

20
22

Sustainability
Report

BRANDART

Letter To Stakeholders

Dear Stakeholders

Our business model combines sustainability and innovation, two key levers that drive change, promote new market opportunities and create shared value for all our stakeholders.

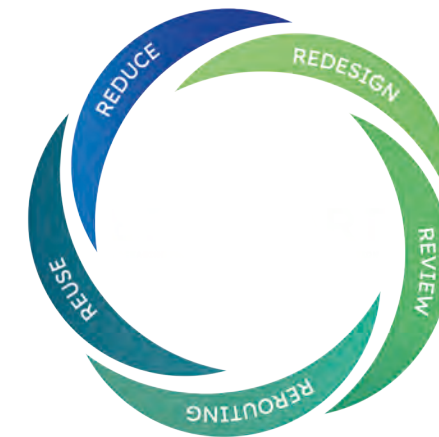
Sustainability, with respect to cultural development and competitive growth, pervades all aspects of our business. Innovation allows us to meet customer and consumer needs and develop strong relationships with employees and suppliers. By integrating sustainability and innovation into our organizational culture, we pursue responsible development, and look to the future with confidence and optimism.

Our ability to adapt the business model to the constant and rapid changes of the economic context, already demonstrated during the health emergency, will also be essential in handling the rising volatility stemming from growing geopolitical tensions.

The strength of the group's performance in 2022, when, along with the rest of the global economy, Brandart

began to emerge from the challenges of the most intense phase of the Covid 19 emergency and relative containment measures, was a validation not only of the Company's defensive measures, but also of the underlying business model. Beating expectations in such a challenging context, as Brandart did, is a testament to the group's underlying strength. During the last year, we had to choose how to react to these challenges. We continued to invest in **R&D, digitalization of the company processes, our manufacturing partners and sustainability initiatives**. In the challenging context of 2022, when the luxury sector was not immune to the uncertainties of the global economy, Brandart showed exceptional resilience compared with its peers, validating its strategy, its recently established strategy, focused

on High Value services and related products. Brandart's positioning at the top of the market goes hand in hand with its constant commitment to sustainable innovation. In 2022 Brandart has found confirmation of the soundness of the Sustainability mission that has taken up and tackled this uncertain situation by resolutely carrying out the environmental, social and economic strategy pursued by the entire Group. On the following pages, we will report on the results of Brandart's commitment during the year 2022 to achieve the responsibility and sustainability goals that allow us to establish ourselves, proud of our image. In addition to the aftermath of the pandemic, which caused both social and economic impacts, there was the conflict in the heart of Europe, the Russian-Ukrainian war caused considerable consequences for the economy.



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The safety of people, the well-being of our employees, and the strengthening of relationships with our customers remain at the centre of our vision.

Brandart has respect for values and human rights as one of its basic principles, which is why it constantly evaluates its partners on both environmental and social issues.

For the year 2022, as in 2021, Brandart has also embarked on a policy of reporting on the direct and indirect emissions generated by the organisation's activities, in accordance with ISO 14064-1, in order to highlight possible actions with a view to continuous improvement, an essential principle of Brandart.

We should also highlight the Gold rating awarded by EcoVadis for our approach to sustainability.

For the year 2022, Brandart has renewed several company certifications, including ISO 9001, ISO 14001, SA 8000, FCS, GOTS and GRS, as proof that our strategy is based on the compliance of our structure and products.

Today, more than ever, we are proud of the commitment and hard work of our employees who are always ready to take on any new challenge with courage and resilience, so that we stand out in our field.

In the area of environmental responsibility and sustainability, in 2022 Brandart consolidated its position as an industry

benchmark. The effectiveness of the company's business model and corporate culture is underpinned by governance structures which are inspired by the best international practices. The resulting decision-making processes are fundamental to the company's solid development and a guarantee to all stakeholders. In 2022, the ability of Brandart's management not only to navigate the year's challenges, but also to bring home impressively good results once again confirms the Company's excellence and that of its people.

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We wish to thank you all for your contributions
to Brandart's mission

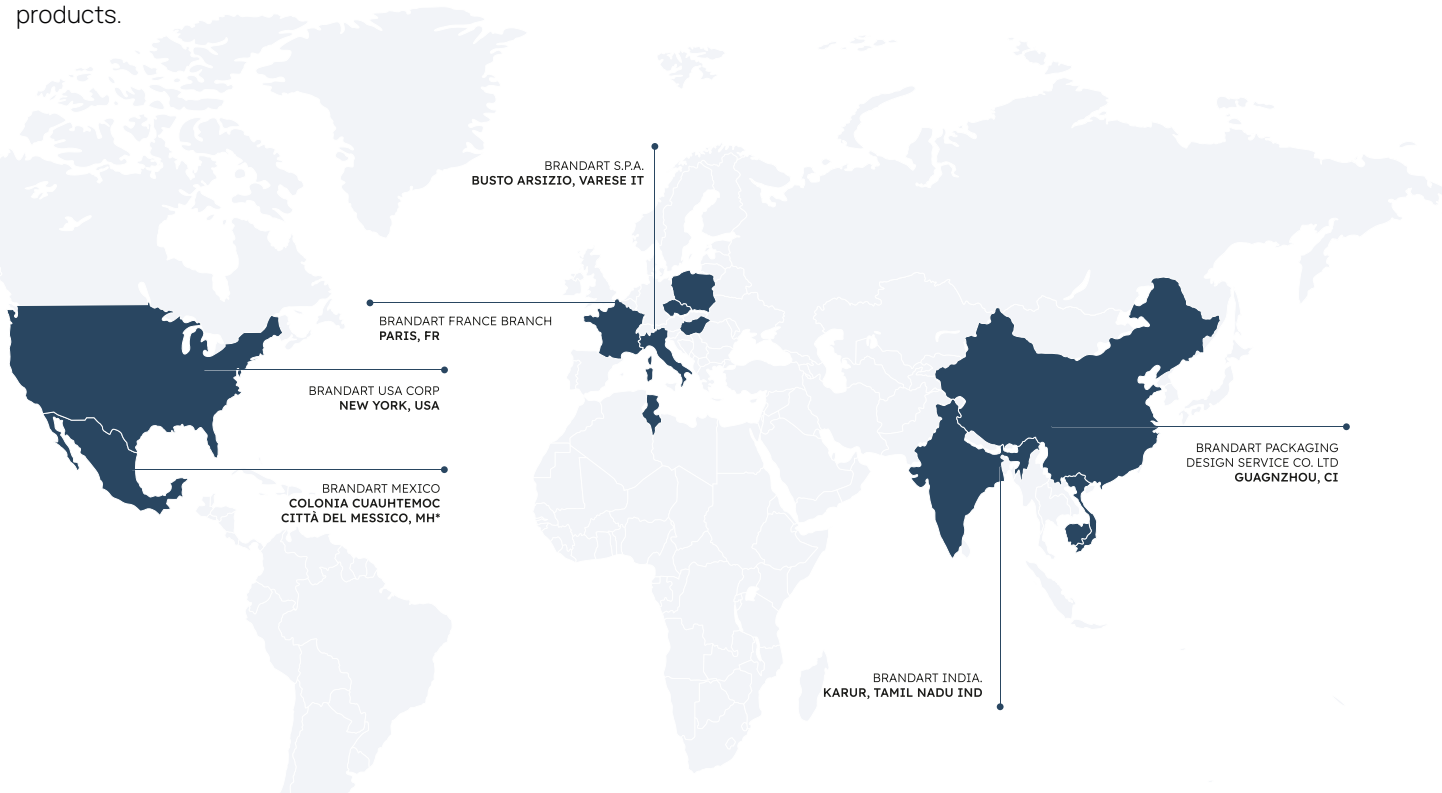
GRI 102-14



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Brandart Fast Facts

Brandart is leader in packaging and merchandising procurement, offering successful local solutions within a global network. Brandart is the leading innovation & sourcing hub that supports Brands across multiple industries in achieving better communication and customer experience through sustainable packaging, PoP and sustainable merchandising products.



Headquarters
Busto Arsizio (IT)

Production Partnerships
13 Countries Worldwide



Sales Offices
Milan (IT), Treviso (IT), New York (US), Paris (FR)

Country Served
Over 65



Far East Operation
Guangzhou (CN)

Destinations Reached by Brandart's products
Over 1.000 monthly



Year of Foundation
2000

Brandart's Logistic Hubs
19



Reference Markets
Luxury, Eyewear, High-tech & Electronics,
Food & Beverage, Automotive

Employees as of Dec 2022
255



CERTIFICATIONS



GRI 201-4 GRI 201-1 GRI 102-7



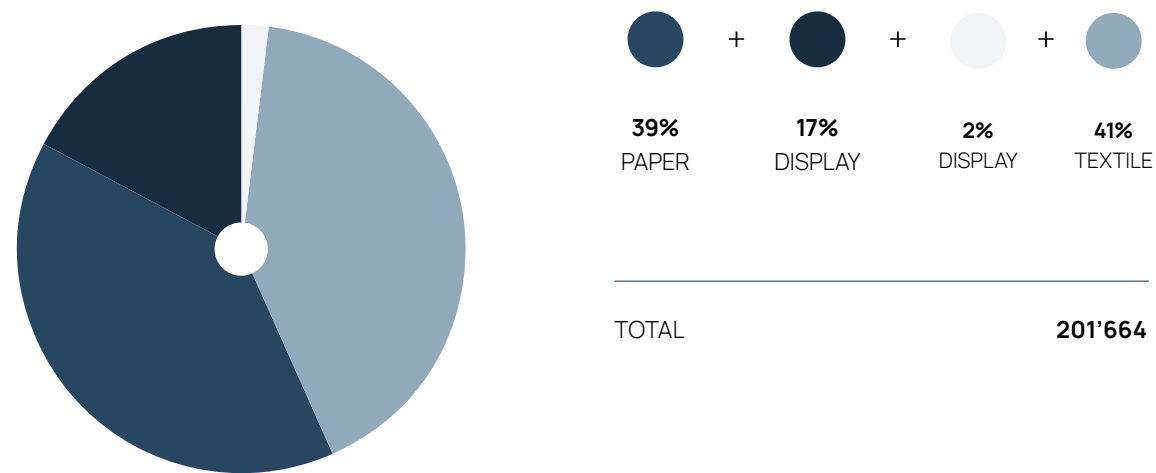
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Type of Products and Production Capacity

During 2022, Brandart's production capacity was more than 200 million packaging and visual display products. The percentage breakdown into product categories of items sold is shown below.



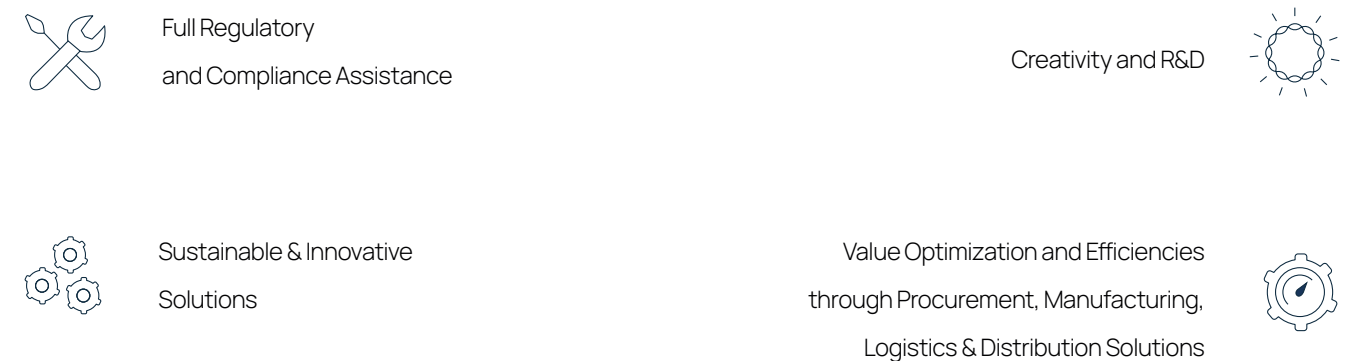
Percentage distribution in product categories of articles sold in the year 2022

GRI 101-4
GRI 101-1
GRI102-7

Brandart Identity

Brandart **is the leading innovation & sourcing hub** that supports Brands across multiple industries in achieving better communication and customer experience through **sustainable packaging, PoP and sustainable merchandising products**.

Brandart one stop solution business model focuses on the **end-to-end management of all Packaging, PoP & Merchandising needs of Brands**:

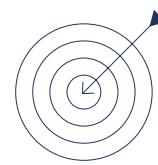


At Brandart, we are driven by these core values, working hand in hand with brands to transform their communication strategies and elevate their customer engagement through sustainable packaging, PoP, and merchandising.



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Mission

Our mission at Brandart is to be the leading innovation, procurement and sourcing hub that empowers brands across various industries to enhance communication and customer experience through sustainable packaging, point-of-purchase (PoP) and sustainable merchandising products. We strive to provide comprehensive solutions that cater to all packaging, PoP and merchandising requirements of brands, ensuring regulatory compliance, sustainability, creativity, and value optimization throughout the process



Vision

Our vision is to revolutionize the way brands communicate for packaging, PoP, and merchandising. We aim to be the go-to partner for brands, providing end-to-end management of their needs while adhering to regulatory standards and driving creativity through research and development. By optimizing value and efficiency in procurement, manufacturing, logistics, and distribution, we aspire to contribute to a more sustainable and customer-centric business ecosystem.

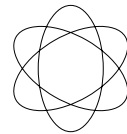
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Values

Sustainability

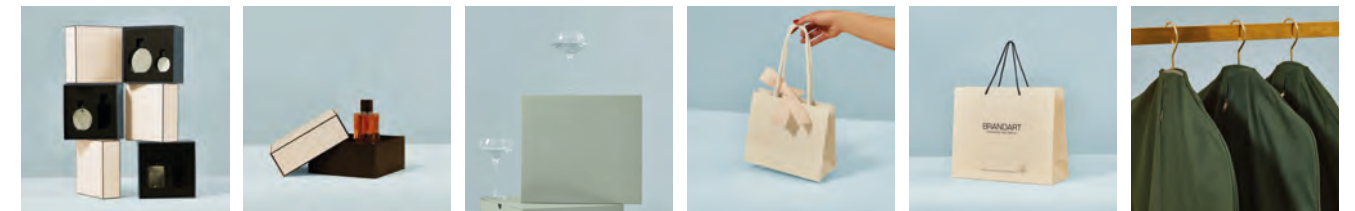
We are committed to promoting sustainability by offering eco-friendly packaging solutions, PoP materials, and merchandising products. We prioritize the use of renewable and recyclable materials, minimizing environmental impact throughout the value chain.

Innovation

We foster a culture of innovation, constantly seeking new ideas and technologies to provide brands with cutting-edge solutions. By staying at the forefront of industry trends, we enable our clients to differentiate themselves in the market and deliver exceptional customer experiences.

Creativity and R&D

We encourage creativity and invest in research and development to push the boundaries of design and functionality. Our aim is to create a unique and visually appealing packaging, PoP, and merchandising solutions that captivate audiences and enhance brand recognition.



Value Optimization

We strive to deliver value optimization for our clients by streamlining procurement, manufacturing, logistics, and distribution processes. Through strategic partnerships, efficient operations, and cost-effective solutions, we help brands maximize their return on investment and achieve their business objectives.

Regulatory Compliance

We are dedicated to providing full regulatory and compliance assistance to brands, ensuring their packaging, PoP, and merchandising materials meet all relevant standards and regulations. We prioritize transparency, integrity, and ethical practices in all aspects of our operations.

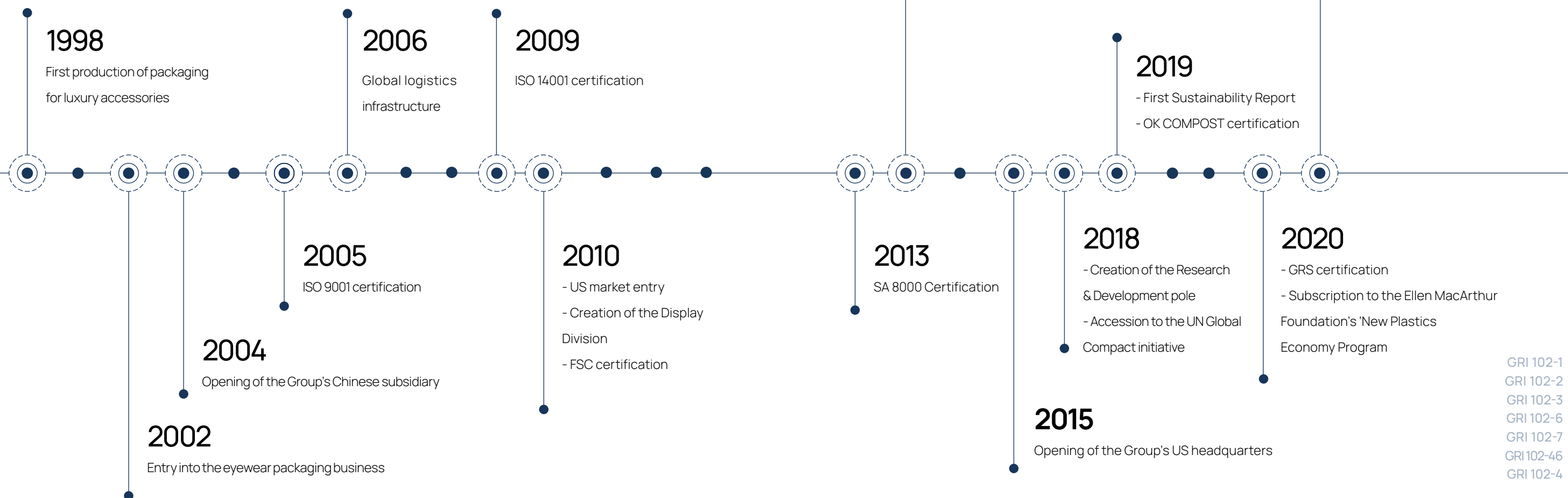
Customer Focus

We put our clients at the center of everything we do. By understanding their unique needs and goals, we tailor our solutions to deliver the best possible communication and customer experiences. Building strong, long-term partnerships is fundamental to our success.



Timeline

The Most Important Events in the Development of Brandart.



GRI 102-1
GRI 102-2
GRI 102-3
GRI 102-6
GRI 102-7
GRI 102-46
GRI 102-4



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Business Model

Brandart's business model focuses on supplying all packaging and merchandising needs with the addition of services such as cost and cost-saving solutions, innovation, creativity and design, production management, logistics and stock management.

The outsourcing of all production activities and the in-house provision of all customer services allows for a high degree of diversification, guaranteeing competitive prices, high quality products and a high level of service at every stage of the value chain.

In relation to the international nature of its business, with the aim of reducing the impact of its direct and indirect operations, Brandart has included transport among the central themes of its sustainability programme. Packaging and merchandising products are mainly low unit-value products that circulate around the world in large quantities and, according to this idea, should be purchased as close to their end market as possible.

For this reason, Brandart has a worldwide network of manufacturers and a network of 21 logistic centers organised in 9 regions directly controlled by the company for the timely distribution of products worldwide, from the Far East to Europe and the USA.

The resulting benefit is not only in terms of time and cost savings, but also, in terms of a reduced environmental impact related to a more efficient handling of goods transport.

Brandart does not have an in-house production process, which is completely outsourced, but carries out only a small amount of prototyping of textile and paper goods. All of its production is outsourced according to one of the following models:

1 Job account: In this case Brandart buys raw materials and accessories and then sends them to subcontractors for processing:

Sewing: stages of cutting, printing, making up, embroidery, ironing, etc

Papermaking: cutting/die-cutting, graphic printing and set-up stages of the finished product..

2 Commercialised:

In this case Brandart buys the finished product directly and resells it.

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Corporate Governance, Supervisory Bodies and Committees

The corporate governance structure of Brandart embodies the rules and processes that govern decision making, goal setting, and performance measurement within the company. The management and control system of Brandart follows the traditional model prescribed by Art. 2380 et seq. of the Civil Code, comprising a Board of Directors, a Managing Director, and a Board of Statutory Auditors responsible for overseeing the administration. However, legal auditing is entrusted to an external auditing company rather than the Board of Statutory Auditors.

The Board of Statutory Auditors consists of three regular auditors and two alternate auditors. Its primary responsibilities include:



Ensuring compliance with the law and the company's articles of association.



Overseeing adherence to principles of good administration.



Assessing the adequacy of the company's organizational structure, internal control system, and administrative accounting system, with a focus on their reliability in accurately reflecting management activities.



BRANDART

The auditing of the company's accounts is carried out by an auditing firm, which periodically verifies the proper maintenance of accounting records and the accurate representation of management events. They also review the financial statements to ensure compliance with regulations and accounting standards, ultimately providing an opinion on the financial statements.

Furthermore, Brandart has a Supervisory Board in accordance with Legislative Decree 231/01. Internally, Brandart operates with the following structures:



Corporate Governance & Risk Manager: Responsible for overseeing corporate governance practices and managing risks associated with the company's operations.



Executive Committee: A team responsible for strategic decision-making and operational management.



Social Performance Team (SPT): This team continuously monitors the work environment, ensuring compliance with the SA8000 standard.

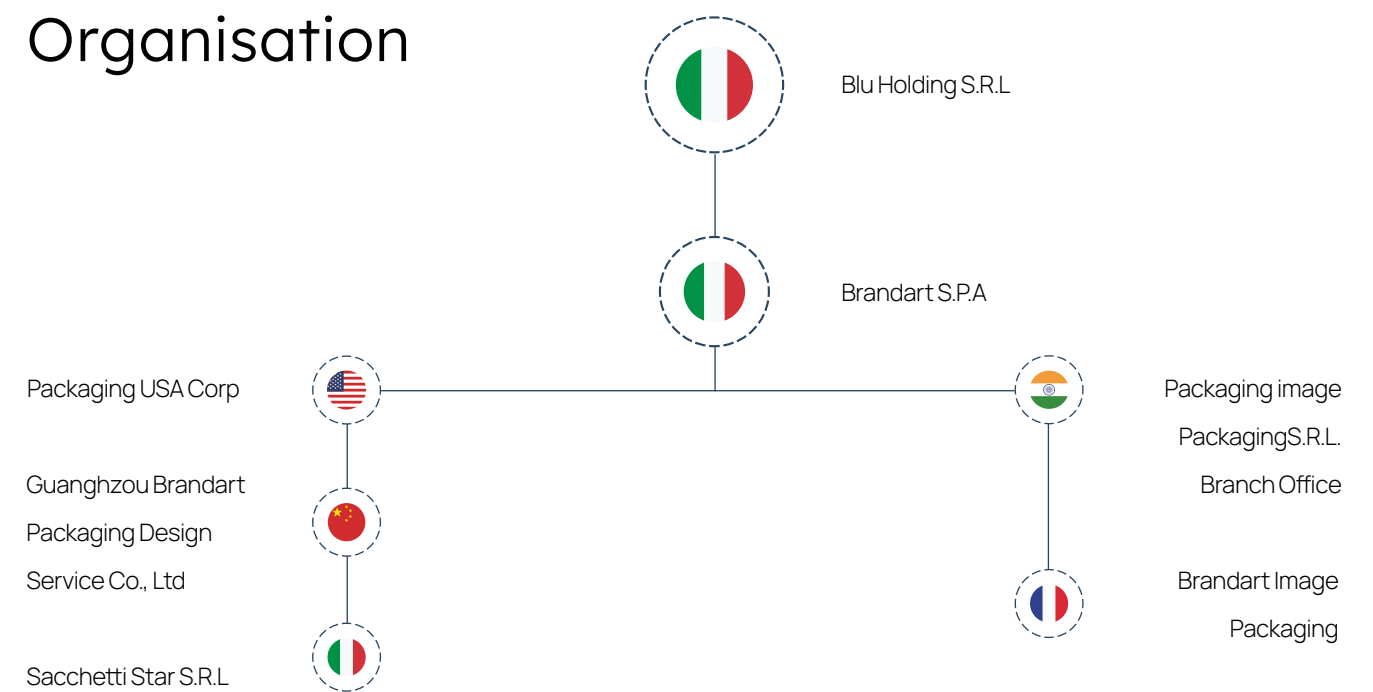
They conduct periodic risk assessments to identify and prioritize areas of non-compliance or potential non-compliance with the standard. The SPT proposes actions to address identified risks to the management and verifies the implementation and effectiveness of agreed-upon measures.

Overall, Brandart's corporate governance framework ensures effective decision-making, transparency, and risk management, while also maintaining compliance with relevant standards and regulations.

GRI 102-5, GRI 102-23, GRI 102-22, GRI 102-8, GRI 102-24, GRI 102-31, GRI 102-26

Company Structure and Governance

Organisation



GRI 102-5, GRI 102-23, GRI 102-22, GRI 102-8, GRI 102-24, GRI 102-31, GRI 102-26



Economic and Financial Performance

Economic Performance

Brandart has experienced a consistent increase in turnover since its foundation, driven by its unwavering focus on innovation, which remains a core principle for the company. Even amidst the challenges posed by the Covid-19 pandemic in 2020, Brandart continued to achieve growth in turnover. This accomplishment can be attributed not only to effective organizational practices and a strong culture of innovation, but also to a strategic vision and exceptional management skills that successfully translated into tangible actions.

The financial figures presented in the balance sheet corroborate this statement, as Brandart managed to further increase its turnover in 2022. To comprehend the factors contributing to this achievement, it is essential to consider the following elements: the

meticulous organization of activities, a commitment to innovation, a strategic vision, and the management team's ability to transform strategy into practical initiatives. These factors not only allowed Brandart to recover from production disruptions, but also enabled the company to generate additional value, surpassing the previous year's performance. By recalibrating the consolidated income statement, the company calculated the directly generated economic value, with revenue being the primary component. In 2022, Brandart generated EUR 215 million in revenue, representing a remarkable 35% increase compared to the previous year. Consequently, the company achieved its highest turnover since its establishment, demonstrating its resilience and ability to thrive in challenging circumstances.

Innovation for the business continuity, a core principle for the company

Furthermore, the financial stability of Brandart, as depicted in its robust balance sheet, exemplifies the company's capacity to maintain long-term financial equilibrium.

In the table below, there is an overview of the economic indicators for 2022, along with those of the preceding two years, illustrating the notable achievements of Brandart during this period.

Indicators	2020	2021	2022
Revenues	116'606'759.00	149'107'648.00	212'174'706.90
Distributed economic value	106'545'431.01	152'563'216.16	186'433'688.70
Net sales	116'591'450.00	138'545'697.00	208'498'322.10
Operating Costs	95'957'938.00	136'071'006.69	173'777'442.12
Salaries and benefits for employees	9'319'050.00	10'949'682.31	12'312'941.82
Payments for supplier capital	420'783.00	2'695'200.00	1'526'800.00
Payments to Public Administration and Investments in Local Communities	1'003'492.01	3'750'265.91	—
Donations	13'280.00	3'746.25	10'100.00

GRI 201-4, GRI 201-1, GRI 102-7



Materiality and Stakeholder Engagement



Stakeholder Mapping and Materiality Analysis

Brandart has conducted a comprehensive Materiality Analysis to map and assess the issues that are most relevant to the company and its stakeholders. The analysis was carried out using the following methodology:



Identification of stakeholder categories: Brandart identified the different stakeholder categories that are relevant to the company, ensuring a comprehensive representation of its stakeholders.



Prioritization of stakeholders: Stakeholders were prioritized based on their relevance to the company in terms of responsibility, tension, influence, prospective diversity, and dependence. This helped to determine the significance of their impact on the company and its operations.



Identification of relevant issues: Brandart identified the issues that are potentially relevant to both the company and its stakeholders. This step ensured that a comprehensive range of topics were considered in the analysis.



Evaluation of issue priorities: The priorities assigned by both the company and the stakeholders to the different issues were evaluated. This assessment helped in understanding the alignment and divergence of priorities between the two groups.



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We empower the business organization through innovative analysis tools to recognize the priority of our community



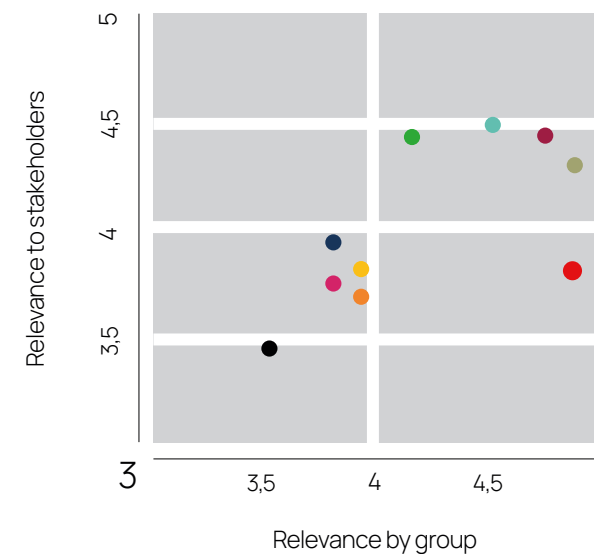
Based on the results of the analysis, Brandart successfully identified a stakeholder map that defines the most relevant stakeholders for the company. This mapping played a strategic role in the development of the materiality matrix, which guides decision-making processes. Communication with stakeholders occurs through various channels such as the company website, trade union organizations, plant tours, open days, and more. In recent years, digital channels have been increasingly

utilized, especially due to the restrictions imposed by the Covid-19 pandemic. Internal stakeholders, including employees and managers, were actively involved in the analysis. Representatives from each function participated, contributing through interviews and questionnaires. External stakeholders, who are crucial to Brandart, were engaged through the completion of a materiality questionnaire. These external stakeholders include subsidiaries and affiliated companies, employees,

suppliers, customers, trade associations, financial and insurance institutions, legislative and control bodies, local communities, universities and schools, the Supervisory Board Model 231, internal trade union representation (RSU), and external investors. The results of the materiality analysis revealed a strong alignment between the interests of internal and external stakeholders. This alignment has facilitated the development of policies and strategies that address the most important issues identified, ensuring congruence between the

company's goals and stakeholder expectations. The Materiality Matrix, as presented in the previous Sustainability Report, represents the strategic priorities that are non-financial in nature. It serves as a guide for the company to define a medium-to-long-term management and monitoring strategy. The issues falling within the 'Relevance' quadrant of the matrix, ranging from fairly relevant to highly relevant, are considered the most significant for Brandart.

Materiality Matrix



- Sharing with stakeholders
- Environmental sustainability
- Safety and quality
- Raw materials and supplies
- Ethical responsibility
- Research and development
- Employees and equality
- Environment
- Sustainable logistics
- Security and business continuity



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The Materiality Matrix identifies two main categories: extremely important topics and moderatel important topics, each with distinct areas of focus. Within the category of extremely important topics, the following areas are highlighted:



Sustainability: Emphasizing the comprehensive management of economic, social, and environmental aspects in a long-term perspective. Brandart and its stakeholders recognize the significance of sustainable practices across all areas of the business.



Safety and quality: Encompassing product quality, consumer experience, and workplace health and safety. Brandart places great importance on implementing systems that enable continuous improvement and enhancement of product quality, customer experience, and the well-being of employees in terms of health and safety.



Research and Development: Investing in research and innovation to develop sustainable materials, products, and processes. This focus ensures that production aligns with environmental goals and meets the evolving needs of customers.

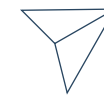


Employees and equality: Prioritizing employee satisfaction through initiatives that promote well-being, work-life balance, fair compensation, and merit-based policies. Brandart ensures compliance with labor regulations, fosters employee training and engagement, and upholds gender equality and nondiscrimination practices.



Raw material management: Selecting raw materials with reduced environmental impact, including sustainable and eco-friendly options. Brandart aims to increase the use of recycled and recovered materials and incorporates virgin raw materials produced in an environmentally conscious manner.

The moderately important topics encompass:



Sharing with stakeholders: Involving the local community and internal/external stakeholders in the company's strategic choices, fostering sustainable development through collective participation.



Environment: Addressing waste and chemical management, consumption patterns, and greenhouse gas emissions. Brandart actively promotes waste reduction, recycling initiatives, energy efficiency, and employee engagement to decrease energy consumption and greenhouse gas emissions.



Security and business continuity: Implementing systems to protect sensitive data and ensure business continuity, such as disaster recovery and backup solutions.



Sustainable logistics: Optimizing transportation methods, partnering with sustainable suppliers, and exploring alternative means of transportation to reduce carbon dioxide emissions.



Ethical responsibility: Integrating social responsibility principles and practices into corporate decision making processes, upholding ethical standards throughout the organization.

By distinguishing these topics within the Materiality Matrix, Brandart demonstrates its commitment to addressing key areas of importance for the company and its stakeholders, promoting sustainability, quality, employee well-being, stakeholder engagement, and ethical business practices.

GRI 102-40, GRI 102-43, GRI 102-21, GRI 102-42, GRI 102-43



BRANDART

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Objectives

Brandart's development goals are based on putting stakeholders and their needs at the centre, while maintaining its ethical and entrepreneurial values.

Brandart therefore has as its main objectives:



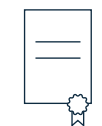
Sustainability: Finding solutions that reconcile product quality with respect for the environment's resources and people's future.



Innovation: Designing innovative products to meet the challenges and needs of the market.



Quality: Understood not only as product excellence but as a company principle, translating into transparent relationships, and a desire for continuous improvement and respect for people.



Value Creation: Within the value chain, so as to strengthen all stakeholders.

Brandart conducted a materiality analysis to identify relevant issues for the company and its stakeholders



Commitment to Sustainability

Sustainable Development Goals



Brandart's sustainability strategy fits perfectly within the SDGs action framework. The goals that Brandart prioritises are:



Gender Equality

Brandart is committed to equal opportunities and participation in the decision making process and to avoiding any form of discrimination.



Clean and Sustainable Energy

Brandart entirely relies on a energy supply from renewable sources with guarantees of origin.



Decent Work and Economic Growth

Brandart aims to achieve better working conditions for workers within its supply chain through annual supplier due diligence processes.



Sustainable Industrialisation and Innovation

Brandart, through continuous market research and communication with its business partners, wants to offer its customers state-of-the-art technology in terms of both production and services.



Responsible Consumption and Production

Brandart, through continuous research and innovation in process, product and business models, aims to offer its customers innovative materials and responsible packaging solutions, considering the entire life cycle of products.



Climate Actions

Brandart is committed to favouring collaboration with suppliers who have developed sustainability goals. In addition to this, it annually draws up an inventory of greenhouse gas emissions so that reduction strategies can be developed.



Life on Earth

Brandart pays great attention to the sustainability of the raw materials used and offers its customers environmentally friendly solutions.



Partnership for Objectives

Brandart is strongly committed to circular business models and favours longterm partnerships with organisations, companies and institutions that share the same values and goals.

GRI 102-16, GRI 102-11, GRI 102-12



Sustainability Management Model

Brandart encourages its internal and external stakeholders to a culture of managerial excellence and an inclusive mindset by sharing and adhering to its core principles and shared Code of Ethics

Risk Management

Brandart is committed to managing and mitigating the risks to our business and its risk assessments covers a broad range of topics.

Risks are indexed by priority and can be classified as local, regional or global risks. They are often tangible – usually quantified in financial terms – or more qualitative. During this phase of assessment, operations are analysed in terms of their relative vulnerability and the potential impact of disruptions. After first identifying the risks, Brandart takes measures to reduce their likelihood of occurrence and/or increase their detectability, develops plans for responding to risks should they occur, and where possible, secures insurance to cover potential losses. Specific risk management covers crimes scenario relevant to Italian decree D.Lgs 231/2001.

Significant global focus risks are identified and risk dashboards created to monitor major risk indicators as well as current and go-forward mitigation efforts.

Brandart carries out continuous analysis and research aimed at identifying and classifying the risks and uncertainties to which it may be exposed, based on its business, in order to prepare the necessary tools for risk reduction, in line with company policy.

Below are the risks identified within the company following the preparation of the SWOTS Risk Matrix.

For each identified risk, the actions identified by Brandart for its reduction are given:



Supply, Production and Quality Risks



Commercial Risks



Logistical Risks



Human Resources Risks



Production-Related Risks



Cyber Risk Management



Risks Associated with Information and Communication Technologies



Management Risks



BRANDART

Code of Ethics & Governance Model

The Sustainable Management Model throughout the value chain is reflected in the main Group Policies, published on Brandart's website in multiple languages with also a focus on the Compliance programmes "231", "Anticorruption", "Privacy" and on the "Whistleblowing" policy.

The Brandart Code of Ethics serves as the foundation of the company's internal control system, encompassing ethical values in the economic, social, and environmental domains. It is mandatory for directors, employees, and representatives to uphold these values. Brandart encourages active participation from employees in detecting and preventing misconduct or violations of the Code of Ethics, as well as international, national, or local legal requirements. Reporting such concerns enables Brandart to investigate and take corrective action as needed.

The Governance Model of Brandart complements the Code of Ethics and includes additional protocols required by law, particularly in compliance with the D.Lgs 231/2001 regulations. This comprehensive framework maps crime risks across all areas and processes within the company. It raises awareness among employees

about the importance of aligning their conduct with Brandart's ethical values, safeguarding the company's reputation, and ensuring compliance with relevant laws. Various measures are employed, such as comprehensive training and promotion of the Code and Model throughout the organization, oversight by an independent supervisory body, whistleblowing mechanisms, a sanctioning system, and the inclusion of provisions in supplier contracts. These measures collectively aim to reinforce Brandart's values among all stakeholders and prevent any violations, especially related to inherent crimes.

The Governance Model maps the risks of crime and promotes compliance with the code of ethics

Brandart recognizes the significance of collaboration with its supply chain in achieving long-term success and upholding sustainable standards. In addition to legal and regulatory requirements, the company expects manufacturing partners to share a common commitment to business integrity, employee and worker rights, environmental responsibility, and transparency. Adherence to these principles is considered a prerequisite for becoming a manufacturing partner and establishing a lasting business relationship with Brandart.



Diversity, Equity and Inclusion



Legitimacy, Fairness, Transparency



Compliance with the Laws and Regulation



Confidentiality



Fair Competition



Environmental Protection



Sustainable Development Initiatives



BRANDART

Programmes of Compliance 231 Anti-Corruption and Privacy

Ethics
and transparency.
These are the
foundations
of our success
in Brandart



Brandart has always planned to conduct its business activities with honesty and integrity. The first Code of Ethics was adopted by the Company in 2013 and was last updated in May 2021.

The document, approved by the Company's Board of Directors, sets out the ethics and values promoted by Brandart and which managers, employees, and those acting on behalf of the Company are obliged to respect and support. The Code of Ethics is one of the pillars of Brandart's Governance Model, drawn up pursuant to Legislative Decree no. 231/01.

The Governance Model acknowledged the Code itself and provided a series of additional written protocols regulating proper conduct within the applicable legal requirements. In addition, Brandart specifies that it has never made any contribution to political factions and has never violated any social or economic laws or regulations.

Brandart believes that ethics, integrity, the quality of the solutions it offers, and transparency are the foundations of its success, so it strives for continuous improvement.

Brandart has taken proactive measures to establish and maintain an effective Organization and Management Model in accordance with Legislative Decree no. 231/2001.

The company has prioritized training, communication, and risk assessment activities to promote compliance and prevent corruption-related issues within the organization.

Reporting Procedure: Whistleblowing Policy

The Group Reporting Procedure, or Whistleblowing Policy, is an integral part of Brandart's internal compliance and control systems. It serves as a mechanism for both employees and external stakeholders to report breaches, suspected breaches, and inducements to breach laws, regulations, and ethical principles. The policy is easily accessible through the company's intranet, bulletin boards, and website, ensuring widespread availability. It covers a wide range of areas, including the Code of Ethics, equal opportunities, discrimination, and harassment. Additionally, it encompasses matters addressed in Group Policies, internal auditing principles, corporate policies, rules, and procedures. The Reporting Procedure is explicitly mentioned in supply orders/contracts and reiterated in various Group policies published on the company's website, reinforcing its importance. Reports can be submitted anonymously, and strict confidentiality is maintained to protect whistleblowers. The policy emphasizes zero tolerance for reprisals against individuals who make reports or are the subjects of reports.

It applies to directors, auditors, management, employees, and anyone associated with Brandart

operating in Italy or abroad, including partners, customers, suppliers, consultants, collaborators, auditing companies, and institutions.



Brandart's
reporting
process ensures
anonymity
to whistleblowers



BRANDART

Preserve



Environment

Our Environmental Policy



Brandart is committed to continuously improving the environmental performance by acting responsibly to mitigate its environmental impact.

Our environmental mission is to provide a better quality of life today and a more environmentally responsible world tomorrow.

Furthermore, in Brandart we aim to embed environmental sustainability as a business mindset because we believe that business success and sustainability are mutually beneficial.

Improving the environmental performance through responsible actions

Here we continue implementing sustainable practices to achieve better operational performance in environmental management. We will pursue the specific targets by implementing appropriate measures in the Material fields of:

- Energy consumption reduction, in terms of energy efficiency;
- Energy purchase from renewable sources, as well as other sourcing and supply chain achievements according to the Sustainable Procurement Roadmap in place;
- CO2 emission reduction under Scopes 1, 2 and 3, as disclosed in the Carbon Disclosure Project, Waste management;
- Plastic circular economy, addressed through eco-design and design for recycling projects in the framework of our signing the New Plastic Economy Global Commitment Brandart strives to implement best practices and tools to assess the products life cycle (LCA), addressed to measure and reduce impacts in the whole stream from-nature-to-nature and in the disposal scenario.

Brandart commits to regularly assess, measure and address all environmental aspects, as indicated by laws or having any type of impact on local pollutions.

In this framework we pursue the materials consumption reduction, in priority to hazardous and chemicals, and the preferred selection of those generated from renewable resources and concurring with full recyclability and circular economy purposes.

Our ambition is sharing our environmental best practices with our stakeholders, through the network of manufacturing partners and business partners, also supporting sustainable development and consumption in our local communities joining forces with the territory where we operate.



Environmental Management

The Environment

Brandart is constantly striving to manage and reduce its environmental impact by increasing the efficiency of its value chain, reducing emissions and the consumption of natural resources, as well as increasing the circularity of its production through the use of recycled or low-impact raw materials.



GRI 304-1

Assessment of Environmental Impacts

Brandart, due to the nature of its business, has a limited impact on the environment. No water is used directly in production processes, as these are outsourced, emissions are insignificant and hazardous waste produced negligible.

Brandart is also aware that the outsourcing of its activities leads to an indirect impact on the environment mainly due to the movement of goods. To therefore reduce GHG emissions and improve its environmental footprint, Brandart is developing shared plans with its supply chain. In addition, since 2021 it has started an important journey according to the principles of UNI EN ISO 14064:1-2019, which includes the definition and reporting of direct and indirect GHG emissions at organisational level. Thanks to this pathway, some points for improvement have been identified:



Need for increased use of recycled raw materials.



Reducing the use of virgin plastic in products bought and sold.



Better training of the sales department in order to encourage the sale of packaging with low environmental impact.



Reduction in the use of air freight transport both Brandart hubs and to end customers.



Introduction of more remote working days for employees.



Gradual replacement of company cars with preference for electric, hybrid or lower CO2 emission models.



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Brandart believes that all people, even through simple everyday actions, can help reduce the global environmental footprint and protect our planet. Therefore, Brandart employees are encouraged to implement the necessary daily actions required to reduce negative environmental effects, such as paying attention to room lighting as well as electronic devices, water consumption and air temperature.

In addition, thanks to the careful management of legal compliance and ISO 14001 certification, Brandart was not subject to any fines or non-monetary penalties for non-compliance with environmental laws and/or regulations in 2022.

Brandart's environmental sustainability also focuses on responsible sourcing of materials, energy, consumption of natural resources, water and waste management.



GRI 304-1

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Brandart actively addresses environmental aspects, prioritizes reducing materials consumption and selecting renewable resources, and shares environmental best practices with stakeholders



Raw Materials

Product Analysis: Accuracy and Complexity

For 2022 reporting, purchased products were analysed, including both raw materials and accessories used in the production process on behalf of third parties, and marketed products, collecting technical characteristics, weights and material composition for all product categories.

For accessories, the weight of the materials contained therein was estimated in most cases by considering an average composition. This procedure was necessary due to the large number of articles in this category.

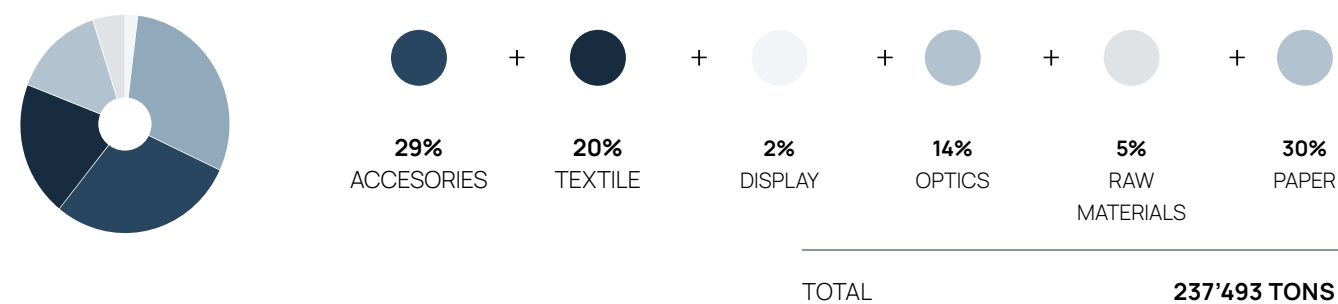
For products in the paper and textile categories, it was possible to achieve a high degree of accuracy by calculating the weights of the materials used.

In contrast, for the optical and display categories, it was not possible to achieve a high degree of accuracy, as their composition is much more complex and heterogeneous (e.g. plastics, metals, cardboard, wood, textiles, fillers, etc.).

The Medical & PPE category was also reported; however, it plays a very marginal role.

The percentage breakdown into product categories of the articles purchased by Brandart in 2022 is shown.

Percentage distribution in product categories of purchased units in the year 2022



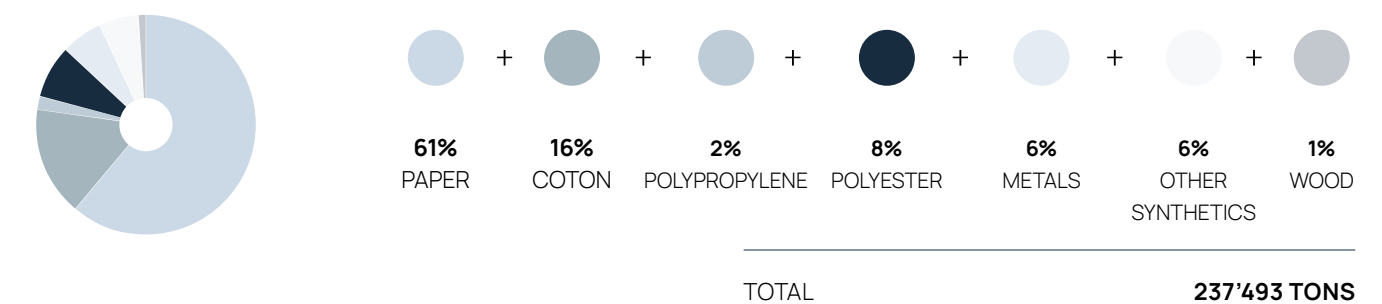
In the latter graph, the categories paper, textile, optics and display refer to marketed products, while the categories raw materials and accessories refer to items purchased for use in contract manufacturing.

In 2022, a total of 15,557 tonnes of materials were purchased. This quantity includes all the product categories, but does not include semi-finished and finished products manufactured under contract, since the input materials are already counted in the category's raw materials and accessories.

Total weight in tonnes of purchased materials in the year 2022

Type	Quantity [tons]
Paper	9'656
Cotton	2'458
Polypropylene	243
Polyester	1'235
Metals	906
Other synthetics	948
Wood	85
Other natural materials	25

Total weight in percent of raw material categories



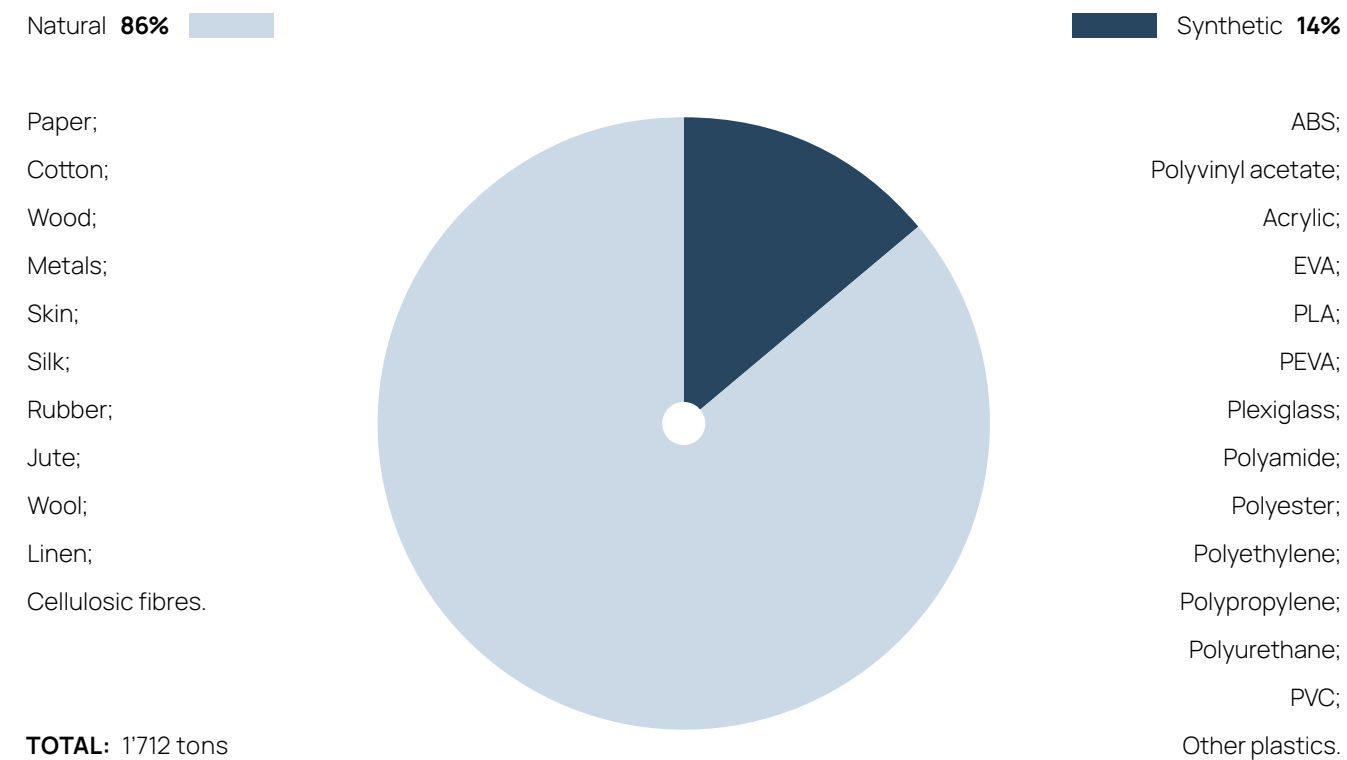
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Textiles

Considering only the raw materials purchased by Brandart for toll manufacturing, which total 2,790 tonnes, 1,715 tonnes are textiles, 86% of which (1,478 tonnes) consist of natural fibres. The remaining 14% (237 t) are synthetic fibres.

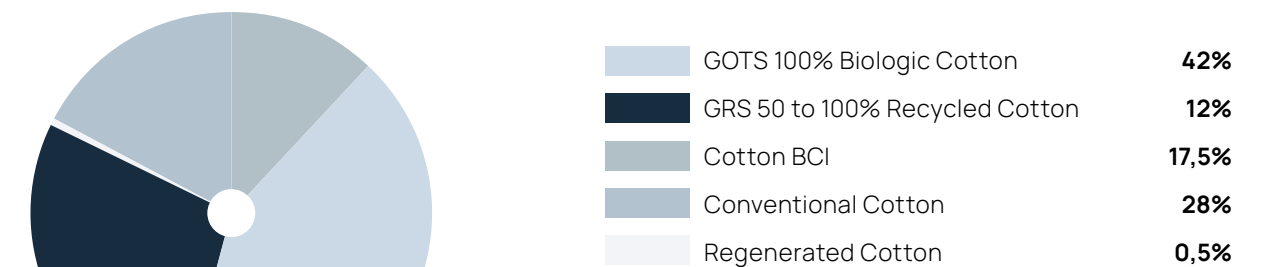


Of the 1,478 t of natural fibres, 99% is cotton (1,466 t), while the remainder (12 t) are other fibres.

More than 40% of the cotton used is GOTS cotton. There is also a percentage of GRS cotton (12%), BCI cotton (17%).

The remainder is conventional cotton (28%)

Types of raw cotton purchased in 2022



Types of cotton used in the year 2022

Cotton type	Quantity of cotton purchased as raw material [tons].	Quantity of cotton purchased as finished product [tons].
100% organic GOTS cotton	613	636
50 to 100 per cent recycled GRS cotton	178	626
BCI cotton	255	408
Regenerated cotton	7	48
Conventional cotton	413	739

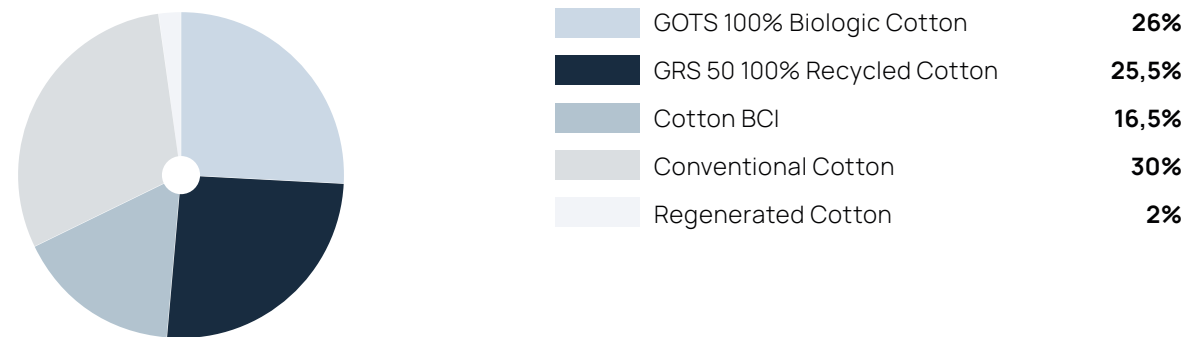


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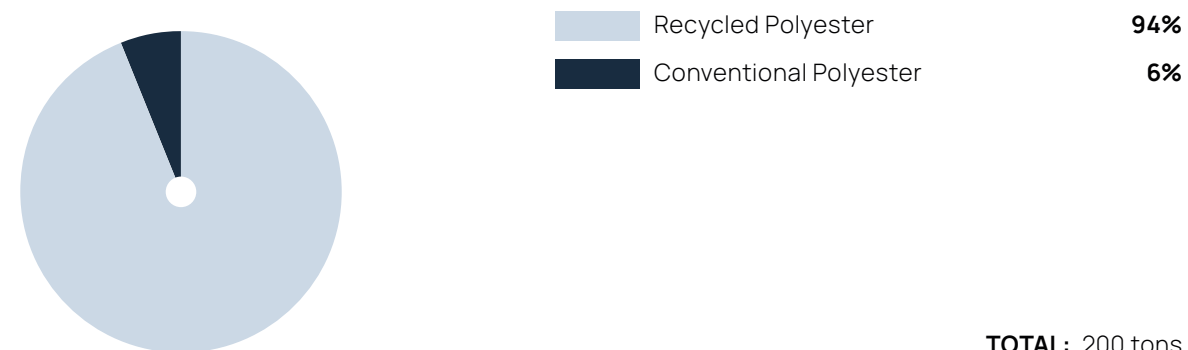
Types of cotton in finished products purchased in 2022



TOTAL: 2'458 tons

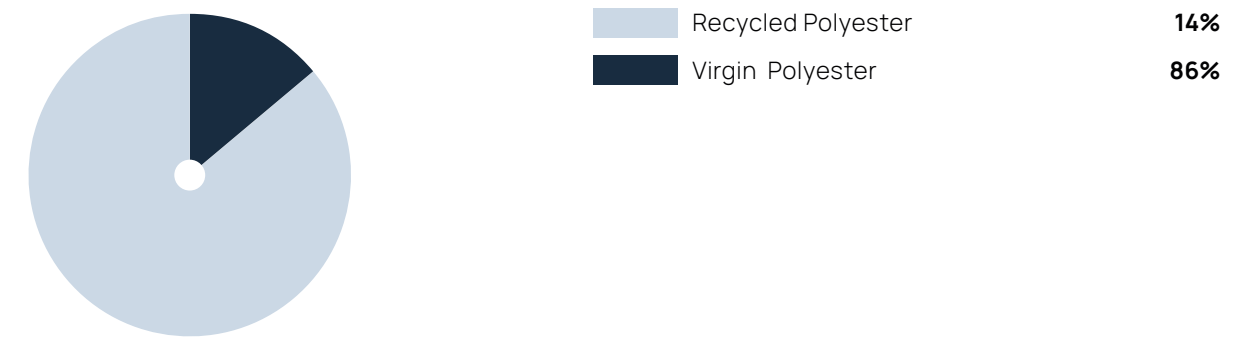
The total amount of polyester in purchased finished products is 1,235 tons. Of this, 14% (169 tons) is recycled, while the remaining 86% (1,067 tons) is conventional. Polyester as a raw material amounts to 200 tons, of which 6% is recycled

Types of raw polyester purchased in 2022



TOTAL: 200 tons

Types of polyester in finished products purchased in 2022



TOTAL: 1'236 tons

Polyester types used in the year 2022

Polyester type	Quantity of polyester purchased as raw material [tons]	Quantity of polyester in marketed products [tons]
Recycled polyester	12	169
Virgin polyester	188	1'067



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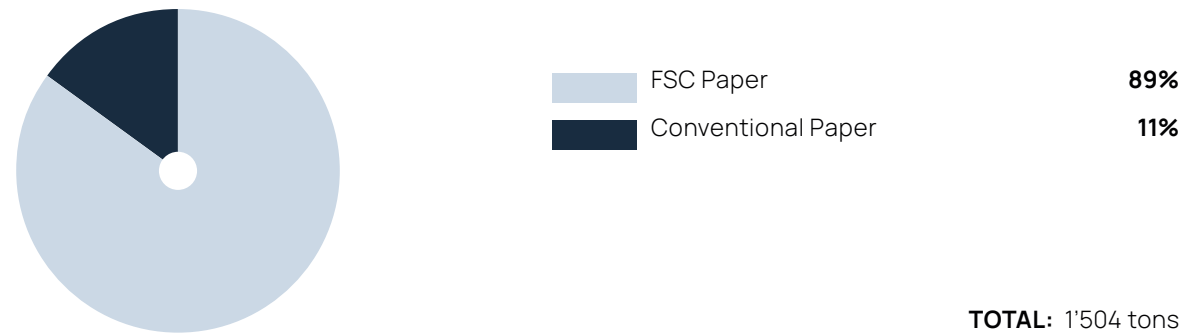
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Paper materials

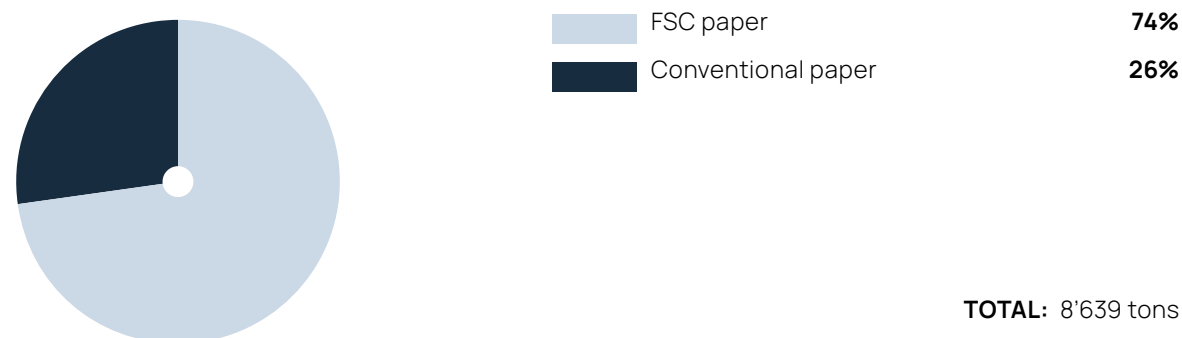
In addition to textiles, Brandart purchases paper materials for contract production for the remaining 1,076 tonnes. Of this, 85% is FSC-certified paper (917 tonnes) of which 40% is of recycled origin (428 tonnes)

Types of raw paper purchased in 2022



The paper in the finished product purchased is also for the most part FSC certified (73%) of which 4% is of recycled origin

Types of paper in finished products purchased in 2022



The following table shows the composition of paper purchased in 2022

Paper type	Quantity of paper purchased as raw material [tons].	Quantity of paper purchased as finished product [tons]
Conventional paper	159	2'251
FSC paper	917	6'049
FSC recycled	428	339

Brandart is continuing its commitment to the use of environmentally friendly materials. In fact, as early as 2021 it is gradually increasing the proportion of FSC-certified paper, introducing a proportion of recycled FSC-certified paper in 2022.



GRI 301-2, GRI 301-1, GRI 301-2



Energy Consumption

Energy Resources

Brandart, for its activities, uses:



Fuel for the transport of goods and persons.



Gas for heating company facilities.

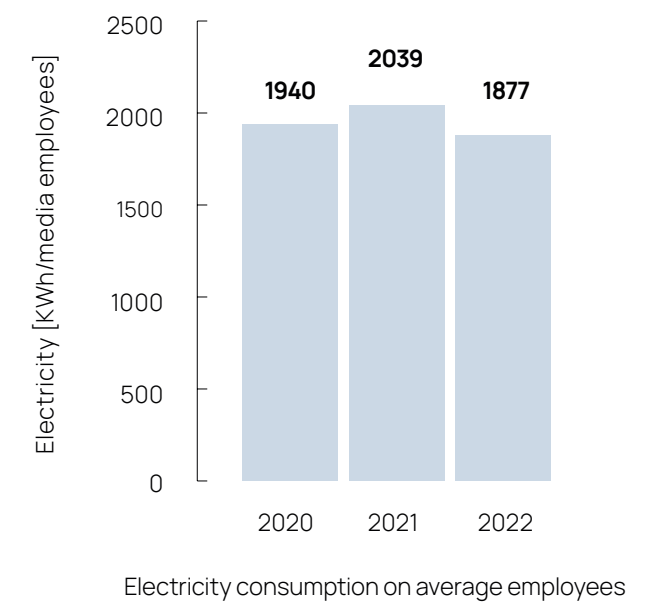
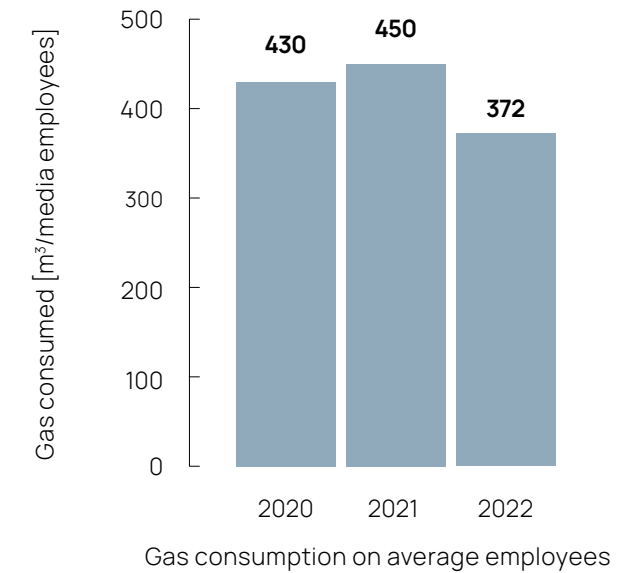
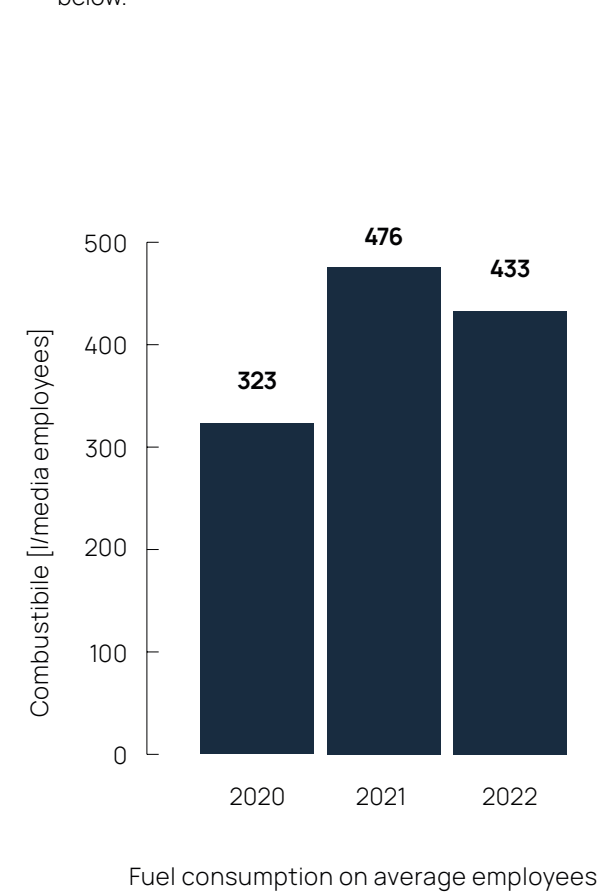


Electricity for lighting the company's facilities.

The table shows the total consumption of energy resources from 2020 to 2022. It should be noted that BRANDART relies on a partner for the supply of electricity, who declares and certifies that the electricity supplied is 100% from renewable sources.

Year	Electricity	Fuel	Gas
2020	306'668	51'113	6'8041
2021	340'454	79'548	7'5173
2022	340'717	78'586	6'7570

The consumption of fuel for the company fleet, natural gas and electricity over the average number of employees is shown below.



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Company Car Fleet

Brandart's corporate fleet consists of 42 passenger cars and 4 commercial vehicles. The quantities of fuel used annually for the company fleet are shown in the following table.

Type of medium	no. of veichles	Fuel type	Quantity [l]
Automobile	34	diesel	55'166
Van	4	diesel	10'279
Automobile	8	petrol	13'141

Following the reporting of its emissions according to UNI EN ISO 14064:1-2019, Brandart has started a gradual and steady replacement of older vehicles with the latest generation of low-carbon models, contributing to the overall reduction of its GHG emissions into the atmosphere.

GRI 302-1

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Carbon Emission

Emissions
to Atmosphere

Since 2021, Brandart has reported and compiled in accordance with UNI EN ISO 14064-1:2019. This activity was carried out by mapping all the organisation's processes, and the direct and indirect emissions associated with them. In accordance with this standard, emissions have been divided into the categories listed below.

It should be noted that each category is then subdivided into subcategories. For further details, please refer to the "Inventory of Greenhouse Gas Emissions pursuant to UNI EN ISO 14064:1-2019" drawn up for the year 2022.

Category	Type of source	t CO _{2,e} emitted
Category 1	Stationary combiustion for heating buildings	137.20
	Mobile combustion for transport of persons or goods directly attributable to Brandart	207.81
Category 2	Electricity	0.00
Category 3	Upstream freight transport and distribution	382.73
	Transport of downstream and distribution goods	4'075.83
Category 4	Emission from purchased goods	23'857.97
	Solid and liquid waste disposal	0.50
Category 5	End of life of products	3'791.87



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In the Category 1a, the use of natural gas for heating the Company's buildings was counted. For the year 2022, consumption was lower than in 2021, resulting in 137_t CO_{2,eq}



In Category 1b, direct emissions from Brandart's corporate fleet were reported. The emissions generated, 208_t CO_{2,eq} for the year 2022 are comparable to those of 2021.

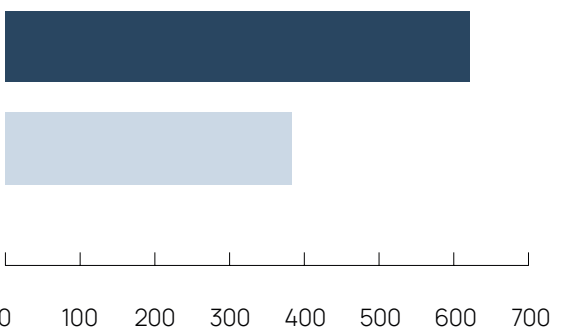
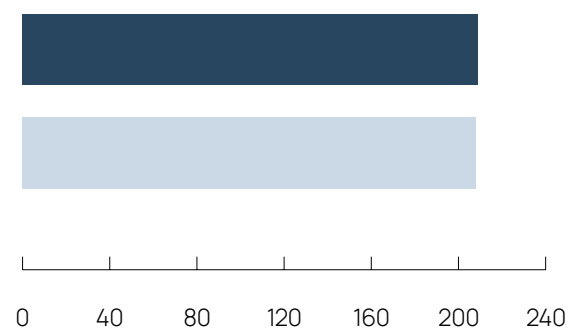
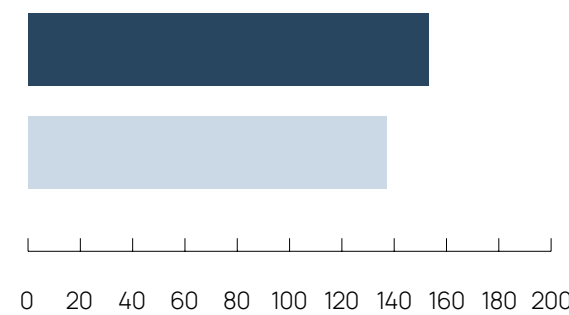


Category 3a includes indirect emissions generated by the distribution of goods upstream of the Company, i.e. essentially business trips made in Italy and Albania.

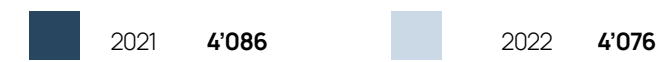
We have also included those generated by the transport and distribution of fuel and electricity used by the Company. For the year 2022, the emissions reported for this category are 383 t of CO_{2,eq}, lower than those recorded in 2021.



Co_{2,e} [tons]



Indirect emissions due to the transport of goods downstream of the company, and thus referring to the transport of products to hubs or directly to customers, have been counted in Category 3b. The emissions recorded for this Category for the year 2022 were 4,076 t of CO_{2,eq}, a number essentially in line with that calculated in 2021.



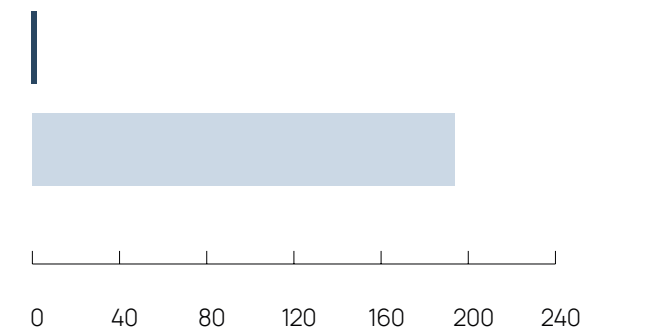
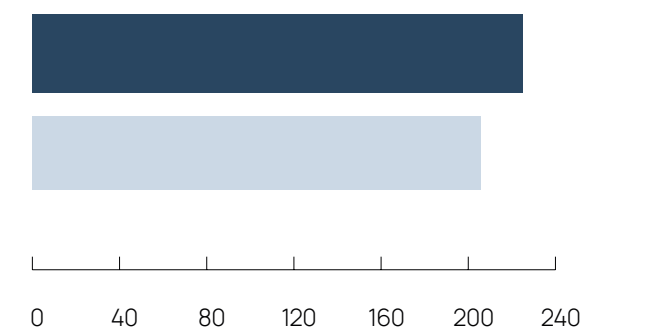
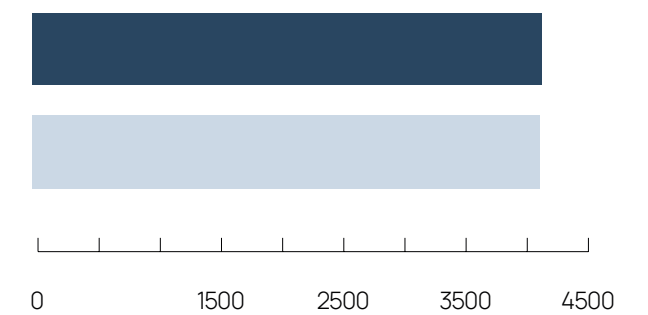
Indirect emissions from employee commuting are reported in Category 3c. These emissions were not significant for the calculation of the GHG inventory; however, they are reported for completeness in Figure 0.8. In 2022, 206 tonnes of CO_{2,eq} were recorded, in line with what was calculated in 2021.



Indirect emissions from business trips were also found to be insignificant because of the significance analysis performed for the purpose of calculating the GHG inventory. In 2021, this category was not considered as no significant number of business trips were made. In 2022, 194 tonnes of CO_{2,eq} were reported due to business travel by employees.



Co_{2,e} [tons]



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Indirect emissions from the purchase of goods are reported in Category 4a, which essentially includes emissions from the production of raw materials and products used by Brandart. 23,858 t of CO_{2,eq} emitted in 2022.



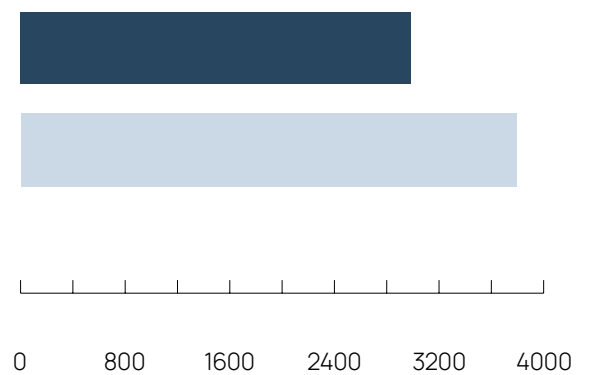
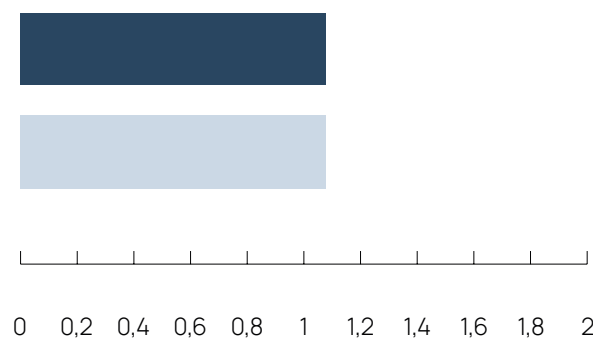
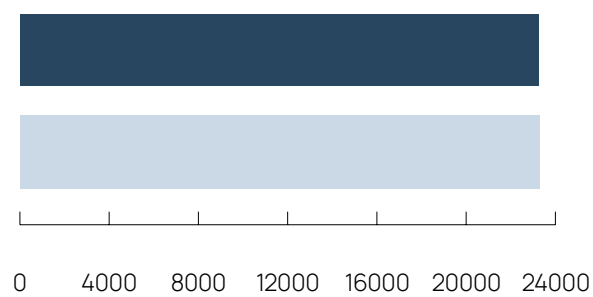
The figure shows the indirect emissions generated by the disposal of solid and liquid waste produced by Brandart. These emissions are counted in Category 4c and amounted to 1 t CO_{2,eq} for the year 2022, as recorded for 2021.



Finally, the indirect emissions generated by the end-of-life phase of the product are shown in Figure and are counted in Category 5c. For the year 2022, 3,792 t of CO_{2,eq} were reported, which is higher than in 2021 (2,983 t of CO_{2,eq}), as the figure is strictly dependent on the quantity produced annually.



Co_{2,e} [tons]

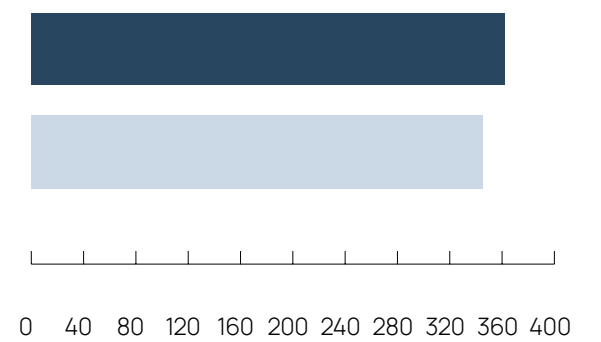


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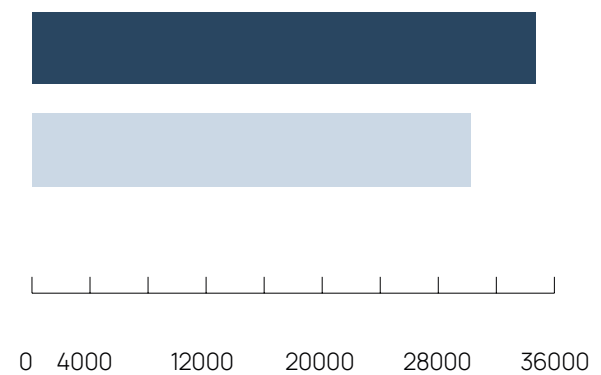
The total direct and indirect emissions reported in the GHG inventory for the year 2022 are show beside.

Category	t CO _{2,e} emitted
Direct emissions	345
Indirect emissions	32'315

The total direct emissions for Category 1 generated by Brandart in 2022 was 345_t CO_{2,eq} compared to 362_t CO_{2,eq} in 2021. There is thus a slight decrease in emissions directly controlled by the company.



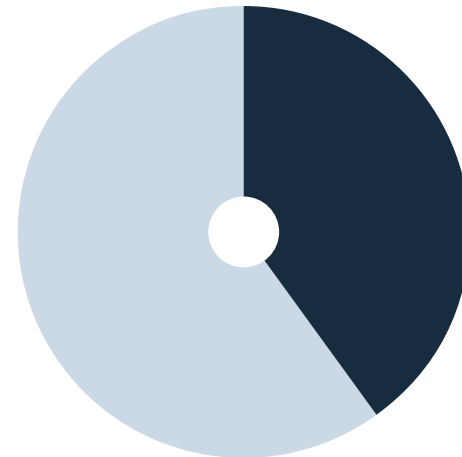
The total indirect emissions produced by the Company are reported in all the categories, except for Category 1 (direct emissions). In 2022, a value of 32,315_t of CO_{2,eq} was recorded, in line with that calculated in 2021.



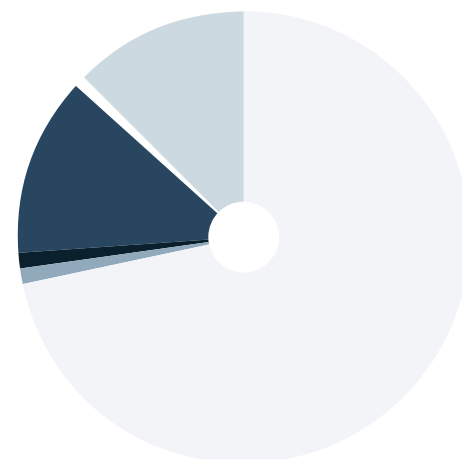
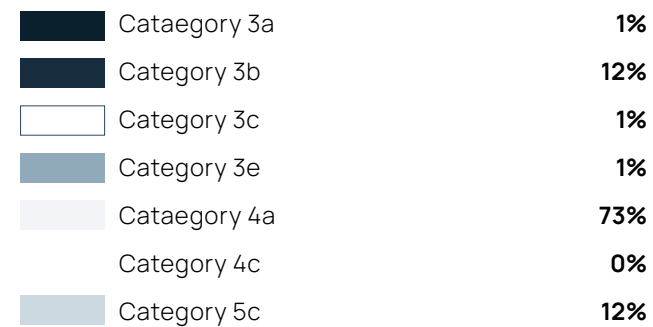
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The 60% of direct emissions are attributable to Category 1a (direct emissions from the use of company vehicles), while 40% are generated by Category 1b (direct emissions from heating).



The Category 4a accounts for the largest amount of emissions, with 73% of the total. Category 3b comprises 13% and Category 5c 12% of the total indirect emissions. Categories 3a, 3c, 3e each correspond to 1% and Category 4c covers 0.5% of total indirect emissions.



GRI 305-1, GRI 305-2

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The company aims to reduce its emissions and has identified areas for improvement, including the use of recycled raw materials and reducing air freight transport



Water Consumption

Water Resources

Brandart does not use water for the internal prototyping process, but only for sanitary purposes. In fact, the amount of water consumed differs little from that discharged. It is assumed that the water discharged is 90 per cent of that consumed, and that the remainder is used for drinking water or the irrigation of green areas.

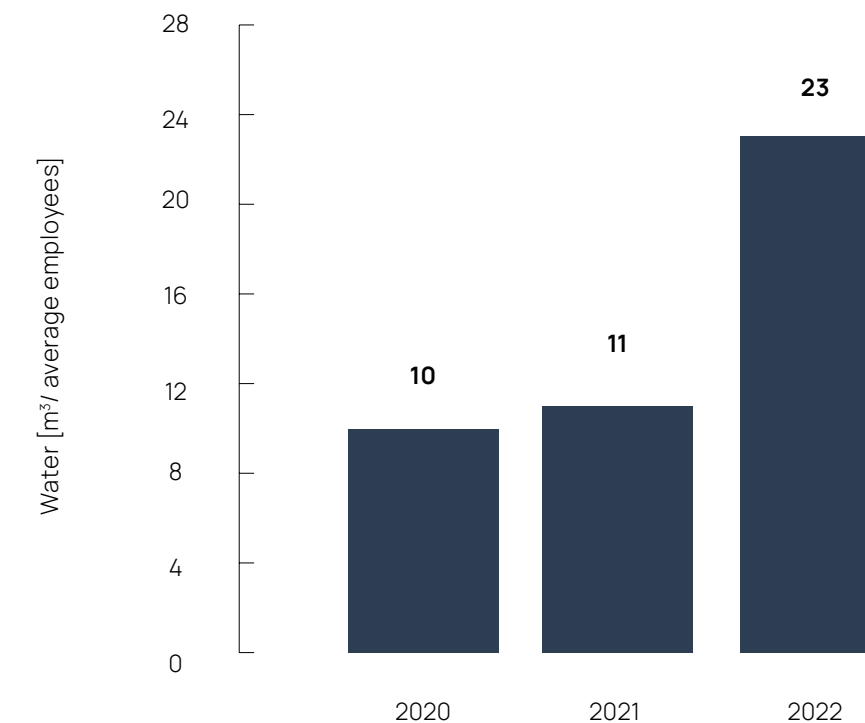
All water is supplied by the municipal aqueduct.

From the table it is evident that consumption was lower for the year 2020. This is due to the reduced presence of employees at the workplace due to the Covid-19 pandemic. In 2022 water consumption probably increased due to the installation, which started in the second half of 2021, of columns for natural and sparkling, fresh or room-temperature drinking water, connected to the water mains, at the 3 locations in Busto Arsizio, with the elimination of plastic water bottles.

Brandart strives to reduce water consumption and invite employees to adopt responsible habits



Year	Water used [m³]	Discharged water [m³]
2020	1576	1418
2021	1807	1626
2022	4195	3776



GRI 303-3,GRI 303-5



Waste Management & Recycling

Waste Management

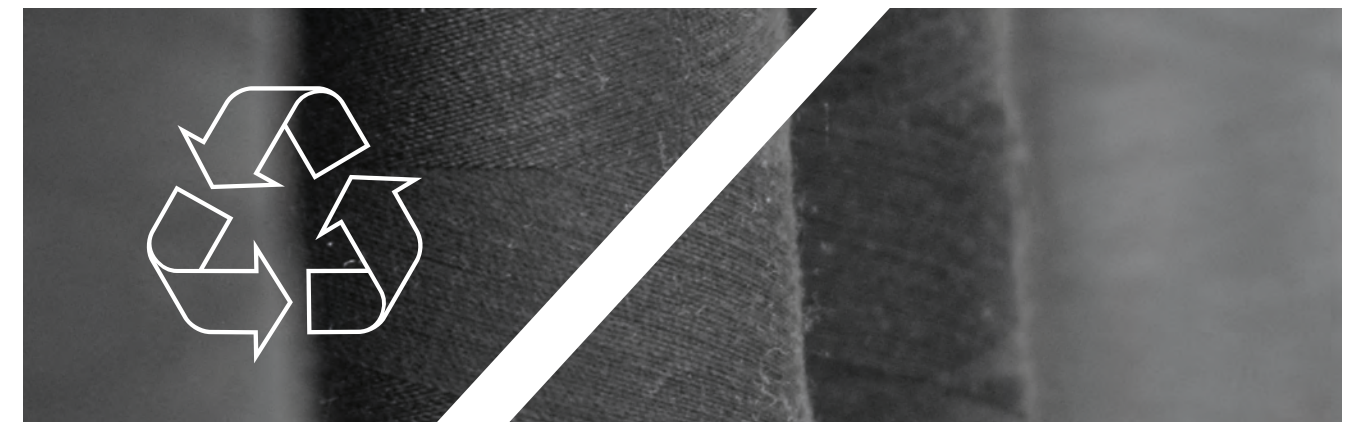
In the year 2022, the volume of waste produced was higher than the average of previous years, as this is closely linked to production volumes. In fact, production had been lower in the years 2020 and 2021 due to the Covid-19 pandemic, and returned to optimum values in the year 2022. In addition, an analysis of stock was carried out in 2022, which identified a portion of obsolete goods that were directed to the appropriate recovery and/or disposal activities.

As shown in the table, a higher-than-normal amount of waste had also been generated for the years 2019 and 2021. This was caused by a warehouse management initiative, following the disposal of old electronic equipment and defective paper packaging.

Year	Non-hazardous waste [kg]	Hazardous waste [kg]	Recycling - Recovery - Reuse [kg]	Total
2019	78'511	60	56'691	78'571
2020	39'380	167	25'117	39'547
2021	78'058	5	50'218	78'063
2022	112'641	630	41'911	113'271



In order to reduce its environmental impact, Brandart has implemented a 'Plastic free' policy internally by replacing plastic cups and plastic pallets in beverage dispensers with wooden or otherwise compostable products. Water dispensers have also been installed for dispensing water to employees in order to reduce the consumption of plastic bottles. In the same vein is the 'Paper cut' project for which Brandart has embarked on a policy to digitise documents and raise employee awareness to reduce paper consumption, so as to optimise printing and thus reduce paper and toner consumption. All employees are encouraged to print double-sided and to use recycled paper whenever possible. The reduction of printouts in the reporting period was 50% higher than in 2019.



GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5



Enhance



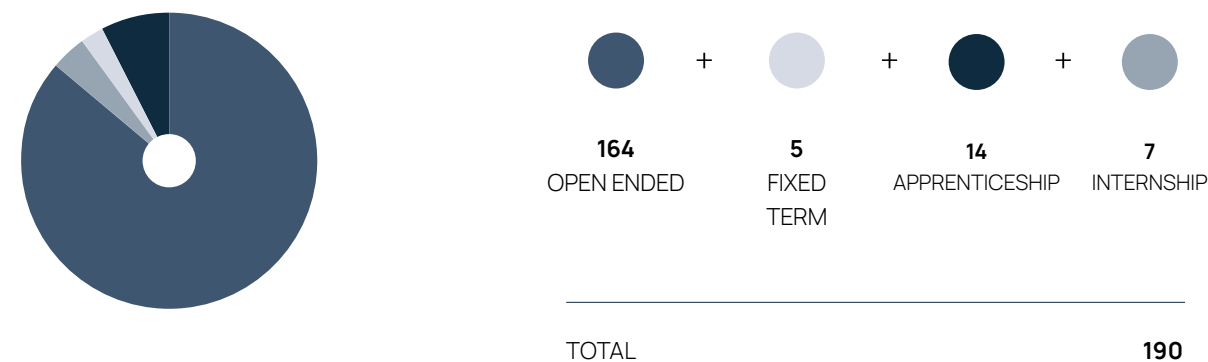
Employees

Staff Structure

Brandart protects and promotes the development and success of its employees, offering equal opportunities based on their personal ability and qualification, without any kind of discrimination on the grounds of gender, race, religion, political or trade union belief, using exclusively meritocratic criteria of competence and experience.

Below there is the figure for the corporate structure of Brandart S.p.a. Italy as of December 31, 2022. The tables show the breakdown of employees by type of contract and gender in Italy and the breakdown of employees by time and gender.

Employees hired by type of contract (Year 2022)



As at 31 December 2022, there were 190 employees in Italy, of whom 117 were women and 73 men.

Most employees are employed on a permanent basis (about 86%). Fixed-term workers account for about 7%, while the residual are apprentices and trainees.

The tables below shows the breakdown of employees by type of contract and gender in Italy and the breakdown of employees by time and gender.

Breakdown of employees by contract type and gender (Year 2022)

Type of contract	Women	Men	Total
Fixed-term	10	4	14
Open-ended	102	62	164
Apprenticeship	3	4	7
Internship	2	3	5
Total	117	73	190

Full-time is defined by contracted working hours that coincide with the hours that can be worked in a day, according to the law of the state in which the employees are employed.

The table shows the total number of employees by gender and type of working hours.

As can be seen from the figure, female employees outnumber male employees, a clear demonstration of how gender equality is an extremely important issue for Brandart.

Breakdown of employees by hours and gender (Year 2022)

Timetable	Women	Men	Total
Part time	11	0	11
Full time	106	73	179
Total	117	73	190



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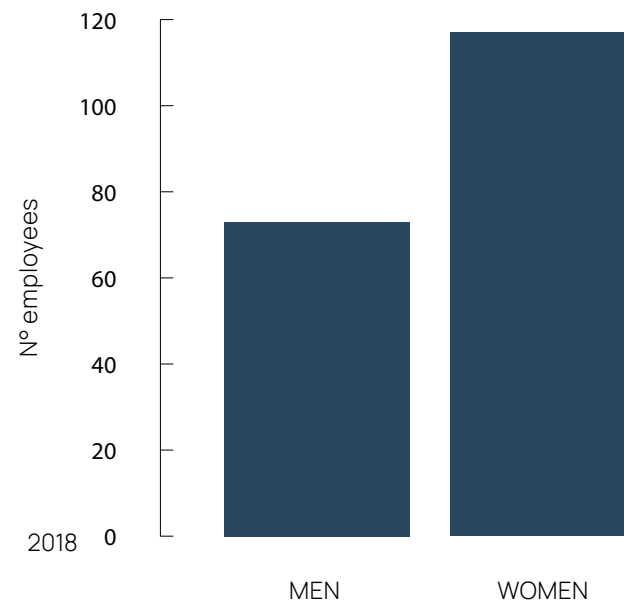
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Number of employees by gender (Year 2022)

The number of total employees in Italy has been growing steadily since 2018, except for a small drop in the year 2020, due to the global Covid-19 pandemic situation, during which the number of employees dropped to 160.

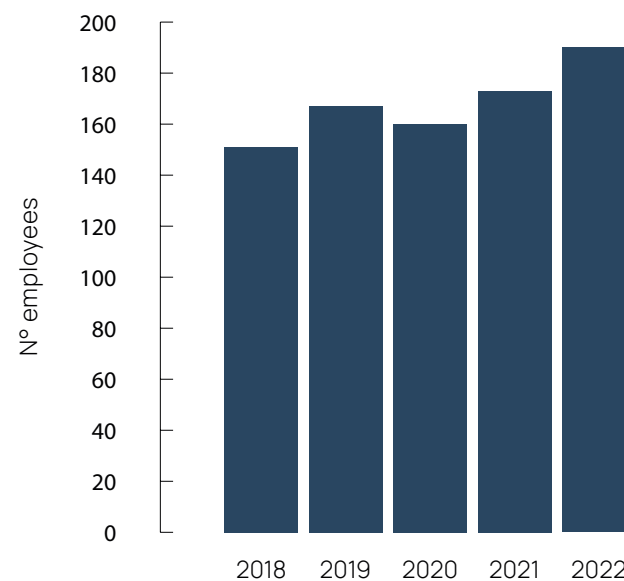
MEN	73
WOMEN	117



Number of employees Italy 2018 to 2022

For employees in Italy, the breakdown by type of contract based on the Italian place of employment is shown.

2018	151
2019	167
2020	160
2021	173
2022	190



GRI 102.7, GRI 102.8, GRI 202.2, GRI 401.1

Occupational H&S

Occupational Health and Safety and Training

One of Brandart's main missions is to minimise occupational accidents and illnesses, so as to ensure a healthy and safe working environment for employees and non-employee workers.

This is regulated in Italy by Legislative Decree 81/2008, where the operations indicated are constantly conducted and verified by Brandart, as follows:



Risk Assessment



Proper Maintenance
of Machinery and Devices



Safe Management of Chemicals



Updated Certificates of Conformity



Control of Workers' Health



Emergency Plans and Fire Drills



Training of Workers



Definition of H&S Liability



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Two occupational accidents occurred in the year 2022 that resulted in a total of 152 hours of absence from work, i.e. 0.05% of the total hours worked by employees in the year 2022. Both accidents occurred while commuting to work. These accidents can therefore be excluded from the calculation of the Work-related Accident Rate.

Thus, for the second consecutive year, following injuries work related rate are zero.

LTIR (Lost Time Incident Rate) = 0

SR (severity rate) = 0

Occupational accidents occurring in the year 2022

Accidents	Hours of absence due to injury	Total annual hours worked	Type
Injury 1	24	715.5	Commute
Injury 2	128	1'727.5	Commute

Total hours of absence from work due to commute accidents

Absence from work	Hours
Total absence due to injury	152
Annual total worked by all employees	307'906.46
% accident	0.05

GRI 403-9



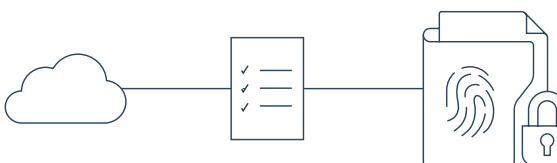
Social and Labour Relations

Trade Associations, Financial and Insurance Institutions

Business continuity is essential for trade associations, with which Brandart is committed to developing new partnerships. This is also essential for financial and insurance institutions, which also require good financial and economic solidity. Brandart is committed to complying with the agreed contractual conditions, to operating in such a way that accidents in the workplace are kept to a minimum, and to strengthening through its actions the green and sustainable image that the company represents.

Legislative and Control Bodies

Brandart takes care of the continuous updating of its processes and documentation regarding mandatory and voluntary regulations, as well as paying special attention to the compatibility of its activities with the surrounding environment.



Brandart develops new partnerships emphasizing safety, sustainability, and contractual compliance for a more sustainable future

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Local Communities, Universities and Schools

Brandart actively operates within local communities and places great emphasis on complying with atmospheric emission and noise impact limits to prioritize the health and safety of community members. The company also closely monitors heavy vehicle traffic associated with its operations and implements measures to minimize its impact.



Brandart prioritizes health and safety, supporting the local community through scholarships and research funding.

Furthermore, Brandart demonstrates its commitment to the well-being of the local community through various initiatives. These include the establishment of scholarships and the allocation of funds for research, aimed at contributing to educational and scientific development. The company also offers internship opportunities to students from universities and schools, providing them with valuable hands-on experience and fostering the development of specific skills.

To ensure alignment with public priorities, Brandart regularly engages in consultations with representatives of the local community and various associations.



In the Figure: Karur Round Table 138 project for the construction of school buildings in India

This collaborative approach helps shape the company's strategies to reflect the needs and concerns of the community.

In particular, in 2022, Brandart partnered with renowned international organizations for the 'Karur Round Table 138' project in Karur, India. This collaborative effort focused on constructing school buildings and providing essential services to support the local community's educational infrastructure and development.

Collective Bargaining and Freedom of Association

In order to guarantee fair and decent work and the respect of all workers' rights, there is a trade union representation within the company whose task is to ensure the correct application of the relevant CCNL and the correct personnel management. In addition, Brandart defines a multi-year performance bonus, aimed to increasing the value of restaurant tickets, granting them also when smart-working.

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Improve



Quality

Product Safety

The quality and safety of the products that Brandart supplies to its customers, as well as the consequent protection of the health and safety of the end consumer, are at the heart of Brandart's product compliance management. To this end, strict controls are implemented throughout the entire production chain, using accredited third-party laboratories to carry out tests on the chemical composition and physical/mechanical properties of the materials.

This careful monitoring enables Brandart to continuously comply with the applicable international requirements for regulations concerning hazardous or potentially hazardous chemicals, including the European REACH regulation, the Chinese GB standards, and the American Proposition 65.

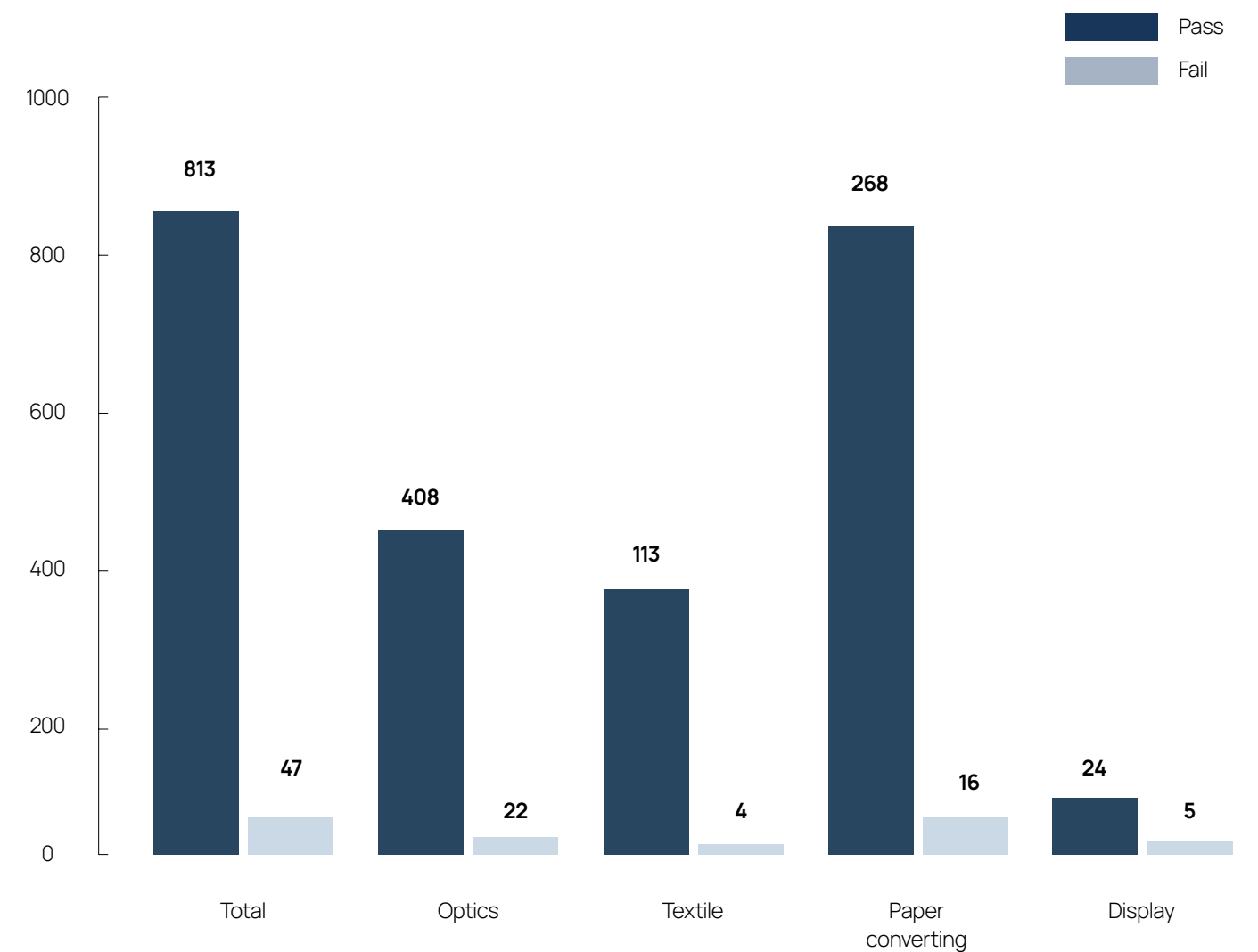
For each production run, Brandart performs conformity tests on products and components, assessing the type of test to be performed based on the nature of the raw material involved.

Packaging and visual display suppliers are obliged to follow the guidelines of Brandart's Product Restricted Substances List (PRSL) and Service Level Agreement (SLA); these documents respectively define the chemical parameters to be adopted and the minimum quality standards that the manufactured products must meet. The two documents are constantly updated in line with international standards, legislative developments and customer requirements.

In support of the above, the following are some indicators of chemical tests carried out in 2022. In cases of FAIL results, production was refused.



This Figure shows the number of tests performed broken down by the major product categories, indicating the number of successful (PASS) and unsuccessful (FAIL) tests. In Table 2.2 shows schematically the results obtained.



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Summary of product tests by product category - detail of test results:

Category	Positive test result (PASS)	Failed test (FAIL)
Optics	408	22
Textile	113	4
Paper converting	a	16
Display	24	5
Total	813	47

The optics and papermaking categories visually present a greater number of controls: this is due to the intrinsic complexity of the product. Particularly for the optics category, there is a check on the raw materials used (polyurethane, EVA, metal hard cases, etc.), as well as on the accessories involved (metal fasteners, zips, laces, tapes). Since these materials are by nature completely different from each other, the number of tests to be carried out can only be inversely proportional to the other product categories. A more stringent chemical sampling plan was defined in 2022 and is scheduled to be fully implemented in 2023. The relevant requirements were further detailed in the contract documents. A specific appendix dedicated to the chemical sampling plan was included in the framework agreement.

Certifications

Sustainable Goals

The commitment to reach the objectives of the 17 Sustainable Development Goals and the adoption of voluntary technical standards are closely connected. In fact, standards not only support the three pillars to sustainable development (economic, social and environmental), but they also respond to specific market and social needs in a way that embodies the mission and values of ISO and reflects the objectives set out by the UN. Brandart, demonstrates its commitment to sustainability by adopting the following certifications:



Brandart also quantified, for the year 2021 and 2022, the greenhouse gases produced by the organisation according to the ISO 14064-1 standard. In addition to this, Brandart makes products available with the following certifications at the customer's request:



Certified by Intertek 153171-GRS



Certified by Intertek 153171-GOTS



International Associations Awards and Recognition

Brandart's commitment is also seen in its participation in national and international associations, which have research and sustainable development as their common goal.



New Plastic Economy

Brandart is a signatory of the New Plastics Economy Global Commitment, which is led by the Ellen MacArthur Foundation, in collaboration with the United Nations Environment Programme, and globally unites for-profit and non-profit organisations on common goals to tackle plastic waste and pollution.

Signatories include companies representing 20% of all plastic packaging produced globally, as well as governments, NGOs, universities, industry associations, investors and other organisations.



United Nations Global Compact

Brandart is committed to integrating the ten principles of human, labour and environmental rights drawn up by the UN Global Compact into its activities. This is a non-binding pact designed to encourage companies around the world to adopt sustainable and socially responsible policies and to report on their implementation.



Aice

Aice or 'Associazione Italiana Commercio Estero' is an independent business association that represents and supports Italian companies that primarily implement. conduct business abroad: trading, export, import, countertrade, buying-offices, export management, small and medium-sized enterprises, etc.; as well as services related to these activities. Aice is also a strategic access point for foreign companies interested in both exporting their products to Italy and importing Italian products.



AISEC

Brandart is a partner of AISEC, a non-profit association founded in 2015 that aims to promote, disseminate and apply the concept of the circular economy nationally and internationally. The objective of this partnership is to share the company's know-how with various operators in order to bring the principles of circular economy and sustainable development into the processes of all the companies involved, fostering their growth and awareness in the process of continuous improvement.



Better Cotton

Brandart has been registered since 2018 on the Better Cotton platform, the world's leading cotton sustainability initiative. Its mission is to help the cotton community survive and thrive while protecting and restoring the environment.



Ecovadis

The EcoVadis Gold medal is awarded to companies that achieve outstanding sustainability performance and demonstrate exemplary practices in environmental, social, and ethical responsibility based on EcoVadis' assessment and rating criteria.

GRI 102-15, GRI 102-30, 201-4, 201-1, 102-7



Manufacturing Partners

The Partners

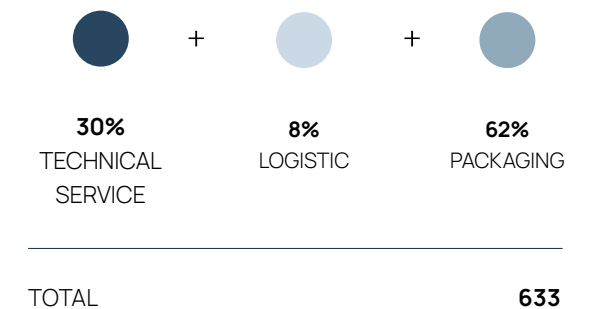
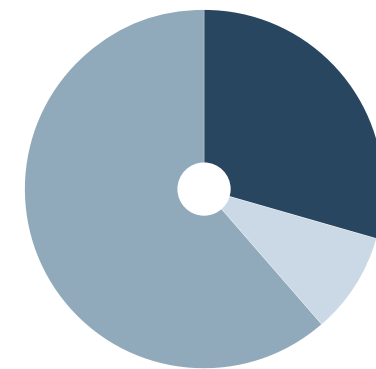
Brandart's business model relies on outsourcing production for diversification and competitive prices

Brandart's business model is based on the outsourcing of all production activities and the in-house provision of all services, with the aim of achieving a high degree of diversification, guaranteeing competitive prices, high quality products and a high level of service at every stage of the value chain.

Brandart's main business partners are packaging and visual display manufacturers, which are of great strategic importance as customers perceive them as being strongly associated with Brandart.

Brandart keeps a close watch on all outsourced production processes to ensure product quality and compliance with legal and customer requirements.

The categorisation of all suppliers used by Brandart during 2022. The analysis includes all suppliers of materials, products, processes and samples, suppliers of logistics services and suppliers of technical services, which include:



Equipment and Facilities



ICT Services



Regulatory Bodies



Security



Surveillance Providers



Certification Bodies

Counselling



Legal and Administrative Support



The Workshops



Architects and Other External Collaborators or Minor Suppliers



Supply Chain

Responsible Supply Chain Management

The promotion and protection of human rights, environmental commitment and business ethics are fundamental principles of Brandart's procurement policy.

To make this commitment more concrete, the company is active both through supplier sustainability assessment and monitoring programmes and through specific projects implemented along the supply chain, in close cooperation with the suppliers themselves.

To be able to implement this programme, Brandart has identified key internal figures and defined a rigorous qualification and monitoring process for its suppliers, with a particular focus on suppliers of packaging and display products (as finished products, components and performers of specific production steps), hereafter referred to generically as 'manufacturers'.

Brandart prioritizes
human rights,
environmental
commitment,
and business
ethics
in its procurement
policy



All suppliers, at the initial stage of the new relationship, are asked to sign Brandart's Code of Conduct, which focuses on aspects of human rights, working conditions, health and safety, environmental protection, confidentiality, fair and ethical business practices, innovation, and research.

Brandart adheres to the same ethical principles and requires compliance with the Code by all suppliers who have a business relationship with Brandart, their production sites and any subcontractors.

Brandart selects among the world's most experienced manufacturers, so that they can provide guarantees of technical quality, management, and compliance with environmental and social requirements already at the selection stage, preferably in possession of certifications relating to sustainability issues. In the event that a manufacturer with strong potential is identified but does not yet have the required certifications, Brandart supports and assists it in the process of obtaining and guiding it towards continuous improvement of its sustainability performance, so that it complies with the most stringent international regulatory and compliance requirements. Brandart, in many cases, also invests in new producers, supporting them technically and financially in order to build strong and lasting partnerships with them.

In any case, once potential suppliers have been identified, Brandart requires them to sign its Code of Conduct, which is based on human rights, working conditions, health and safety, environmental protection, confidentiality, fairness and ethics in business as well as innovation and research.

In addition to this, Brandart is deeply committed to supporting local economies. In fact, around 64% of all packaging and visual display suppliers are located in Northern Italy, accounting for 24% of the purchasing turnover. In addition, about 87% of these suppliers are located in the provinces surrounding the company's headquarters (Varese, Como and Milan).

The analysis carried out for the manufacturers used during 2022 follows.

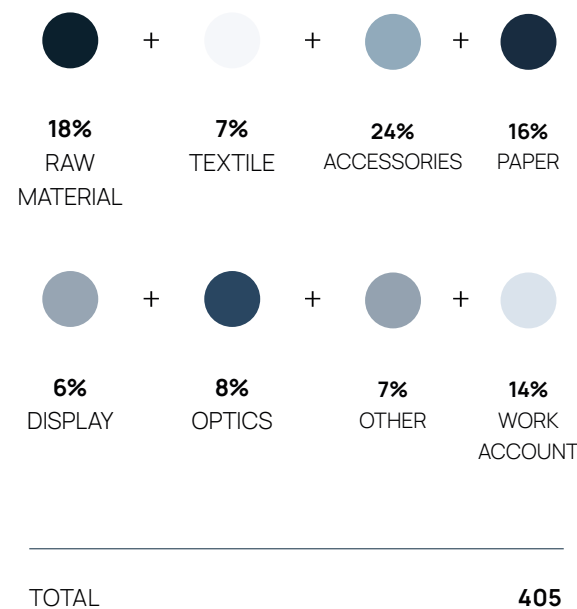
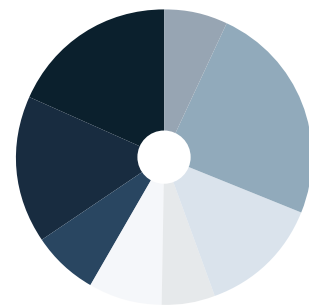


Procurement

Production Partners

The Figure shows the distribution by category of producers used in the year 2022 for both production and ancillary activities (e.g. sampling).

As part of the procurement process, Brandart requires all new manufacturers to be willing and able to undergo social and environmental compliance audits, which are planned according to a risk analysis approach. These audits are based on Brandart's Code of Conduct and comply with local legislation and applicable international voluntary standards, such as SA8000 and ISO 14001. Some audits are specific for FSC, GOTS and GRS requirements. The audits are conducted by Brandart's Compliance team, consisting of qualified Lead auditors working closely with the Development and Purchasing departments, or by third parties working on behalf of Brandart.



The results of the audits are processed, monitored, and documented in the Supplier Database, a strategic internal tool for the selection and use of manufacturers, which includes various supporting information and statistics and is shared with all departments involved in the procurement process.

In addition to second-party audits, major manufacturers are also subject to accreditation audits by Brandart's customers.

The results of the audits help to define the qualification status of producers: if critical issues are detected and commitment to resolving them is not demonstrated, the qualification process stops.

Alongside the Compliance team, Brandart's Quality Control team also operates, verifying compliance with product quality and technical standards, with the support in some areas of third-party entities, checking all processing stages (e.g. production, printing, finishing, packaging operations).

New Partners

In the course of 2022, Brandart started a cooperation with 54 new manufacturers.

In planning the audits, Brandart prioritised manufacturers with a higher risk of non-compliance, considering the volume of purchased goods, location of the sites, nationality of the workforce, company structure, type of activity and the related environmental impact.

Contract manufacturing is the most critical category of manufacturers for Brandart, as production orders can have a significant impact on the supplier's business in terms of commissions.

Therefore, all new contract manufacturers performing the textile cutting, printing and sewing stages have received a social and environmental audit.

In Europe, LATAM and the US, four new manufacturers were evaluated.

Significant impacts, related to environmental and fire safety issues, were found for two of them. Most of the corrective actions were completed in 2022.

In the Far East, 40 new production sites were evaluated. Only one case revealed notable environmental impacts related to storage methods; more frequent were significant social impacts associated with the specific culture of the geographical region.

These social impacts referred to low social insurance coverage, excessive working hours, an inadequate wage system, disciplinary deductions, and certain health and safety issues.



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All producers signed a corrective action plan and resolved the most critical anomalies before entering into a business relationship with Brandart.

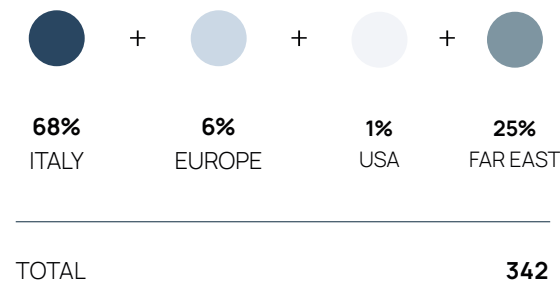
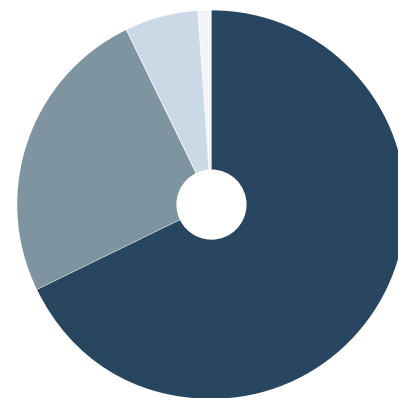
In 2022, Brandart's compliance team subjected around 75% of new manufacturers to social and environmental audits. Where audits were not carried out, these were mostly suppliers of raw materials and/or accessories or manufacturers already in possession of certifications or third-party audits or designated by Brandart's customers.

From the figure below, the 68% of the manufacturers are Italian, as Brandart prefers to source most of its components and high-end products (premium packaging, merchandising) in Italy. Therefore, to obtain the finished product, the different manufacturing processes are carried out by several specialised manufacturers and not by one as in the case of mass production, which is more common in the Far East.

The audits and follow-ups conducted by Brandart aim to support manufacturers in achieving and maintaining high standards of compliance. The help Brandart offers its manufacturers has enabled them to obtain accreditation from leading luxury brands.

In fact, most of the Compliance team's work provides free advice to suppliers in order to ensure the best solutions for end customers

In 2022,
Brandart audited
all manufacturers
with a higher risk
of non-compliance,
defining
corrective actions
accordingly



Survey on Sustainability Issues

At the end of 2021, Brandart surveyed 63 manufacturers, selecting them from the most strategic, in an anonymous survey aimed at mapping the effectiveness of shared sustainability practices, raising awareness of commitment, spreading a culture of sustainability and gaining competitive advantages and longterm results that can only be achieved through partnerships.

Of the 63 producers, 41 actively participated by filling in a questionnaire covering all the main areas of sustainability and typical aspects of the sector relating to



Governance



Sustainability Culture and External
Communication



Stakeholder Involvement



Key Performance Indicators
and Improvement Targets



Adherence to Recognised
Standards



Management of the Environmental
Impacts of its Activities



Corporate Social
Responsibility Policies



Sustainable Innovation in Materials
and Research and Development



Ethical Principles

Compliance Audits

During 2022, Brandart's Compliance team carried out a total of 85 compliance audits, 45 of which were conducted in the Far East and 40 in Europe, Latin America, and the United States. Each of these audits covered both social and environmental responsibility according to the requirements of SA 8000 and ISO 14001.

Based on these numbers, 95 different manufacturer sites



were assessed for social and environmental impacts.

8% of these audits were carried out by accredited third parties on behalf of Brandart.

In the Far East, four manufacturers presented a significant social and/or environmental impact. However, all producers committed, through an agreed corrective action plan, to work on the improvement opportunities revealed during the audits. No producers were disqualified due to critical issues, as in 2021. The significant social impact noted for the above four producers related to overtime, insurance coverage and sometimes lack of records. All of them identified opportunities for improvement, which were closely followed up.



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In Europe and the other regions, only one manufacturer presented a significant social and/or environmental impact. As above, it committed to work on improvement opportunities through an agreed corrective action plan.

The most significant impact was found on environmental and safety issues, such as fire safety and lack of official authorisations.

No supply contracts were terminated in 2022 following the social and environmental impact assessment.

Compliance audits carried out by Brandart's Compliance Team (year 2022)

Regions	Compliance audits
Far East	40
Europe + LATAM	45



Due Diligence on Wood Products

Regulation (EU) No 995/2010 has the primary aim of preventing the trade of illegal timber in Europe.

For companies introducing wood fibre products into Europe, the regulation requires the adoption of an internal due diligence system (Due Diligence), i.e. a set of procedures and measures necessary to check the origin of timber and its derivatives and ensure its legality. Brandart constantly monitors the materials of wood origin that it brings into Europe, implementing Due Diligence through three main steps:



Collection of relevant information and documents.



Risk Assessment through specific indicators.



Risk Mitigation (reduction), i.e. identification of additional procedures appropriate and proportionate to the risk detected.

In 2022, seven Due Diligences were completed for seven different manufacturers. The process takes a long time, even several weeks, to be able to collect all original certificates, transaction documents, etc.

Five manufacturers were classified as low risk and two as high risk, requiring further investigation about missing data.

Audits by Clients

Several customers require Brandart to have manufacturers accredited before assigning the production. This accreditation involves social and environmental compliance audits being carried out by the customer itself or by third parties on behalf of the customer. Customer audits are also repeated over time to maintain accreditation.

In Europe, Latin America, and the United States, 16 audits were carried out by third parties on behalf of Brandart's customers to verify the manufacturers' compliance with customer requirements and assess their social and environmental impact. All manufacturers passed the audit and were subject to corrective action and close follow-up by Brandart. No contract was terminated as a result of the assessment and no supplier was rejected by customers.

In the Far East, 17 audits were carried out (3 in India and 14 in China) by third parties on behalf of Brandart's customers. The scope of the audits mainly concerned social compliance, for some audits both social and environmental compliance were verified. All manufacturers involved passed the audit and were subject to corrective action monitoring and close follow-up by Brandart. No contract was terminated, and no supplier was rejected by customers as a result of the assessment.

Audits carried out by third parties on behalf of Brandart's clients (year 2022)

Regions	Audits by Clients
Far East - India	3
Far East - China	14
Europe + LATAM	16



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Logistics Partners

Brandart is committed to managing its business responsibly while respecting the environment and finding solutions to mitigate climate change to promote more efficient freight forwarding through a sustainable logistics strategy.

This is why Brandart prefers to support shipments by sea, with fully loaded containers (FCL), while keeping the use of half load containers (LCL) as low as possible. Brandart is also committed to reducing energy consumption and CO2 emissions by requiring all shippers to only ship with the world's leading shipping companies (MAERSK MSC COSCO, etc.) that already adhere to strong sustainability policies.

Whenever possible, Brandart requires bamboo-floored containers to reduce the consumption of 'regular' wood, containers with water-based paint (WBC) to reduce volatile organic compounds (VOCs), and shipments to/from ports adopting shore-side power (SPS) to reduce CO2 emissions of ships in port by about 85%.

Since 2018, the Company has also implemented rail transport for intercontinental shipments (China-Italy) in order to keep the environmental impact as low as possible and to offer an alternative to shipments by sea, so as to make up for a lack of shipments in the

event of bad weather or a shortage of ships. Road shipments are only used for internal transfers or last-mile deliveries. The partners for such shipments ensure modern fleets that adopt the latest CO2 emission control technologies.

Air freight forwarders only work with the world's leading airline companies that guarantee efficient aircraft models with lower CO2 emissions.

The courier partners (FEDEX and DHL) have adopted clear sustainability policies.

All logistics partners are encouraged to sign the Brandart Code of Conduct or adopt similar ethical and environmental commitments.

The company works with major logistic partners who have strong sustainability policies

Sustainable Transport

In recent years, Brandart has participated in several projects related to sustainable logistics, the most important of which were:

Golden Gateway:

In 2021 Brandart was the main customer of the Golden Gateway, an integral part of the rail programme China to Europe, a rail link between Italy and China that will contribute to the reduction of average CO2 emissions in the transport and logistics sector. In fact, rail transport has less impact on the environment than air, sea and road transport. In that year, Brandart was able to ship 184 40' boxes by train with Golden Gateway.

In 2022, the above programme was negatively impacted by the following factors:

- 3-month stoppage caused by the war between Russia and Ukraine,
- Drastic reduction in shipping in the second half of the year, which made shipping by sea more convenient,
- Increased ETA reliability of sea shipment and reduced transit time.

Therefore, Brandart could only ship 45 40' crates.

Brandart took part in sustainable logistic projects as Golden Gateway and Carbon Neutral Flight

Carbon Neutral Flight:

A project launched by DB Schenker that developed the first Frankfurt-Shanghai air link with zero CO2 emissions, thanks to the use of SAF (Sustainable aviation Fuel), a fuel produced mainly from biomass waste, vegetable and cooking oil, and an offsetting programme to neutralise the remaining emissions. This project has so far not been competitive and effective. Brandart has therefore not used it in the year 2022, but may re-evaluate it in the future, when its efficiency and competitiveness in terms of greenhouse gas emissions will be proven.

GRI 102-9, GRI 204-1, GRI 308-2, GRI 414-2



Facts and Figures

Data Collection

Breakdown of employees by geographical region and contract type (Year 2022)

Type of contract	Fixed-term	Open-ended	Apprentices	Trainees	Total
Italy-via Costa	12	127	6	3	148
Italy-viale Lombardia	1	16	1	1	19
Italy-via 5 Giornate	1	17	0	1	19
Italy-Milan	0	1	0	0	1
Italy-Silea	0	2	0	0	2
Total	14	164	7	5	189

The Table shows the breakdown by qualification and gender. The majority of employees are in the role of 'clerk', with a total of 132 men and women (about 70%).

Personal	Women	Men	Total
Workers	10	12	21
Apprentices	3	4	7
Employees	90	42	132
Quadri	8	7	15
Managers	4	5	9
Trainers	2	3	5
Administrated	0	0	0
Total	117	73	189

The need for any expansion of the workforce is highlighted by top management, based on the number of total hours worked, the workload and the total hours worked. In the event of a need to expand the workforce, the human resources department searches for personnel through various channels such as: publication of advertisements on the website or dedicated portals, databases, employment agencies. Two interviews are then conducted, the first directly with human resources, the other with the Head of Department.

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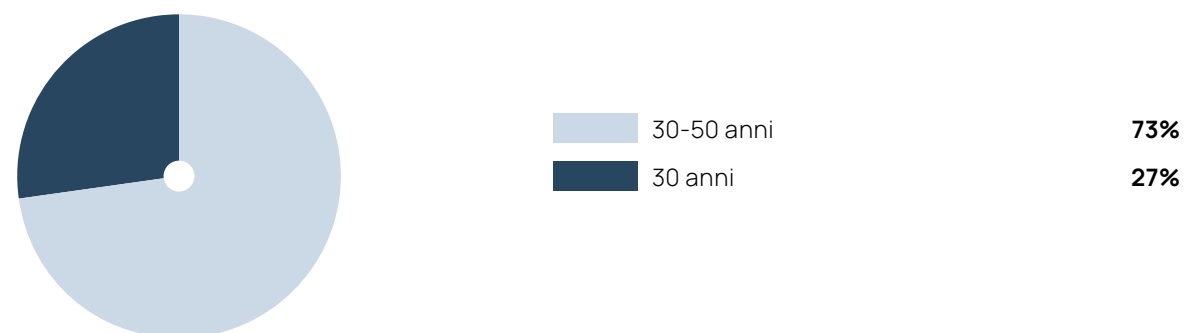
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In Table shows the turnover of employees, broken down by age group and gender.

Turnover by age group and gender (Year 2022)

30 years	In	Out
Men	9	2
Women	11	6
30 to 50 years		
Men	16	12
Women	26	19
>50 years		
Men	2	3
Women	2	7

New employees in the year 2022 by age group

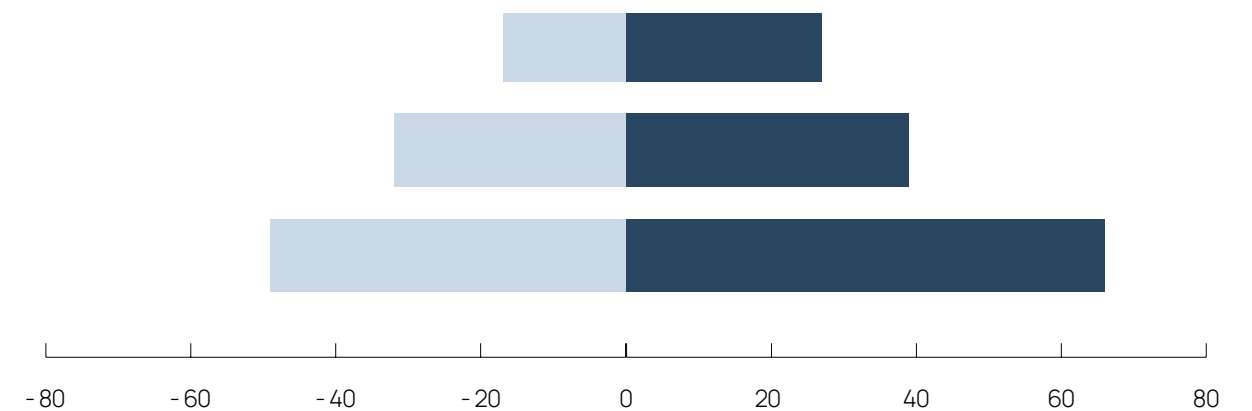


The overall turnover of male employees is slightly higher than that of female employees, at 65%. In fact, during 2022, as shown in Table 0.10, the difference between incoming and outgoing employees was 10, a lower number in the case of female employees, for whom the difference was 7.

Overall, also in Figure 0.13, 66 new employees joined against 49 left.

Personal	Women	Men	Total
Workers	10	12	21
Apprentices	3	4	7
Employees	90	42	132
Quadri	8	7	15

Overall turnover and by gender (Year 2022)



Brandart employees are, for the most part, from the local community. For instance managers come mainly from the provinces of Varese, Como, Monza and Brianza and Milan. In Error! Reference source not found. shows the information on Brandart's management. **100% of our senior management has been hired from local communities.**

Concerning parental leave, in Table 0.11 shows the number of employees who took it, divided by gender.



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Concerning parental leave, the Table shows the number of employees who took it, divided by gender.

Number of employees who took maternity/paternity leave divided by gender (Year 2022)

Personal	Women	Men	Total
Parental leave	6	0	6
Extraordinary leave covid	0	0	0
Paternity leave	0	1	1
Still force in 2023	6	1	7
Absences	223	10	233

Brandart is also committed to gender equality in terms of remuneration. The Table shows the average remuneration of employees broken down by gender and level, according to the National Collective Labour Agreement for the sector, i.e. 'Textiles: Clothing and Fashion'.

Average compensation of employees according to CCNL level and gender

Level from textile collective agreement	Table minimum	Women	Men	Pay Gap
Level 8	2'198.64 €	6'085.67 €	5'474.75 €	11%
Level 7	2'073.70 €	3'356.02 €	3'776.87 €	-11%
Level 6	1'946.89 €	2'599.70 €	2'924.03 €	-11%
Level 5	1'823.76 €	2'319.04 €	2'517.91 €	-8%
Level 4	1'734.95 €	1'961.77 €	2'259.65 €	-13%
Level 3	1'657.33 €	1'701.88 €	1'809.80 €	-6%
Level 2	1'574.38 €			n/a
Level 1	1'251.60 €			n/a
Media				-6%

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Hours devoted to health and safety training by type of training and gender

Type of Training	Women (hours)	Men (hours)	Pay Gap
Level 8	76	48	124
Level 7	88	60	148
Level 6	72	66	138
Level 5	18	48	66
Level 4	4	0	4
Level 3	0	40	40
Level 2	258	262	520

Hours spent on health and safety training by job title and gender

Qualification	Women (hours)	Men (hours)	Pay Gap
Workers	76	48	124
Apprentices	88	60	148
Employees	72	66	138
Middle Managers	18	48	66
Managers	4	0	4
Interns	0	40	40
Total	258	262	520

For Brandart, continuous training, even on topics outside Health and Safety, is of absolute importance to increase the know-how of employees.

In Error! Reference source not found. shows the total hours of training broken down by gender and type of training. Brandart dedicated a total of 5,285 training hours to its employees in the year 2022.

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The Table shows the training hours broken down by job title and gender.

Hours spent on training by job title and gender

Qualification	Women (hours)	Men (hours)	Total (hours)
Apprentice clerk	38	1'484	1'522
Manager	204	160	364
Employee	2'174	698	2'872
Worker	13	102	115
Frame work	277	132	409
Trainee		4	4
Total	2'706	2'580	5'286



Methodological Note

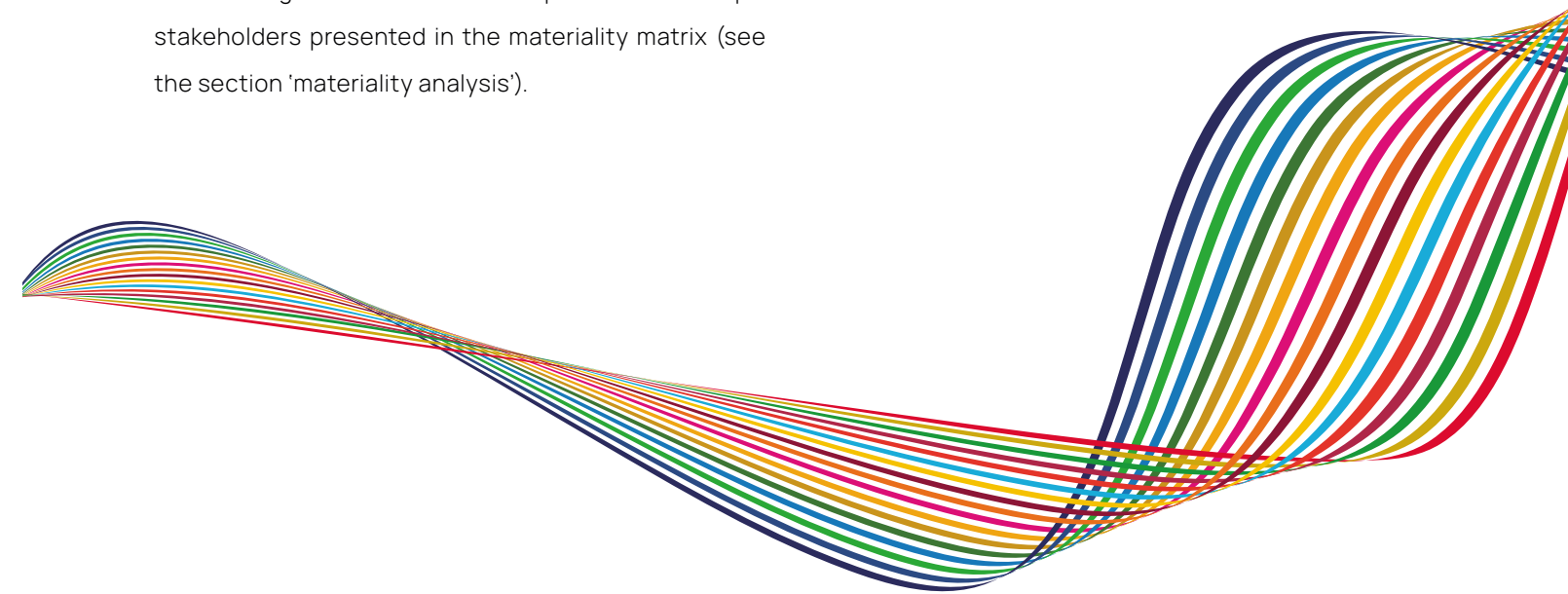
The fourth edition of Brandart's Sustainability Report has been prepared, on a voluntary basis, in accordance with GRI Sustainability Reporting Standards.



SUSTAINABILITY
DISCLOSURE
DATABASE

The GRI Standards represent the main global reference standards for an organisation's or an enterprise's Sustainability Reporting. In particular, this Report has been prepared in accordance with GRI reporting principles for defining the content and quality of the report, such as stakeholder inclusiveness, sustainability context, materiality, completeness, as well as accuracy, balance, clarity, comparability, reliability, and timeliness. The document was prepared taking into consideration the sustainability issues deemed significant for the Group and the Group's stakeholders presented in the materiality matrix (see the section 'materiality analysis').

The reference period is the 2022 financial year, which coincides with the calendar year running from 1 January to 31 December 2022, except where otherwise specified in each section. The frequency established for publication of the Sustainability Report is annual. The reporting methodology, in line with that used for the GRI Standards in previous financial years, provides full comparability of the data contained in this Report. Any reclassification of data already presented in the previous edition of the Report is clearly justified in the text.



GRI 102-48
GRI 102-50 - GRI 102-51

GRI 102-52 - GRI 102-32,
GRI 102-49 - GRI 102-53



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GRI Index

Reconciliation Table Between Material and GRI Topics

Brandart material theme	Thematic correlation and Topic Table	Stakeholders
Sharing with stakeholders	Local Community Market presence	Group Local Community Employees Partners
Environmental Sustainability	Materials Energy Procurement practices Evaluation of suppliers according to environmental criteria	Group Partners
Safety quality	Healt and safety at work Training and education	Group Employees

Brandart material theme	Thematic correlation and Topic Table	Stakeholders
Ethical responsibility	Human rights	Group Employees Partners Local Community
Research and development		Group
Employees and aquality	Employment Diversity and equal opportunity	Group Employees
Environment	Drains and effluents Energy Emissions Water	Group Local Community
Sustainable Logistics	Procurement practices	Group Partners
Security and buisnes continuity	Indirect economic impacts Market Presence	Group Local Community Customers
Raw materials and procurement	Materials Energy Procurement practices Evaluation suppliers according to environmental criteria Evaluation of suppliers on the basis of policies and working conditions	Group Partners



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GRI Standard	Information	Chapter
403-06	Workers' health promotion	4.2
403-09	Accidents at work	4.2
Training education		
404-01	Average number of training hours per year per employee	4.2
404-02	Employee skills upgrading and transition assistance programmes	4.2
Diversity and equal opportunities		
405-02	Ratio of basic pay to women's pay compared to men's pay	4.1
Social evaluation of suppliers		
414-01	New suppliers selected using social criteria	5.2
414-02	Negative social impacts in the supply chain and actions taken	5.2



BRANDART

PACKAGING PROCUREMENT & MERCHANDISING 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



Brandart Packaging and
Display



Brandart Packaging and
Display