

# BRANDART

PACKAGING PROCUREMENT & MARKETING SOLUTIONS

SUSTAINABILITY | 2020  
R E P O R T



## BRANDART

Is an INNOVATION & SOURCING HUB that supports BRANDS across MULTIPLE INDUSTRIES in achieving better communication and customer experience through SUSTAINABLE PACKAGING, MERCHANDISING SOLUTIONS and MARKETING SERVICES.

Our BUSINESS MODEL focuses on the END-TO-END MANAGEMENT of all Packaging, merchandising and marketing needs through services and products, offering COST SAVINGS and VALUE OPTIMIZATION to our clients.





<b>LETTER TO STAKEHOLDERS</b>	<b>4</b>	<b>4. OUR PARTNERS</b>	<b>48</b>
<b>1. BRANDART</b>	<b>5</b>	Our Business Model	49
Our values and principles	10	Manufacturing Partners	50
A Customer-Based Approach	12	<b>5. OUR RESPONSABILITY</b>	<b>55</b>
Governance Model	16	Energy	56
<b>2. OUR COMMITMENT TO SUSTAINABILITY</b>	<b>21</b>	Water	57
Our associations and industrial memberships	22	Emissions	58
Our certifications	24	Waste	60
Our international awards and assessments	26	<b>6. OUR PEOPLE</b>	<b>63</b>
Our contribution to the United Nations	27	Employment and Workforce	64
SDG's		Health and Safety	71
Our actions for the achievement of the	28	Training and education	74
United Nations SDG's		<b>7. ECONOMIC PERFORMANCE</b>	<b>76</b>
<b>3. INNOVATING SUSTAINABLY</b>	<b>29</b>	<b>8. METHODOLOGICAL NOTES</b>	<b>77</b>
Our Services	30	Stakeholders engagement and materiality	78
Our Packaging and Merchandising Solutions	31	analysis	78
Materials	41	Material topics	80
Our Marketing Solutions	44	GRI content index	81
Customer Health and Safety	45		
Our ICT System Framework	46		





# LETTER TO STAKEHOLDERS

---

“ It is not possible to speak about sustainability without a fully compliant supply chain ”

The following pages report the results of the commitment taken by BRANDART and its employees to achieve the goals of responsibility and sustainability that allow us to operate with pride every day. We have important ambitions for the next few years and want to tell you in detail what we have done, what we are doing, and what we intend to do.

In the course of 2020, despite the difficulties posed by the global health crisis, BRANDART continued its growth process by focusing strongly on ways to offer transparent processes and products with reduced environmental and social impacts. The synergies between technology and sustainability provide the key to understanding our strategy for the coming years and future generations.

Obtaining the GRS certification was of fundamental importance. It allowed us to systematically integrate the theme of the Circular Economy into the products offered and to further guarantee the certification of products along the entire value chain to our customers.

We have executed with determination research and development projects that allow us to make choices based both on the directives for main product sustainability, as well as on the scientific data useful for identifying different categories of material and product impact.

The renewal of BRANDART's corporate certifications, which include ISO 9001, ISO 14001 and SA800 standards and of the FSC®, GOTS, and OK compost INDUSTRIAL certifications, are proof that our strategy is based on the compliance of our structure and our products. A topic that can no longer be disregarded in our sector of operations.

I would also like to underline that compliance with the SA 8000 standard for social responsibility is an integral part of our daily activity: Packaging is increasingly associated with the environmental impact of its products but is often neglected in terms of its social impact on the supply chain. An aspect that BRANDART is analyzing and improving with diligence.

The safety of people, the well-being of our employees, and the strengthening of relationships with our customers remain at the center of our vision. The internal reorganization project we are implementing is designed to offer growth opportunities to our employees and to create a work environment in line with the highest international standards.

BRANDART has also undertaken meticulous work with regards to internal and external communications to disclose with its stakeholders information on the work done and the results determined with its research.

Today, more than ever, I am proud of the commitment of our employees who meet every new challenge with courage and, above all, with extreme flexibility, two qualities that continue to distinguish us in our field.





# 1. BRANDART

Founded in 1998, BRANDART is located in Busto Arsizio, Italy, one of the most industrialized regions of Italy, 20 minutes away from Milan, and home to the most advanced industrial and retail companies in the Country.

BRANDART has grown rapidly with the aim of becoming one of the leading companies within the Packaging and merchandising procurement business.

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

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

It is thanks to this blend of services and operational excellence that, together with a production of over 90 million Packaging pieces per year, BRANDART decided to be part of the solution to the environmental and social challenges that its industry is facing.

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

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





# TIMELINE: Past, Present & Future

BRANDART's sustainability program is based on the idea that it's not possible to talk about sustainability at an industrial level without a clear focus on corporate and product certifications. For this reason the company has always maintained the highest compliance and regulatory standards: in 2005 the Company obtained the ISO 9001 certification, followed by the ISO 14001 in 2009, the SA 8000 certification in 2013 and finally ISO 13485 in 2020.

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





### 2000

First production of Packaging for Luxury accessories

### 2002

Entered the Eyewear Packaging Business

### 2004

Opened China Branch  
Entered the Retail Packaging business

### 2005

BRANDART obtains ISO 9001 certification

### 2006

Global Logistic Infrastructure

### 2009

BRANDART obtains ISO 14001 certification

### 2010

Expanded business to USA clients  
Created Display Division  
BRANDART obtains FSC certification

### 2013

BRANDART obtains SA8000 certification

### 2014

SAP go-live  
EProcurement platform  
Logistic platform integration  
Production partnership in Albania

### 2015

Created USA Branch of Company  
Brandart launches its customer experience and procurement services program

### 2017

BRANDART obtains GOTS certification

### 2018

R&D and innovation HUB  
BRANDART subscribes Global Compact UN program

### 2019

BRANDART releases its first Sustainability Report  
BRANDART obtains OK compost INDUSTRIAL certification

### 2020

BRANDART obtains GRS certification  
BRANDART Signs the New Plastics Economy Program by the Ellen Macarthur Foundation

### 2021

BRANDART begins a comprehensive review of Packaging materials with SGS  
Implementation of new marketing services: SEO, SEM, Social Media, Content Marketing



## OUR FACILITIES

This Sustainability Report refers to BRANDART S.p.A., (further on called BRANDART) and includes the following facilities located in Italy:

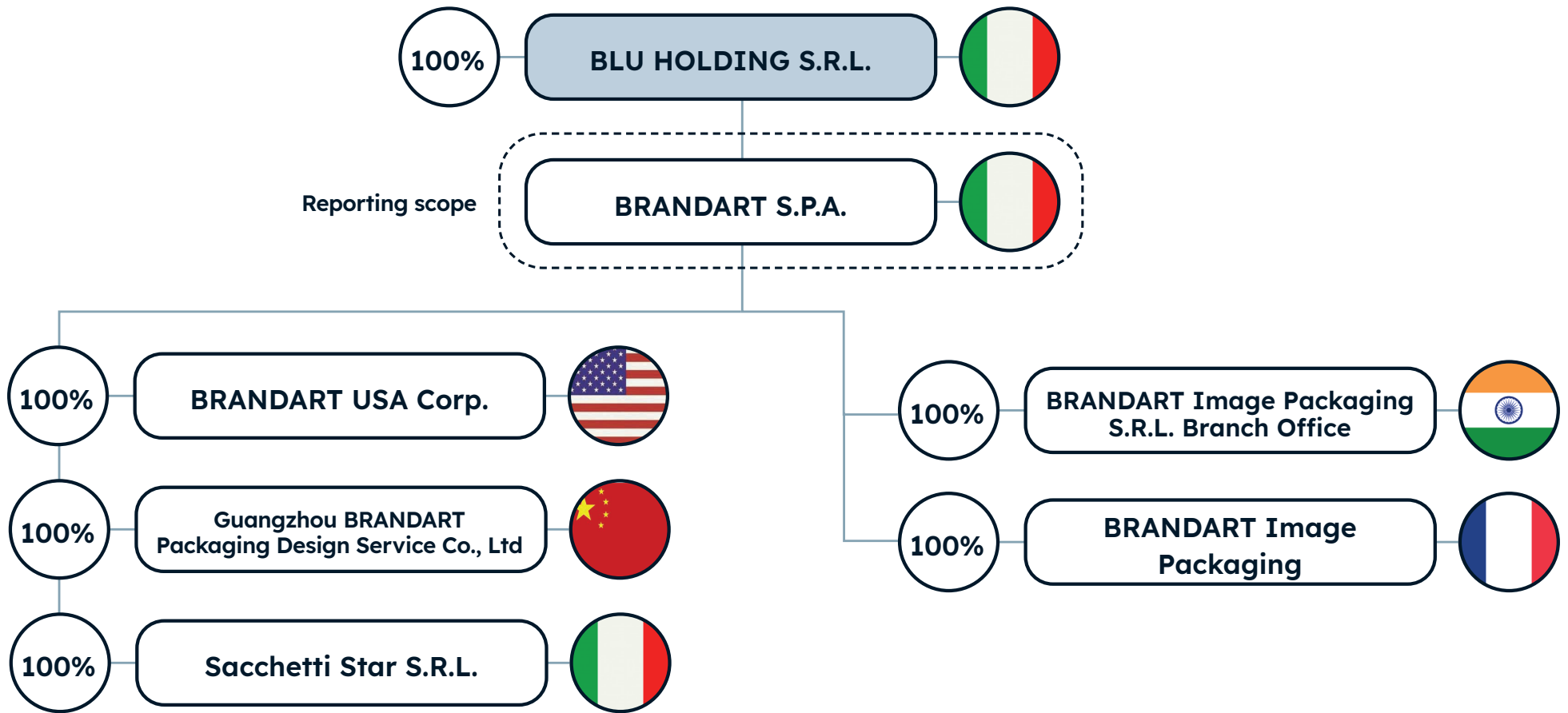
- 1** Headquarter in Busto Arsizio, Via A. Costa 19/21
- 2** Warehouse in Busto Arsizio, Via 5 Giornate 14
- 3** R&D Department in Busto Arsizio, Viale Lombardia 48

These are to be intended as "operations", i.e. single locations used by the organization for the production, storage and/or distribution of its goods and services or for administrative purposes.

Other two sites belong to BRANDART S.p.A. but they are not relevant for the reporting purposes:

- 4** Commercial office in Milano, Via San Smpliciano 2
- 5** Registered office in Milano, Viale Lunigiana 46







## OUR VALUES AND PRINCIPLES

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

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

- The Governance Model set according to the Italian Legislative Decree 231/2001;
- The Integrated Management System, which complies to the UNI EN ISO 9001, UNI EN ISO 14001, SA 8000, UNI CEI EN ISO 13485 voluntary standards;

- The requirements of GOTS, FSC, OK compost INDUSTRIAL and GRS standards, all applicable national and international standards rules and regulations;
- The Universal Declaration of Human Rights;
- The ILO (International Labor Office) conventions;
- The guiding principles of the OECD (Organization for Economic Co-operation and Development);
- The principles of the UN Global Compact.

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

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





**OUR VALUES AND PRINCIPLES**

A CUSTOMERS BASED APPROACH

GOVERNANCE MODEL

**BRANDART's Integrated Management System is based on the following key principles:**

Assessing and analyzing processes, setting goals, and measurable targets to pursue continuous improvement.



Identify and fulfill all compliance obligations.

Certification by Third Parties of Company's voluntary commitments.



Ensure the involvement, expertise and awareness of employees, and safeguard the Company know-how.



Reduce risks and strengthen opportunities in regards to: customer and stakeholder's satisfaction; direct and indirect environmental impacts; Occupational Health and Safety Policy; Corporate Social Responsibility.

Periodically review the Senior Management Policy and the entire Integrated Management System to assess its effectiveness.



Analyze and take into consideration the needs and expectations of the relevant stakeholders (including mainly suppliers, customers, partners, employees, the local community, national and local public control bodies and suitable for issuing authorizations), integrating them into its integrated management as mandatory and / or voluntary requirements.





## A CUSTOMER BASED APPROACH

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

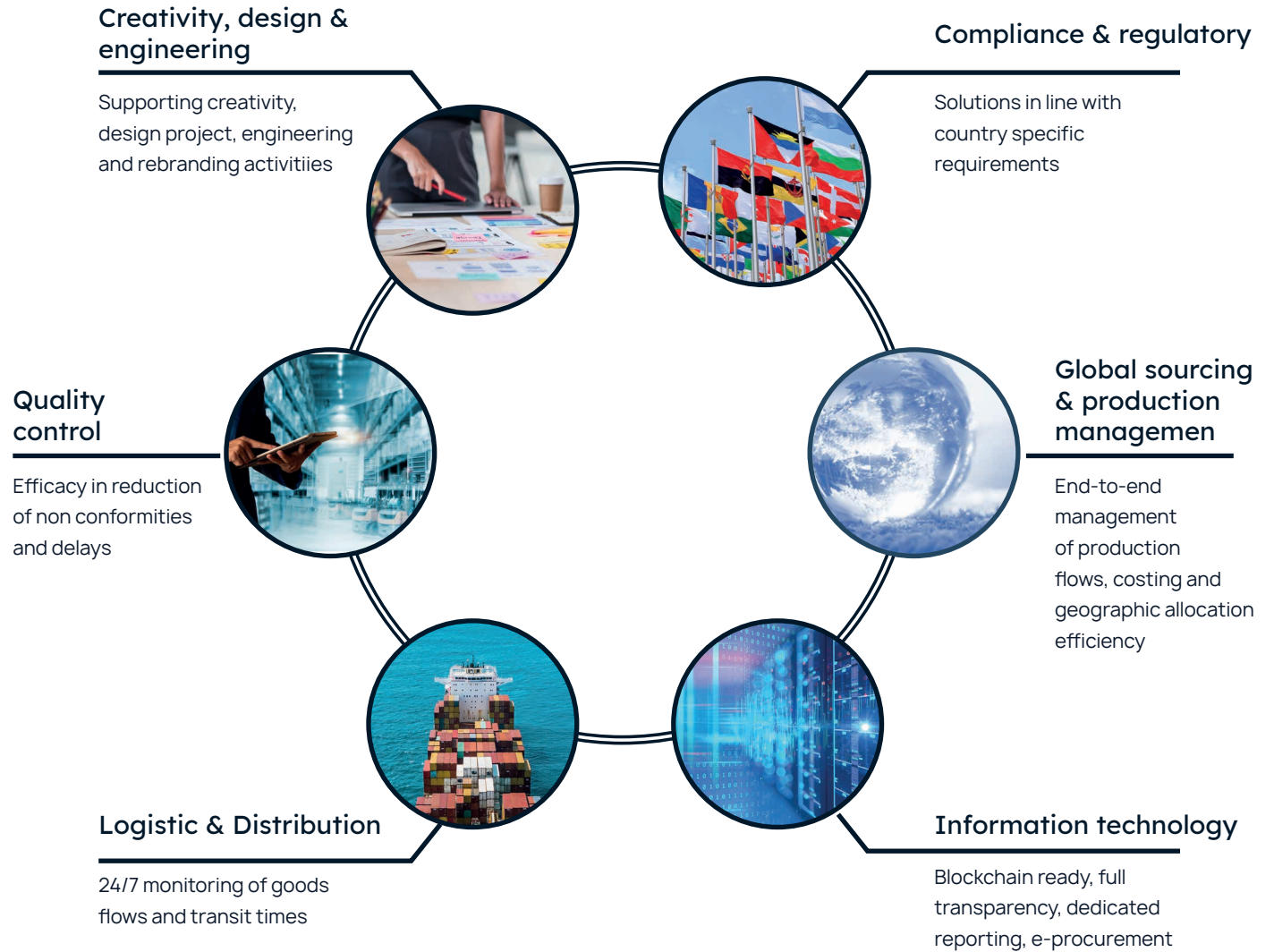
The consumer-focused philosophy has led the company to develop the concept of Packaging Procurement, or the ability to have a 360-degree control of the supply chain and the production processes, through the internalization of all main services gravitating around its business.







A BUSINESS MODEL BASED ON THE INTERNALIZATION OF SENSITIVE FUNCTIONS IN ORDER TO HAVE AN END-TO-END CONTROL OF THE SUPPLY CHAIN. OUR OBJECTIVE IS TO SUPPORT OUR CLIENTS TO OBTAIN COST SAVINGS TOGETHER WITH SUSTAINABLE AND QUALITATIVE SOLUTIONS.





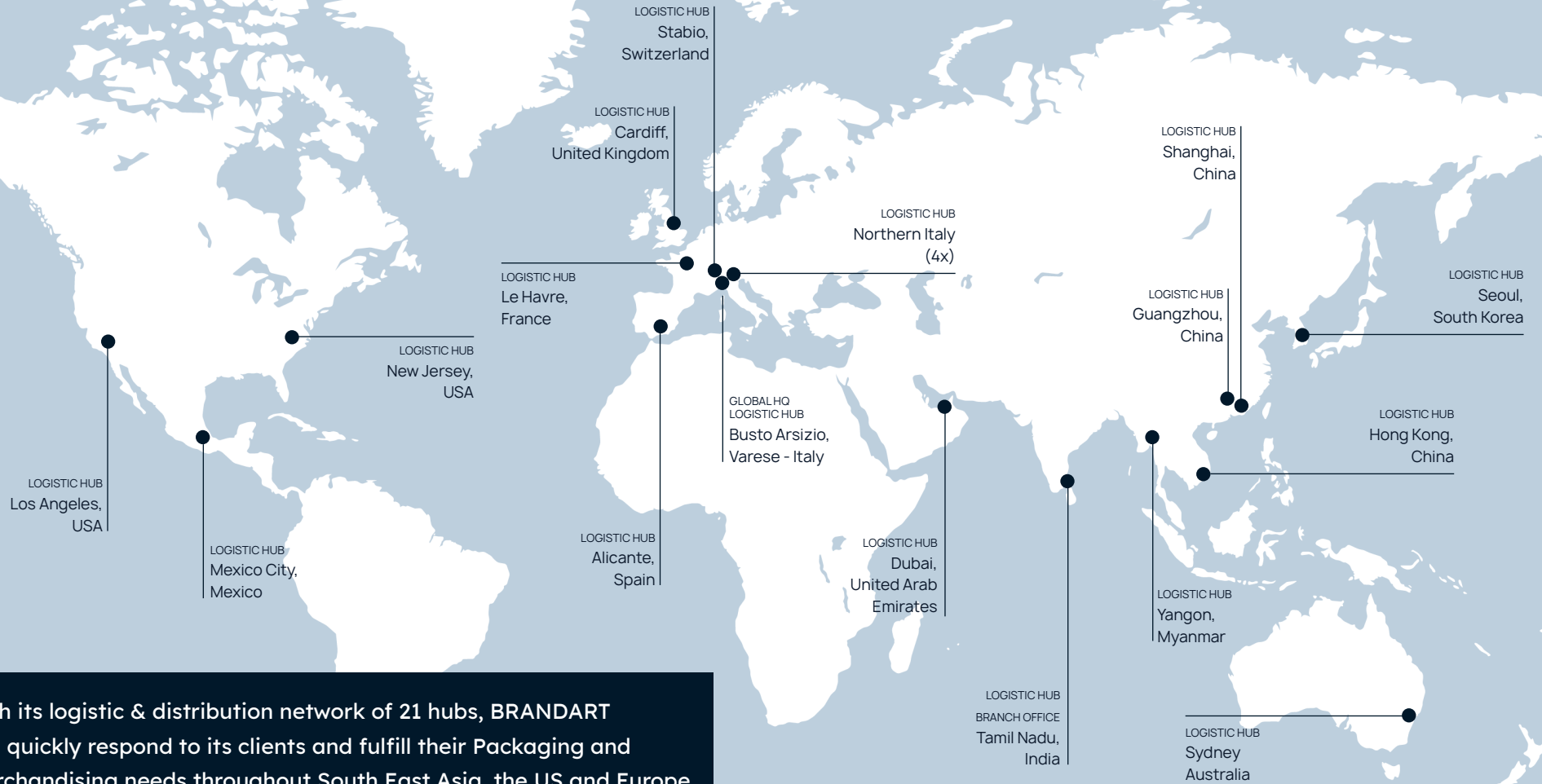
In its effort to reduce the impact of its direct and indirect operations, BRANDART included transportations in the core topics of its sustainability program. Packaging and merchandising products are mainly low unit-value products that circulate around the globe in huge quantities and based on this idea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

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

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



## A WORLDWIDE LOGISTICS & DISTRIBUTION NETWORK



With its logistic & distribution network of 21 hubs, BRANDART can quickly respond to its clients and fulfill their Packaging and merchandising needs throughout South East Asia, the US and Europe.



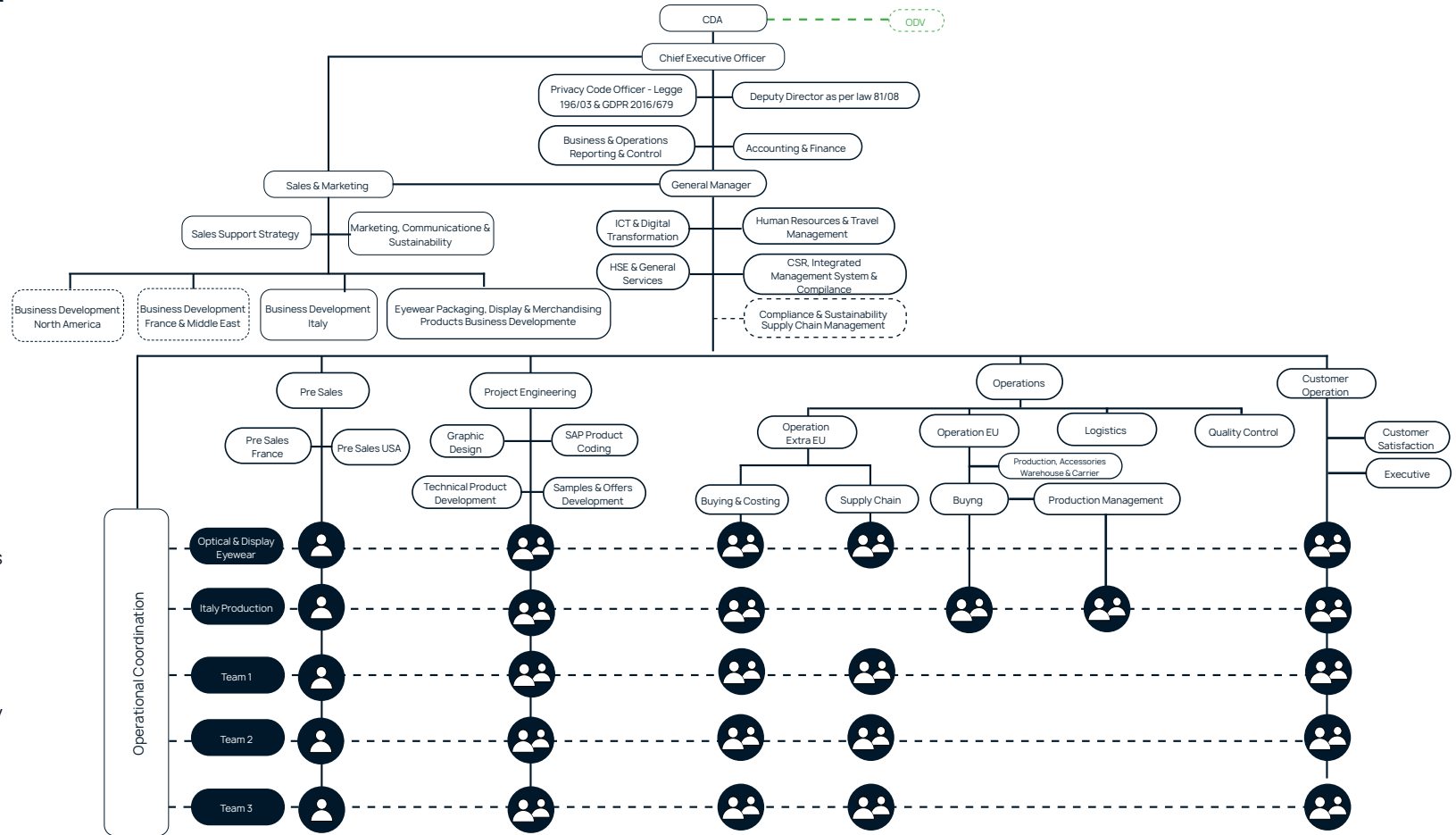
# GOVERNANCE MODEL

At the end of 2020, an ambitious corporate reorganization project was launched and is still in progress at BRANDART, which envisages a complete structural transition from a "function" organization chart to a "matrix" structure model.

The structure provides for the formation of dedicated project teams, with the presence of multidisciplinary Project Leaders who have the specific objective of managing the customer and his requests from the beginning to the end of the process.

To do this, an important project has been launched for the mapping of corporate tasks in order to build a reference framework for the skills and training needs for each job, and to initiate an organic and highly structured process of training.

## EVOLUTION PROJECT: TRANSITION TO A MATRIX STRUCTURE







## OUR CODE OF ETHICS

BRANDART's policy has always been to pursue business activities with honesty and integrity. The first Code of Ethics was adopted by the Company in 2013 and the last update was made in 2020.

This document, approved by the Company Administrative Body, sets out the ethical values that are promoted by BRANDART and of which managers, employees, and those acting on the Company's behalf are expected to comply and support.

The Code of Ethics is one of the pillars of BRANDART's Governance Model, adopted pursuant to Italian Legislative Decree no. 231/01.

The Governance Model, starting from the crime-risks mapping throughout all the company areas and processes, has acknowledged the Code itself and provided a set of additional written protocols ruling the correct behaviors in the framework of the applicable law requirements.



## OUR ETHICAL PRINCIPLES

1. Compliance with the laws and regulations in all the countries in which BRANDART operates.
2. Legitimacy, loyalty, fairness, transparency.
3. Respect for the value of the person and human resources.
4. Respect for competition, as an indispensable tool for the development of the economic system.
5. Confidentiality
6. Respect for the environment and awareness of environmental protection.

## CONFLICT MINERALS

BRANDART supports the fight against violence, human rights violations, and environmental degradation in the extraction and marketing of minerals from the geographical areas defined as "Conflict Regions". We require our suppliers to make sure the products they sell only contain "Conflict Free" materials and components.



## BRANDART AT A GLANCE

Busto Arsizio,  
Varese (Italy)  
Headquarter

9 country worldwide  
Production outsourcing

1998  
Year of foundation

21 logistic  
hubs

In-house R&D department  
Focus on product development

65 Countries reached by  
BRANDART's products

129.633.966  
Total items sold in 2020

€116.6 m  
2020 turnover

210 BRANDART Group Employees  
(including Italy, China, USA, France  
and India sites)

343 Active suppliers  
(of which 92 new in 2020)



## **FAIR BUSINESS AND ANTI-CORRUPTION**

The Governance Model was adopted in 2015 and updated in 2017, 2019 and 2020 following a renewed risk assessment, performed on company processes and sensitive areas.

The Model, with specific reference to corruptive offenses, envisages both general and specific monitoring processes.

Inherent risks specifically related to corruption identified through the risk assessment.

1. Recognition of rewards, bonus, free services.
2. Disposal of operating assets at unfair prices.
3. Career facilitation to public-sector workers.
4. Recruiting employees close to public sector.
5. Creation of slush funds for procurement overbilling or inexistent purchases.
6. Incitement to corruption of public officers.
7. Passive or brokers invoicing to gain benefit from public offices.
8. Customs corruption.
9. Corruption of inspection authorities.
10. Private corruption with customers, consultants, accountants, suppliers, subsidiaries.

The Company's Supervisory Body (ODV), a fundamental pillar for the supervision and prevention of the 231 predicate offenses, is made up of qualified and certified professionals, and carries out its role with effectiveness and continuity.





## ETHICAL AWARENESS AND PARTICIPATION

BRANDART encourages its employees to make comments, recommendations, reports, or complaints concerning the workplace and/or non-conformances to the Code of Ethics and the SA8000 Standard by using the following channels which are also available to all interested parties:

- sending an e-mail to: segnalazioniSA8000@BRANDART.com
- sending an e-mail to SGS certification body (sa8000@sgs.com)
- sending an e-mail to the SAAS accreditation body in New York (USA) (saas@saasaccreditation.org)
- inserting anonymous paper messages in the appropriate collection boxes located at the company premises. The also available to other interested parties to other interested parties and are reported on the Company's website.

Reported items received through internal channels are managed by BRANDART's Social Performance Team (SPT), according to the requirements of the SA8000 standard.

The key principle of this reporting system is to maintain the freedom to express oneself anonymously and to guarantee the protection identity of the reporting party.

The Code of Ethics, comprehensive of the Governance Model protocols, has been communicated and explained to all members of the governance body and to all employees. The Code is also regularly communicated to all suppliers working on behalf of BRANDART.

The means used by BRANDART to develop its ethical values among stakeholders and all along its supply chain are:

The training and promotion of the Code of Ethics, the Governance Model and Integrated Management System at all levels within the Company, the institution of an independent Supervisory Body in charge of surveillance, the whistleblowing procedure, the inclusion of provisions in the contractual documentation with suppliers, and the activity of internal and Third Parties auditing.

## 231 COMPANY ORGANIZATIONAL MODEL

To continue the virtuous path established with its suppliers and employees, BRANDART has decided to adopt a Company Organizational Model aimed at the correct management of administrative responsibility as required by Legislative Decree 231/2001.

In addition to the effective prevention of corporate crimes, the adoption of the model pursues the important objective of raising awareness among recipients of correct behavior in work activities and the concrete implementation of the values stated in the Code of Ethics.

The mapping of sensitive activities has allowed BRANDART to define specific protocols to be followed by monitoring their application in the audit phases. In addition, an independent and competent Supervisory Body was appointed at the top level to be able to effectively supervise the company activities that are sensitive in this respect.







## 2. OUR COMMITMENT TO SUSTAINABILITY

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

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





# OUR ASSOCIATIONS AND INDUSTRIAL MEMBERSHIPS

## NEW PLASTICS ECONOMY GLOBAL COMMITMENT

The New Plastics Economy Global Commitment unites businesses, governments, and other organisations behind a common vision and targets to address plastic waste and pollution at its source. Signatories include companies representing 20% of all plastic Packaging produced globally, as well as governments, NGOs, universities, industry associations, investors, and other organisations. The Global Commitment is led by the Ellen MacArthur Foundation, in collaboration with the UN Environment Programme. The Ellen MacArthur Foundation leads the engagement with the private sector (the business signatories and endorsers), and UNEP leads the engagement with the governments.



## UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact is a non-binding United Nations pact to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. It is a principle based framework for businesses, stating ten principles in the areas of human rights, labor, the environment and anti corruption. BRANDART is committed to integrate these 10 principles into its businesses.



## AICE

Aice represents Italian companies that are committed predominantly to commercial activities abroad: trading, export, import, countertrade, buying offices, export management, small and medium enterprises, etc., as well as the services related to such activities. Membership is open to all companies resident in Italy and interested in international trade activities, or that provide assistance to such companies in the promotion of import/export activities.



## ITALIAN ASSOCIATION OF CIRCULAR ECONOMY

As evidence of BRANDART's commitment to bring the concept of circular economy into its corporate culture, in 2020 it became part of AISEC, a non-profit association founded in 2015 which aims to promote, disseminate, and apply the concept of circular economy both nationally and internationally. The objective of this partnership is to share the company's know-how with different operators to bring the principles of circular economy and sustainable development into the processes of all the companies involved; promoting their growth and awareness in the process of continuous improvement.





### **CIRCULAR ECONOMY, 360 ° SUSTAINABILITY**

BRANDART is committed to designing and sourcing Packaging and merchandising products with a view to a circular economy and close consideration for the planet's resources, limits, and opportunities.

BRANDART applies a conceptually and operationally regenerative business model system that is progressively focused on creating long-lasting and high-performance products by optimizing the use of resources, perfecting processes, eliminating waste, and promoting recyclability.

Being part of a circular system also means making contributions to important causes to spread the Circular Economy principles all over the world.



For this reason, BRANDART contributed to an important project in collaboration with UNICEF, that will convert plastic waste collected in Côte d'Ivoire into modular plastic bricks.

The easy-to-assemble, durable, low-cost bricks will be used to build much needed classrooms in the West African country.



# OUR CERTIFICATIONS



## ISO 9001

ISO 9001 certification verifies BRANDART's capacity to supply consistently reliable products and services that meet clients' and stakeholders requirements, providing evidence of its constant commitment to improvement.



## ISO 14001

ISO 14001 certification verifies BRANDART's tangible efforts to minimize the environmental impact of its processes, products and services, defining concrete objectives and measuring related performances.



## SA 8000

SA 8000 certification verifies BRANDART's effective management and measures related performances of business aspects related to corporate social responsibility: respect of human workers rights, safety and health workplace.



## ISO 13485

The ISO 13485 certification guarantees BRANDART's ability to distribute medical devices and related services that consistently meet the applicable regulatory requirements and those requested by customers, highlighting its constant commitment to improvement.





### FOREST STEWARDSHIP COUNCIL

FSC® certification verifies that the raw materials (wood or paper / cellulose) used to make FSC certified products are sourced responsibly, from recycled sources or forests managed according to strict environmental, social and economic standards, and ensures the traceability of derived products.



Certified by ICEA  
GO0255

### GLOBAL ORGANIC TEXTILE STANDARD

GOTS certification verifies that the GOTS certified textile products are made of natural organic fibers, produced in accordance with organic farming criteria and processed in accordance with stringent environmental and social criteria, from the sourcing of raw materials in all stages of processing and distribution.



### OK COMPOST INDUSTRIAL

OK compost INDUSTRIAL certification ensures Packaging or products bearing the mark are biodegradable in an industrial composting plant and comply with the requirements of the European Packaging directive (94/62 / EC). The reference for the certification program is the harmonized standard EN 13432:2000.



### GLOBAL RECYCLED STANDARD

The GRS (Global Recycled Standard) certification concerns products that contain at least 20% of recycled material (pre or post-consumer) and includes environmental and social requirements extended to the entire production chain. The GRS standard is promoted by the Textile Exchange, one of the most important non-profit organizations that promote responsible and sustainable development in the textile industry at an international level.

**FSC®, GOTS, GRS AND OK COMPOST INDUSTRIAL CERTIFIED PRODUCTS ARE AVAILABLE UPON REQUEST.**



# OUR INTERNATIONAL AWARDS AND ASSESSMENTS

## WORKPLACE CONDITIONS ASSESSMENT

The Workplace Conditions Assessment (WCA) program provides a powerful, cost effective solution for companies and facilities seeking to improve workplace conditions efficiently and in accordance with widely accepted industry standards and best practices.

BRANDART received the award for the fifth consecutive year.



## ECOVADIS SUSTAINABILITY RATING

BRANDART participated for the third consecutive year to the EcoVadis Client's sustainability initiative.

Due to the high score we obtained in the assessment, our Company has been awarded a Silver EcoVadis Medal. This result places us among the top 25 percent of companies assessed by EcoVadis.



## CIRCULAR ECONOMY MATURITY ASSESSMENT

In 2019, BRANDART received from SGS Italia S.p.A. an independent assessment on the maturity of the state of implementation of the circular economy within the company, in accordance with the 6 principles (System Thinking, Stewardship, Value Optimization, Innovation, Collaboration, Transparency) of the guideline BS8001: 2017 for circularity performance assessment.

SGS confirmed that the circular economy implementation status within BRANDART is in line with the principles indicated in the guideline BS8001: 2017, with a final maturity rating based on the criteria of Annex A which has reached the IMPROVING level.





# OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S

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

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





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

## IMPLEMENTATIONS STEPS

## GOALS

### PEOPLE



- We are committed to empowering gender equality by encouraging their strength, self-esteem, and awareness through equitable hiring practices.

We guarantee equal opportunities and fight for the reduction of discrimination and inequalities.

### PARTNERS



- We take care of our workers training, competence and well being
- We ensure a healthy and safe working environment
- We assure economic growth to all our partners and supply chain

We aim at obtaining better working conditions for workers within our supply chain through improved due diligence processes of suppliers every year.

### INNOVATION



- We invest in innovative technologies for infrastructures, services and data management

Through continuous market research and communication with our business partners, we aim at offering to our customers state of the art technologies both in terms of production and services.

### PRODUCTS



- We invest in products excellence
- We optimize the use of recycled materials and reduce unnecessary waste
- We produce reusable or recyclable products

By researching market trends and attending conferences worldwide we aim at offering innovative materials and Packaging solutions to our customers, with whom we share our advanced internal research.

### COMMITMENT



- We involve in our sustainability project all our partners in every step of the supply chain
- We share our sustainability goals with internal and external stakeholders

In the next years, we aim at implementing a process of products Circular Economy assessment to evaluate the sustainability performance of our products throughout the whole supply chain.

## HIGHLIGHTS



5 associations and industrial memberships



4 corporate certifications



4 product certifications



3 international awards and assessments





### 3. INNOVATING SUSTAINABLY

BRANDART is a procurement company that bases its business model on the outsourcing of manufacturing activities and the in-housing of services, with the aim of maximizing brand's customer experience in terms of communication and satisfaction.

BRANDART outsources all production processes, except for prototypes which are manufactured in-house in order to allow a faster time-to-market to its clients.

BRANDART directly purchases raw materials for the production assigned to contracted suppliers and for some marketed products, most of which are fabrics and paper as reported in the next pages.

An internal technical sustainability team has been created with the task of monitoring and developing the sustainable business line through the different functions of the Company, with a specific focus on sustainable products.





# OUR SERVICES

Sustainability Implementation



R & D



Innovation, Creativity & Design



Engineering & Industrialization



Production Management



Stock Management



Logistics & Distribution

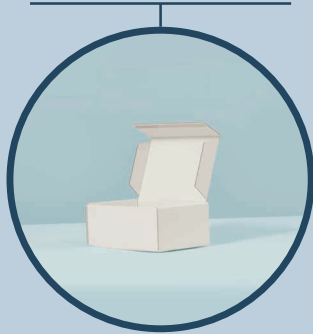
BRANDART STRIVES TO BE A RELIABLE PARTNER IN ALL ASPECTS OF THE PROCUREMENT PROCESS BY APPLYING THE CONCEPT OF PRODUCT AS A SERVICE WITH A CONSTANT CUSTOMER-CENTRIC APPROACH.



# OUR PACKAGING AND MERCHANDISING SOLUTIONS

## OUR SUSTAINABLE PACKAGING SOLUTIONS

Paper Packaging



Textile Packaging



Industrial Packaging



Premium Packaging



Eyewear, Jewelry, Watches Packaging



## OUR MERCHANDISING SOLUTIONS

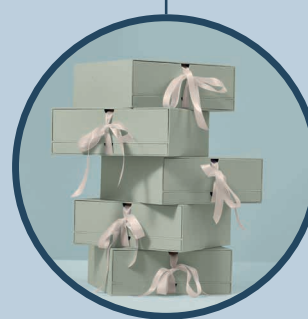
Tote Bags



Display



Incentive Gifts



Entertainment Items





BRANDART develops Packaging and Merchandising solutions for a worldwide network of customers. In the last three years, the Company has developed and marketed various new products and technologies.

Below are some of the most relevant projects:

- Introduction of polybags made from 100% PCW (Pre & Post-Consumer Waste) recycled plastic, GRS certified.
- Introduction of products made from 100% PCW (Post-Consumer Waste) recycled paper, including paper handles, FSC certified.
- Introduction of more sustainable materials such as recycled polystyrene.
- Increased focus on certified materials in order to allow a stronger monitoring of the supply chain.

BRANDART's commitment to designing sustainable products is also confirmed by sales figures: in 2020 all the responsibly sourced products registered an increase in sales compared to 2019.

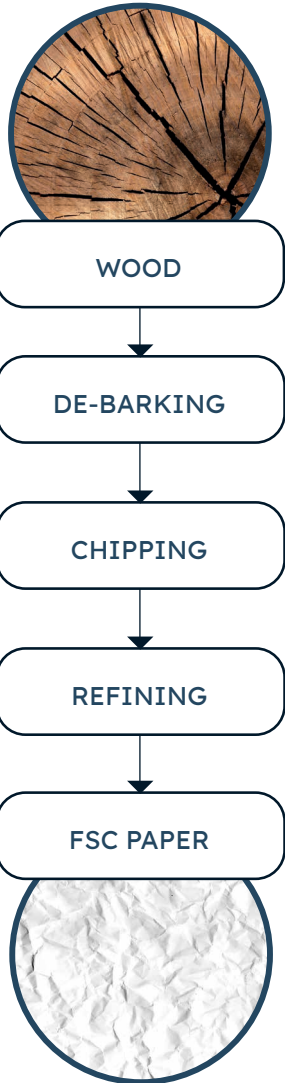
The Responsibly sourced products that were sold in 2020 are:

- 23% of sold Textile products are made of BCI - Better Cotton Initiative cotton (+53% compared to 2019).
- 13% of sold Textile goods are made of GOTS certified organic cotton (+44% compared to 2019).
- 54% of sold Paper goods are made of FSC certified paper (+32% compared to 2019).
- 72% of sold Display products are made by eco-materials (one or more materials not certified but produced considering life cycle impacts).

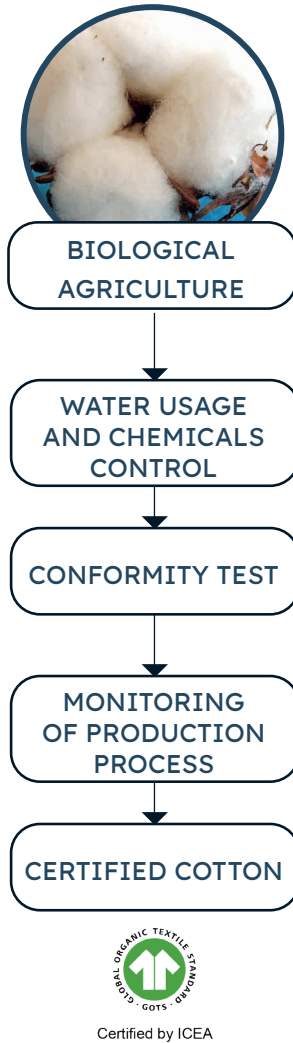


### OUR SELECTION OF MATERIALS: RENEWABLE RESOURCES

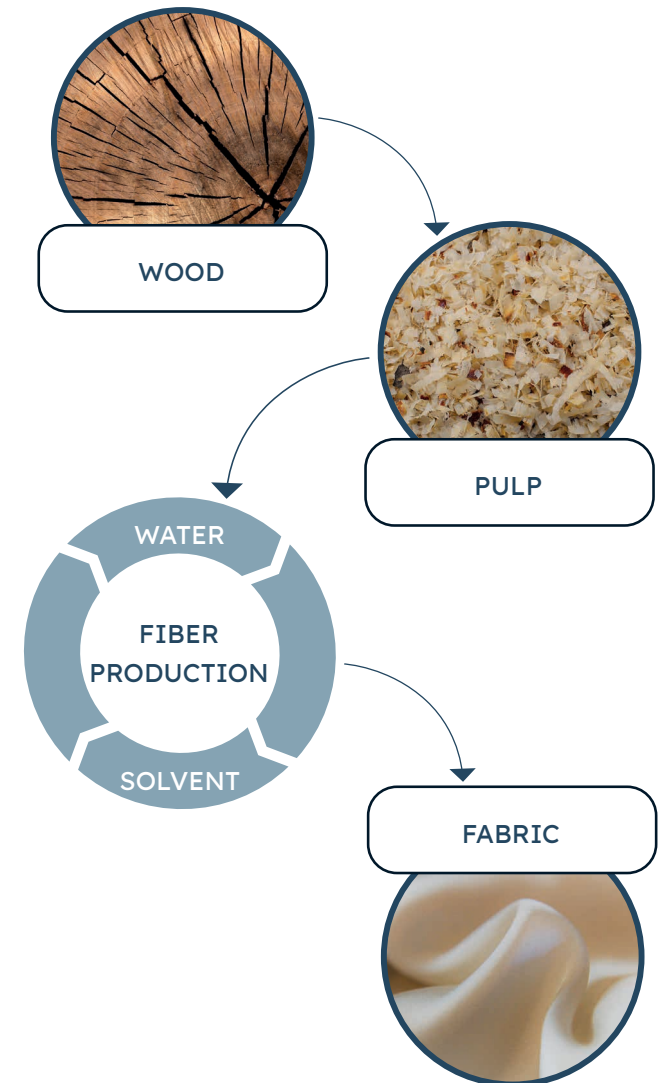
#### FSC PAPER (1)



#### ORGANIC & BCI COTTON (1)



#### WOOD-BASED FABRIC (1)



Source: Brandart research  
Note: (1) Process and materials may vary according to different suppliers and procedures





## OUR LOW IMPACT PRODUCTS

### Focus on materials employed

- Mono-material, to ensure total recyclability at the end of its life-cycle.



### CASE 1: THE FOLDABLE BOX

A particularly successful BRANDART product is the foldable box. Designed and manufactured from an ECO-DESIGN perspective, the foldable box minimizes the environmental impact during the entire life cycle.

It is made of FSC paper with recycled content between 40% and 100% of post-consumer waste paper.

The design has been engineered so that the box can be fully foldable which reduces the space occupied during transport and consequently emissions and costs reduction.

Any inks used are water-based.

Production and manufacturing take place in proximity to the delivery market to reduce transport costs, emissions, and delivery times.



## Outside material

- 100% Recycled or organic cotton

## Inner Structure

- External body: Metal
- Internal body: Thermoformed EVA
- Other components
- Closure: Metal hinge

## Inside material

- Elastic satin fabric (95% recycled polyester - 5% elastane)

### CASE 2: RIGID EYEWEAR CASE

This case is made entirely from GOTS and GRS certified recycled materials.

OUTER MATERIAL SOLUTIONS: 100% Organic cotton - 70% Organic cotton - 45% R-PET  
INNER MATERIAL SOLUTIONS: R-PET satin + elastic component

INNER STRUCTURE:

External body solutions: 100% Recycled ABS or 30-40% Recycled ABS;

Internal Body: 30% Recycled EVA (Ethylene-vinyl acetate)

OTHER COMPONENTS: Metal Hinge for closure



## Fabric

- Recycled cotton: 40% to 100% pre-consumer waste cotton, GRS
- Recycled PET: 40% to 100% post-consumer waste PET, GRS

## Details Logo

- Silk screen print with water-based ink



## Ribbon

We advise to use same material as the body:

- Recycled cotton
- Recycled PET

### CASE 3 - DUST BAGS CIRCULAR PRODUCT REVIEW

ECO LABELS APPLICABLE



#### GEOGRAPHICAL SOURCING

Fabric: sourcing from supplier close to dust bag manufacturing facility  
 Dust bag: manufacturing in proximity of delivery market



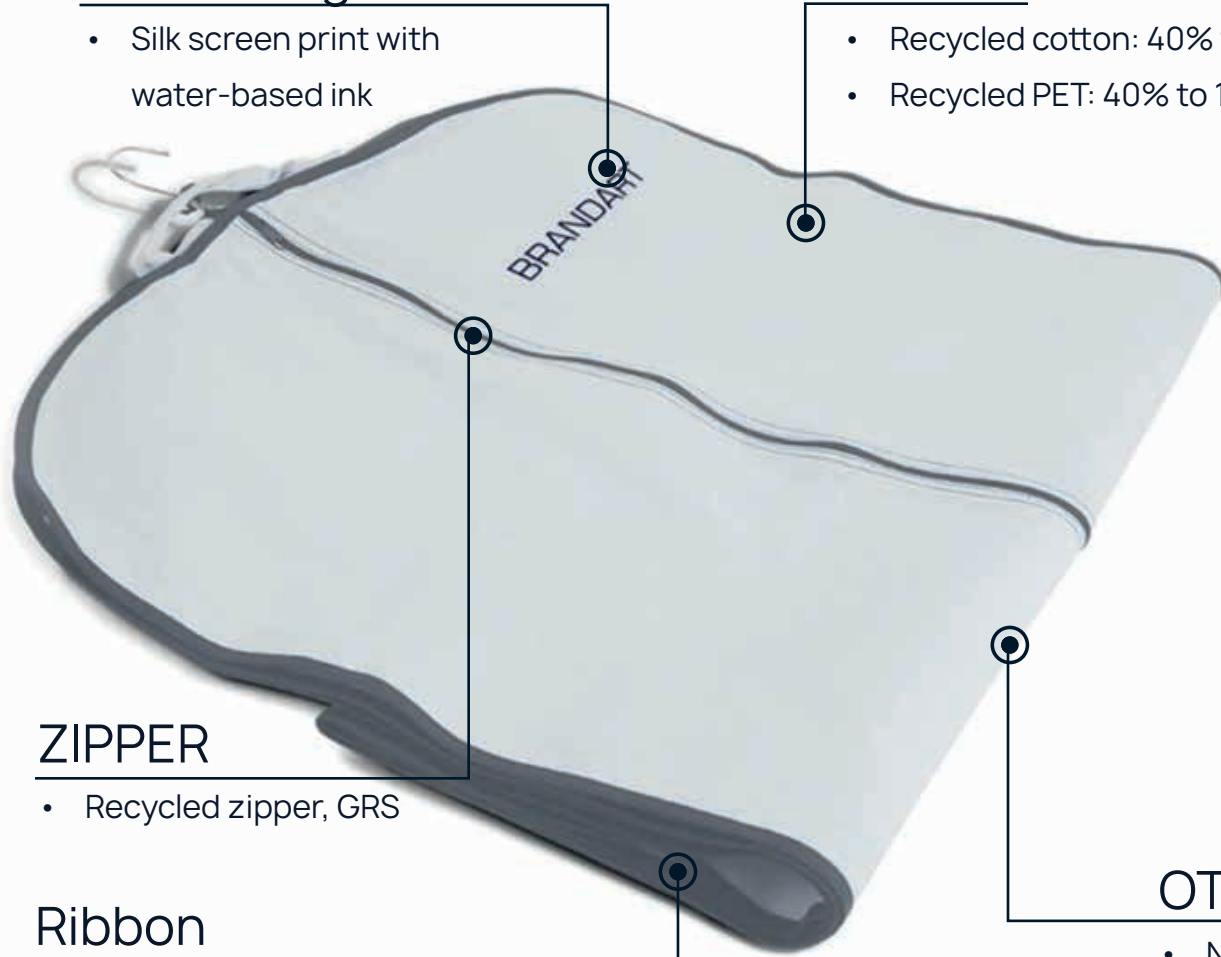


## Details Logo

- Silk screen print with water-based ink

## Fabric

- Recycled cotton: 40% to 100% pre-consumer waste cotton, GRS
- Recycled PET: 40% to 100% post-consumer waste PET, GRS



## ZIPPER

- Recycled zipper, GRS

## Ribbon

We advise to use same material as the body:

- Recycled cotton
- Recycled PET

## OTHER

- No coating
- Name tag in recycled material (if needed)
- Piping and binding in same material as the body

### CASE 4 - GARMENT COVERS CIRCULAR PRODUCT REVIEW

ECO LABELS APPLICABLE



#### GEOGRAPHICAL SOURCING

Fabric: sourcing from supplier close to garment cover manufacturing facility  
 Garment cover: manufacturing in proximity of delivery market



## Details Logo

- Silk screen print with water-based ink

## Fabric

- Recycled cotton: 40% to 100% pre-consumer waste cotton, GRS
- Recycled PET: 40% to 100% post-consumer waste PET, GRS



## Ribbon

We advise to use same material as the body. :

- Recycled cotton
- Recycled PET

### CASE 5 - TOTE BAGS

#### CIRCULAR PRODUCT REVIEW

ECO LABELS APPLICABLE



#### GEOGRAPHICAL SOURCING

Fabric: sourcing from supplier close to dust bag manufacturing facility  
 Dust bag: manufacturing in proximity of delivery market



### Details Logo

- Water-based ink
- If possible avoid printing for better recyclability

### Fabric

- Recycled cotton: 40% to 100% pre-consumer waste, GRS
- Recycled PET: 40% to 100% post-consumer waste, GRS
- Green PE (detachment of plastic material from fossil resources)

### CASE 6 – GARMET COVERS - RAIN COVERS

### CIRCULAR PRODUCT REVIEW

### ECO LABELS





## TRANSPARENCY IN OUR PRODUCTS - LCA STUDIES

BRANDART carried out, in collaboration with SGS Italia S.p.A., a Life Cycle Assessment on specific product categories, in particular shopping bags, dust bags, and polybags.

The studies carried out took into consideration the main environmental impacts in the following categories: acidification, global warming, water scarcity, eutrophication aquatic water, and photochemical oxidant creation.

The results made it possible to identify which phases of the life cycle have a greater environmental impact and to begin implementing solutions to make products more sustainable. Viable solutions include the production of single-material items, the use of recycled raw materials, and the preferred choice of certified materials.





# MATERIALS

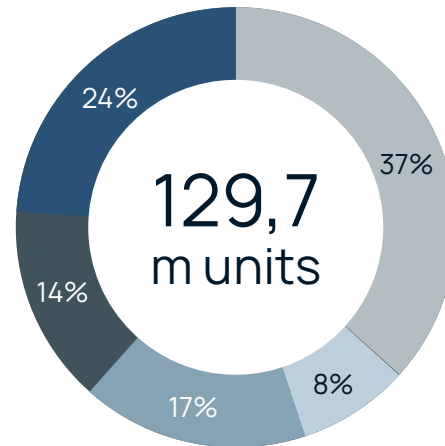
For the reporting of 2020, purchased products were analyzed, including both raw materials and accessories used in the contracted manufacturing process as well as marketed products, gathering technical characteristics, weights, and material composition.

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

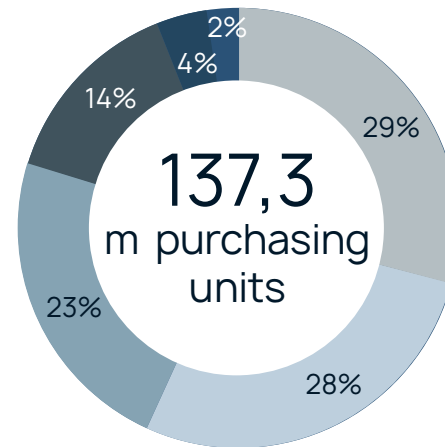
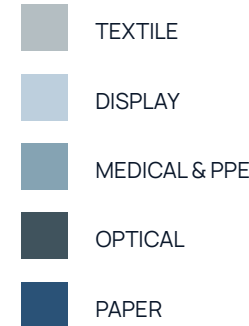
For Accessories, due to the vast number of items, we simplified the process by estimating the weight of input materials with consideration to the average composition. Since the total weight of this category is very limited, these uncertainties do not have a major impact.

The Optical and Display categories are rather complex due to the diversity of items, models and compositions, so an estimation of the data has is necessary. However, the uncertainty has been greatly reduced compared to last year.

We can say that the majority of materials are paper, cotton, polyester and other synthetic materials.



## PRODUCTION BREAKDOWN BY PRODUCT CATEGORY



## PURCHASING BREAKDOWN BY PRODUCT CATEGORY

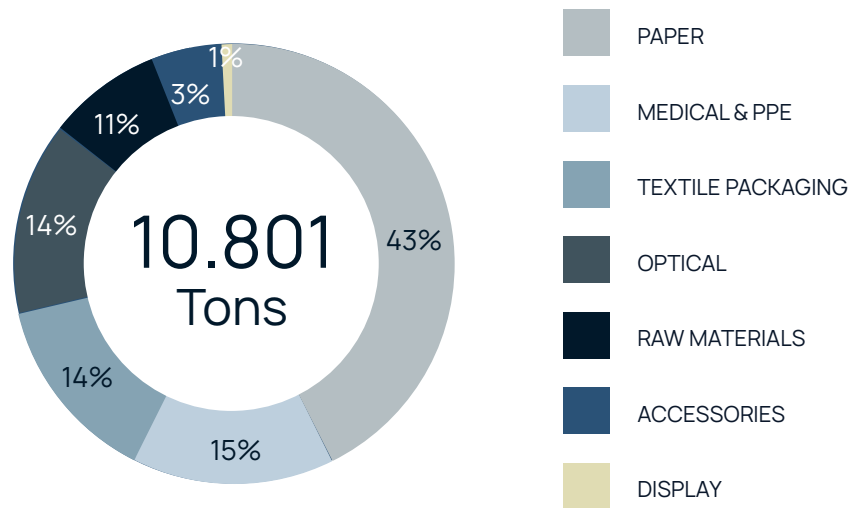


In this chart, Paper, Textile, Optical and Display categories refer to marketed products, while Raw materials and Accessories refer to items purchased to be used for contract-work-manufactured products. While purchasing volumes increased compared to last year, the distribution among categories is the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





### TOTAL WEIGHT OF CATEGORIES (IN TONS)



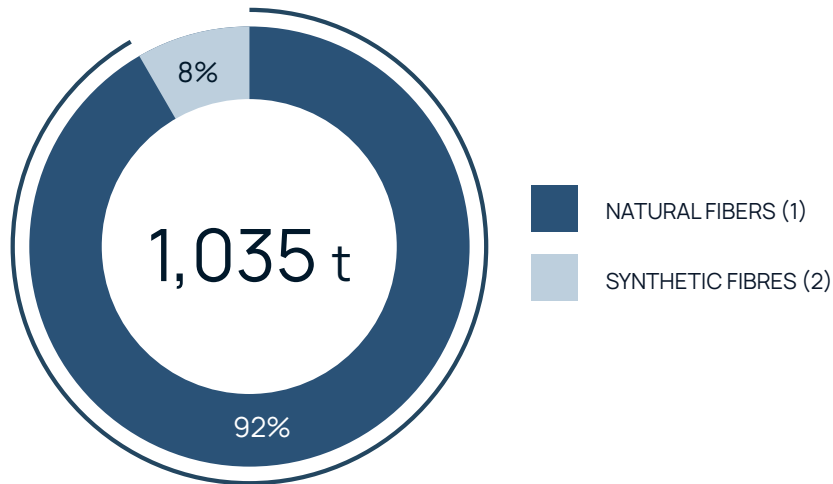
### INPUT MATERIALS USED (IN TONS)

Paper	5.306
Cotton	1.788
Polypropylene	1.684
Polyester	799
Metal	587
Other plastic/synthetic materials	578
Wood	45
Other natural materials	15

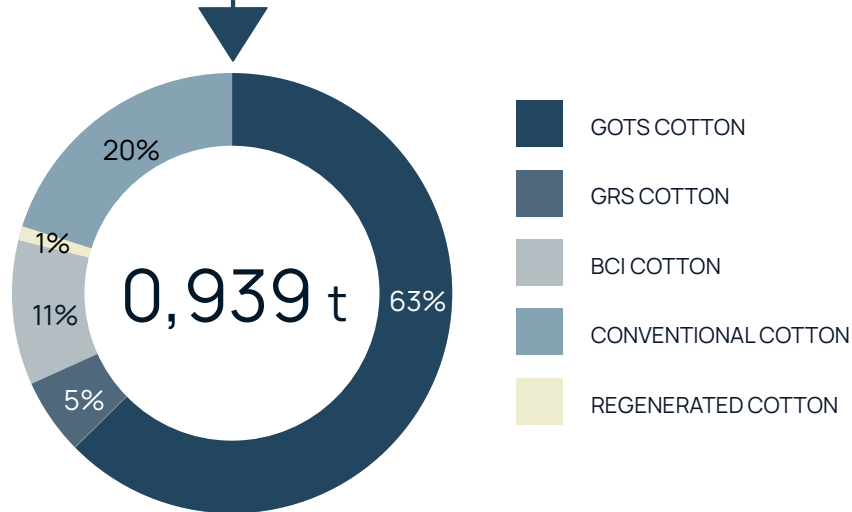
Input material quantities refer to the whole product categories as described in the previous graphs; half-processed and contract-work-manufactured products are excluded since input materials are already considered in Raw materials and Accessories categories.



### FABRICS PURCHASED AS RAW MATERIALS



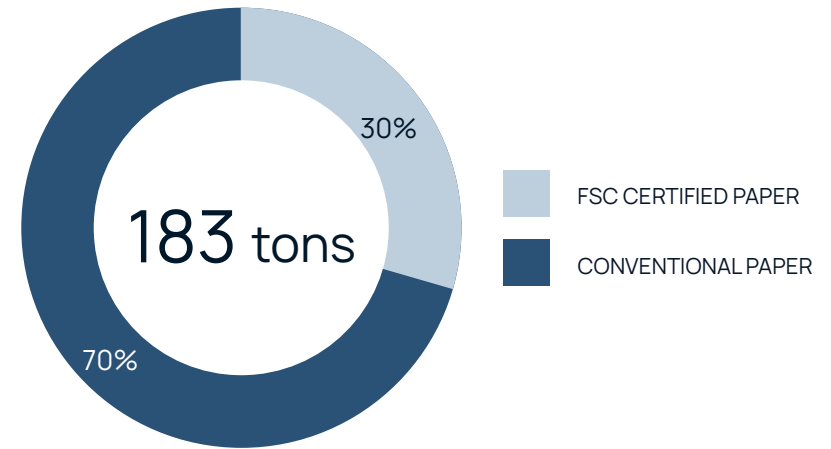
#### NATURAL FIBERS IN DETAIL



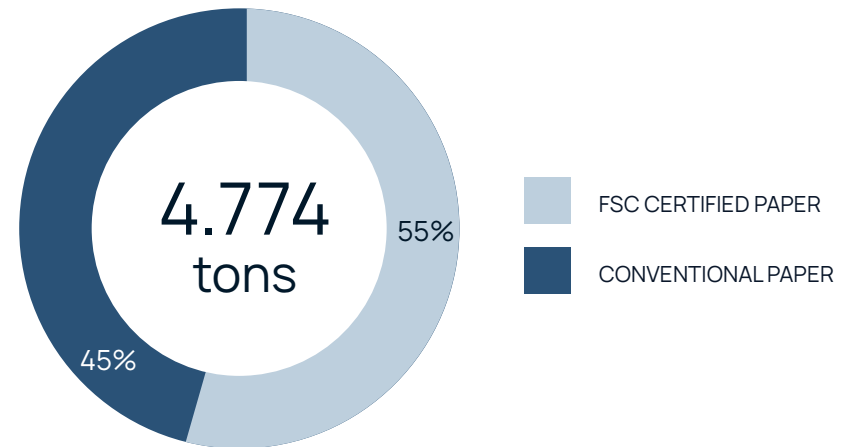
(1) 99% of purchased natural fibers are cotton; others are wool, linen, viscose, leather, and silk.

(2) Among synthetic fibers, the main one is polypropylene.

### PAPER PURCHASED AS RAW MATERIAL



### PAPER IN MARKETED PRODUCTS



Due to the unusual global situation caused by the pandemic projects related to FSC purchases have been shelved, but the company's objective of giving preference to purchasing FSC-certified materials remains strong.



# OUR MARKETING SOLUTIONS

A Customer-oriented vision and optimizing the Customer Experience are the two main levers that guide the strategic decisions and the development of BRANDART.

For this reason, the company has recently expanded its platform of services by supporting customers internally through effective communication and marketing solutions.

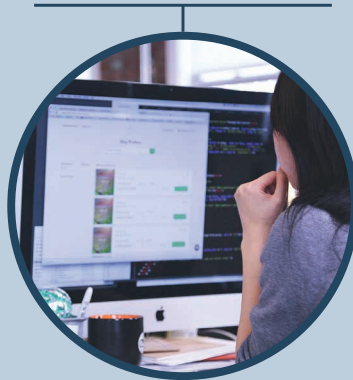
The services range from SEO, SEM, social media, Content Marketing to the development of Physical Marketing solutions.

## OUR DIGITAL & PHYSICAL MARKETING SOLUTIONS

### SEARCH ENGINE OPTIMIZATION



### SEARCH ENGINE MARKETING



### SOCIAL MEDIA MARKETING



### CONTENT MARKETING



### PHYSICAL MARKETING





## CUSTOMER HEALTH AND SAFETY

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

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

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

For each production batch, BRANDART carries out conformity tests on fabrics and components and specific tests on

any prints to ascertain the absence of phthalates. Also, the absence of aromatic amines derived from azo dyes is verified and likewise the presence of free and hydrolyzed formaldehyde is excluded.

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

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

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

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



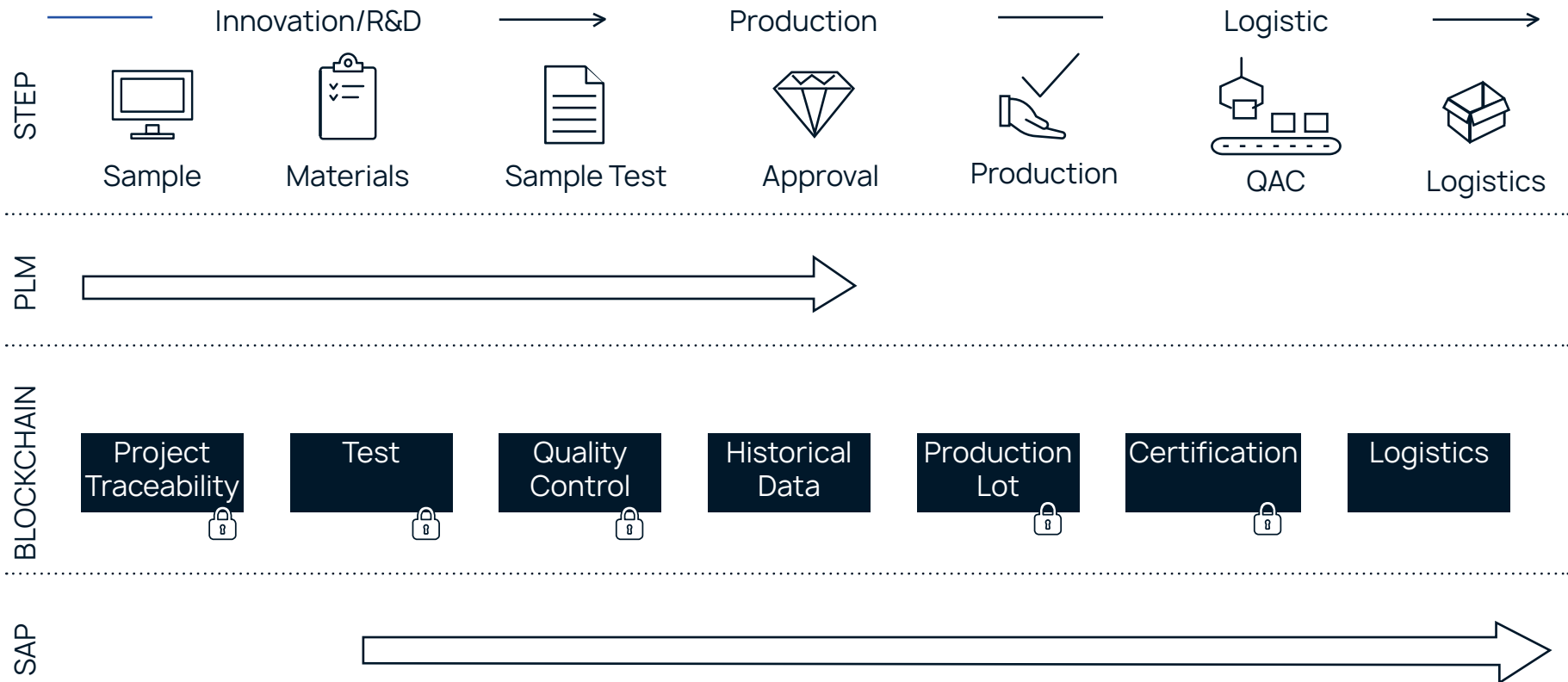


# OUR ICT SYSTEM FRAMEWORK

BRANDART's ICT System allows traceability and governance of all information throughout the entire supply chain by guaranteeing controls at all phases.

All production phases are under control according to pre-defined quality standards and the necessary transparency during the process.

Disaster recovery plans are in place to guarantee the protection of our customer's data and business continuity.







## BLOCKCHAIN TECHNOLOGY AND FULL TRANSPARENCY

Innovation, transparency, and traceability: these are the keywords that are guiding BRANDART in the development of an ambitious project of Packaging solutions authenticated through the blockchain.


This technology is characterized by an IT infrastructure present in all steps of the supply chain, which allows the creation of a shared and immutable data structure, defined as a digital ledger.

The system guarantees the integrity and immutability of the data, through the use of cryptography.

By also integrating blockchain technology, BRANDART is demonstrating how companies can take this a step further by making trusted and immutable data from a blockchain directly available to end consumers.



## HIGHLIGHTS

 **23%** of sold Textile products made of BCI - Better Cotton Initiative cotton (+53% compared to 2019)

 **13%** of sold Textile goods are made of GOTS certified organic cotton (+44% compared to 2019)

 **54%** of sold Paper goods are made of FSC certified paper (+32% compared to 2019)

 **72%** of Display products are made by eco-materials (one or more materials not certified but produced considering life cycle impacts)

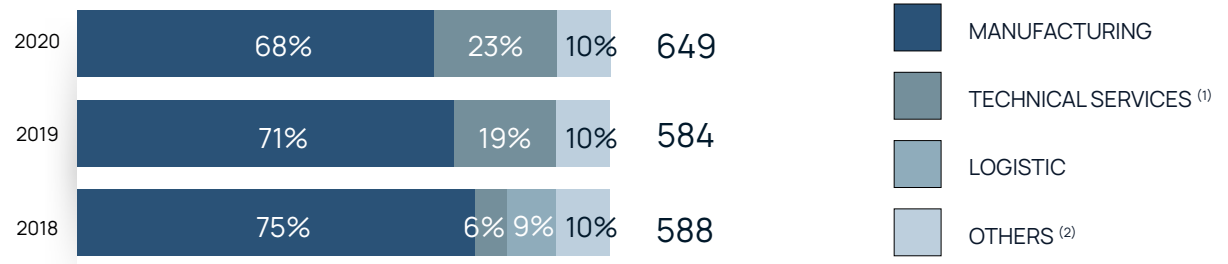


# 4. OUR PARTNERS

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

In the graphs below, suppliers are analyzed by category. The analysis includes all Packaging manufacturers used for at least one production order by BRANDART during 2020.

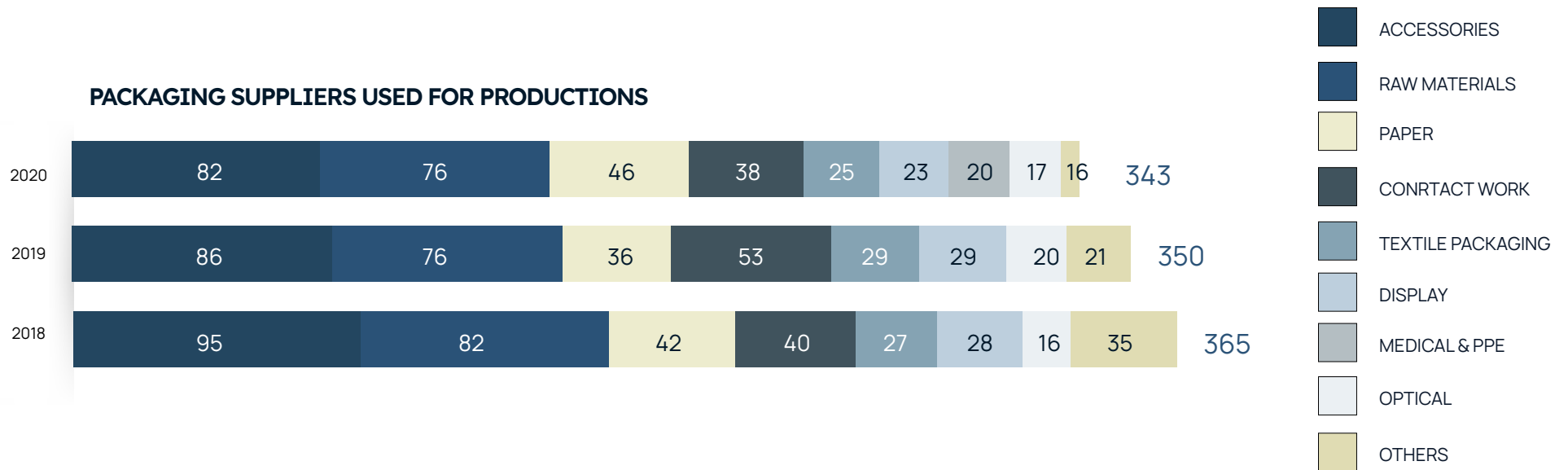
## SUPPLIERS BREAKDOWN BY CATEGORY



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

(2) The "Others" category was absorbed into the "Technical Services" category in 2019.

## PACKAGING SUPPLIERS USED FOR PRODUCTIONS





OUR BUSINESS MODEL

MANUFACTURING PARTNERS

# OUR BUSINESS MODEL

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

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

BRANDART supports the local economy, therefore it's most relevant to underline that 71% of all packaging suppliers are located in Northern Italy, which covers 21% of purchasing turnover. In addition, 87% of contracted-manufacturing suppliers are located in the provinces bordering the company headquarters (Varese, Como, and Milan).



## SHARING OF SUSTAINABILITY PRINCIPLES

BRANDART believes that ethics, integrity, transparency, and commitment are the foundations for a successful business, both as a self-commitment and through the cooperation with business partners.

All the main Packaging manufacturers selected by BRANDART, at the earliest stage of the new relationship, are requested to endorse BRANDART's Code of Conduct which focuses on the aspects related to human rights, working conditions, health and safety, safeguarding the environment, confidentiality, fair and ethical business practices, innovation and research.

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

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

requirements. BRANDART also invests in new manufacturing partners by supporting them technically and financially in order to build stronger relationships.

In November 2020, we arranged, with the technical support of a Third Party, an Environmental management training for our main Far East manufacturers. The purpose was to continue our Environmental Monitoring Program dedicated to improve our suppliers' knowledge and awareness and reduce risks of environmental non-compliances. The training allowed to share best practices and it was very well received by participants, completing the training program for Far East manufacturers started in 2019, which initially focused on social responsibility topics.



# MANUFACTURING PARTNERS

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

The audits are based on BRANDART's Code of Conduct and and require compliance with local legislation and international voluntary standards such as SA8000 and

ISO 14001. Some of the audits are specific for FSC, GOTS and GRS requirements. Audits are carried out by BRANDART's CSR Team, which includes qualified Lead Auditors and works in close contact with Development and Purchasing departments. Third parties are involved in case of needed support. Audit results are processed and documented in the Suppliers Database, which includes supporting information and statistics, and it is shared with all departments and colleagues working in subsidiary branches.

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

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

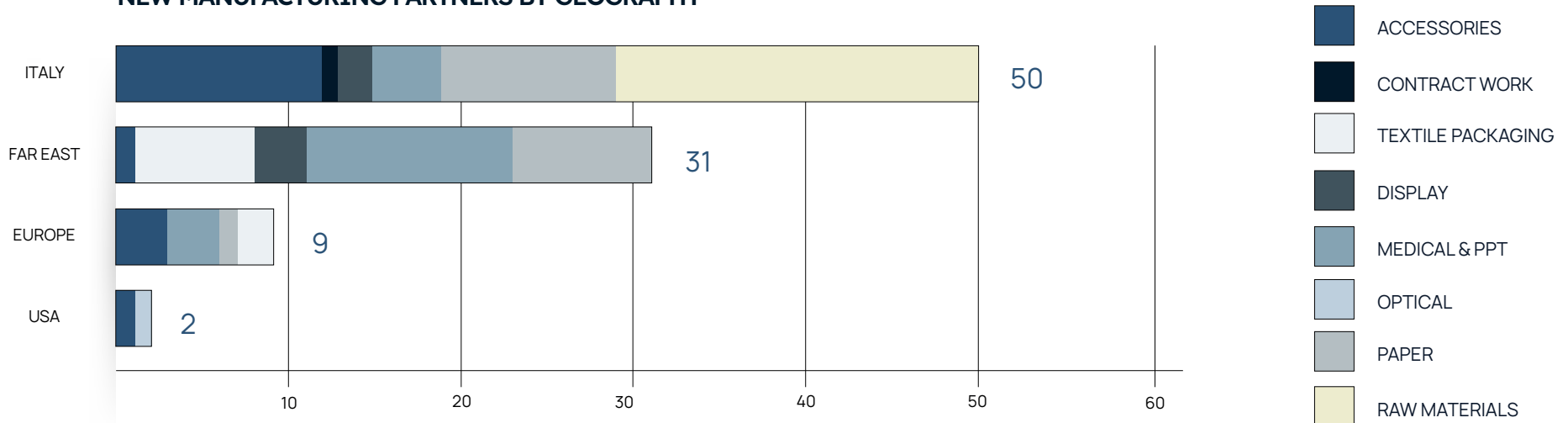
## NEW MANUFACTURING PARTNERS

During 2020, BRANDART started to cooperate with 92 new Packaging manufacturers, whereas the breakdown of quantity and country of origin were similar to last year.

## NEW MANUFACTURING PARTNERS HOLDING CERTIFICATIONS

- 33% New manufacturing partners hold environmental certifications (ISO 14001, FSC®, GOTS, GRS)
- 10% New manufacturing partners hold social certifications (SA8000, ISO 45001, BSCI, WCA)

### NEW MANUFACTURING PARTNERS BY GEOGRAPHY





OUR BUSINESS MODEL

MANUFACTURING PARTNERS

NEW MANUFACTURING PARTNERS BY GEOGRAPHY

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

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

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

The other new suppliers in the same regions did not receive an audit because:

- They were already supplying our customers or were holding a social and/or environmental certification, and therefore didn't require further auditing processes;
- They were evaluated as low risk, or audits were postponed to 2021.

In Far East region (India excluded) 77% of new suppliers received a social and environmental audit from BRANDART's CSR Team in 2020.

The others did not require it due to the holding of certifications or very low purchasing volumes in the year. All suppliers located in India are regularly audited for social and environmental compliance by Third Parties.

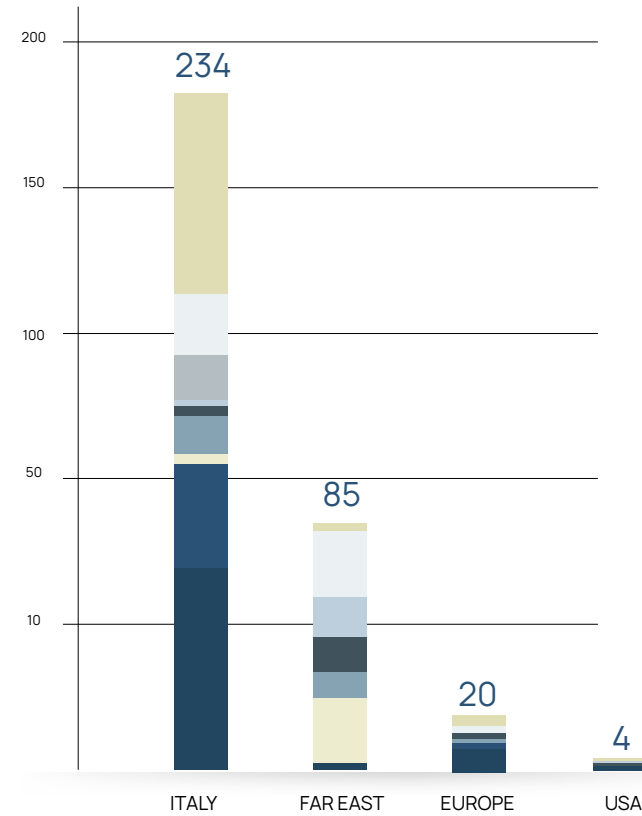
ACTIVE MANUFACTURING PARTNERS

During 2020, BRANDART utilized 343 packaging manufacturing partners, whereas the breakdown of quantity and country of origin were similar to last year.

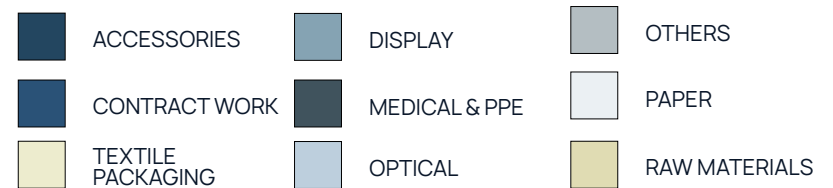
In the graph below are reported suppliers for whom at least one a production order was placed by Brandart during 2020.

As noted in the following graph, almost 71% of BRANDART'S suppliers are Italian due to the fact that the Company sources in Italy most of its high end packaging and merchandising solutions (premium packaging, merchandising). Therefore, to obtain the finished product, different processes are carried out by multiple specialized manufacturing partners and not by a single one like with mass productions.

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



ACTIVE MANUFACTURING PARTNERS







OUR BUSINESS MODEL

MANUFACTURING PARTNERS

**ASSESSMENT OF ACTIVE MANUFACTURING PARTNERS**

Out of BRANDART's active packaging suppliers, 22 suppliers located in Italy and Europe and 28 suppliers located in the Far East region, were assessed, through on-site audits, for social and environmental impacts in 2020. Priority was assigned to auditing these suppliers by considering the potential negative social and environmental impacts of production sites; based on specific activities, location, structure, and management issues. Before any assessment, auditors shared with suppliers the audit plan with a list of audit requirements.

Audits of suppliers delayed because of the COVID-19 Global Pandemic will be rescheduled in the following months

In 2019, BRANDART started the SUPPLIERS ENVIRONMENTAL PROJECT.

First, main suppliers begin with a self-assessment of production sites and then the scheduling of specific on-site audits based on data, document collection, and verification. The audits related to this project were conducted jointly with standard audits and with a focus on the management of raw materials and consumption of waste and energy. The Project continued in 2020 with a specific training.

**SUPPLIERS WITH SIGNIFICANT IMPACTS IN ITALY AND EUROPE**

Only 2 of the 20 assessed suppliers located in Italy and Europe (10%) presented significant social and/or environmental impacts. Almost all suppliers committed to improve by signing a Corrective Action Plan which was agreed upon with auditors. In 2020, BRANDART terminated only one business relationship with a supplier due to the missing implementation of agreed actions against critical issues.

**SUPPLIERS WITH SIGNIFICANT IMPACTS IN FAR EAST REGION**

20 of the 28 assessed suppliers located in the Far East region (71%) presented significant social and/or environmental impact.

Almost all suppliers committed to improve through the filling of the Corrective Action Plan agreed upon with auditors.

Once the Corrective Action Plan has been filled, BRANDART is constantly committed to monitor its partners' social and environmental impacts, through training

and coaching, in order to become compliant with the most stringent international compliance and regulatory requirements.

The conscious selection of the suppliers, the establishment of stable business relationships and the constant monitoring and support by the CSR Team are able to guarantee the highest level of social and environmental performance. As a result of the assessment, BRANDART terminated its business relationship with 4 suppliers.





### LOGISTIC PARTNERS

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

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

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

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

BRANDART is fully committed to further reducing energy consumption and CO<sub>2</sub> emissions across all operations, for this reason BRANDART requires all its Forwarding Agents to ship only by Main World Liners

(MAERSK MSC COSCO, etc.) that already adhere to strong sustainability policies. Whenever possible BRANDART requires bamboo floored containers in order to reduce the consumption of "normal" wood, Water Based Paint (WBC) containers to reduce the Volatile Organic Compounds (VOC) and shipments from/to ports adopting Shore Power Supply (SPS) to reduce vessels CO<sub>2</sub> emissions in port by around 80%.

BRANDART's partners for road shipments guarantee modern fleets adopting the latest technologies in CO<sub>2</sub> emissions control.

BRANDART air freight forwarders work only with Main World Air Cargo Liners that guarantee efficient plane models with lower CO<sub>2</sub> emissions.

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

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

For further information about BRANDART's policy to reduce GHG Emissions see Chapter 5.3 "Emissions".





OUR BUSINESS MODEL

MANUFACTURING PARTNERS

SUSTAINABLE TRANSPORTATION

Among the international freight forwarders selected by BRANDART, great attention was paid to 2 projects developed by DB Schenker: Golden Gateway and Carbon Neutral Flight.

Golden Gateway, an integral part of the China to Europe railway program, is a train link between Italy and China, which will contribute to the reduction of average CO2 emissions in the transports and logistics sector. Railway transport guarantees the lowest impact on the environment when compared to air, sea, and road transport modes.

To reduce the impact of air transport, DB Schenker has instead launched the Carbon Neutral Flight, which is the first air link between Frankfurt and Shanghai with zero CO2 emissions.

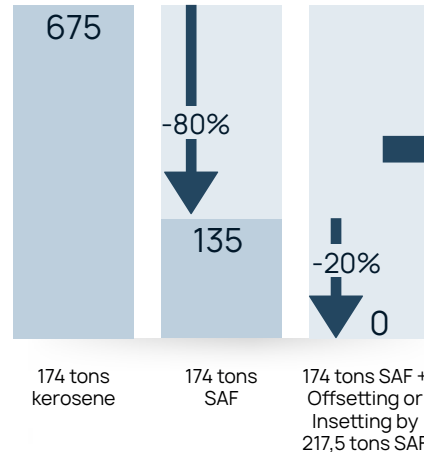
To achieve this goal, two main actions have been implemented:

- Use of SAF - Sustainable Aviation Fuel - produced mainly from biomass waste, vegetable, and cooking oils.
- Offsetting program to neutralize remaining emissions

OUR CARBON NEUTRAL<sup>1</sup> FLIGHT OPERATION

In cooperation with Lufthansa Cargo Frankfurt - Shanghai - Frankfurt

Average tons CO2e



100% less CO2e emissions

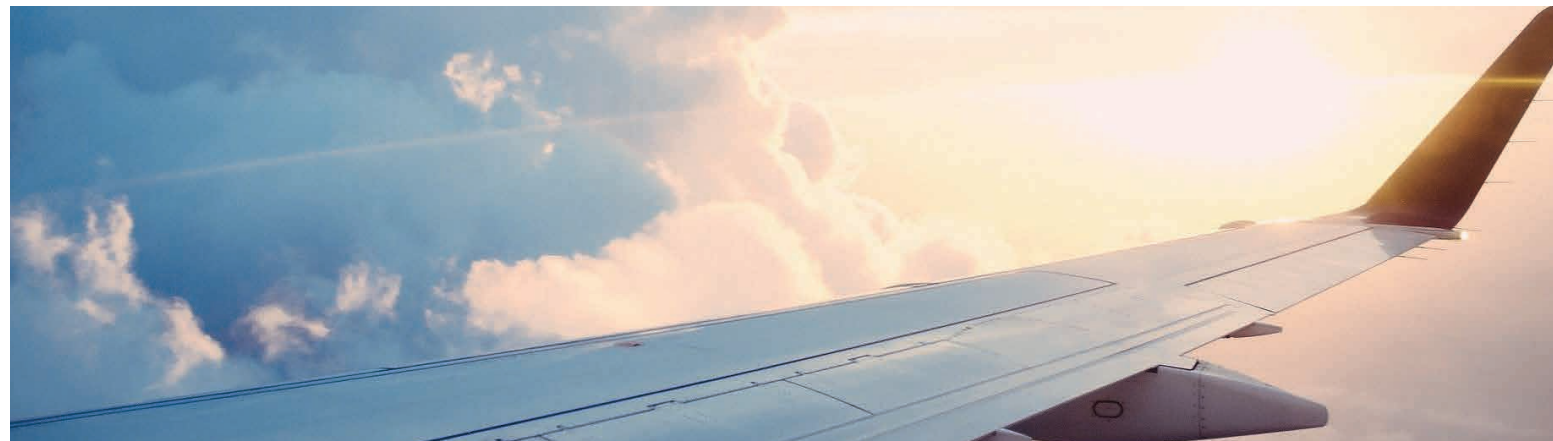
(1) The basis of carbon accounting is always CO2e (all Greenhouse Gases); CO2 is used interchangeably with GHG (CO2e) neutral

Source: DB Schenker - Shaping the future (March 2021)

## HIGHLIGHTS

**343** active manufacturing partners

**87%** of contract-working suppliers are located in the provinces bordering the company headquarter (Varese, Como and Milano)







## 5. OUR RESPONSIBILITY

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

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

This approach has two advantages: first, it reduces the environmental impact due to the travel distances between the production and the final customer.

Second, it diversifies the risk of customers across a variety of locations and factories.

In addition, BRANDART intends, in the coming years, to develop a system for controlling the emissions of its manufacturing partners to improve its overall environmental footprint and reduce the impact related to its operations.

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

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

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

Thanks to the careful management of legislative obligations and our ISO 14001 certification, no fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations were issued to our sites in 2020.





ENERGY

WATER

EMISSIONS

WASTE

# ENERGY

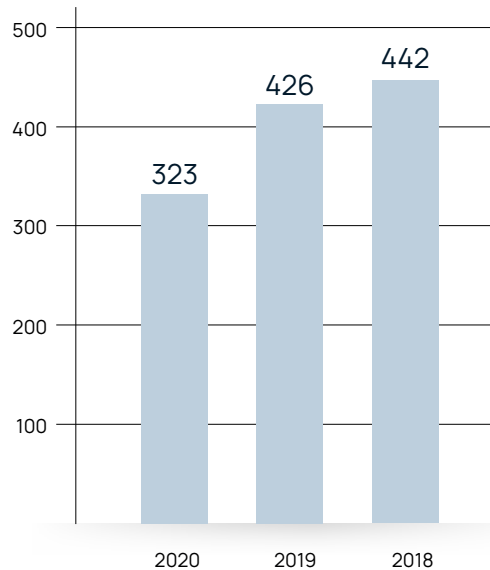
Here below are described the indicators relating to natural gas consumption, fuel consumption and consumption of electricity procured from the outside in the three-year period 2018-2020.

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

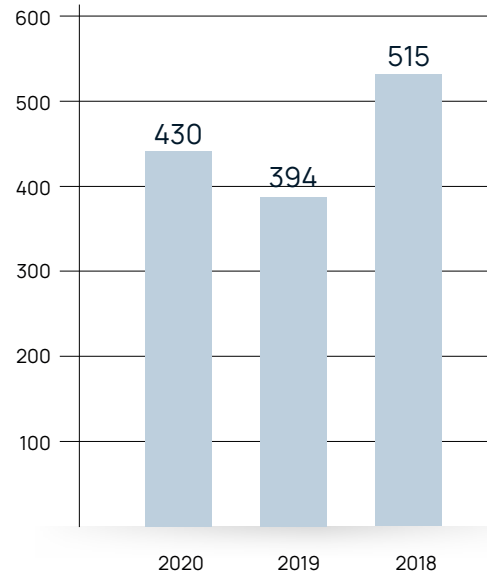
## ENERGY AND NATURAL RESOURCES CONSUMPTION

	2020	2019	2018
Gas (m <sup>3</sup> )	68.041	62.756	73.213
Fuel (l)	51.113	67.745	62.857
Electrical energy (KWh)	306.668	338.714	328.280

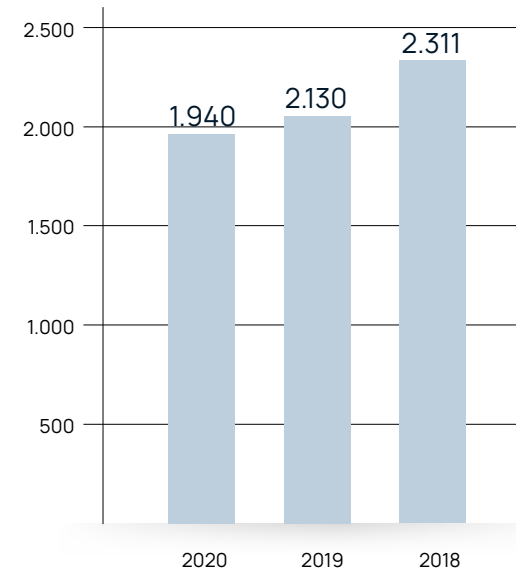
### SPECIFIC FUEL CONSUMPTION (L/AVERAGE YEAR EMPLOYEES)



### SPECIFIC GAS CONSUMPTION (M<sup>3</sup>/AVERAGE YEAR EMPLOYEES)



### SPECIFIC ENERGY CONSUMPTION (KWH/AVERAGE YEAR EMPLOYEES)







# WATER

BRANDART's water consumption is not related to production processes, as can be seen by comparing the volumes of water supplied in relation to the discharge. It is assumed that 90% of the withdrawals are discharged, while the remaining 10% is consumed as drinking water or used for the irrigation of the company's green areas. The data for 2020 demonstrates a decrease in the consumption of water from the aqueduct as well as of the water discharged compared to the previous year.



## WATER WITHDRAWAL BY SOURCE (IN M<sup>3</sup>)

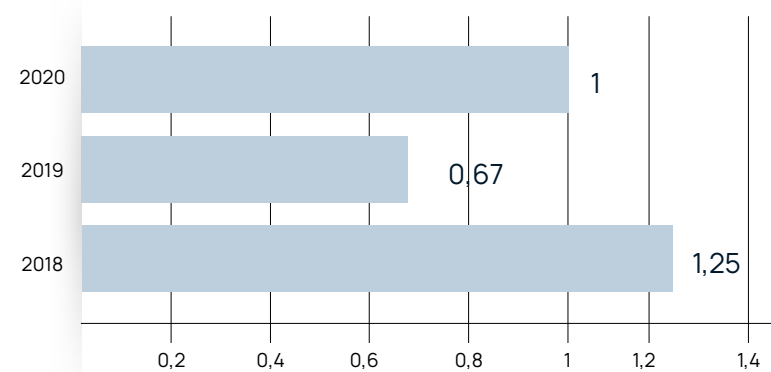
	2020	2019	2018
Municipal water	1.576	1.994	956
Surface water	0	0	0
Groundwater	0	0	0
Seawater	0	0	0
Produced water	0	0	0
Thirdpartywater	0	0	0

## WATER DISCHARGE (IN M<sup>3</sup>)

	2020	2019	2018
Municipal water	1.418	1.795	860

## SPECIFIC WATER CONSUMPTION

(M<sup>3</sup>/AVERAGE YEAR EMPLOYEES)





# EMISSIONS

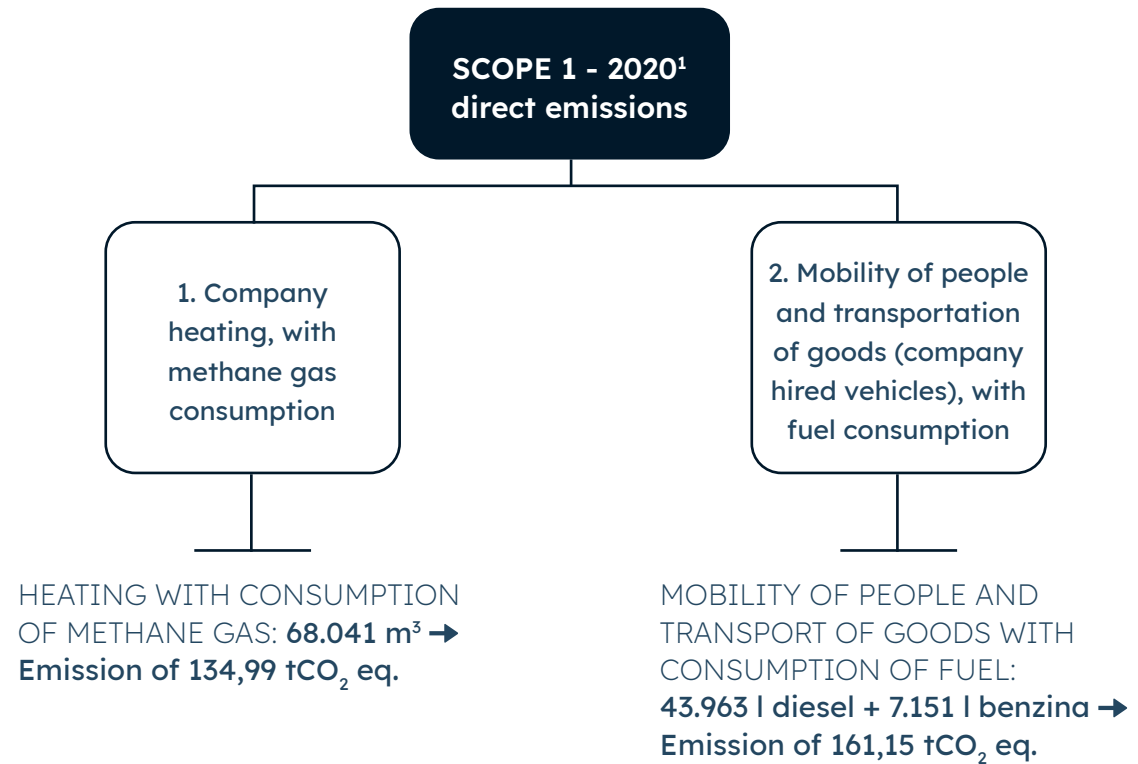
BRANDART's focus on reducing GHG (Greenhouses Gases) emissions is not limited to direct applications aimed at reducing direct energy consumption such as methane for heating and fuel for employee mobility. It extends to large-scale interventions through partnerships with logistics sector main players,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

This way, BRANDART only uses the leading logistics partners with the best environmental performances. Thanks to the strategic choice of these partners, BRANDART will be able to reduce its carbon footprint with respect to indirect emissions falling within the Scope 3 category.

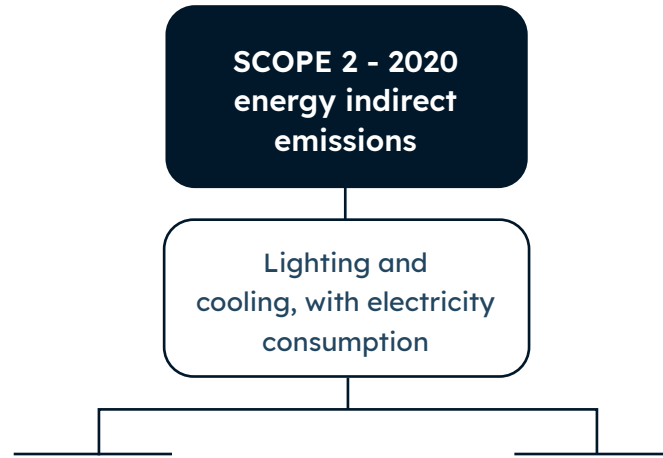
As done in the previous year, BRANDART made a simplified assessment of its Greenhouse Gases emissions in Italy operations, with the purpose of understanding its contribution to anthropogenic climate change.

The assessment is based on consumption data of the year 2020 and is in reference to the technical criteria of the standard ISO 14064 Part 1.

Below are the emissions that contribute to determining BRANDART's GHG emissions in its three operating sites. The consumption and emission values are divided by macro-categories (Scope 1 and Scope 2)



1 - Emissions calculated according to EU ETS Standards: <https://www.ets.minambiente.it/News#201-pubblicazione-parametri-standard-nazionali-anno-2020>



**MARKET BASED SCOPE 2**  
 LIGHTING AND COOLING, WITH  
 ELECTRICITY CONSUMPTION:  
**306.668 kWh → 140,63 tCO<sub>2</sub> eq.**

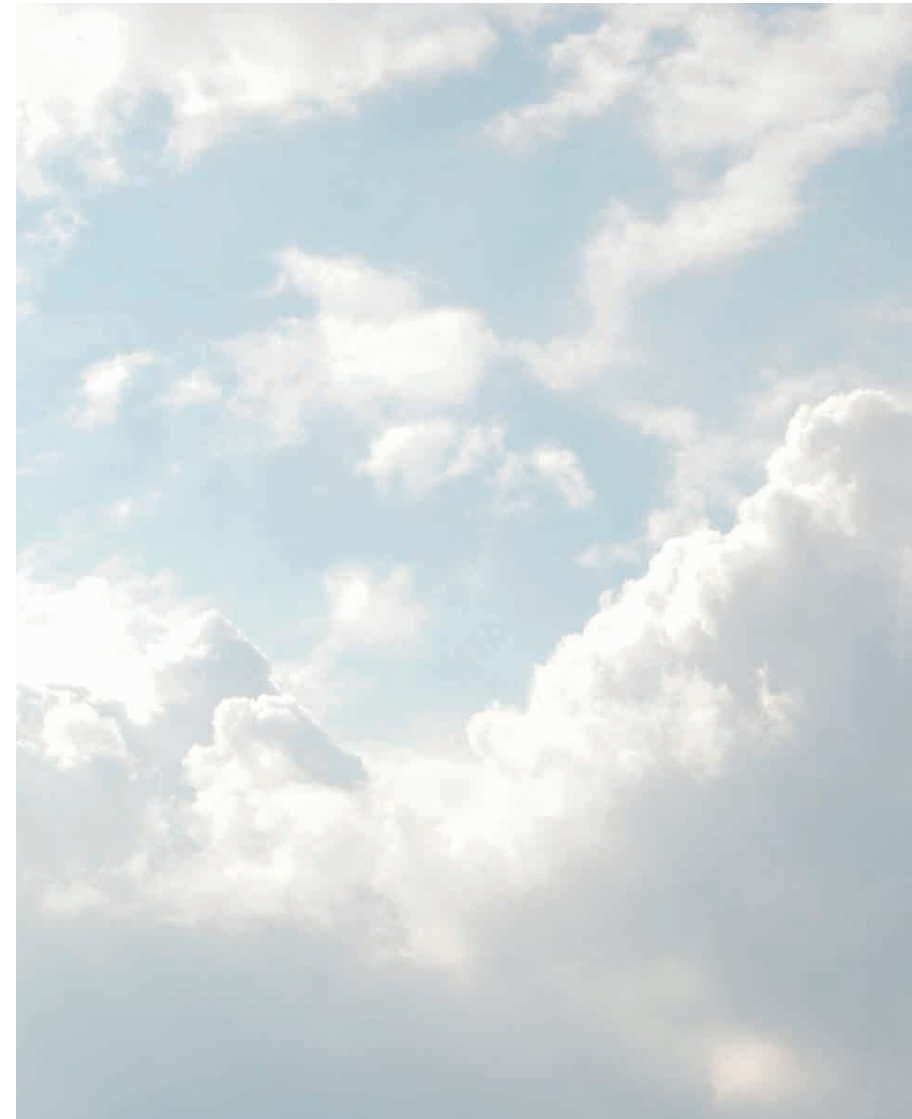
Emissions calculated using European Residual Mixes -Results of the calculation of Residual Mixes for the calendar year 2020 -Version 1.0, 2021-05-31

**TOTAL EMISSIONS**  
 Market Based Approach  
 (excluding Scope 3):  
**436,77 tCO<sub>2</sub> eq.**

**LOCATION BASED SCOPE 2**  
 LIGHTING AND COOLING, WITH  
 ELECTRICITY CONSUMPTION:  
 43.963 l diesel + 7.151 l benzina  
**306.668 kWh → 88,9 tCO<sub>2</sub> eq.**

Emissions calculated using [https://www.isprambiente.gov.it/files2020/publicazioni/rapporti/Rapporto317\\_2020.pdf](https://www.isprambiente.gov.it/files2020/publicazioni/rapporti/Rapporto317_2020.pdf)

**TOTAL EMISSIONS**  
 Location Based Approach  
 (excluding Scope 3):  
**385,04 tCO<sub>2</sub> eq.**





# WASTE

## PRODUCTION OF WASTE (KG)

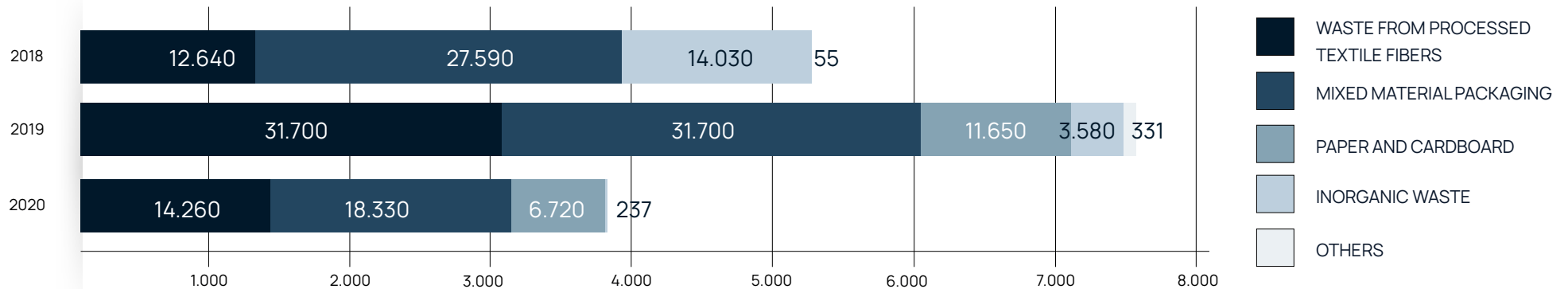
	2020	2019	2018
Total	39.547	78.571	54.315
Non-hazardous waste	39.380	78.511	54.315
Hazardous waste	167	60	0
Recycled - reused - recovered	25.117	56.691	41.675

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

In 2020, the production of waste returned to a trend in line with previous years. Furthermore, also due to the reduced presence of staff in the office, some types of waste experienced a decrease.

The 2019 figure relative to the amount of waste sent for recovery was revised following an update of the data used for calculating the indicators.

## DETAIL OF WASTE MANAGEMENT (IN KG)







### **ROADMAP TOWARDS A PLASTIC-FREE COMPANY**

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

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

In order to further reducing plastic bottles consumption, the company is carrying out a study to replace water bottles while encouraging dispensers for a direct supply from the source.





### SUSTAINABILITY AND DIGITALIZATION TO REDUCE PAPER CONSUMPTION

BRANDART has embarked on a policy aimed at digitizing documents and raising workers' awareness of reducing paper consumption, with the double aim to optimize the number of prints and therefore paper and toner consumption in daily office activities, and to ensure the privacy of printed documents.

All employees are encouraged to print double-sided and to use recycled paper whenever possible.

This Paper-Cut project has over the years led to a gradual reduction in printed sheets at workplaces. As shown in the graph below, the reduction in printed sheets per employee was greater than 50%.



### HIGHLIGHTS



**100%** electricity from renewable sources



**-26,9%** specific fuel consumption per worker compared to 2018



**-16,5%** specific consumption of methane gas per worker compared to 2018



**-27,2%** waste produced compared to 2018



**-58,8%** of printed sheets per employee since 2018



## 6. OUR PEOPLE

---

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





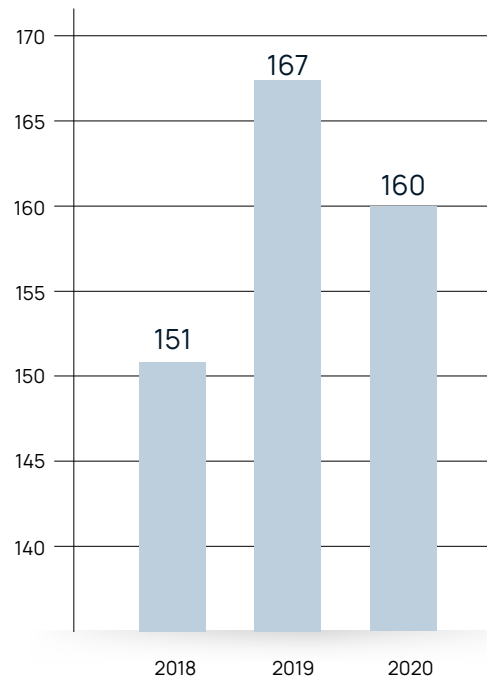
**EMPLOYMENT & WORKFORCE**

HEALTH AND SAFETY

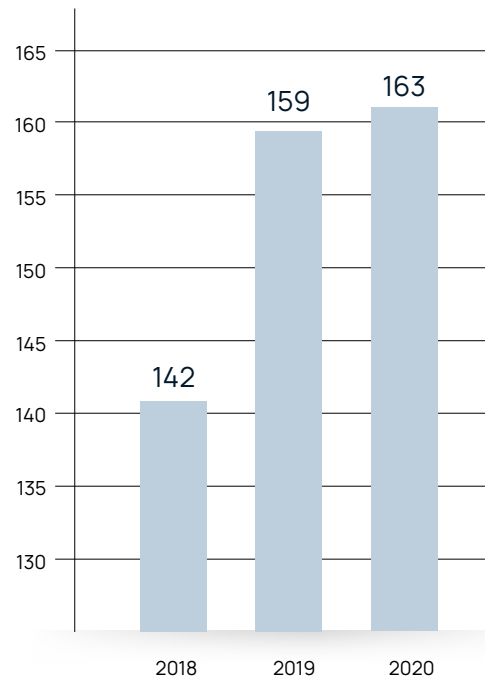
TRAINING AND EDUCATION

# EMPLOYMENT & WORKFORCE

**TOTAL EMPLOYEES**

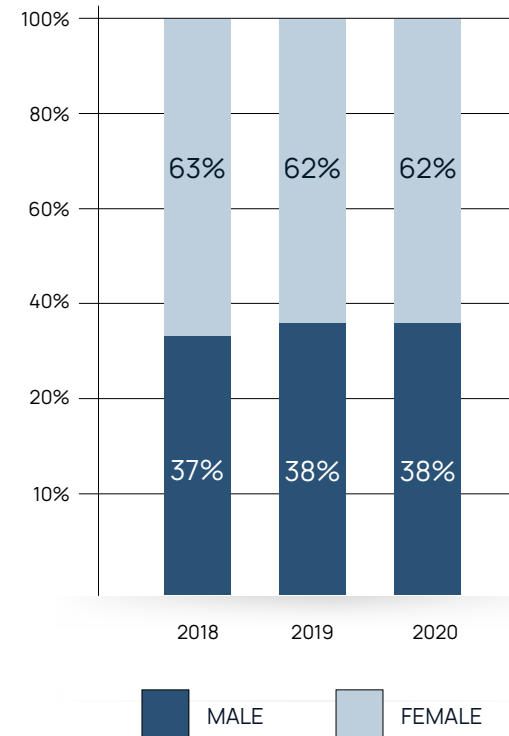


**AVERAGE YEAR EMPLOYEES**



As can be seen from the graph, the presence of women within the company is greater than that of men and constant over the three years. This confirms the integrity of the working environment and the commitment to the creation of equitable job opportunities in which women can find stable employment.

**EMPLOYEES BREAKDOWN BY GENDER**



1) Total employees: includes 2 employees with foreign contract in 2019 and 4 employees with foreign contract in 2020.

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



### GENDER DIVERSITY AS A STRATEGIC RESOURCE

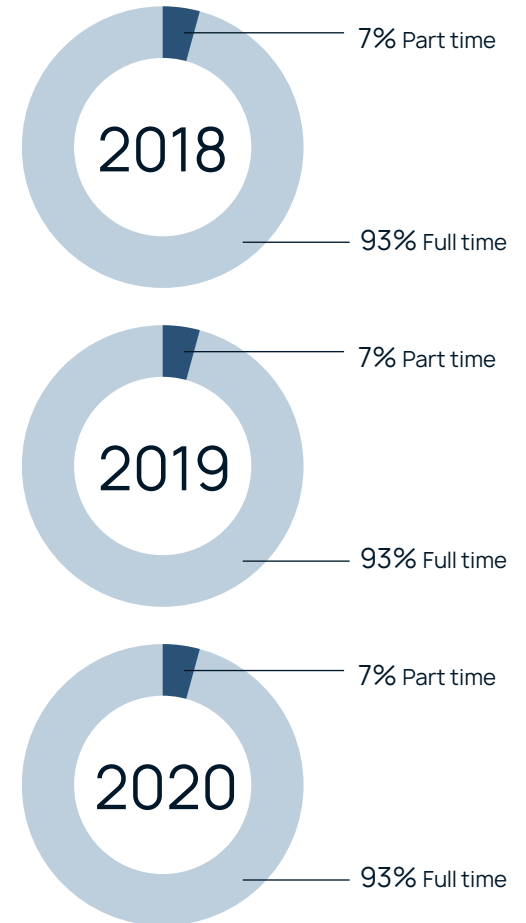
Gender differences are a resource and must be recognized and properly valued for business development.

In this context, BRANDART has been able to grasp its importance. Out of 160 employees, 63% are women, a trend that is growing compared to previous years.

The attention to this issue is further evidenced by the fact that women hold 37% of positions of responsibility within the company organizational chart.



### EMPLOYEES BREAKDOWN BY EMPLOYMENT TYPE



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

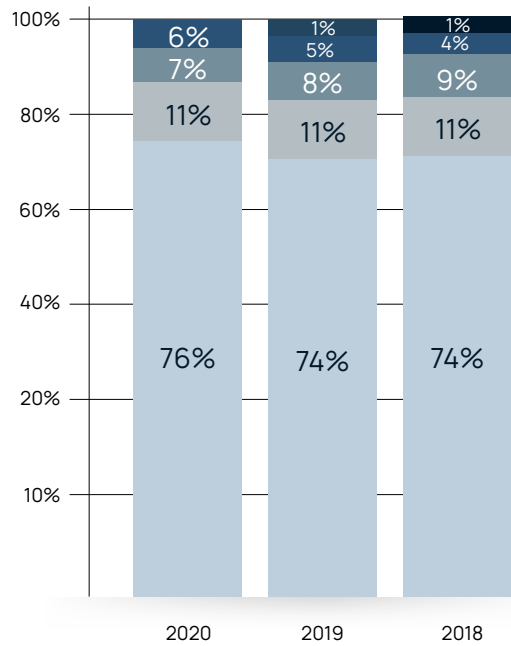


**EMPLOYMENT AND WORKFORCE**

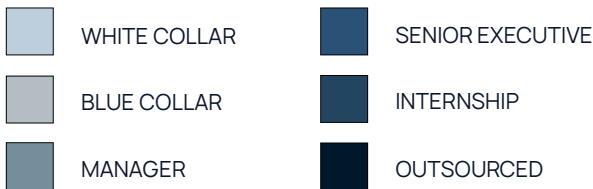
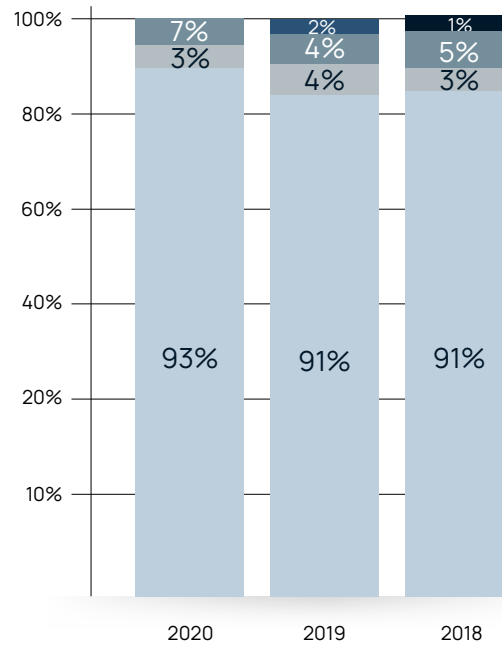
HEALTH AND SAFETY

TRAINING AND EDUCATION

**EMPLOYEES BREAKDOWN BY FUNCTION**



**EMPLOYEES BREAKDOWN BY FUNCTION**



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

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

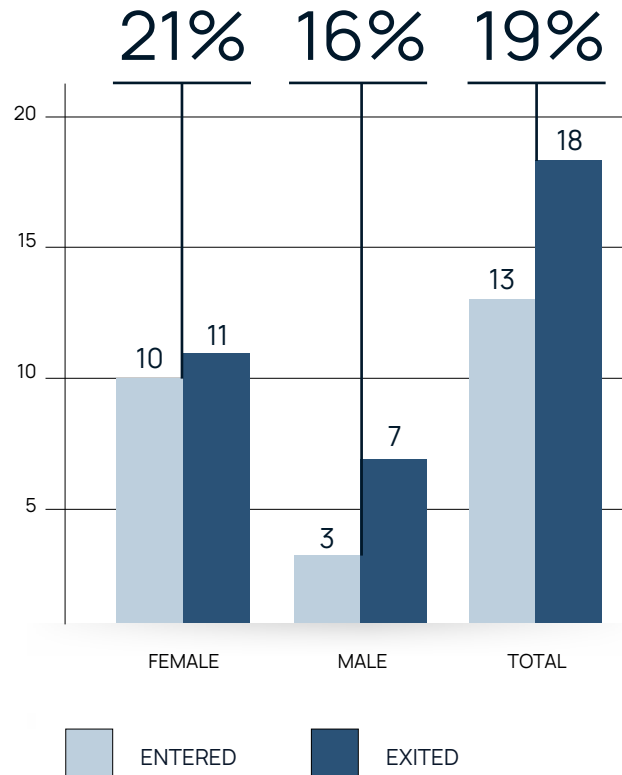
The research also stems from the continuous evaluation of the organizational structure, to respect the needs of the business and the market.

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

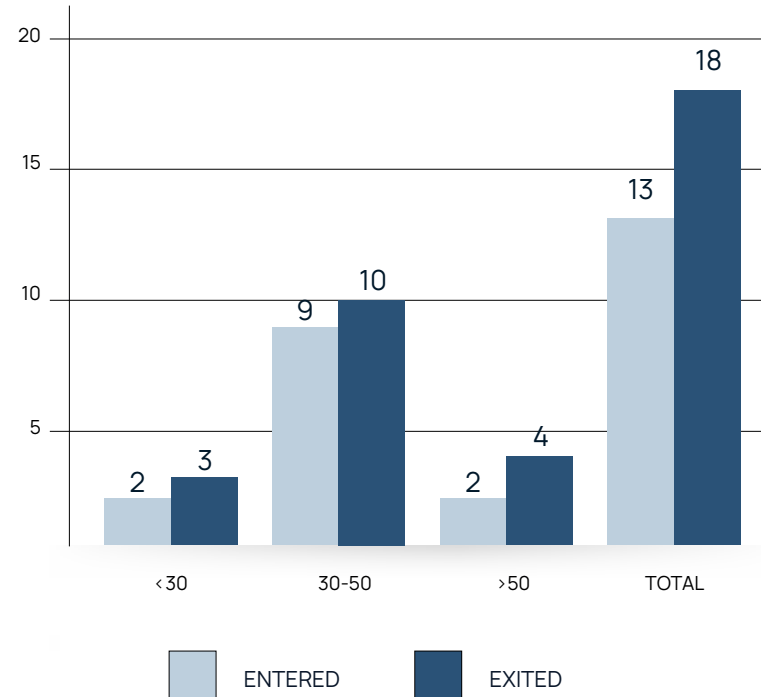




### EMPLOYEES TURNOVER BY GENDER



### EMPLOYEES TURNOVER BY AGE GROUP



In these graphs, temporary workers are excluded from the calculation of turnover.

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

The data show a reduction in turnover for the year 2020.

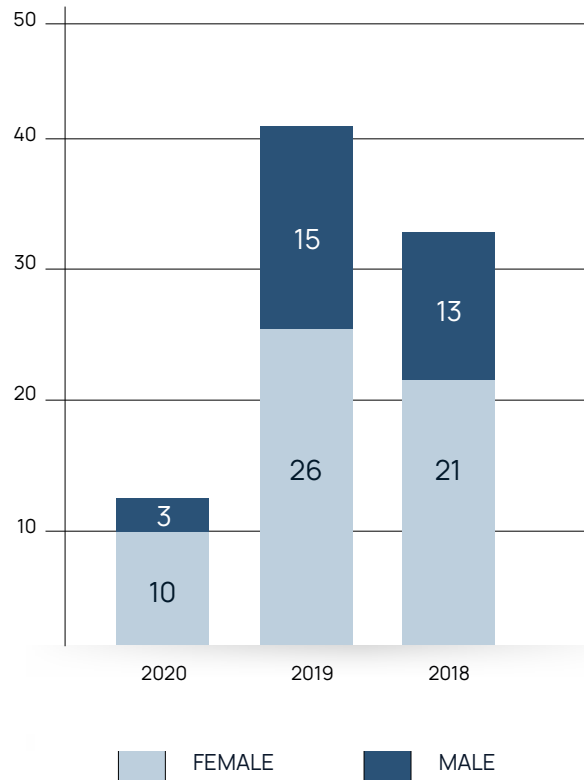


**EMPLOYMENT AND WORKFORCE**

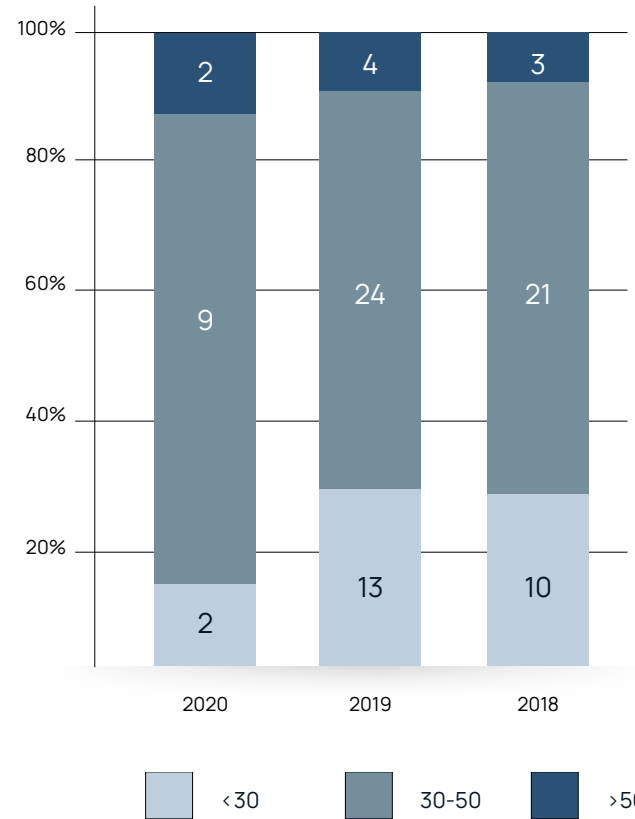
HEALTH AND SAFETY

TRAINING AND EDUCATION

**HIRED EMPLOYEES BREAKDOWN BY GENDER**



**HIRED EMPLOYEES BREAKDOWN BY AGE GROUP**



The wage provided by BRANDART to its employees is higher than the minimum set by the industry, both considering employment levels and gender. The figure is calculated based on the ratio of the average wage for women divided by the average wage for men.

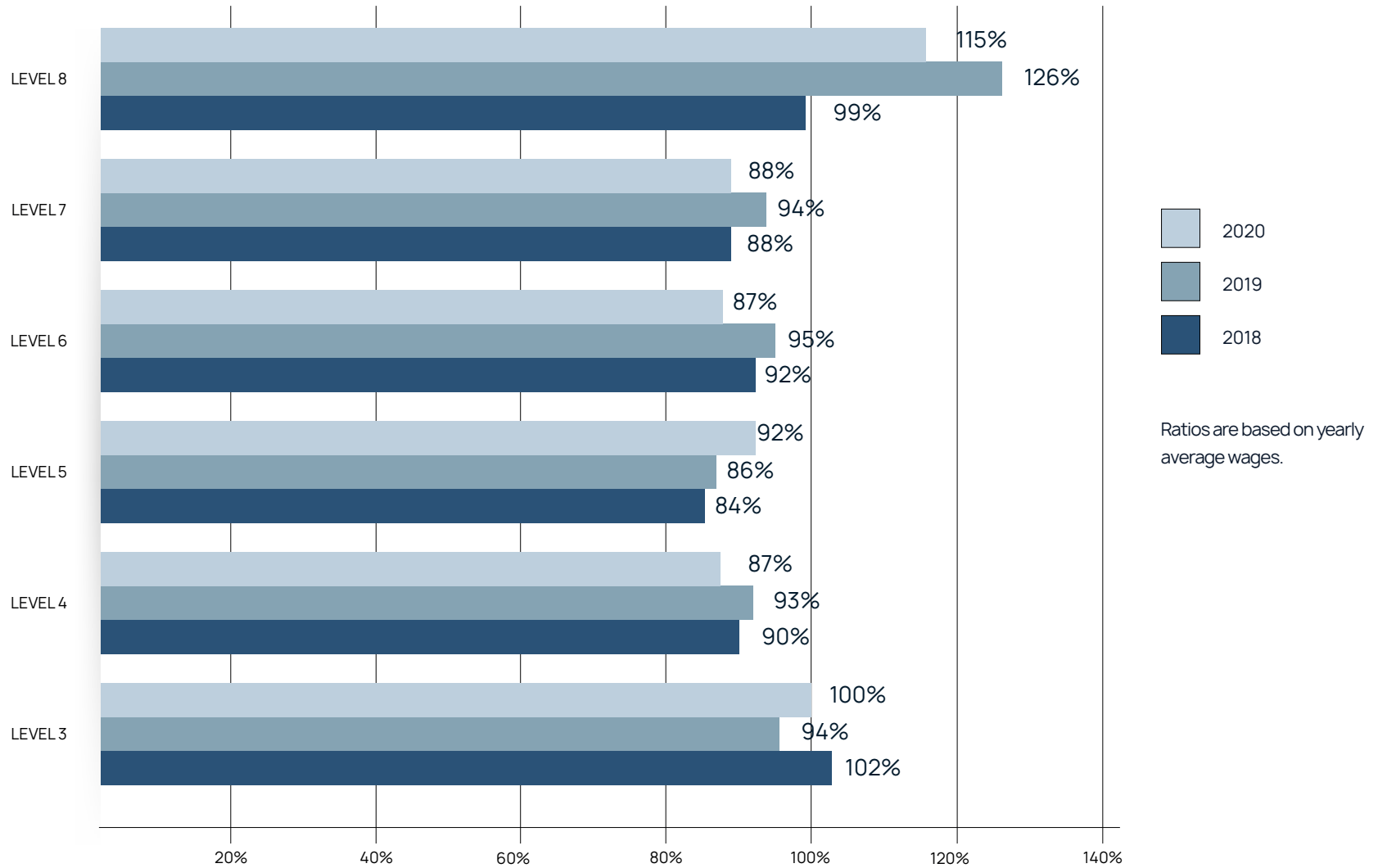


**EMPLOYMENT AND WORKFORCE**

HEALTH AND SAFETY

TRAINING AND EDUCATION

**WAGE RATIO OF WOMEN TO MEN**





### **ATTENTION TO EMPLOYEES: THE LISTENING DESK**

During 2019 and throughout 2020, BRANDART provided the opportunity for employees to make free use of a listening desk held by a psychologist. First in attendance and then online due to the Covid-19 pandemic.

This initiative has led to an important assessment and management of work-related stress and reflects the responsibility that the company management assumes towards the well-being of its employees.





## HEALTH AND SAFETY

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

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

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





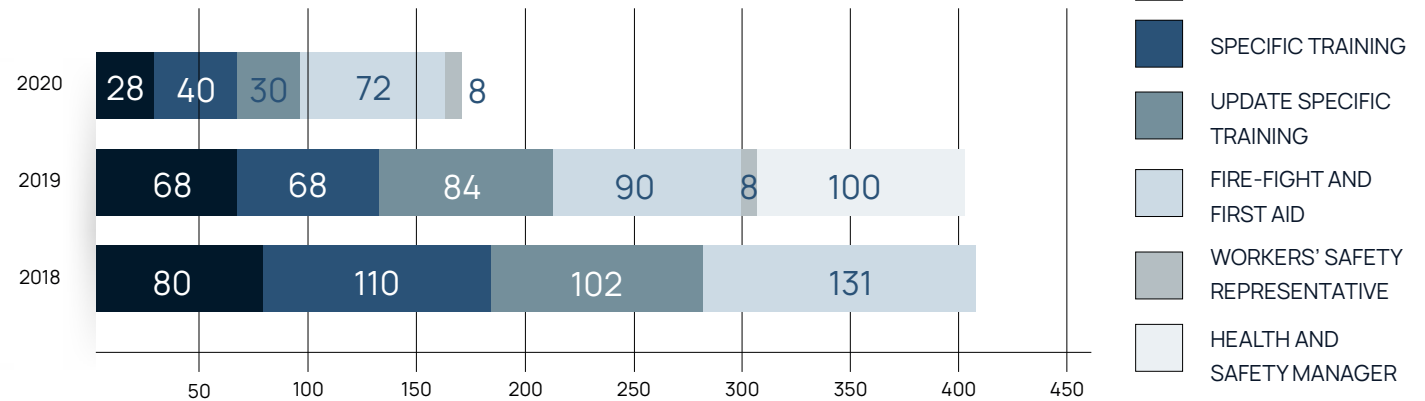


### WORKERS TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

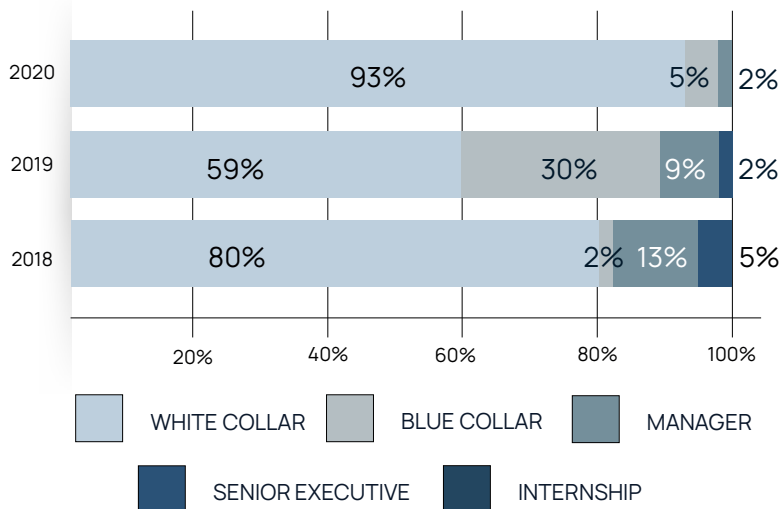
As foreseen by national law, BRANDART employees attended mandatory training on occupational health and safety.

The trend of compulsory training is not constant from year to year as the updating intervals required by Italian regulations are mainly every 3 or 5 years. However, in 2020 there was an increase in the provision of non-compulsory training, as can be seen from chapter "Emissions".

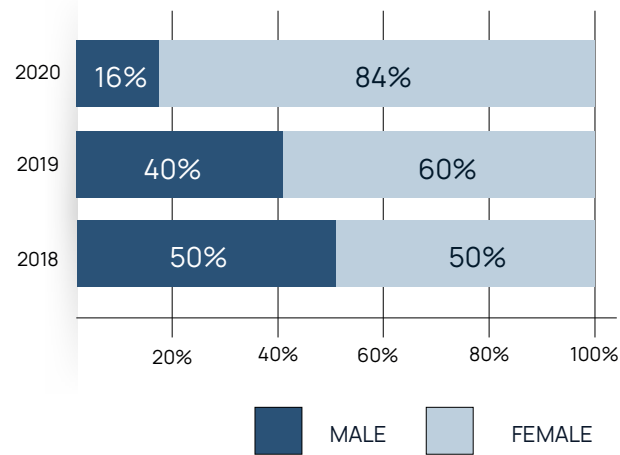
### OCCUPATIONAL HEALTH AND SAFETY TRAINING



### OCCUPATIONAL HEALTH AND SAFETY TRAINING BY EMPLOYMENT TYPE



### OCCUPATIONAL HEALTH AND SAFETY TRAINING BY GENDER



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



### INJURY INDICATORS

No injuries or accidents with serious consequences occurred in 2020.

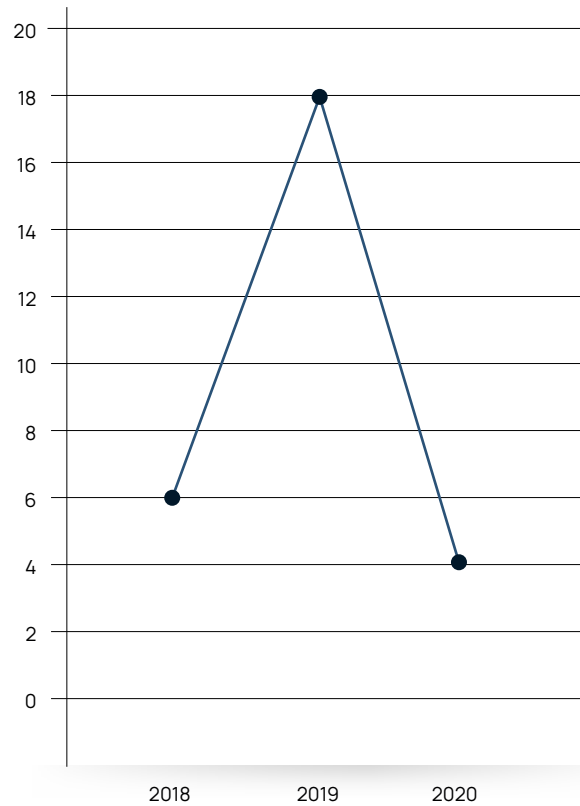
There was only one light accident (in course, scraped knee due to a fall on the sidewalk during commute), causing 32 hours of absence from work (0.01% of the total hours worked by all employees for 2020).

As can be seen from the following graphs, both indicators relating to the severity and frequency of occurrence of accidents are decreasing in 2020 compared to previous years.

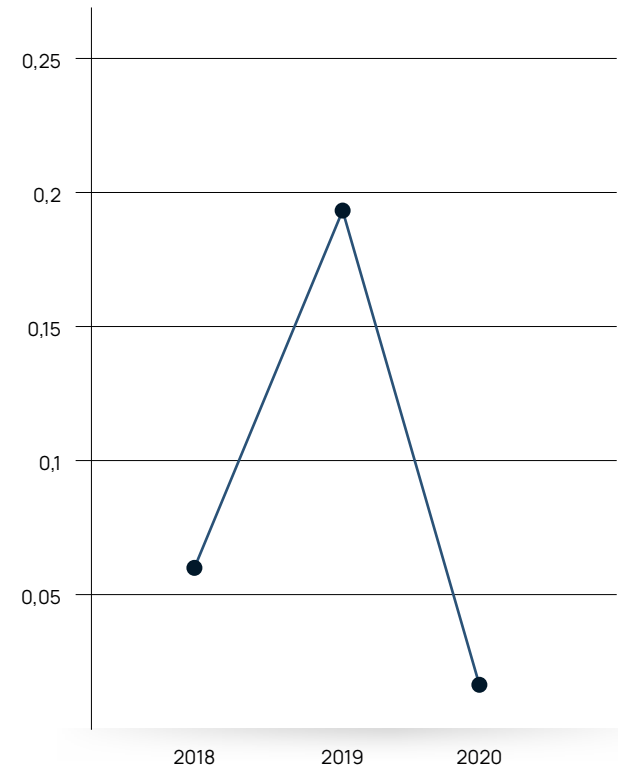
Frequency index (number of injuries \* 1.000.000 / Company worked hours) = 4 (in 2019 it was 18)

Severity index (lost days for injuries \* 1.000 / Company worked hours) = 0.017 (in 2019 it was 0.194)

#### FREQUENCY INDEX



#### GRAVITY INDEX





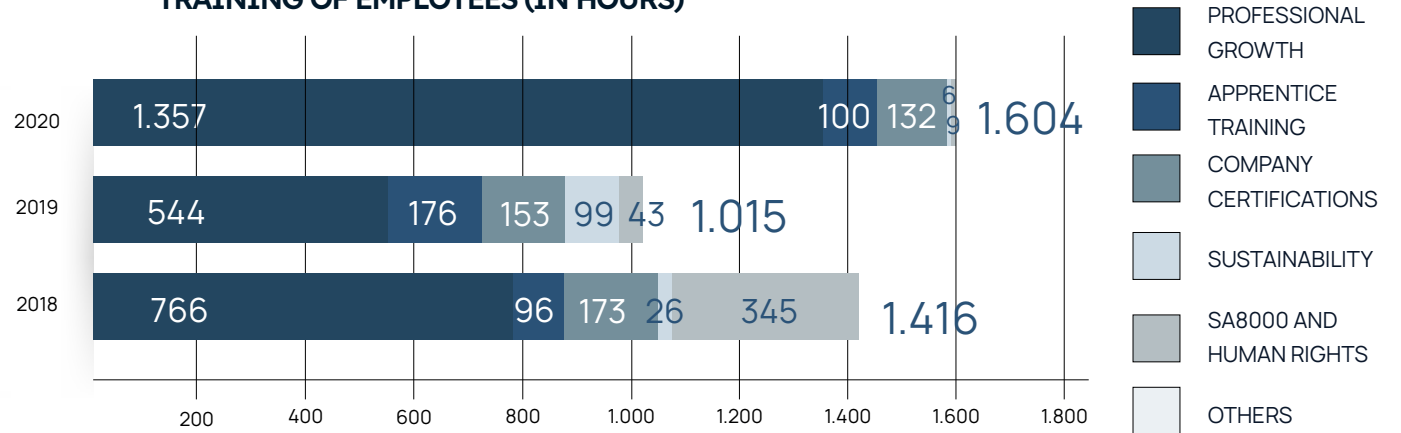
# TRAINING AND EDUCATION

Training priority was given to the operational needs emerging from periodic meetings with Top Management.

Excluding the compulsory hours of training on health and safety, a total of 1.604 (+58% on 2019) hours of training were provided in 2020, divided into the following topics:

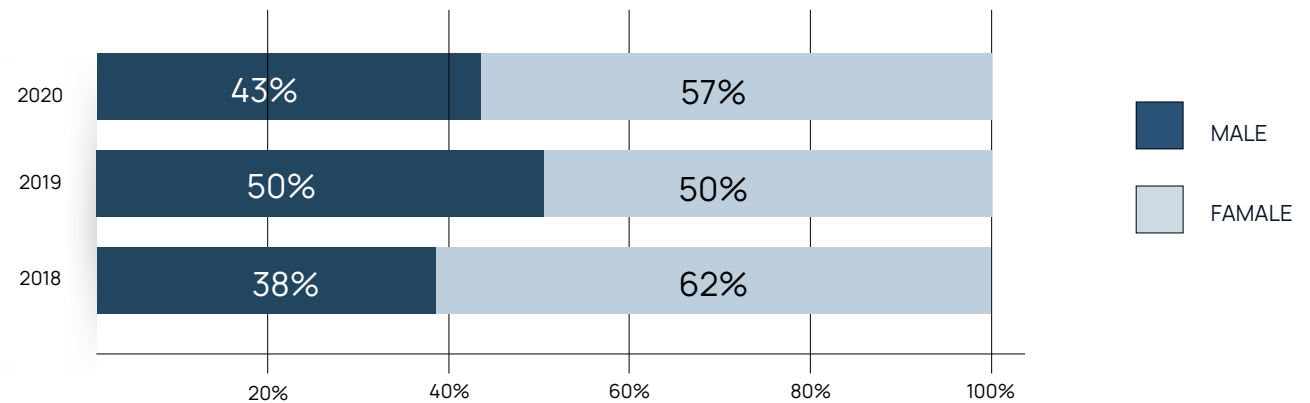


## TRAINING OF EMPLOYEES (IN HOURS)



Training in 2018 and 2020 includes financed training on English language and data sheets software.

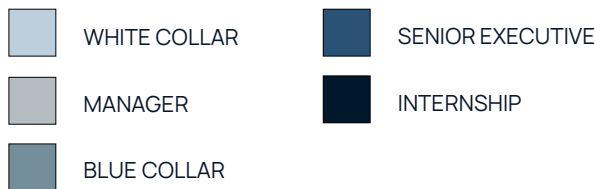
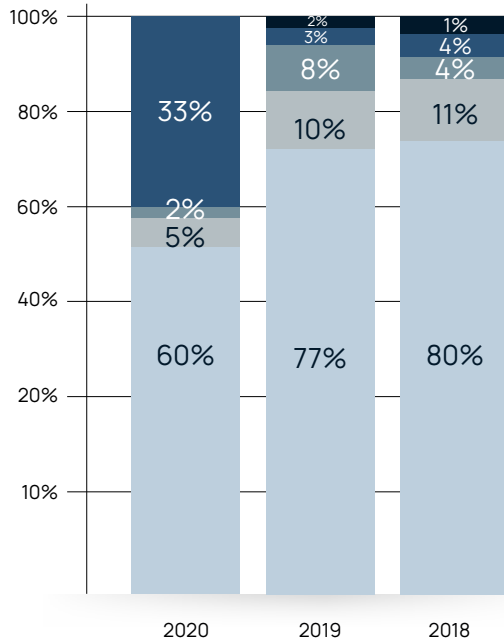
## TRAINING AND EDUCATION ( BY GENDER)



Training in 2018 and 2020 includes financed training on English language and data sheets software.



### TRAINING AND EDUCATION (BY EMPLOYMENT TYPE)



### THE SUSTAINABILITY COMMITTEE

IN 2019, THE “SUSTAINABILITY COMMITTEE” WAS ESTABLISHED IN BRANDART. THE TEAM, MADE OF SEVEN PROFESSIONALS WITH DIFFERENT ROLES AND RESPONSIBILITIES, MET PERIODICALLY WITH THE AIM OF MAPPING PROCESSES, IMPLEMENTING STRATEGIES, AND SHARING IDEAS AND PROJECTS RELATED TO THE SUSTAINABLE DEVELOPMENT OF THE COMPANY.

### HIGHLIGHTS



**+14,8%** average annual employees since 2018



**0,01%** hours lost due to injury on the total hours worked in 2020



**-92,6%** absence due to injury compared to 2019



**1.604** hours of training provided (excluding compulsory H&S training)



## 7. ECONOMIC PERFORMANCE

Since the year of its founding, BRANDART has recorded a constant increase in turnover, this is mainly due to the attention to innovation that has allowed the company to establish itself as one of the top players in the market.

The financial statements data confirms this: in 2020 BRANDART was able to record a further increase in turnover.

The growth of BRANDART's activities in 2020 was particularly significant considering the global economic and social context dominated by the Covid-19 emergency and its consequences.

To understand the reasons for this result, it is necessary to consider all its characteristic elements: first of all, the important work of organizing the activities and the marked propensity for innovation; secondly, the added value brought by the strategic vision and the ability of Management to translate the strategy into concrete actions.

All this has made it possible to generate new value from a crisis, not only compensating for the losses due to production stoppages but even leading

the company to close with an increase over the previous year.

The directly generated economic value was calculated through the reclassification of the consolidated income statement.

The main component of this value is given by revenues.

BRANDART generated about 116,700 million euros in the year 2020, with an increase of 5.7% to 2019.

The company, therefore, managed to close 2020 by recording the highest revenue since its foundation.

The constant attention to Stakeholders is evidenced by the fact that distributed economic value represents 91.3% of total revenues.

From the Company's solid balance sheet, it is possible to highlight its ability to maintain financial balance in the medium and long term.

As above-mentioned, it can be assumed that the current year expresses a positive result for BRANDART and its employees.

	2019	2020
Economic value directly generated: revenues	110.466.692,00	116.606.759,0
Distributed economic value	107.169.615,00	106.545.431,01*
Net Sales	106.330.632,00	116.591.450,00
Operating Costs	93.375.666,00	95.957.938,0
Salaries and Benefits for employees	10.458.702,00	9.319.050,00
Payments to capital providers	2.062.366,00	420.783,0
Payments to the Public Administration by country and investments in the community	1.557.981,00	1.003.492,01
Donations	12.000,00	13.280,00

\* The 2019 data relative to the Distributed economic Value was revised following an update of the data used for calculating the indicators.





## 8 METHODOLOGICAL NOTES

BRANDART's 2020 Sustainability Report represents the main means of communicating to the stakeholders the Company's commitment along its path towards Sustainability.

This report is an update of 2019 report published in July, 2020, and covers the activities and the related impacts of BRANDART S.p.A. in its 3 facilities located in Busto Arsizio (VA) – Italy.

The exclusion of any geographical area, Group company, or specific site from the scope of reporting is due to the difficulty of obtaining data of satisfactory quality, or to their immateriality in relation to the Group as a whole, as may be the case for newly-acquired entities or production activities that are not yet fully operational. Omission of data or any significant deviation is appropriately indicated and explained; the calculation methods and units of measurement are indicated where appropriate, and any estimates are mentioned as well.

A recalculation of year 2019 values was required in some cases due to data updates. Where there have been changes, it has been properly noted.

This report will be updated and communicated to stakeholders on a yearly basis.

Unless otherwise stated in the text, the reporting period of this Sustainability Report covers information and data for calendar year 2020 (from January 1st 2020 to December 31st 2020).

BRANDART confirms hereby there's no need of any restatement related to 2020 data, activities, material topics, report perimeter and period.

BRANDART issued this document in compliance with the GRI Standard, in its current version, and follows the core option.

For any claims connected to this Sustainability Report, please contact Rocco Colucci, BRANDART's Marketing, Communication & Sustainability Manager, by phone at + 39.0331.634392, or by email at [rocco.colucci@brandart.com](mailto:rocco.colucci@brandart.com)

The complete review of the annual Sustainability Report is made by the entire Executive Committee, including the CEO, where all the executive officers check the contents with a specific focus on the material topics covered by their position in the Organization. The CEO finally approves the Sustainability Report and ensures that all material topics are adequately covered and reported.





# STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS

To define the material topics to be included in this Sustainability Report, BRANDART decided not to implement a new materiality analysis, because the Senior Management wanted to give its stakeholders more time to deepen the contents of the first Sustainability Report and share impressions and expectations. Therefore, this year materiality matrix and material topics are the same as described in the 2018 and 2019 Sustainability Report.

As described in 2018 report, the survey results proved that external stakeholders' interests regarding surveyed topics are generally aligned with those of internal stakeholders.

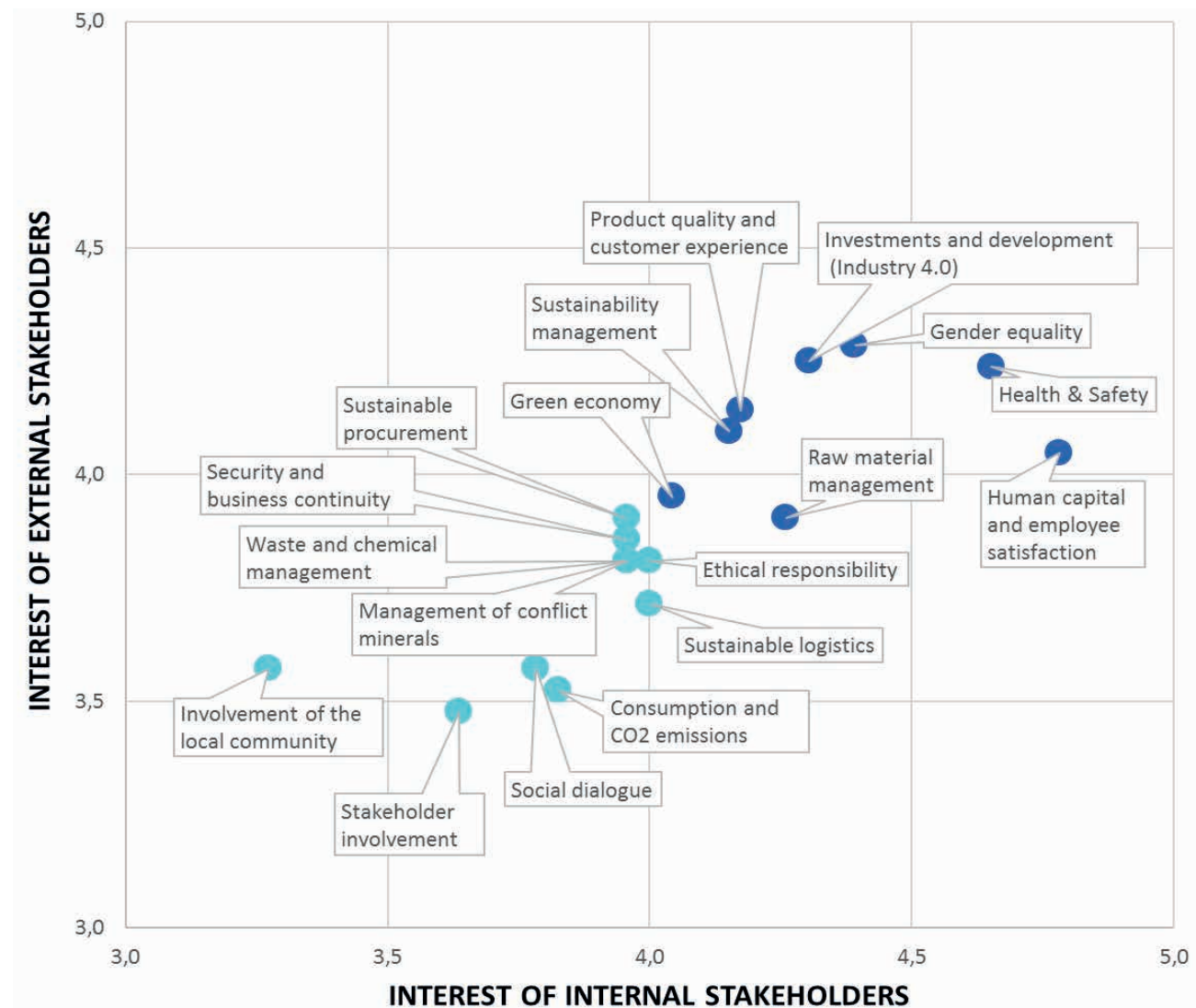
Areas of greater interest are in general aligned with Senior Management awareness, ongoing and planned activities, and roadmaps for the next years.

According to the Materiality Matrix, topics were grouped into:

- crucially material: rating above 4 for either internal or external stakeholders
- moderately material: rating below or equal to 4 for either internal or external stakeholders

The limit set to 4 represents the average value of the average ratings of internal and external stakeholders.

## MATERIALITY MATRIX





### MAIN EXTERNAL STAKEHOLDERS GROUPS INVOLVED

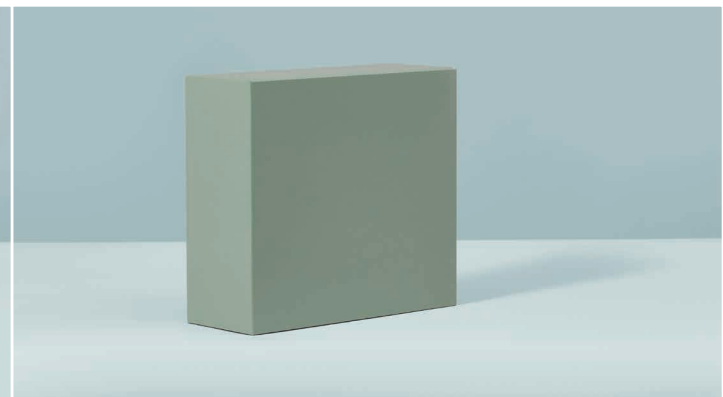
CERTIFICATION BODIES	MANUFACTURING PARTNERS
CUSTOMERS	LOCAL COMMUNITY
TRADE ASSOCIATIONS	GENERAL SUPPLIERS
LOGISTIC SUPPLIERS	TRAINING INSTITUTIONS
BANKS AND INSURANCE COMPANIES	ICT SUPPLIERS
BRANCH COMPANIES	JOB AGENCIES

BRANDART involved its internal stakeholders (i.e. the employees and managers) through interviews and questionnaires, by selecting representatives of all main functions and departments.

The Senior Management then identified the main external stakeholders to be engaged within the above groups.

Some of our main Packaging suppliers in Europe and Far East were directly involved in the materiality analysis. Those with a stronger business relationship with BRANDART and that showed a greater attention to sustainability topics were selected. BRANDART asked them to complete its Materiality Questionnaire.

In other cases the opinion of external stakeholders was expressed by groups of employees selected as the most suitable to represent them (i.e. corporate functions) since they manage stakeholders relations on a daily basis.





# MATERIAL TOPICS

## CRUCIALLY MATERIAL TOPICS

**Investments and development:** Invest in research and innovation of materials, products, production processes and services provided

**Raw material management:** Select raw materials with the aim of reducing the relative environmental impacts, introducing sustainable and eco-friendly materials and solutions

**Human capital and employees' satisfaction:** Adopt welfare initiatives, work-life balance, remuneration and professional growth policies. Promote training and involvement. Ensure that working conditions comply with national legal and regulatory provisions and are consistent with applicable international labor standards

**Health and Safety:** Adopt all the necessary measures for the prevention of accidents and accidents at work, in terms of machinery, spaces, training and involvement

**Gender equality:** Guarantee and pursue gender equality and the absence of discrimination and unfair economic treatment of employees

**Product quality and customer experience:** Implement systems and processes for a constant increase in product quality and in the overall experience of purchasing and customer relations

**Green economy:** Adopt strategies aimed at reducing the environmental impact of products and services

**Sustainability management:** Manage the company while considering economic, social and environmental issues, with a long-term vision

## MODERATELY MATERIAL TOPICS

**Sustainable procurement:** Make use of a supply chain that is sensitive to the issues of corporate social and environmental responsibility, favoring the selection of local suppliers. Integrate sustainability principles into the entire procurement process, selecting and monitoring suppliers through environmental, social and economic criteria

**Ethical responsibility:** Include the application of the principles and practices of social responsibility within corporate decision-making processes

**Waste and chemical management:** Promote and encourage solutions for the reduction of corporate waste and the increase in the reuse or recovery of waste materials. Choice and management of chemical substances to minimize their use and the risk of dispersion.

**Sustainable logistics:** Optimize logistic strategies with reference to support sites, routes, choice of sustainable partners and evaluation of alternative transport systems, in order to reduce the impact in terms of CO<sub>2</sub> emissions

**Management of conflict minerals:** Take all necessary measures to avoid that BRANDART products contain minerals from countries affected by conflicts or widespread human rights violations

**Security and business continuity:** Invest in the development and use of data protection and business continuity guarantee systems (i.e. disaster recovery or business backup techniques)

**Stakeholder involvement:** Involve the main internal and external stakeholders in the organization's strategic choices regarding business, development and market positioning

**Involvement of the local community:** Involve local communities, also through dedicated initiatives, to encourage their participation, development and awareness of sustainability issues

**Consumption and CO<sub>2</sub> emissions:** Implement energy efficiency projects and optimization of corporate consumption, also through the involvement of employees, with the objective of reducing energy consumption and CO<sub>2</sub> emissions

**Social dialogue:** Recognize the importance of social dialogue institutions, both at local and international level, and collective bargaining structures, guaranteeing to employees the opportunity of joining them. Consult representative groups of the local community and join associations, to align corporate priorities with public ones

Since no topic has been evaluated by stakeholders as "not important", BRANDART mainly focused on crucially material topics in this Sustainability Report, but most of moderately material topics are also mentioned and explained.





# GRI CONTENT INDEX

GRI N°	INDICATOR	CHAPTER
<b>GRI 102 GENERAL DISCLOSURES</b>		
102 - 01	Name of the organization	BRANDART
102 - 02	Activities, brands, products and services	BRANDART INNOVATING SUSTAINABLY - OUR SERVICES INNOVATING SUSTAINABLY - OUR PACKAGING AND MERCHANDISING SOLUTIONS
102 - 03	Location of headquarters	BRANDART-A CUSTOMER BASED APPROACH
102 - 04	Location of operations	BRANDART-A CUSTOMER BASED APPROACH
102 - 05	Ownership and legal form	BRANDART-A CUSTOMER BASED APPROACH
102 - 06	Markets served	BRANDART-A CUSTOMER BASED APPROACH
102 - 07	Scale of the organization	INNOVATING SUSTAINABLY - OUR PACKAGING AND MERCHANDISING SOLUTIONS ECONOMIC PERFORMANCE OUR PEOPLE
102 - 08	Information on employees and other workers	OUR PEOPLE
102 - 09	Supply chain	OUR PARTNERS
102 - 11	Precautionary principles or approach	METHODOLOGICAL NOTES
102 - 12	External initiatives	BRANDART - OUR VALUES AND PRINCIPLES OUR COMMITMENT TO SUSTAINABILITY - OUR ASSOCIATIONS AND INDUSTRIAL MEMBERSHIPS OUR COMMITMENT TO SUSTAINABILITY - OUR CERTIFICATIONS OUR COMMITMENT TO SUSTAINABILITY - OUR INTERNATIONAL AWARDS AND ASSESSMENTS





GRI N°	INDICATOR	CHAPTER
102 - 13	Membership of associations	OUR COMMITMENT TO SUSTAINABILITY - OUR ASSOCIATIONS AND INDUSTRIAL MEMBERSHIPS
102 - 14	Statement from senior decision-maker	LETTER TO SH
102 - 16	Values, principles, standards and norms of behavior	BRANDART - OUR VALUES AND PRINCIPLES BRANDART - GOVERNANCE MODEL
102 - 17	Mechanisms for advice and concerns about ethics	BRANDART - GOVERNANCE MODEL
102 - 18	Governance structure	BRANDART - GOVERNANCE MODEL
102 - 40	List of stakeholder groups	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
102 - 41	Collective bargaining agreements	OUR PEOPLE - EMPLOYMENT AND WORKFORCE
102 - 42	Identifying and selecting stakeholders	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
102 - 43	Approach to stakeholder engagement	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
102 - 44	Key topics and concerns raised	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
102 - 45	Entities included in the consolidated financial statements	BRANDART
102 - 46	Defining report content and topic boundaries	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS METHODOLOGICAL NOTES - MATERIAL TOPICS OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S
102 - 47	List of material topics	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS METHODOLOGICAL NOTES - MATERIAL TOPICS OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S
102 - 48	Restatements of information	METHODOLOGICAL NOTES



GRI N°	INDICATOR	CHAPTER
102 - 49	Changes in reporting	METHODOLOGICAL NOTES
102 - 50	Reporting period	METHODOLOGICAL NOTES
102 - 51	Date of most recent report	METHODOLOGICAL NOTES
102 - 52	Reporting cycle	METHODOLOGICAL NOTES
102 - 53	Contact point for questions regarding the report	METHODOLOGICAL NOTES
102 - 54	Claims of reporting in accordance with the GRI Standards	METHODOLOGICAL NOTES
102 - 55	GRI Content index	GRI CONTENT INDEX
102 - 56	External assurance	METHODOLOGICAL NOTES

**GRI 201 ECONOMIC PERFORMANCE**

103 - 01 103 - 02 103 - 03	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS METHODOLOGICAL NOTES - MATERIAL TOPICS OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S ECONOMIC PERFORMANCE
201-01	Direct economic value generated and distributed	ECONOMIC PERFORMANCE
201-04	Financial assistance received from government	ECONOMIC PERFORMANCE



## GRI N°

## INDICATOR

## CHAPTER

## GRI 202 MARKET PRESENCE

103 - 01	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
103 - 02		METHODOLOGICAL NOTES - MATERIAL TOPICS
103 - 03		OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S OUR PEOPLE
202 - 01	Ratios of standard entry level wage by gender compared to local minimum wage	OUR PEOPLE - EMPLOYMENT AND WORKFORCE
202 - 02	Proportion of senior management hired from the local community	OUR PEOPLE - EMPLOYMENT AND WORKFORCE

## GRI 204 PROCUREMENT PRACTICES

103 - 01	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
103 - 02		METHODOLOGICAL NOTES - MATERIAL TOPICS
103 - 03		OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S OUR PARTNERS
204 - 01	Proportion of spending on local suppliers	OUR PARTNERS

## GRI 205 ANTI CORRUPTION

103 - 01	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
103 - 02		METHODOLOGICAL NOTES - MATERIAL TOPICS
103 - 03		OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S BRANDART - GOVERNANCE MODEL
205 - 01	Operations assessed for risks related to corruption	BRANDART - GOVERNANCE MODEL
205 - 02	Communication and training about anti-corruption policies and procedures	BRANDART - GOVERNANCE MODEL



GRI N°

INDICATOR

CHAPTER

GRI 301 MATERIALS

103 - 01	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
103 - 02		METHODOLOGICAL NOTES - MATERIAL TOPICS
103 - 03		OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S INNOVATING SUSTAINABLY - MATERIALS
301 - 01	Materials used by weight or volume	INNOVATING SUSTAINABLY - MATERIALS
301 - 02	Recycled input materials used	INNOVATING SUSTAINABLY - MATERIALS

GRI 302 ENERGY

103 - 01	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
103 - 02		METHODOLOGICAL NOTES - MATERIAL TOPICS
103 - 03		OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S OUR RESPONSIBILITY - ENERGY
302 - 01	Energy consumption within the organization	OUR RESPONSIBILITY - ENERGY



## GRI N°

## INDICATOR

## CHAPTER

## GRI 303 WATER AND EFFLUENTS

103 - 01 103 - 02 103 - 03	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS METHODOLOGICAL NOTES - MATERIAL TOPICS OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S OUR RESPONSIBILITY - WATER
303 - 01	Interactions with water as a shared resource	OUR RESPONSIBILITY - WATER
303 - 03	Water withdrawal	OUR RESPONSIBILITY - WATER
303 - 04	Water discharge	OUR RESPONSIBILITY - WATER
303 - 05	Water consumption	OUR RESPONSIBILITY - WATER

## GRI 305 EMISSIONS

103 - 01 103 - 02 103 - 03	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS METHODOLOGICAL NOTES - MATERIAL TOPICS OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S OUR RESPONSIBILITY - EMISSIONS
305 - 01	Direct (Scope 1) GHG emissions	OUR RESPONSIBILITY - EMISSIONS
305 - 02	Energy indirect (Scope 2) GHG emissions	OUR RESPONSIBILITY - EMISSIONS

## GRI 306 WASTE

103 - 01 103 - 02 103 - 03	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS METHODOLOGICAL NOTES - MATERIAL TOPICS OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S OUR RESPONSIBILITY - WASTE
306 - 02	Waste by type and disposal method	OUR RESPONSIBILITY - WASTE





## GRI N°

## INDICATOR

## CHAPTER

## GRI 307 ENVIRONMENTAL COMPLIANCE

103 - 01	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
103 - 02		METHODOLOGICAL NOTES - MATERIAL TOPICS
103 - 03		OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S OUR RESPONSIBILITY
307 - 01	Non-compliance with environmental laws and regulations	OUR RESPONSIBILITY

## GRI 308 SUPPLIER ENVIRONMENTAL ASSESSMENT

103 - 01	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
103 - 02		METHODOLOGICAL NOTES - MATERIAL TOPICS
103 - 03		OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S OUR PARTNERS - MANUFACTURING PARTNERS
308 - 01	New suppliers that were screened using environmental criteria	OUR PARTNERS - MANUFACTURING PARTNERS
308 - 02	Negative environmental impacts in the supply chain and actions taken	OUR PARTNERS - MANUFACTURING PARTNERS

## GRI 401 EMPLOYMENT

103 - 01	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
103 - 02		METHODOLOGICAL NOTES - MATERIAL TOPICS
103 - 03		OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S OUR PEOPLE
401 - 01	New employee hires and employee turnover	OUR PEOPLE - EMPLOYMENT AND WORKFORCE
401 - 02	Benefits provided to full-time employees that are not provided to temporary or part-time employees	OUR PEOPLE - EMPLOYMENT AND WORKFORCE



## GRI N°

## INDICATOR

## CHAPTER

## GRI 403 OCCUPATIONAL HEALTH AND SAFETY

103 - 01	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
103 - 02		METHODOLOGICAL NOTES - MATERIAL TOPICS
103 - 03		OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S OUR PEOPLE
403 - 03	Occupational health services	OUR PEOPLE - HEALTH AND SAFETY
403 - 05	Worker training on occupational health and safety	OUR PEOPLE - HEALTH AND SAFETY
403 - 06	Promotion of worker health	OUR PEOPLE - HEALTH AND SAFETY
403 - 09	Work-related injuries	OUR PEOPLE - HEALTH AND SAFETY

## GRI 404 TRAINING AND EDUCATION

103 - 01	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
103 - 02		METHODOLOGICAL NOTES - MATERIAL TOPICS
103 - 03		OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S OUR PEOPLE
404 - 01	Average hours of training per year per employee	OUR PEOPLE - TRAINING AND EDUCATION
404 - 02	Programs for upgrading employee skills and transition assistance programs	OUR PEOPLE - TRAINING AND EDUCATION



## GRI N°

## INDICATOR

## CHAPTER

## GRI 405 DIVERSITY AND EQUAL OPPORTUNITY

103 - 01	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
103 - 02		METHODOLOGICAL NOTES - MATERIAL TOPICS
103 - 03		OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S OUR PEOPLE
405 - 02	Ratio of basic salary and remuneration of women to men	OUR PEOPLE - EMPLOYMENT AND WORKFORCE

## GRI 412 HUMAN RIGHTS ASSESSMENT

103 - 01	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
103 - 02		METHODOLOGICAL NOTES - MATERIAL TOPICS
103 - 03		OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S OUR PEOPLE
412 - 02	Employee training on human rights policies or procedures	OUR PEOPLE - TRAINING AND EDUCATION

## GRI 414 SUPPLIER SOCIAL ASSESSMENT

103 - 01	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
103 - 02		METHODOLOGICAL NOTES - MATERIAL TOPICS
103 - 03		OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S OUR PARTNERS
414 - 01	New suppliers that were screened using social criteria	OUR PARTNERS - MANUFACTURING PARTNERS
414 - 02	Negative social impacts in the supply chain and actions taken	OUR PARTNERS - MANUFACTURING PARTNERS



GRI N°

INDICATOR

CHAPTER

GRI 416 CUSTOMER HEALTH AND SAFETY

103 - 01	<ul style="list-style-type: none"> <li>Explanation of the material topic and its boundary</li> <li>The management approach and its components</li> <li>Evaluation of the management approach</li> </ul>	METHODOLOGICAL NOTES - STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ANALYSIS
103 - 02		METHODOLOGICAL NOTES - MATERIAL TOPICS
103 - 03		OUR COMMITMENT TO SUSTAINABILITY - OUR CONTRIBUTION TO THE UNITED NATIONS SDG'S OUR COMMITMENT TO SUSTAINABILITY - OUR ACTIONS FOR THE ACHIEVEMENT OF THE UNITED NATIONS SDG'S INNOVATING SUSTAINABLY
416 - 01	Assessment of the Health and Safety impacts of product and service categories	INNOVATING SUSTAINABLY - CUSTOMER HEALTH AND SAFETY

# BRANDART

PACKAGING PROCUREMENT & MARKETING SOLUTIONS

BRANDART ITALIA  
Busto Arsizio (VA), Italy  
Treviso (TV), Italy

---

BRANDART FRANCE  
Paris, France

---

BRANDART USA  
New York (NY), USA

---

BRANDART CHINA  
Guangzhou (Guangdong), China



[info@brandart.com](mailto:info@brandart.com) /  
[brandart.com](http://brandart.com)



Brandart Packaging and  
Display



Brandart  
Packaging



Brandart Packaging and  
Display