENCY INITIATIVES	COUNTRY	ENERGY SAVING (GJ)	CO ₂ SAVING (TON CO ₂)
<i>Trigeneration plant</i>	Italy (Verolanuova)	11,001	1,120
<i>LED lights installation</i>	Italy (Verolanuova)	3,843	290
<i>Compressor revamping</i>	Italy (Gessate)	2,039	136
<i>HVAC system installation</i>	Italy (Gessate)	187	6
<i>Compressor revamping and LED lights installation</i>	Romania	1,706	113
TOTAL		18,776	1,665

4.3.2

Greenhouse gas (GHG) emissions

In 2020, Artsana has calculated its fifth **carbon footprint**, aiming at better understanding its impact on climate change. The GHG Inventory has been developed following indications and guidelines provided by the **Greenhouse Gas Protocol**, one of the most important internationally-recognised standards for the accounting and reporting of greenhouse gas emissions. Following this standard, Artsana included in the calculations **direct GHG emissions (scope 1)**, related to direct energy consumption (both in terms of buildings,

production sites, and company car fleet) and to the refrigerant gases refilling of air-conditioning systems and **indirect emissions from energy purchase (scope 2)**, mainly related to electricity purchased from the national grid. In addition to these categories and on a voluntary basis, Artsana also calculated other **indirect GHG emissions (scope 3)**, further expanding the scope of measurement and reporting to other Scope 3 emission categories, to reach a higher level of understanding of its impact on climate change.

GHG EMISSIONS	UNIT	2018	2019	2020
Direct Emissions (Scope 1)	tCO₂ eq	9,964	10,783	10,936
<i>emissions from fuels for heating and other purposes</i>	tCO ₂	7,094	8,253	9,454
<i>emissions from fuels used for Company's car fleet</i>	tCO ₂	2,721	2,235	1,145
<i>emissions from refrigerant gases refilling of air-conditioning systems</i>	tCO ₂ eq	149	295	337
Indirect Emissions from energy purchase (Scope 2)	tCO₂	10,672	9,131	7,955
<i>emissions from electricity purchased from national grid (location-based approach)¹</i>	tCO ₂	10,672	9,131	7,955
Other indirect Emissions (Scope 3)	tCO₂ eq	20,543	21,388	60,235
<i>Purchased goods and services</i>	tCO ₂ eq	-	-	36,145
<i>Capital goods</i>	tCO ₂ eq	-	-	Not applicable for 2020
<i>Fuel- and energy-related activities (not included in scope 1 or scope 2)</i>	tCO ₂ eq	-	-	2,024
<i>Upstream transportation and distribution</i>	tCO ₂ eq	17,154	18,746	18,552
<i>Waste generated in operations</i>	tCO ₂ eq	-	-	0,385
<i>Business travel</i>	tCO ₂ eq	3,389	2,642	0,263
<i>Upstream leased assets</i>	tCO ₂ eq	-	-	1,370
<i>Franchises</i>	tCO ₂ eq	-	-	1,496
TOTAL	tCO₂ eq	41,179	41,302	79,126

Note:

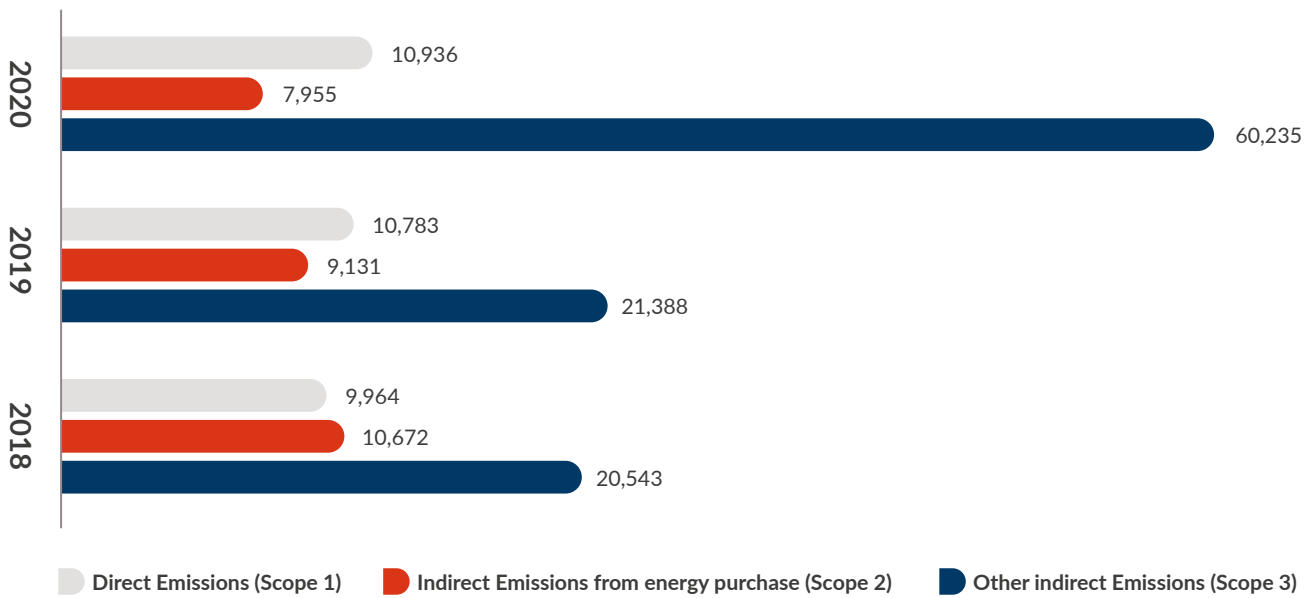
Scope 1 emission: 2019 data not available for Belgium and France.

Scope 2 emission: 2019 data not available for Belgium.

Scope 3 emission: 2019 data for travel by train not available for Belgium and France. 2018 data have been updated in 2019.

¹ On the basis of the market-based method, Artsana Scope 2 emissions are equal to 14,357 tons of CO₂ in 2018 and 11,813 tons of CO₂ in 2019, and 2,703 tons of CO₂ in 2020. The significant drop is related to the Guarantee of Origin purchase occurred in Italy.

GHG emissions (tCO_{2eq})

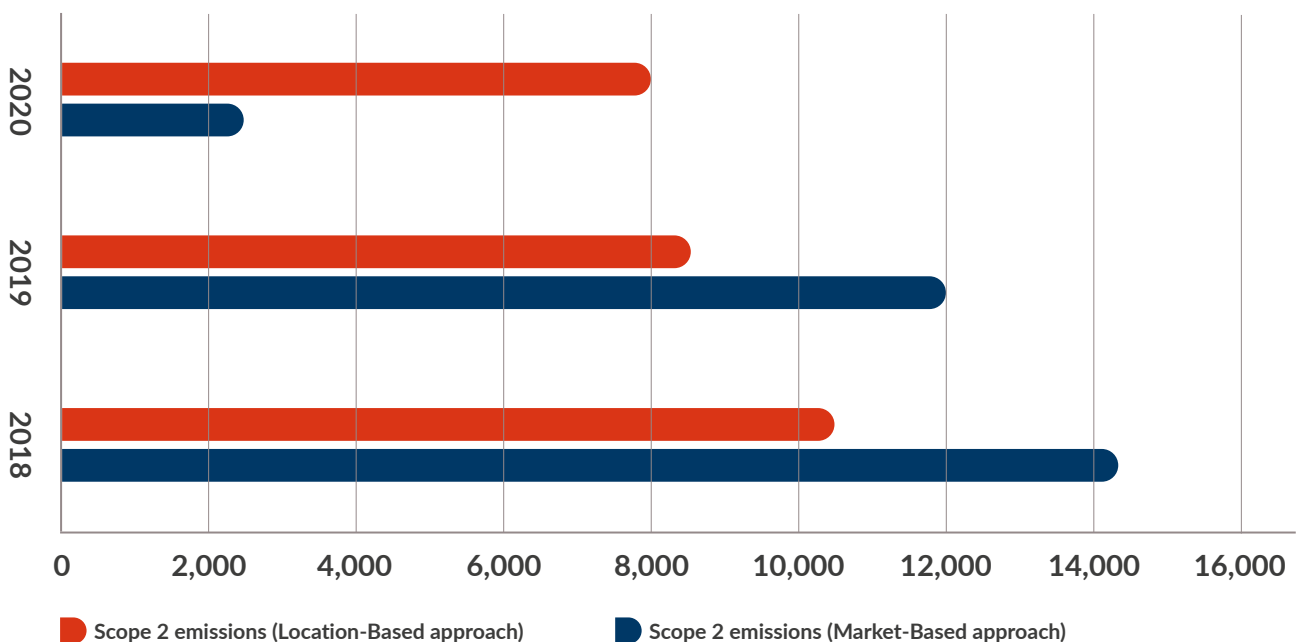


With respect to 2019, 2020 Scope 1 GHG emissions increased of almost 2%, mainly due to an increase in terms of emissions related to heating (decrease in the heating system efficiency) and specific Covid-19 regulations (air recycling system switched off that implies a continuous heating of “new” air). Scope 2 GHG emissions however decreased almost 13%. This

is a clear effect of the offices lockdown related to the Covid-19 crisis. If compared with 2018, Scope 1 GHG emissions increased almost 10% while Scope 2 GHG emissions decreased of more than 25%.

Both these trends are related to the installation of trigeneration plant in Verolanuova at the end of 2018.

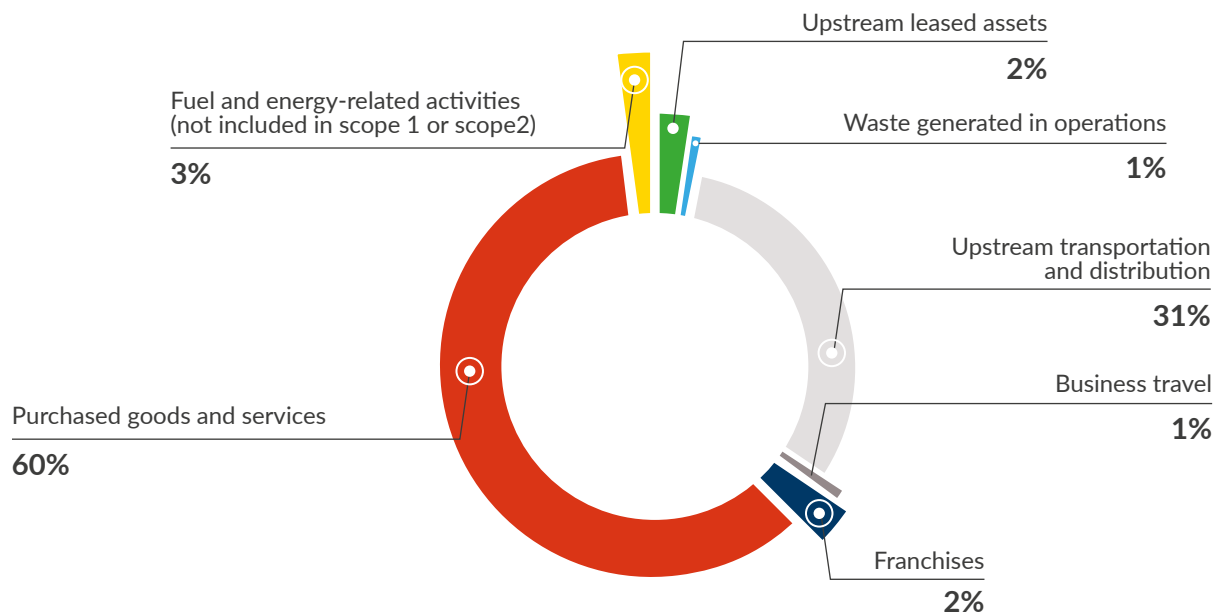
Comparison between Location-Based and Market-Based approach (tCO₂)



Thanks to the acquisition of Guarantees of Origin for the Italian electricity consumption, the Scope 2 emissions calculated with a Market-Based approach show a significant drop, with respect to the ones calculated with a Location-Based approach. Scope 3 GHG emissions related to logistic activities are aligned with the ones registered for 2019 (with a slight decrease). Scope 3 GHG emissions related to business travels decreased 90% with respect to 2019 and more than 92% with respect to 2018, another impact of the Covid-19 emergency.

Other Scope 3 GHG emissions categories have been accounted and reported in 2020. The most relevant category is the one related to the emissions associated to purchased goods and services that represents 60% of the Artsana Scope 3 GHG emissions. For 2020, only materials used within production processes directly implemented within Artsana plant have been included in the calculation. Another significant category is the one related to upstream transportation and distribution activities, representing 31%.

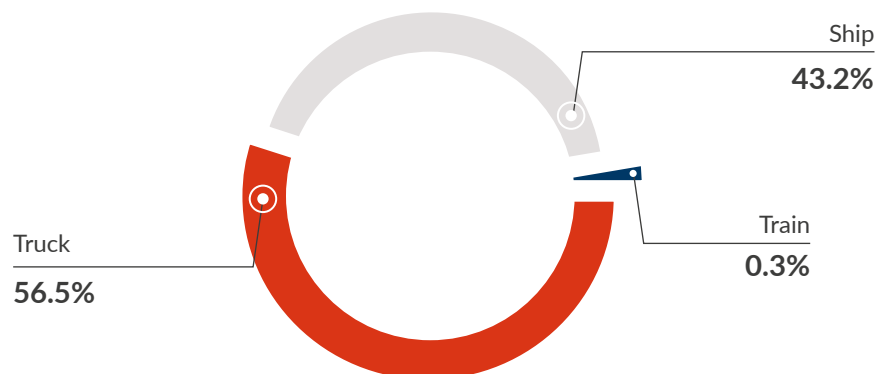
Scope 3 GHG emissions by category (%)



Focusing on Scope 3 GHG emissions related to logistic activities, meaning upstream transportation and distribution category, the

most used way of transport is the truck, followed by ship and train.

2020 Upstream T&D emissions, by mean of transport



Furthermore, Artsana, in line with its strong commitment towards the reduction of GHG emissions, has decided to set an SBT-inspired target of -27.5% at 2030 with respect to 2019 baseline, following the Well below 2°C scenario. This target will cover Scope 1 and Scope 2 (Market-Based approach) GHG emissions. This is a first step to introduce targeted reduction of the impacts of the activity of the Group; for other Indirect GHG emissions (Scope 3), activities and projects described in the report are aimed at reducing the impacts, even if the introduction of targets require further work,

starting from a comprehensive measurement of the various categories of emissions. As a further commitment with respect to climate change, Artsana decided to purchase carbon credits in order to compensate its overall GHG Scope 1 and Scope 2 – Market based emissions, starting from 2020 reporting year. The initiative allowed Artsana to become carbon neutral on the activities falling within the reporting perimeter and is designed as a transition tool to mitigate its impact on the road to effectively reducing carbon emissions.

Carbon offsetting projects

Artsana's carbon neutrality is achieved by balancing carbon emissions with offsetting, thus using carbon credits coming from positive impact projects. Each credit is certified according to international standards and it corresponds to the reduction (or removal) of one ton of CO₂ equivalent. In particular, the two projects Artsana bought the credits from are the "Great Bear Forest Carbon" and the "Guatemalan Conservation Coast". The Great Bear Forest Carbon project aims at improving forest management in British Columbia (BC), the westernmost province of Canada, generating

emission reductions through the protection of forest areas that were previously designated, sanctioned or approved for commercial logging. The project activities include changes in land-use legislation and regulation that result in the protection of forest areas and reduction of harvest levels. The second project is developed in the Guatemalan Conservation Coast region by addressing the drivers of deforestation through effective law enforcement, land-use planning, education, economic opportunities, and sustainable agroforestry initiatives. The project has also significant perks: over 400 species of birds have been documented in the project area and 120 species depend on the corridor to sustain their great journeys.

4.3.3 Raw materials and packaging

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

component of the Group's business is related to the purchase of finished products from external vendors that, once undergone a strict qualification process that aims at ensuring that they fully meet Artsana's quality and safety requirements, are sold by Artsana. In 2020, the Group used almost 6,630 tons of materials for production purposes (-7% compared to 2019 and -12% compared to 2018), of which 3,737 tons of plastics (51 % of the total) and 1,972 tons of chemicals (27 %).

With the aim of reducing its environmental footprint in terms of material consumption, Artsana launched several initiatives and practical actions, in order to decrease the total amount of consumed material and to switch

to renewable or recycled ones. For example, Artsana introduced in its packaging and product ranges paper from forests managed responsibly, recycled plastics and bio-based materials, to make some examples.

MATERIAL USED	UNIT	2018	2019	2020
Plastics	ton	4,162	3,962	4,317
Chemicals	ton	2,157	2,179	2,029
Metal components	ton	725	753	577
Textiles	ton	421	279	344
TOTAL	ton	7,465	7,173	7,267



Did you know?

Artsana is developing a **sustainability assessment tool** that will be used to define and measure a series of sustainability topics (for example material circularity) associated with the product development and production processes.

In this framework, during 2020 a draft version of the Sustainability Assessment document was included in the New Product Development Process. The scope of the Sustainability Assessment document is twofold: in the first phases of the project, it is used as a guideline and checklist to help the project team define the sustainability requirements that the product being developed should include.

At the end of the project, it is used as a final balance tool to verify which sustainable features were actually successfully implemented on the new product.

The tool has been tested in 2020 on various projects, and will be finalized during 2021, to become a key deliverable in Artsana innovation process.

Plastics & Sustainability

During 2020, the activities carried out in the framework of the project Plastics & Sustainability were mostly focused on the following areas:

- sourcing of sustainable materials (in particular, recycled materials and bio-based materials) to be used in products and packages manufactured in Artsana factories;

- support to Artsana Business Units and production units to assess the possibility to increase the use of sustainable materials.

At packaging level, the most significant results were obtained in the area of recycled PET for blisters, recycled LDPE for protecting polybags, and 100% recycled PET bottles for the Baby Moments line. Recycled materials were

evaluated for all the significant requirements and features specific of their applications in Artsana's ecosystem (technical specifications, aesthetic performances, quality, availability in volumes and cost). Samples of these materials were successfully tested on selected products as a pilot test to assess the feasibility of replacing the standard materials.

At the product level, support was given to the development of the new products using sustainable materials, such as Compostable ECO-bibs, Toothbrush in Bamboo and ECO Toys product line. Implementation will continue in coming years, both on the packaging and on the products, with the aim to increase circularity of

the products and to reduce the environmental footprint. In addition to the above activities, a deep scouting activity has been carried out in the field of the chemical recycling, which is a very promising technology for broadening the possibility to use plastic materials coming from plastic waste. Finally, a significant effort has been spent to assess the feasibility and to support the development of the mapping of all the raw materials and semi-finished goods used for the packaging of Artsana products. This activity will be completed in 2021 and represents the basis for the fulfillment of new Italian environmental regulations, such as the Environmental Labelling and the Plastic Tax.

In addition to the materials used in the production processes, Artsana used **cardboards, pallets** and other materials for the distribution of products to clients. Unlike what has been highlighted for production materials, packaging materials (cardboards and pallets) show a different trend in terms of consumption with respect to 2019. In fact, despite pallets use has increased (+2%), cardboards consumption is significantly decreased with respect to the previous year of around 38%, showing an overall material consumption decrease.

MATERIAL USED	UNIT	2018	2019	2020
<i>Cardboards</i>	ton	3,736	4,569	2,830
<i>Pallets</i>	ton	1,526	1,550	1,592
TOTAL	ton	5,262	6,119	4,422

On the e-commerce side, again with a view to reducing material consumption, some packaging components, such as tissue paper and adhesive labels, were eliminated.

Packaging reduction initiative

In recent years there has been a very clear positive trend related to the growth of e-commerce purchases, which has led to a predictable increase in delivery packaging. This dynamic has led the group to study an

approach to reducing packaging so as not to impact heavily on the environment. Artsana has verified and certified the suitability of numerous products for direct delivery to the consumer without additional logistics packaging, enabling e-commerce operators, such as Amazon, to significantly reduce the use of over-packaging and, consequently, the environmental footprint.

4.3.4

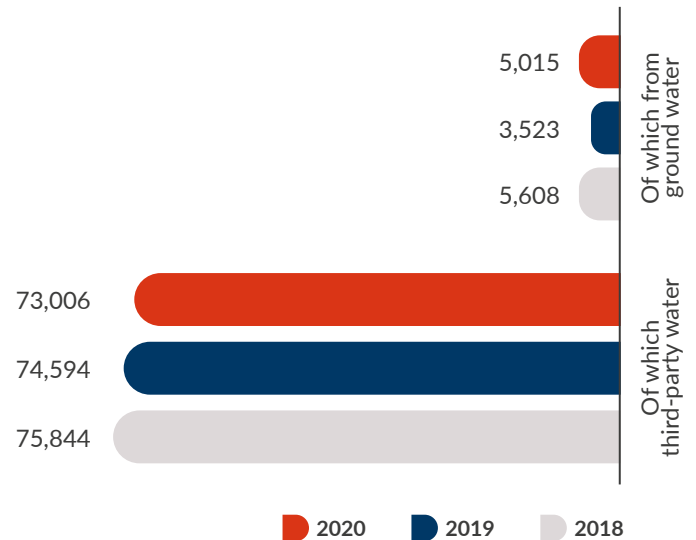
Other environmental aspects

In its production units, the Group monitors its water consumption and the waste produced in order to strengthen processes and improve performances in terms of efficiency and environmental impacts. The total water consumption for 2020 was equal to 78,021m³, almost constant with respect to 2019.

Italian sites consumed 87% of the total water withdrawal (26% related to Casnate plant, 31% to Gessate one, and 30% to Verolanuova site), while Spain and Romania plants consumed 7% and 6% respectively. At Group level, almost 94% of the water withdrawal is derived from third-party supply systems and 6% from ground water (e.g. wells).

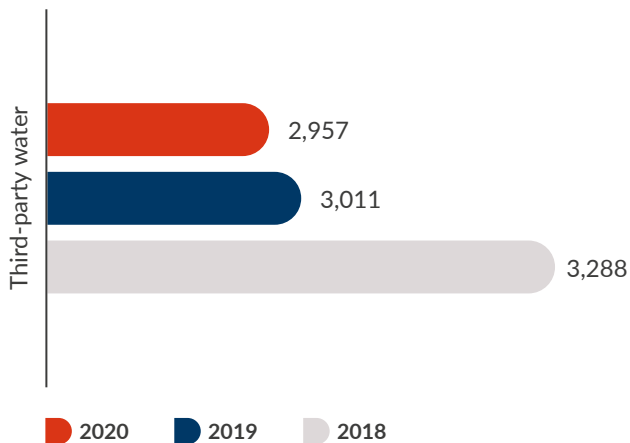
For what concerns withdrawal from wells, in 2020, Artsana increased the related consumption of 42% with respect to 2019, while consumption from third-party facilities decreased of 2%.

Water consumption (m³)



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

Water discharged (m³)



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

The only production unit with **industrial water discharges** is Gessate, in which cosmetics are produced. According to the environmental authorization (AUA – Autorizzazione Unica Ambientale) obtained by this unit in compliance with Italian regulations, Artsana constantly monitors the quality of discharged water with specific tests that consider parameters such as pH and COD (Chemical Oxygen Demand).

In addition, to reduce the wastewater sent to disposal, this production unit is equipped with a water treatment system that guarantees purified water. All the wastewater produced by Artsana plants are discharged into third-party facilities.

In terms of performance, from 2019 to 2020 the Group experienced a decrease of produced wastewater of 2%.

The results related to **waste production and management** activities are monitored during monthly management meetings in order to address improvement actions. The waste produced by the industrial processes is mainly non-hazardous (almost 93% of the total amount of waste produced in 2020).

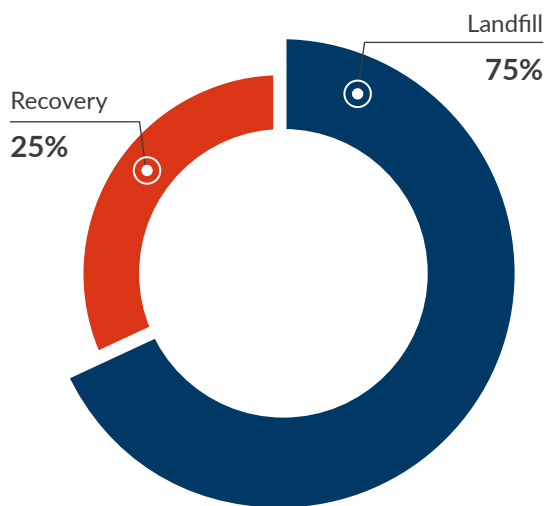
WASTE PRODUCTION	UNIT	2018	2019	2020
Hazardous waste	ton	154	216	191
Non-hazardous waste	ton	2,959	3,092	2,696
TOTAL WASTE	ton	3,113	3,308	2,887

Note:

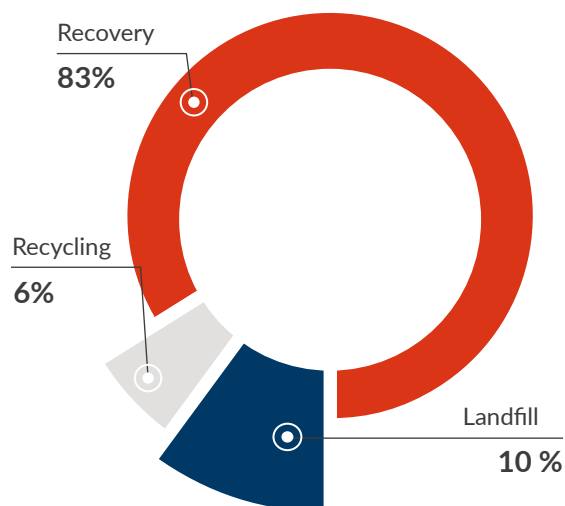
The 2020 boundary only includes the production units located in Verolanuova, Gessate and Grandate/Casnate (Italy) and Botosani (Romania), and production site in Spain. For previous year, it includes all the previous listed production sites excluding Spanish one.

To achieve the goal of reducing its environmental impact and thanks to its accurate waste management activities, in 2020 Artsana succeeded in sending a very high percentage of non-hazardous waste to recovery (83%) which also includes energy recovery and 6% to recycling. Additionally, regarding hazardous waste it was able to achieve a 25% rate of recovery.

Hazardous Waste



Non-Hazardous Waste



Waste management projects – How Artsana aims at reducing its footprint

Here below some results related to waste management projects are summarised:



Preliminary analysis over possible rubber separation processes to be implemented within UP80, in order to improve waste management



Specific actions in order to reuse and recycle materials from electric and electronic components. These actions allowed Artsana to properly dispose **13 tons** of electrical waste and to recover **300 kg** of wires.



Installation of a paper and cardboard waste management machine inside the canteen, in order to reduce waste volume.



Specific recycling and disposal of **stroller components** aiming at segregating metallic, plastic and tissues wastes. **8 tons** of metallic components separated in 2020.



Separation of the silicon **paper streams** (paper used as a labor holder). **13 tons of paper** recovered in 2020



Separation of fabrics from the plastic of **car seat**, disposing such waste as **plastic rather than as undifferentiated waste**.





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.

Artsana mapped the links between its material topics and the related GRI Standards and identified the reporting boundaries for each material topic (i.e. the impacts generated both within and outside the Group). The economic performance is related to the whole Artsana Group, while the social and environmental information refer to the brands Chicco, NeoBaby, Boppy, Fiocchi di Riso, Recaro, Goovi and Control and comprise data related to:

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

OUR MATERIAL ASPECTS	GRI MATERIAL TOPICS	ASPECT BOUNDARY	
		Within the organization	Outside the organization
Product affordability and fair pricing	GRI 201: Economic performance 2016	Artsana Group	-
Anti-corruption and business ethics	GRI 205: Anti-corruption 2016	Artsana Group	-
Compliance with laws and regulations	GRI 419: Socio-economic compliance 2016 GRI 307: Environmental compliance 2016	Artsana Group	-
Customer centrality	-	Artsana Group	-
Diversity and equal opportunities	GRI 405: Diversity and Equal Opportunity 2016	Artsana Group	-
Employee care	GRI 401: Employment 2016 GRI 404: Training and Education 2016 GRI 405: Diversity and Equal Opportunity 2016	Artsana Group	-
Energy efficiency and climate change	GRI 302: Energy 2016 GRI 305: Emissions 2016	Artsana Group	Suppliers
Evolution of distribution channels	-	Artsana Group	-
Respect for human rights	GRI 408: Child Labor 2016 GRI 409: Forced or Compulsory Labor 2016 GRI 412: Human rights assessment 2016	Artsana Group	Suppliers
Innovation and R&D	-	Artsana Group	-
Occupational Health and Safety	GRI 403: Occupational Health and Safety 2018	Artsana Group	Suppliers
Environmental impact of products	GRI 301: Materials 2016 GRI 302: Energy 2016 GRI 303: Water and effluents 2018 GRI 305: Emissions 2016 GRI 306: Effluents and waste 2016	Artsana Group	Final consumers Suppliers
Privacy and data security	GRI 418: Customer Privacy 2016	Artsana Group	Final consumers
Product responsible communication	GRI 417: Marketing and Labeling 2016	Artsana Group	-
Product social responsibility	GRI 417: Marketing and Labeling 2016	Artsana Group	-
Product quality and safety	GRI 416: Customer Health and Safety 2016	Artsana Group	-
Responsible supply chain	GRI 308: Supplier Environmental Assessment 2016 GRI 412: Human rights assessment 2016 GRI 414: Supplier Social Assessment 2016	Artsana Group	Suppliers
Social initiatives	-	Artsana Group	-
Use of raw materials	GRI 301: Materials 2016	Artsana Group	Suppliers

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

Conversion factors used in emissions calculations:

Fuel density	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2020, 2019 and 2018
NCV (Net Calorific Value)	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2020, 2019 and 2018

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

GHG EMISSIONS SCOPE 1			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Diesel, natural gas and LPG for heating and other purposes	Fuel consumption	MATTM (Ministero dell'Ambiente e della Tutela del Territorio e del Mare), Tabella parametri standard nazionali, 2018, 2019, 2020	Only CO ₂ emissions were considered
Company's car fleet	Fuel consumption	MATTM (Ministero dell'Ambiente e della Tutela del Territorio e del Mare), Tabella parametri standard nazionali, 2018, 2019, 2020	Only CO ₂ emissions were considered
Leakages from air-conditioning systems of refrigerant gases	F-Gas Leakage	Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) over a 100-year period	CO ₂ equivalent emissions were considered

GHG EMISSIONS SCOPE 2			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Electricity purchased from national grid - <i>location-based method</i>	Electricity consumption	Terna, Confronti Internazionali, 2018, 2017, 2016 (Total gross production)	Only CO ₂ emissions were considered
Electricity purchased from national grid - <i>market-based method</i>	Electricity consumption	For European countries: AIB - European Residual Mixes, 2019, 2018, 2017 For non-European Countries: Terna, Confronti Internazionali, 2018, 2017, 2016 (Total gross production) For USA: E-Grid data provided by US Environmental Protection Agency, 2019 (2020 emissions data) Green-e Energy Residual Mix, 2018, 2017 (2018 and 2019 emissions data)	Only CO ₂ emissions were considered

GHG EMISSIONS SCOPE 3



SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Purchased Goods & Services (GHG Protocol Cat.1)	Weight of purchased raw, process and packaging materials.	Ecoinvent v.3.7.1	CO ₂ equivalent emissions were considered
Fuel and Energy related activities (GHG Protocol Cat.3)	Fuel and electricity consumption	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2020	CO ₂ equivalent emissions were considered
Upstream Transportation & Distribution (GHG Protocol Cat.4)	Distance covered by plane, truck or ship and transported weight	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors 2018 - Full set, 2019, 2018 and 2017	CO ₂ equivalent emissions were considered
Waste generated in operations (GHG Protocol Cat.5)	Weight of disposed waste	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2020 Ecoinvent v.3.7.1	CO ₂ equivalent emissions were considered
Business Travels (GHG Protocol Cat.6)	Distance travelled per business by plane or train.	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2020	CO ₂ equivalent emissions were considered
Upstream Leased Assets (GHG Protocol Cat.8)	Surface of each leased assets.	AIB - European Residual Mixes, 2019	CO ₂ equivalent emissions were considered
Franchises (GHG Protocol Cat. 14)	Surface of each franchising.	AIB - European Residual Mixes, 2019	CO ₂ equivalent emissions were considered

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

The calculations carried out relied on the following assumptions:

- Purchased goods and services (Cat. 1) includes data related to all the purchased materials (raw, processed and packaging) used within the production processes carried out by the Group. For these categories, 85% of the total weight has been considered. The remaining 15% has been estimated. Emissions associated with the generation of finished products purchased by Artsana are excluded.
- Upstream Transportation & Distribution (Cat. 4) includes data related to transportation payed by Artsana (considering both inbound and outbound logistic activities). Transports associated with logistic activities payed by the suppliers are considered only for raw, process, and packaging materials transportation occurring in Europe.
- Business travels (Cat. 6) data do not include emissions associated with overnight hotel accommodation.
- Upstream Leased assets (Cat. 8) and Franchising (Cat. 14) emissions have been calculated estimating the energy consumption for each shop/building, since the only available data were the building surfaces.

5.2 GRI Content Index (with reference to UNGC)

GRI Standard	Disclosure	Paragraph
GRI 101: Foundation 2016 General Disclosures		
ORGANIZATIONAL PROFILE		
GRI 102: General Disclosures 2016	102-1 Name of the organization	1.2 The Group as of today
	102-2 Activities, brands, products, and services	1 How we parent 1.2 The Group as of today 1.2.1 Our Brands
	102-3 Location of headquarters	1.3.4 Scope of the report 5.2 Contacts
	102-4 Location of operations	1.2.2 Our market presence
	102-5 Ownership and legal form	1.2 The Group as of today
	102-6 Markets served	1.2.2 Our market presence
	102-7 Scale of the organization	Our sustainability highlights
	 102-8 Information on employees and other workers	3 Parenting for strenghtening our people
	102-9 Supply chain	4.2 Our responsible supply chain
	102-10 Significant changes to the organization and its supply chain	1.2 The Group as of today 4.2 Our responsible supply chain
	102-11 Precautionary Principle or approach	1.3 Our Sustainability commitment
	102-12 External initiatives	2.4 Together with communities
	102-13 Membership of associations	1.3.1 Our strategy 2.2 Quality, safety and innovation
STRATEGY		
 102-14 Statement from senior decision-maker	CEO message	
ETHICS AND INTEGRITY		
102-16 Values, principles, standards, and norms of behavior	1.3.1 Our strategy	
GOVERNANCE		
102-18 Governance structure	1.2.2 Our market presence 1.3.1 Our strategy	

STAKEHOLDER ENGAGEMENT



102-40	List of stakeholder groups	1.3.2	Our stakeholders
102-41	Collective bargaining agreements	3	Parenting for strengthening our people
102-42	Identifying and selecting stakeholders	1.3.2	Our stakeholders
102-43	Approach to stakeholder engagement	1.3.2	Our stakeholders
102-44	Key topics and concerns raised	1.3.3	Material topics

REPORTING PRACTICE

102-45	Entities included in the consolidated financial statements	1.3.4 5	Scope of the report Methodological note
102-46	Defining report content and topic Boundaries	5	Methodological note
102-47	List of material topics	1.3.3 5	Material topics Methodological note
102-48	Restatements of information		No changes in the information given in the previous report.
102-49	Changes in reporting	1.3.4	Scope of the report
102-50	Reporting period	1.3.4	Scope of the report
102-51	Date of most recent report		2019 Sustainability Report
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report		Contacts
102-54	Claims of reporting in accordance with the GRI Standards	5	Methodological note
102-55	GRI content index	5.2	GRI Content Index
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	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	1.2.2	Our market presence
	103-3	Evaluation of the management approach	1.2.2	Our market presence
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	1.2.2	Our market presence



ANTI-CORRUPTION

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	1.3.1	Our strategy
	103-3	Evaluation of the management approach	1.2.2	Our market presence
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	1.2.2	Our market presence
				<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>



MATERIALS

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	4.3.3	Raw materials and packaging
	103-3	Evaluation of the management approach	4.3.3	Raw materials and packaging
GRI 301: Materials 2016	301-1	Materials used by weight or volume	4.3.3	Raw materials and packaging



ENERGY

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	4.3.1	Energy consumption and efficiency
	103-3	Evaluation of the management approach	4.3.1	Energy consumption and efficiency
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.3.1	Energy consumption and efficiency



WATER

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	4.3.4	Other environmental aspects
	103-3	Evaluation of the management approach	4.3.4	Other environmental aspects
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	4.3.4	Other environmental aspects
	303-2	Management of water discharge-related impacts	4.3.4	Other environmental aspects
	303-3	Water withdrawal	4.3.4	Other environmental aspects All the water withdrawn by Artsana is fresh water (≤1,000 mg/l of total dissolved solids). The Company does not take water from water-stressed areas.



EFFLUENTS AND WASTE

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	4.3.4	Other environmental aspects
	103-3	Evaluation of the management approach	4.3.4	Other environmental aspects
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	4.3.4	Other environmental aspects



EMISSIONS

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	4.3.2	Greenhouse gas (GHG) emissions
	103-3	Evaluation of the management approach	4.3.2	Greenhouse gas (GHG) emissions
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.3.2	Greenhouse gas (GHG) emissions
	305-2	Energy indirect (Scope 2) GHG emissions	4.3.2	Greenhouse gas (GHG) emissions
	305-3	Other indirect (Scope 3) GHG emissions	4.3.2	Greenhouse gas (GHG) emissions

ENVIRONMENTAL COMPLIANCE

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	1.3.1	Our strategy
	103-3	Evaluation of the management approach	1.3.1	Our strategy
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	-	During the reporting period, the Company did not identify any non-compliance with environmental laws and regulations.



SUPPLIER ENVIRONMENTAL ASSESSMENT

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note	
	103-2	The management approach and its components	4.2	Our responsible supply chain	
	103-3	Evaluation of the management approach	4.2	Our responsible supply chain	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	4.2	Our responsible supply chain	100% finished product suppliers are screened using environmental criteria (33 out of 237 are new suppliers).

GRI 400 Social Standards Series



EMPLOYMENT

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note	
	103-2	The management approach and its components	3	Parenting for strenghtening our people	
	103-3	Evaluation of the management approach	3	Parenting for strenghtening our people	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	3	Parenting for strenghtening our people - Human Resources data appendix	



OCCUPATIONAL HEALTH AND SAFETY

GRI 103: Management Approach 2018	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note	
	103-2	The management approach and its components	3.3	Creating a culture for a safe and healthy work environment	
	103-3	Evaluation of the management approach	3.3	Creating a culture for a safe and healthy work environment	

**GRI 403:
Occupational
Health and
Safety 2018**

403-1	Occupational health and safety management system	3.3	Creating a culture for a safe and healthy work environment	The company has a Health & Safety Management System to manage all the H&S aspects, even if not certified.
403-2	Hazard identification, risk assessment, and incident investigation	3.3	Creating a culture for a safe and healthy work environment	
403-3	Occupational health services	3.3	Creating a culture for a safe and healthy work environment	
403-4	Worker participation, consultation, and communication on occupational health and safety	3.3	Creating a culture for a safe and healthy work environment	
403-5	Worker training on occupational health and safety	3.3	Creating a culture for a safe and healthy work environment	
403-6	Promotion of worker health	3.3	Creating a culture for a safe and healthy work environment	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.3	Creating a culture for a safe and healthy work environment	
403-9	Work-related injuries	3.3	Creating a culture for a safe and healthy work environment Human Resources data appendix	



TRAINING AND EDUCATION

**GRI 103:
Management
Approach
2016**

103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
103-2	The management approach and its components	3.1	Taking care of Artsana People
103-3	Evaluation of the management approach	3.1	Taking care of Artsana People

**GRI 404:
Training and
Education
2016**

404-1	Average hours of training per year per employee	3.1	Taking care of Artsana People
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DIVERSITY AND EQUAL OPPORTUNITY

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	1.3.1 3	Our strategy Parenting for strengthening our people
	103-3	Evaluation of the management approach	1.3.1 3	Our strategy Parenting for strengthening our people
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	1.2.2 1.3.1 3	Our market presence Our strategy Parenting for strengthening our people



CHILD LABOR

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	1.3.1 4.2	Our strategy Our responsible supply chain
	103-3	Evaluation of the management approach	1.3.1 4.2	Our strategy Our responsible supply chain
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	1.3.1 4.2	Our strategy Our responsible supply chain



FORCED OR COMPULSORY LABOR

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	1.3.1 4.2	Our strategy Our responsible supply chain
	103-3	Evaluation of the management approach	1.3.1 4.2	Our strategy Our responsible supply chain
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	1.3.1 4.2	Our strategy Our responsible supply chain



HUMAN RIGHTS ASSESSMENT

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	4.2	Our responsible supply chain
	103-3	Evaluation of the management approach	4.2	Our responsible supply chain
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	4.2	Our responsible supply chain



SUPPLIER SOCIAL ASSESSMENT

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	4.2	Our responsible supply chain
	103-3	Evaluation of the management approach	4.2	Our responsible supply chain
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	4.2	Our responsible supply chain 100% finished product suppliers are screened using social criteria (33 out of 237 are new suppliers).

CUSTOMER HEALTH AND SAFETY

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	2.2	Quality, safety and innovation
	103-3	Evaluation of the management approach	2.2	Quality, safety and innovation
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.2	Quality, safety and innovation Confidentiality constraints: sensitive information for the business, only qualitative information reported.

MARKETING AND LABELING

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note	
	103-2	The management approach and its components	2.2	Quality, safety and innovation	
	103-3	Evaluation of the management approach	2.2	Quality, safety and innovation	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	2.1	Side by side with parents	Only qualitative information reported.

CUSTOMER PRIVACY

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note	
	103-2	The management approach and its components	1.2.2	Our market presence	
	103-3	Evaluation of the management approach	1.2.2	Our market presence	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-		During the reporting period, the Company did not receive any substantiated complaints concerning breaches of customer privacy.

SOCIO-ECONOMIC COMPLIANCE

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note	
	103-2	The management approach and its components	1.3.1	Our strategy	
	103-3	Evaluation of the management approach	1.3.1	Our strategy	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	-		We have not identified any significant non-compliance with laws and regulations related to social and economic area.

CUSTOMER CENTRALITY

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note	
	103-2	The management approach and its components	2	Parenting for growing together	
	103-3	Evaluation of the management approach	2	Parenting for growing together	

EVOLUTION OF DISTRIBUTION CHANNELS

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	2.1 4.2	Side by side with parents Our responsible supply chain
	103-3	Evaluation of the management approach	2.1 4.2	Side by side with parents Our responsible supply chain

INNOVATION AND R&D

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	2.1 2.2	Side by side with parents Quality, safety and innovation
	103-3	Evaluation of the management approach	2.1 2.2	Side by side with parents Quality, safety and innovation

SOCIAL INITIATIVES

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3.3 5	Material topics Methodological note
	103-2	The management approach and its components	2.4	Together with communities
	103-3	Evaluation of the management approach	2.4	Together with communities

Contacts

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