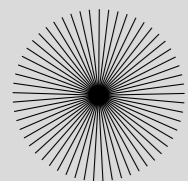


EuroItalia

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SINCE ITS ORIGINS, EUROITALIA HAS PROPOSED AND OFFERED HIGH QUALITY, INNOVATIVE AND CREATIVE PRODUCTS TO ITS CUSTOMERS, ALWAYS KNOWING HOW TO ANTICIPATE AND MEET THEIR NEEDS.

WHAT ARE THE REASONS THAT LED EUROITALIA TO UNDERTAKE A PATH OF SUSTAINABILITY INTEGRATION AT 360 DEGREES?

We decided to undertake a detailed path in order to integrate Sustainability within our decision-making process and our daily activities. Being aware of the serious environmental and social crisis that the society is experiencing and of the role it has to play in it, Euroitalia has decided to undertake this project in order to improve and expand its impacts. Euroitalia aims to contribute to an inclusive and fair sustainable development by monitoring, reporting and improving its business performance in terms of technical-economic, social and environmental responsibility. Moreover, Euroitalia believes in the importance of dialogue and collaboration with its Stakeholders as a way to achieve the creation of shared values, therefore it is committed to increase transparency on its work and communication with these entities.

Moreover, during this uncertain period, due to the pandemic that has affected the entire society, Euroitalia has proved to be prepared and proactive in facing the COVID-19 emergency right from the start, through the implementation of appropriate safety regulations, the installation of air purifiers and ensuring the operation of its activities through flexible working tools such as smart-working.

WHAT ARE THE STRATEGIC PRIORITIES WITH RESPECT TO THE ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS OF THE ORGANIZATION AND TRENDS IN THE SECTOR?

Since its origins, Euroitalia has proposed and offered high quality, innovative and creative products to its customers, always knowing how to anticipate and meet their needs. For Euroitalia, Sustainability is a synonym of quality, innovation, creativity and the satisfaction of customer's needs and desires.

Customers are increasingly aware of their impact on companies' strategic decisions through their purchasing power. These consumers ask for real action from the companies in order to achieve social and environmental objectives, including respect for human rights and the reduction of greenhouse gas levels produced. In recent years, the luxury sector is experiencing an important green transformation due to both the new consumer demands and the widespread awareness of the fundamental role that companies have in solving the environmental crisis that our society is experiencing.

Euroitalia is an active part of the green transition through its challenging sustainability objectives in recent years, the initiatives and projects undertaken to reduce its environmental and social impact, and the achievement of important results as evidenced by the latest perfume launched a few months ago which is 74.6% biodegradable.

Euroitalia, prefers natural and sustainable ingredients and raw materials that guarantee the creation of high quality products, safety for final consumers and meeting new customer needs,

increasingly sensitive and attentive to the search for natural, traceable, vegan, **ENVIRONMENTALLY FRIENDLY** and **CRUELTY FREE PERSONAL CARE PRODUCTS**.

EuroItalia is a pioneer not only in the creation of fragrances, among the best-selling in the world, but also in the use of innovative and creative packaging materials, shapes, colors and designs. In fact, one of our iconic fragrances, Moschino "Cheap & Chic", is displayed at MOMA in New York. We strongly believe that packaging is one of the key drivers for a sustainable business development. Through the reusable, recyclable or recycled materials selection, eco-design and increasingly green innovation choices considering the entire life cycle of the product, EuroItalia aims to decrease its environmental impact.

Our human capital is another strategic priority for the Company, representing a fundamental strategic asset for long-term value creation. Therefore, EuroItalia is committed in enhancing the uniqueness that each individual employee represents through training, continuous interaction and by promoting a healthy, safe, stimulating and meritocratic working environment.

WHAT ARE EUROITALIA'S SUSTAINABILITY OBJECTIVES IN THE SHORT AND LONG TERM?

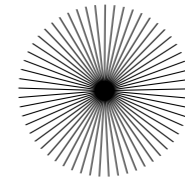
In addition, EuroItalia has drafted its own Sustainability Policy in order to remind us of the Sustainability commitment undertaken and to guide our strategic decisions and our everyday activities towards achieving higher Sustainability performance/sustainable development.

EUROITALIA HAS AMBITIOUS GOALS FOR THE SHORT TERM, INCLUDING THE CREATION OF 95% BIODEGRADABLE PERFUMES AND 100% USE OF FSC CERTIFIED PAPER IN ITS PACKAGING, AND WILL CONTINUE TO LAUNCH MORE AND MORE CHALLENGING SUSTAINABILITY PROJECTS AND INITIATIVES.

AN IMPORTANT FUTURE PROJECT THAT EUROITALIA HAS DECIDED TO DEVELOP IS AN LCA (LIFE CYCLE ASSESSMENT) ON SOME OF ITS PRODUCTS WITH THE AIM OF ANALYZING THE ENVIRONMENTAL IMPACT THROUGHOUT THE LIFE CYCLE AND TO DEVELOP EFFECTIVE SOLUTIONS TO REDUCE POSSIBLE NEGATIVE IMPACTS IDENTIFIED.

During 2019 EuroItalia has also invested its efforts in important projects such as the installation of solar panels on the roof of the logistics center in order to increase its energy dependence on renewable sources and at the same time reduce its carbon footprint.

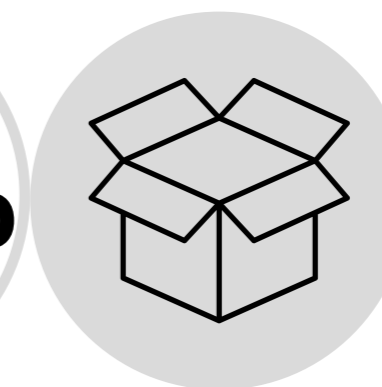
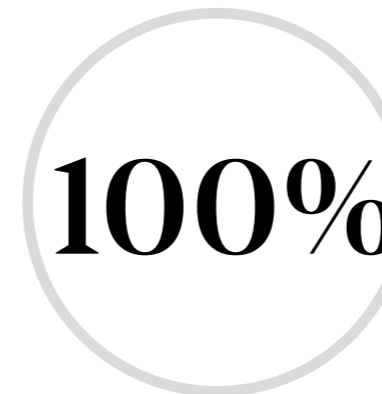
As proof of EuroItalia's great commitment to promoting health and safety of its staff, EuroItalia registered no injuries in 2019, confirming its trend of zero injuries in ten years.



OUR TARGETS



PERCENTAGE OF INGREDIENTS' BIODEGRATABILITY WITHIN THE LATEST FRAGRANCES CREATED



USE OF FSC CERTIFIED PAPER IN ITS PACKAGING

Methodological note

This document is the first edition of EuroItalia's Sustainability Report and aims to describe the initiatives and the main economic, social and environmental results achieved during 2019 (from January 1 to December 31). In particular, the definition of material issues was based on a process of materiality analysis, which is described in the chapter "**MATERIAL TOPICS FOR EUROITALIA: WHAT IS REALLY IMPORTANT FOR US AND OUR STAKEHOLDERS**" of this document.

The data in the document is referred to the period from January 1, 2019 to December 31, 2019. Any data relating to the previous year, should be considered as comparative, in order to simplify the assessment of the Company's business performance.

THIS SUSTAINABILITY REPORT HAS BEEN PREPARED IN COMPLIANCE WITH THE «GRI SUSTAINABILITY REPORTING STANDARDS», PUBLISHED IN 2016 BY THE GLOBAL REPORTING INITIATIVE (GRI), BASED ON THE "IN ACCORDANCE-CORE" OPTION.

The data and information in this report is based on the principles of balance, comparability, accuracy, timeliness, reliability and clarity, ensuring the quality of the information as defined in the GRI Standards.

The reporting scope of the economic and financial data and information corresponds to that of the Consolidated Financial Statements of the EuroItalia Group at December 31, 2019.

The scope of social and environmental data and information is related only to EuroItalia S.r.l. as both issues are not relevant for the companies EuroItalia USA Inc. and EuroItalia Suisse SA belonging to the Group. It should be noted that in 2019 there were no significant changes in the size, organizational structure, ownership structure and supply chain of the organization.

Any changes to the scope indicated above are properly reported in the document and, where present, do not compromise the adequate representation of the business activity. In order to guarantee the reliability of the data, use of estimates has been limited as much as possible, and, where present, such estimates are properly reported and supported by the best available methodologies. The data relating to the previous year, where available, are reported for comparative purposes, to enable an assessment of the performance over time.

The Sustainability Report is prepared annually. This document is not subject to external audit.

THIS DOCUMENT HAS BEEN APPROVED BY THE CHIEF EXECUTIVE OFFICER OF EUROITALIA IN 24/07/2020.

FOR FURTHER INFORMATION ON THE CONTENTS OF THE SUSTAINABILITY REPORT, PLEASE CONTACT THE EMAIL ADDRESS: SUSTAINABILITY@EUROITALIA.IT

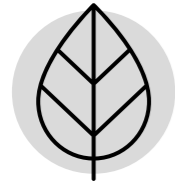
THE DOCUMENT IS ALSO AVAILABLE ON THE WEBSITE: [HTTPS://WWW.EUROITALIA.IT/AZIENDA/SOSTENIBILITA](https://www.euroitalia.it/azienda/sostenibilita)



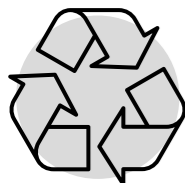
LAST FRAGRANCE LAUNCHED ON THE MARKET 86% BIODEGRADABLE



2 MLN OF PLASTIC-FREE ZERO KM IN PRODUCTION FOR SUMMER 2020 (THE FIRST 50,000)



PACKAGING PAPER IS 100% FSC CERTIFIED



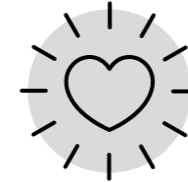
85% OF THE RAW MATERIALS USED FOR PACKAGING AND BOTTLES ARE RENEWABLE



100% OF ALCOHOL PRODUCED IN ACCORDANCE WITH SUSTAINABLE CRITERIA



NO PLASTICIZING AND METALLIZATION PROCESSES ARE USED FOR PRINTING.



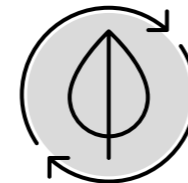
FIRST TO ACT ON CONSUMER PROTECTION IN RESPONSE TO THE COVID EMERGENCY



FROM 2020, RENEWABLE ENERGY IS USED IN THE HEADQUARTER OFFICES



MADE IN ITALY SUPPLY CHAIN



LCA PRODUCT DEVELOPMENT



OVER 32 MILLION BOTTLES PRODUCED

EuroItaly: About us

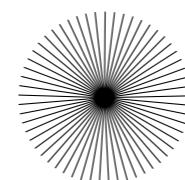
EuroItalia is a family owned company, a leader in the most appreciated Italian fragrances market worldwide. It operates in the **luxury beauty** sector internationally and is specialized in the design, production and distribution of fragrances and beauty products.

Over the years, quality, innovation and creativity have allowed the company to bring **Made in Italy** fashion and design to the luxury perfumes sector and to strengthen its brands. The **Made in Italy** philosophy is reflected in strategic decisions and everyday actions and is a fundamental element of the Company. EuroItalia was founded in 1978 by the pioneering vision and entrepreneurial courage of Giovanni Sgariboldi, who believed in the potential of the selective Made in Italy perfumery, making EuroItalia the most important and representative actor of the "art" of Italian perfume.

With a long-term corporate vision and a dynamic and efficient business model, EuroItalia always guarantees the best to its brands by pro-actively responding to industry trends and acting quickly in the increasingly competitive market. Indeed, We collaborate with Italian fashion brands and designers, quickly transforming their needs into successful new lines of fragrances and make-up products by marketing them worldwide.

The Company takes care of every phase of the product development, from building the creative concept to the choice of fragrance, from packaging design to industrial production, up to the identification of selective commercial placement, supported by the most effective marketing, merchandising and communication strategies.

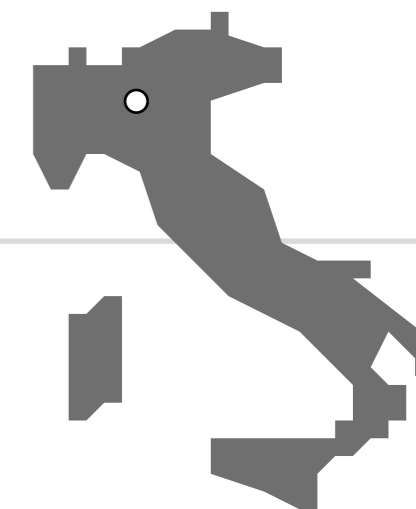
At an organizational level, **EuroItalia** is formed by the parent company EuroItalia S.r.l and two subsidiaries, EuroItalia Suisse SA (Switzerland) and EuroItalia USA Inc (United States).



OUR OFFICES

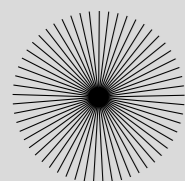
ITALY

Headquarter

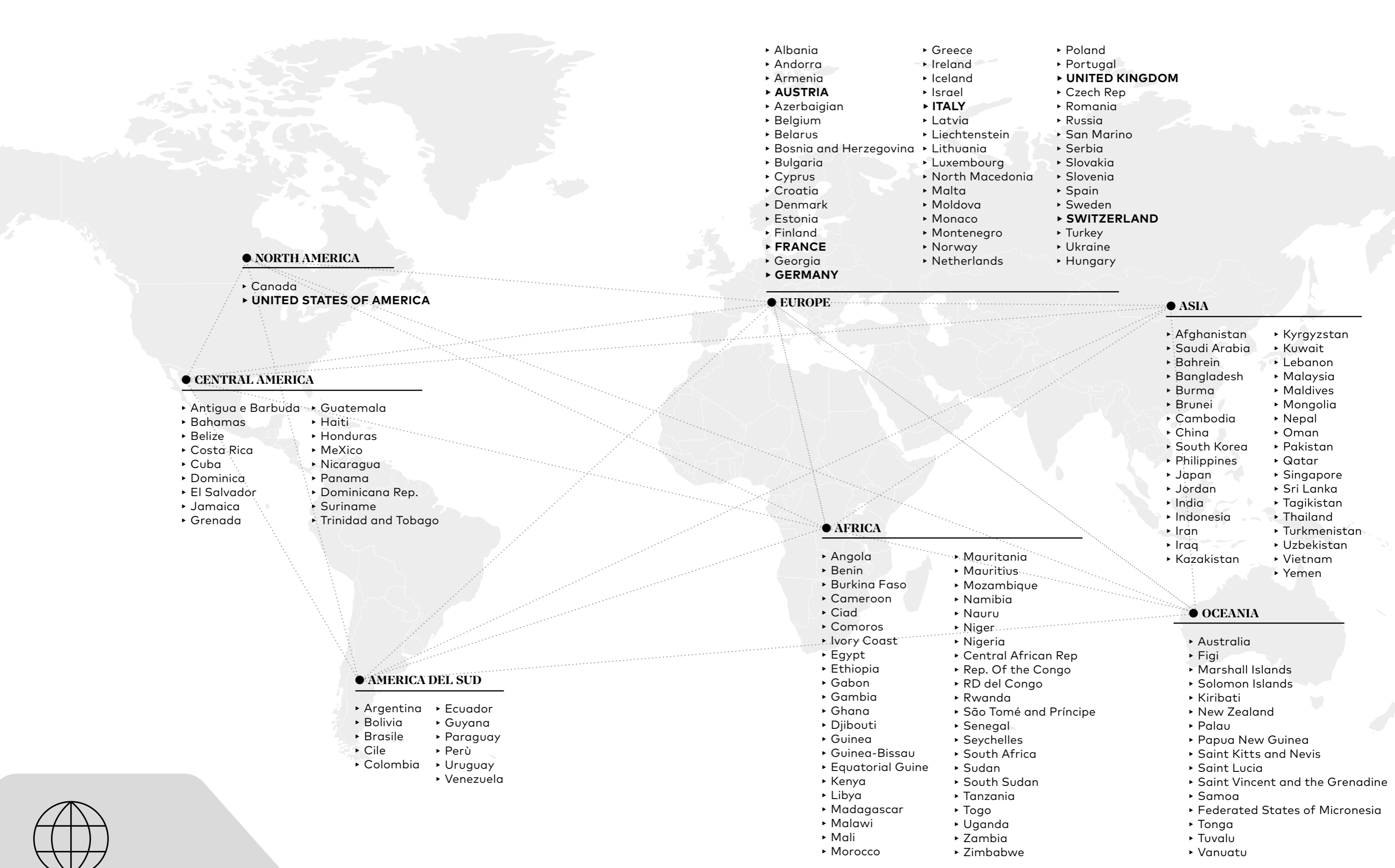


USA

SWITZERLAND



WITH WORLDWIDE SALES OF 32 MILLION PIECES IN 2019 AND AN EXPORT SHARE OF 94%, WE ARE PRESENT IN 157 COUNTRIES THROUGH A DIRECT DISTRIBUTION NETWORK, TRUSTED LOCAL PARTNERS AND DUTY FREE OPERATORS.



● **NORTH AMERICA**

- ▶ Canada
- ▶ **UNITED STATES OF AMERICA**

● **CENTRAL AMERICA**

- ▶ Antigua e Barbuda
- ▶ Bahamas
- ▶ Belize
- ▶ Costa Rica
- ▶ Cuba
- ▶ Dominica
- ▶ El Salvador
- ▶ Jamaica
- ▶ Grenada
- ▶ Guatemala
- ▶ Haiti
- ▶ Honduras
- ▶ MeXico
- ▶ Nicaragua
- ▶ Panama
- ▶ Dominicana Rep.
- ▶ Suriname
- ▶ Trinidad and Tobago

● **AMERICA DEL SUD**

- ▶ Argentina
- ▶ Bolivia
- ▶ Brasile
- ▶ Cile
- ▶ Colombia
- ▶ Ecuador
- ▶ Guyana
- ▶ Paraguay
- ▶ Perù
- ▶ Uruguay
- ▶ Venezuela

- ▶ Albania
- ▶ Andorra
- ▶ Armenia
- ▶ **AUSTRIA**
- ▶ Azerbaigian
- ▶ Belgium
- ▶ Belarus
- ▶ Bosnia and Herzegovina
- ▶ Bulgaria
- ▶ Cyprus
- ▶ Croatia
- ▶ Denmark
- ▶ Estonia
- ▶ Finland
- ▶ **FRANCE**
- ▶ Georgia
- ▶ **GERMANY**
- ▶ Greece
- ▶ Ireland
- ▶ Iceland
- ▶ Israel
- ▶ **ITALY**
- ▶ Latvia
- ▶ Liechtenstein
- ▶ Lithuania
- ▶ Luxembourg
- ▶ North Macedonia
- ▶ Malta
- ▶ Moldova
- ▶ Monaco
- ▶ Montenegro
- ▶ Norway
- ▶ Netherlands
- ▶ Poland
- ▶ Portugal
- ▶ **UNITED KINGDOM**
- ▶ Czech Rep
- ▶ Romania
- ▶ Russia
- ▶ San Marino
- ▶ Serbia
- ▶ Slovakia
- ▶ Slovenia
- ▶ Spain
- ▶ Sweden
- ▶ **SWITZERLAND**
- ▶ Turkey
- ▶ Ukraine
- ▶ Hungary

● **EUROPE**

● **AFRICA**

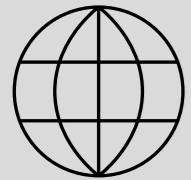
- ▶ Angola
- ▶ Benin
- ▶ Burkina Faso
- ▶ Cameroon
- ▶ Ciad
- ▶ Comoros
- ▶ Ivory Coast
- ▶ Egypt
- ▶ Ethiopia
- ▶ Gabon
- ▶ Gambia
- ▶ Ghana
- ▶ Djibouti
- ▶ Guinea
- ▶ Guinea-Bissau
- ▶ Equatorial Guine
- ▶ Kenya
- ▶ Libya
- ▶ Madagascar
- ▶ Malawi
- ▶ Mali
- ▶ Morocco
- ▶ Mauritania
- ▶ Mauritius
- ▶ Mozambique
- ▶ Namibia
- ▶ Nauru
- ▶ Niger
- ▶ Nigeria
- ▶ Central African Rep
- ▶ Rep. Of the Congo
- ▶ RD del Congo
- ▶ Rwanda
- ▶ São Tomé and Príncipe
- ▶ Senegal
- ▶ Seychelles
- ▶ South Africa
- ▶ Sudan
- ▶ South Sudan
- ▶ Tanzania
- ▶ Togo
- ▶ Uganda
- ▶ Zambia
- ▶ Zimbabwe

● **ASIA**

- ▶ Afghanistan
- ▶ Saudi Arabia
- ▶ Bahrein
- ▶ Bangladesh
- ▶ Burma
- ▶ Brunei
- ▶ Cambodia
- ▶ China
- ▶ South Korea
- ▶ Philippines
- ▶ Japan
- ▶ Jordan
- ▶ India
- ▶ Indonesia
- ▶ Iran
- ▶ Iraq
- ▶ Kazakistan
- ▶ Kyrgyzstan
- ▶ Kuwait
- ▶ Lebanon
- ▶ Malaysia
- ▶ Maldives
- ▶ Mongolia
- ▶ Nepal
- ▶ Oman
- ▶ Pakistan
- ▶ Qatar
- ▶ Singapore
- ▶ Sri Lanka
- ▶ Tagikistan
- ▶ Thailand
- ▶ Turkmenistan
- ▶ Uzbekistan
- ▶ Vietnam
- ▶ Yemen

● **OCEANIA**

- ▶ Australia
- ▶ Figi
- ▶ Marshall Islands
- ▶ Solomon Islands
- ▶ Kiribati
- ▶ New Zealand
- ▶ Palau
- ▶ Papua New Guinea
- ▶ Saint Kitts and Nevis
- ▶ Saint Lucia
- ▶ Saint Vincent and the Grenadine
- ▶ Samoa
- ▶ Federated States of Micronesia
- ▶ Tonga
- ▶ Tuvalu
- ▶ Vanuatu



WE ARE A GLOBAL COMPANY, OPERATING IN 157 COUNTRIES AROUND THE WORLD

Business Model: The journey of perfumes and cosmetics

The creation of fragrances and beauty products is a complex and extremely specialized process that involves several actors, both internal and external to the Company, and is divided into several phases as follows.

The Business model, characterized by efficiency, dynamism and flexibility, allows EuroItalia to act quickly in an increasingly competitive market and respond proactively to new needs and expectations of its customers, always with the aim of creating and developing new, creative and high quality products. EuroItalia's business model is based on the concept of **full-service**, as We ensure to fashion houses support throughout the entire value chain, from the selection of suppliers and raw materials to assistance at the store.

Regarding the mere production, this is the only outsourced activity, as it deserves a specialized distinction; nevertheless it remains directly controlled with Our dominant presence and forms of participation. Therefore, We put a lot of attention in the selection of our business partners and in the creation and consolidation of business relationships based on trust, transparency and dialogue.

We collaborate closely with the most prestigious international fashion houses with which We ha have the possibility to share the stylistic guidelines to create and develop perfumes and beauty products. Moreover, EuroItalia owns two brands: Naj Oleari, for beauty products, and Reporter.





① CREATIVE CONCEPT DEVELOPMENT

WE TAKE CARE OF THE COMPLETE PRODUCT DEVELOPMENT PROCESS AND THE FIRST STEP STARTS FROM SHARING DEVELOPMENT GUIDELINES WITH FASHION HOUSES. IN ORDER TO ANTICIPATE MARKET TRENDS AND QUICKLY TRANSLATE THESE TRENDS INTO PRODUCTS THAT MATCH THE NEEDS OF OUR CUSTOMERS AND MERGE WITH OUR BRAND'S DNA, WE USE MARKET ANALYSIS TO DEVELOP A CREATIVE CONCEPT FOR EACH PRODUCT ON WHICH WE SHAPE EVERY DEVELOPMENT CHOICE, FROM INGREDIENT SELECTION TO THE STUDY OF FORMULAS, FROM THE ANALYSIS OF RAW MATERIALS USED IN PACKAGING TO INDUSTRIAL PRODUCTION.

② RAW MATERIALS AND INGREDIENTS SELECTIONS

AFTER THE IDENTIFICATION OF THE CREATIVE CONCEPT, WE CAREFULLY EVALUATE AND SELECT THE BEST SUPPLIERS WITH WHOM TO COLLABORATE IN ORDER TO ACQUIRE THE RAW MATERIALS AND INGREDIENTS NECESSARY FOR PRODUCTION (For further information, please refer to the chapter "Responsible supplier management: a key factor for EuroItalia's success").

③ PRODUCTION PHASE OF FRAGRANCES, BEAUTY PRODUCTS AND PACKAGING

IN PARTICULAR, AS FOR THE JOURNEY OF THE PERFUME, WE COLLABORATE WITH THE MOST IMPORTANT AND QUALIFIED ESSENCE PRODUCERS IN THE SECTOR FOR THE CREATION OF UNIQUE FRAGRANCES. IN ADDITION, TOGETHER WITH THE ESSENCE PRODUCERS WE USE THE SUPPORT OF THE NASI TO EVALUATE AND SELECT THE BEST FRAGRANCES ACCORDING TO OUR CREATIVE BRIEFS. THIS WORK PROCESS IS CONSISTENT WITH THE SELECTION OF INGREDIENTS COMPLIANT WITH CURRENT REGULATIONS.

FOR MAKE-UP PRODUCTS, WE ANALYZE STUDY AND CREATE FORMULAS FOR THE DEVELOPMENT OF EFFECTIVE AND SAFE PRODUCTS FOR THE FINAL CONSUMERS. WE ARE SUPPORTED BY DEDICATED EXTERNAL COSMETOLOGY CONSULTANTS TO ENSURE THE WE COMPLIANCE WITH CURRENT REGULATIONS.

④ CAREFUL PRODUCT TESTING AND ANALYSIS

FURTHERMORE, BOTH DIRECTLY AND INDIRECTLY THROUGH THE SUPPORT OF OUR MANUFACTURERS AND SPECIALIZED THIRD PARTY COMPANIES, WE PERFORM CAREFUL TESTING AND ANALYSIS OF OUR PRODUCTS, THROUGH EFFECTIVENESS TESTS, ALLERGIC TESTS, OPHTHALMOLOGICAL TESTS AND MICROBIOLOGICAL TESTS, IN ORDER TO ENSURE PRODUCT SAFETY AND HIGH EXPECTED PERFORMANCE. EUROITALIA PAYS PARTICULAR ATTENTION TO THE QUALITY OF ITS PRODUCTS AT EVERY STAGE OF THE SUPPLY CHAIN BY APPLYING A SCIENTIFIC AND INDUSTRIAL METHOD.

⑤ BOTTLING AND PACKAGING

AFTER BEING DEVELOPED, THE FINISHED PRODUCTS ARE BOTTLED AND PACKAGED IN THE CHOSEN PACKAGING AND FINALLY SHIPPED TO EUROITALIA'S HEADQUARTERS IN CAVENAGO, AN AUTOMATED AND STATE-OF-THE-ART LOGISTICS CENTER, WHERE QUALITY CONTROL, SORTING, SPECIFIC PACKAGING AND TRACKING OF EVERY SINGLE PRODUCT TAKES PLACE AND FROM HERE THE TRANSPORT TO DISTRIBUTORS AND RETAILERS IS ORGANIZED AND MANAGED GLOBALLY.

⑥ LOGISTIC MANAGEMENT

IN PARTICULAR, LOGISTICS, BOTH INBOUND AND OUTBOUND, IS MANAGED DIRECTLY BY EUROITALIA IN THE CAVENAGO LOGISTICS CENTER. THE TRANSPORTATION IS MIXED, BOTH THROUGH TRANSPORT DIRECTLY MANAGED BY THE CUSTOMER (EXWORKSIN, FRANCOFABBRICA IN ITALIAN) AND ALSO THROUGH TRANSPORT MANAGED DIRECTLY BY EUROITALIA. TO BE EXTREMELY SURE, ALL TRANSPORTS ARE ESCORTED BY SURVEILLANCE TO THE FIRST CUSTOMS DESTINATION.

⑦ MARKETING STRATEGY DEVELOPMENT

⑧ SUPPORT AND ASSISTANCE OF STORES

⑨ CONSUMER SATISFACTION MANAGEMENT

FINALLY, WE TAKE CARE OF THE STRATEGIC COMMERCIAL PLACEMENT OF THE PRODUCTS, DESIGNING AND DEVELOPING THE MOST EFFECTIVE MARKETING, MERCHANDISING AND COMMUNICATION STRATEGIES. MOREOVER, WE ATTRACT BEAUTY ASSISTANTS TOWARDS OUR PRODUCTS, PROVIDING TRAINING AND SPECIFIC TRAINING FOCUSED ON THE CHARACTERISTICS, QUALITY, FORMULA AND HOW TO USE THE PRODUCTS. WE ALSO SUPPORT STORES IN ANY NEED THEY MAY HAVE AND ON MERCHANDISING INSTALLATION. LASTLY, WE SUPPORT FASHION HOUSES AND STORES IN THE MANAGEMENT OF CUSTOMER SATISFACTION, IN PARTICULAR RELATED TO COMPLAINTS MADE BY FINAL CONSUMERS.

(For further information, please refer to the chapter "Customer satisfaction: Our commitment to listening to Our customers' needs").

2018

2016

2015

2014

2012

2011

2006

1995



VERSACE
EROS FLAME



VERSACE
DYLAN BLUE



DSQUARED2
WOOD FOR MAN E
WOOD FOR WOMAN



MOSCHINO FRESH



MISSONI
EAU DE PARFUM



MOSCHINO TOY



VERSACE EROS



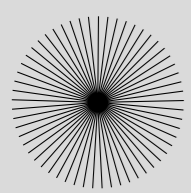
MOSCHINO FOREVER



VERSACE
BRIGHT CRYSTAL



MOSCHINO
CHEAP & CHIC



WE COOPERATE WITH THE BIGGEST INTERNATIONAL FASHION BRANDS, BOASTING THE CREATION OF A WIDE RANGE OF PRODUCTS, INCLUDING SEVERAL ICONIC FRAGRANCES.

ATELIER VERSACE

VERSACE

In 2019, We collaborated on the creation of Atelier Versace, an exclusive collection of six fragrances ranging from woody, to floral, to fresh. Atelier Versace focuses on innovative design, materials and technology, incorporating in its six fragrances high quality ingredients, craftsmanship, innovative techniques that distinguish the Versace brand.

WOOD DSQUARED2

DSQUARED2

Still in 2019, We collaborated in creating Green Wood and Red Wood, the two new fragrances by DSQUARED2. WOOD is a project that is inspired by the wood's properties, resistant and strong, with a very complex structure at the base of its uniqueness. These two fragrances describe the DSQUARED2 woman and man of today, characterized by their sensuality, self-confidence and strong personality. The protagonists of these two fragrances, both young and interpreters of the Zeitgeist, enjoy good vibes, passionate spirit and are driven toward the new. The DSQUARED2 woman and man seek a refined essence able to give originality, depth and passionate aftertaste.



DSQUARED2

MOSCHINO

FINALLY, IN 2019, WE COLLABORATED TO DEVELOP THE NEW EXCLUSIVE FRAGRANCE LUI BY MOSCHINO. TOY BOY IS MOSCHINO'S NEW ICONIC ESSENCE THAT EXPRESSES ELEGANCE WITH IRONY, AIMED AT A UNIQUE, ENTHUSIASTIC, PASSIONATE AND DYNAMIC MAN WHO IS NOT AFRAID TO SHOW HIS MOST PLAYFUL AND GENTLE SIDE.

MOSCHINO

The fragrance is contained in a precious and elegant shiny black lacquered glass bottle decorated with silver finishing. Toy Boy is composed of high quality ingredients and delicious combinations that tell a seductive and playful teddy bear, whose hug leaves no escape. The fragrance is characterized by an olfactive family of spicy, woody and amber.

Finally, We also collaborated to create the Toy Boy by Moschino bath line, which consists of exclusive moisturizing and emollient products for daily body care.



MOSCHINO

The sector in which We operate: competitiveness and internationalization

EuroItalia operates in the luxury beauty sector at international level, competing with multinational perfumery brands in a very competitive and multi-brand market.

Thanks to its flexibility, of its dynamic and efficient business model, EuroItalia has managed over the years to gain an important market share in the sector. Moreover, through its dynamic structure and decision-making process, EuroItalia has managed to obtain a very competitive "Time to Market" factor ensuring a fast launch of its products on the market.

Within the personal products sector, where EuroItalia deals in particular with luxury beauty, brand management and product quality are increasingly important issues, whose progress is driven by the necessity of continuous innovation, maintaining market positioning or obtaining market share.

Product creation and development have a priority as directly related to the safety of the product itself. In addition, the growing demand for increasingly innovative products encourages companies to develop improved and reformulated versions of their traditional products. Increasing attention is being paid to the composition of products, in fact, combined with a changing regulatory environment that restricts the use of ingredients and chemicals, the new consumer demands lead innovation towards high quality, safe and natural products.

CURRENTLY, THE KEY ISSUES IN THE SECTOR ARE LARGELY RELATED TO THE USE OF NATURAL AND SUSTAINABLE INGREDIENTS, AND PLASTICS USE REDUCTION IN PACKAGING.

In addition, restrictions on emissions, energy consumption and water use also have a strong impact on operating and production costs.

Before the COVID-19 emergency, which led to a slowdown throughout the world economy, beauty and cosmetics was a fast-growing sector with excellent performance in all product categories.

FOCUS

“Keeps the beauty supply chain: Italian actors under the lens”

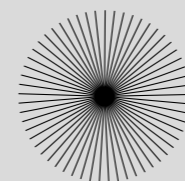
In 2020, 24 Ore Ricerche e Studi, the 24 Ore Group division that carries out analyses of market sectors, in collaboration with Mediobanca's Area Studi, published the Cosmesi Report, providing a snapshot of the current situation in the cosmetics sector and the companies operating in it with interesting forecasts and scenarios, especially with regard to the Covid-19 emergency.

The Cosmesi Report highlights the important presence of Italian companies in this sector, including

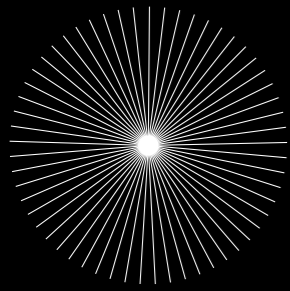
EuroItalia among the five top Italian players in terms of 2019 turnover with 448 thousand euros*

In fact, Italy is in ninth position as a world producer and fourth position as a European producer with sales of 11.9 billion dollars, ahead of Germany, France and the United Kingdom in Europe. The entire supply chain of Made in Italy cosmetics, including suppliers of packaging in particular, reaches about 16 billion dollars of sales.

*For further information please refer to the following link: <https://www.ilsolo24ore.com/art/tiene-filiera-bellezza-sotto-lente-player-italia-ADaFDQd>



FINALLY, THE REPORT REVEALS THAT THERE ARE 195 ITALIAN COMPANIES IN THE BEAUTY SECTOR WITH A TURNOVER EXCEEDING 10 MILLION SALES OF 12.1 BILLION EUROS AND OVER 39 THOUSAND EMPLOYEES. EXPORTS, WHICH IN 2018 AMOUNTED TO 5.4 BILLION EUROS IN ITALY, HAVE BEEN A DRIVING FORCE FOR THE COSMETICS SECTOR OVER THE LAST TEN YEARS, RECORDING AN IMPORTANT GROWTH FROM 25.1% OF SALES IN 2009 TO 43.4% IN 2019.



Truly united: COVID-19 Emergency

During 2020, EuroItalia, through the Human Resources Function, following the measures taken by the Italian government to deal with the COVID-19 emergency, including the shutdown of schools of all levels and company departments deemed non-essential, has prepared daily all the necessary measures to ensure and protect the health of its employees (e.g. Smart working, distribution of appropriate personal protective equipment, etc.).

EUROITALIA HAS BEEN PROACTIVE IN DEALING WITH THE EMERGENCY BY IMPLEMENTING PREVENTIVE ACTIONS SINCE THE FIRST VERIFIED CASES OF COVID-19 IN THE LOMBARDY REGION AT THE END OF FEBRUARY 2020. IN PARTICULAR, WE HAVE PROVIDED THE IMMEDIATE DISTRIBUTION OF FFP2 AND FFP3 MASKS, GLOVES AND SANITIZERS TO PROTECT THE HEALTH AND SAFETY OF OUR EMPLOYEES. PERSONAL MEETINGS HAVE BEEN REDUCED BY PREFERRING REMOTE MEETINGS THROUGH THE DIGITAL PLATFORMS MADE AVAILABLE BY THE COMPANY. IN ADDITION, EUROITALIA HAS INSTALLED SPECIFIC AIR PURIFIERS TO REDUCE THE RISKS OF INFECTION.

Following the Italian government's decision to shutdown all business activities in order to reduce and control the spread of the virus, EuroItalia has provided its employees with the appropriate tools to continue their work at home, wherever possible. In particular, We provided laptops and VPN extension as needed. For employees not doing smart working activities, a paid leave of absence was provided.

Weekly communications were provided to employees informing them how to carry out activities and possible future developments in order to reduce uncertainties due to the emergency situation.

In order to restart the activities, shifts have been organized to alternate the presence of employees in the office, so as to ensure safety standards and comply with current regulations.

A maggio, con il fine di operare a pieno regime con tutti i dipendenti presenti in ufficio e in magazzino, abbiamo provveduto alla preparazione degli spazi lavorativi assicurando la salute e la sicurezza attraverso l'installazione di plexiglas e la sanificazione degli ambienti di lavoro.

In May, in order to fully operate with all the employees present in the office and in the warehouse, We prepared the working spaces ensuring health and safety through the installation of plexiglas and the sanitization of the working environments.

At the beginning of June, EuroItalia ensured the possibility for all employees to carry out serological tests to check and protect the health and safety of the staff, thus answering several requests of the same employees to be tested. Employees who had positive serological test results were immediately subjected to the quarantine procedure and were immediately tested. In June 2020, all employees tested negative and returned at work.

TO CONFIRM THE CONSTANT ATTENTION TO THE HEALTH AND WELFARE OF ITS WORKERS, EUROITALIA STIPULATED A SPECIFIC INSURANCE COVERAGE FOR THE COVID-19 (REALMENTE UNITI BY REALE MUTUA), IN ORDER TO PROTECT ITS PEOPLE IN THIS UNUSUAL SITUATION THAT WE HAD TO FACE.

The policy is active for employees and their families providing an indemnity in case of hospitalization caused by COVID-19 infection, an indemnity from intensive care as well as a complete package of assistance, including H24 generic medical consultation independent from COVID-19 contagion, and, in case of hospitalization, the booking of examinations and visits, delivery of medication, and also the cost, as well as a Pet Sitter sending service, for all necessary treatment.

The evolution of the situation is constantly monitored in order to act timely with the appropriate measures, minimizing the social and economic effects for the Company.

Giovanni Sgariboldi, currently **President of EuroItalia**, founded the company in 1978. The initial **licensing portfolio** consists of the brands **Oleg Cassini**, **Reporter**, **Enrico Coveri**.

REPORTER
FOR MEN



1978

1988



NAJ·OLEARI
Italian Beauty

Between 1988 and 1989 **EuroItalia purchased** the trendy brands **Naj Oleari** and **El Charro**. In addition, **EuroItalia** signed **the license with Moschino**, a collaboration of fundamental importance that continues to this day.

EuroItalia signs the license with **Dolce&Gabbana**, a fundamental collaboration for the **growth of the company** that launched in recent years some of its **most successful** fragrances, still among the best-selling in the world including **Dolce&Gabbana Light Blue**. The collaboration has now ended.

EuroItalia



1992

1995



MOSCHINO

EuroItalia launches the first **Olivia Moschino**, an international success, also displayed at the **MoMA** in **New York**.

EuroItalia signs **the license with Versace**, which is today, after several years of collaboration, a fundamental brand in the fragrance business at an international level.

VERSACE



2005

2015



MISSONI

EuroItalia acquires the **Missoni license**, placing high expectations on the brand. In the same year **was launched** the first women fragrance **Missoni Eau the Parfum**.

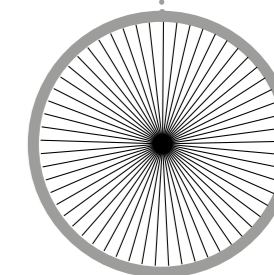
EuroItalia stars the collaboration with **Dsquared2**.

DSQUARED2



2018

2020



SOSTENIBILITÀ

EuroItalia undertakes a detailed program for the development of **sustainability practices**.



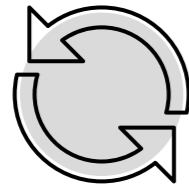
Our Mission and our Values: a Family Matter

Our Company is founded on family values, trust, collaboration and dialogue, fundamental elements of its success. Moreover, EuroItalia is synonymous of creativity, quality and innovation, elements that have always distinguished it and led it to grow and impose itself in the luxury beauty sector at an international level. EuroItalia's values are the ingredients of the formula for a long-term value creation. Specifically, these ingredients drive and enrich business decisions and everyday actions/activities.



1. FAMILY

EuroItalia strongly believes in family values, the core of its success.



2. TRUST

EuroItalia believes that building relationships based on mutual trust with all its Stakeholders ensures the long-term value creation.



3. COLLABORATION AND DIALOGUE

Collaboration and dialogue are the basis of every relationship in EuroItalia.



4. CREATIVITY

EuroItalia is an endless source of creativity. Its ability to generate unique and original products, always placing its customers as the focus, is one of its defining characteristics.



5. QUALITY

Excellence is at the basis of every decision regarding the product: from the ingredients used, through the production processes, to the packaging material.



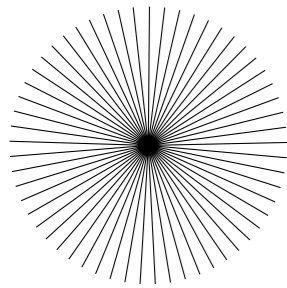
6. INNOVATION

EuroItalia is continuously focused on creating increasingly innovative products that anticipate the needs of its customers and market trends.

The company values are part of the company's philosophy and are constantly carried over by the family, playing an active role within the organizational structure.

These values guide employees in their activities and enable the Company to build long-lasting relationships with its business partners. Ethics is fundamental on creating reliable relationships with its employees, suppliers, customers, increasing its reputation and providing a competitive advantage. In fact, EuroItalia has long-standing partnerships based on mutual trust with its customers, suppliers and distributors. Finally, EuroItalia stands out for its high and constant attention to the customer with the goal of fully meeting their expectations and timely anticipating their future needs. Particularly, with its international fashion house partners it demonstrates to perfectly adapt to the specific creative styles of each of them.

● (For further information, please refer to the chapter "Customer Satisfaction: Our commitment to listening to Our customers' needs").



Made in Italy Philosophy

In 1978, Giovanni Sgariboldi created a new entrepreneurial reality in the province of Monza, placing the Made in Italy at the center of the corporate raison d'etre.

This philosophy is an element of uniqueness of the Company that since its birth has set the mission to promote and enhance the Made in Italy worldwide, through perfumes.

Made in Italy represents a key part of EuroItalia's identity, through a preference for Italian skills, quality and creativity, promoting collaboration with Italian companies from the big fashion brands to small and medium-sized entrepreneurs in the area. Over the years, EuroItalia has become the main supporter of the "art" district of Italian perfume.

THIS PHILOSOPHY IS SYNONYMOUS WITH EXCELLENCE AND CARE IN THE CHOICE OF INGREDIENTS AND RESEARCH OF THE HIGHEST QUALITY, EXCLUSIVELY MADE IN ITALY. AS A DEMONSTRATION OF THE EFFORTS MADE IN RECENT YEARS, EUROITALIA, HAS BEEN RECOGNIZED AS ONE OF THE COMPANIES TO PROMOTE AND QUALIFY MADE IN ITALY WORLDWIDE.



Governance and compliance

EuroItalia presents a traditional governance model, a streamlined and dynamic system as it includes a management body, the Sole Director Giovanni Sgariboldi, and a control board, the Board of Statutory Auditors. The Board of Statutory Auditors does not audit the accounts, which is instead delegated to an external auditing firm. In 2019, the Financial Statements of EuroItalia Srl were audited by PricewaterhouseCoopers, which issued a positive opinion pursuant to Article 14, paragraph 2, letter e) of Legislative Decree 39/10. The Board of Statutory Auditors is responsible for supervising the process of preparing EuroItalia's financial reporting.

In addition, the Management of EuroItalia is held by the Sgariboldi family, which plays a decision-making and operational role. In 2020, EuroItalia adopted the organizational model pursuant to Legislative Decree 231/2001, establishing its own internal procedures, relating to different type of crimes, including, for example, corruption among private individuals, market abuse and corresponding administrative offences, receipt of stolen goods, money laundering and crimes against the public administration, environmental crimes, culpable crimes committed in violation of accident prevention regulations and the protection of hygiene and health in the workplace and crimes of racism and xenophobia. This decision represents the Company's commitment to fighting corruption. EuroItalia voluntarily decided to launch a project to analyze its organizational, management and control tools, aimed at verifying the correspondence of the behavioral principles and control measures already adopted with the purposes set out in the Decree.

In particular, EuroItalia has identified the company activities within which the crimes included in the Decree could potentially be committed. Furthermore, as required by Legislative Decree 231/2001, EuroItalia has set up its own internal Supervisory Body with the task of supervising the compliance, effectiveness, implementation and operation of the Model, taking care of its updating. The Supervisory Body with a collegial structure is composed of an external member with autonomy, independence and professionalism appointed by the Administrative Body. The members of the Supervisory Body remain in charge for three years from the date of the appointment and are in any case re-eligible. Finally, the Company has defined and adopted a system of sanctions, containing the disciplinary measures applicable in case of violation of the provisions contained in the Organizational Model pursuant to Legislative Decree 231/2001 in order to ensure the effective implementation of the Model itself. This decision represents the Company's commitment to the fight against corruption. Following the adoption of the 231 model, EuroItalia has developed its own Code of Ethics.

CODE OF ETHICS

In 2020, EuroItalia developed and adopted its own Code of Ethics in order to base the conduct of its business activities on compliance with legality and principles. The Code of Ethics establishes a series of values and rules of "corporate ethics" that EuroItalia recognizes as its own and which it requires compliance by its corporate bodies, employees and third parties.

EuroItalia's Sustainability

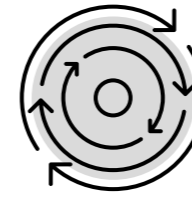
A new beginning: Sustainability according to EuroItalia

From 2020, We started a process of formalizing and structuring existing business practices, launching a 360° sustainability integration process, in order to expand and improve its impacts in the field of sustainable development.

This document represents the first Sustainability Report of the Company, aimed at reporting performance in terms of technical-economic, social and environmental responsibility. In addition, the development and publication of this report allows constant monitoring of the company's sustainability performance in order to increase transparency and strengthen the **Stakeholder** communication.

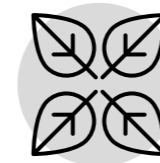
EVENTUALLY, IN 2020 WE DECIDED TO ESTABLISH AND DEVELOP OUR SUSTAINABILITY POLICY

The mission of the Sustainability Policy is to guide and support EuroItalia in the new path of sustainability undertaken, in particular in the decision-making process and in the daily activities management. In the process of defining the Policy, EuroItalia has identified 4 fundamental pillars for its commitment, listed below:



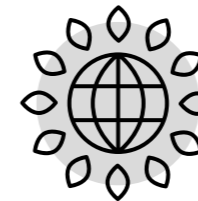
FOCUSING ON STAFF AND SOCIAL IMPACT

EuroItalia considers its human capital as a strategic asset, therefore it is committed to enhance the value of its people and the uniqueness they represent and to promote a meritocratic, stimulating and safe working environment. EuroItalia prioritizes its clients, anticipating their needs and transforming them into safe, innovative and creative quality products. Being aware of the fundamental role that EuroItalia plays locally, it is committed to generating a long-term value shared with the local community in which it operates;



GREEN FOOTPRINT

EuroItalia is committed to monitoring its environmental impact in order to develop and implement innovative solutions to reduce its footprint in natural capital and improve its environmental practices;



SUPPLY CHAIN MANAGEMENT

EuroItalia, aware of the strategic role of its supply chain, is committed to create and maintain a collaborative relationship of trust and dialogue with its suppliers. EuroItalia is committed to carefully select and monitor suppliers in order to ensure quality and safe products for its customers;



BUSINESS INTEGRITY

EuroItalia is characterized by a strong business integrity by consistently operating in compliance and respecting the Law.

A continuous interaction with Our Stakeholders

EuroItalia has targeted its Stakeholders through an internal analysis, defining, among the main ones: personnel, business partners, distributors and retailers, community, institutions and regulators, suppliers and final consumers.

EuroItalia



STAFF: the staff is considered a valuable asset, fundamental for long-term value creation. We strongly believe in the importance of Our employees to achieve increasingly challenging goals and to continue to consolidate Our success. Therefore, We invest in the personal and professional development of Our employees and We are committed to ensuring a safe, flexible, familiar working environment that meets the needs of Our employees.



BUSINESS PARTNERS: business partners, such as fashion houses that license the Company to produce and distribute beauty products, assist us in the design of products. On the other hand, We are committed to producing and offering excellent, innovative and creative products that fully meet the needs and expectations of fashion houses. Finally, We invest Our efforts in offering compliant and safe products for final consumers.



DISTRIBUTORS AND RETAILERS: distributors and retailers support the Company in the distribution and sale of final products. They are crucial in generating long-term value, ensuring an efficient distribution and sales service. At the same time, We are dedicated to meeting Our commitments to them.



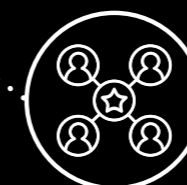
COMMUNITY: the community supports EuroItalia and in the same way, We support the development of Our community through Our initiatives and projects in the local area.



INSTITUTIONS AND REGULATORS: the institutions and regulators are responsible for regulating and verifying the Company's activities. We have always been committed to operate in accordance with the law and to comply with all current regulations.



SUPPLIERS: raw materials suppliers, both for perfumes and make-up products and for packaging, are fundamental to enable EuroItalia to produce high quality, innovative and creative products. We work closely with Our suppliers in order to achieve common goals of growth and value creation.



FINAL CONSUMERS: they benefit from the product as We care about its safety.

We believe that establishing and maintaining long and strong relationships with all Our Stakeholders is crucial. A relationship based on constant and transparent dialogue and active involvement of our Stakeholders is crucial for long-term value creation. Through continuous and stable relationships, We are able to understand each Stakeholder's specific priorities and expectations, to anticipate the emergence of possible issues and to quickly respond to the needs of each of them.

In addition, the transparent and continuous dialogue with Our Stakeholders, especially with Our community, ensures us ongoing support to continue to generate value.

We support, promote and spread the Made in Italy philosophy in the sector worldwide, thus enhancing the skills and the know-how of the community in which We operate. The Company also has a strong social impact and is able to generate long-term value for its suppliers and for the entire region.

In 2020, We decided to undertake a path of sustainability also aimed at improving and strengthening the dialogue with Our Stakeholders, promoting transparency by drafting and publishing the 2019 Sustainability Report. The path undertaken is a further expression of the responsibility that EuroItalia assumes towards its community.

IDENTIFYING ITS STAKEHOLDERS ON TIME, ORGANIZING EFFECTIVE DIALOGUE AND INVOLVEMENT CHANNELS AND THE CONSTANT MONITORING OF THEIR INTERESTS AND NEEDS ARE OUR PRIORITY.

APPROACH TO STAKEHOLDER ENGAGEMENT		
Stakeholder Groups involved	Engagement methods	Frequency of engagement
STAFF	<ul style="list-style-type: none"> → Ongoing communication with Human Resources Function → Meetings with employees to share results achieved and future goals → Meetings to raise awareness on welfare, health and safety issues → Training sessions → Corporate Intranet → Recruitment programs for new hired 	Daily
BUSINESS PARTNERS	<ul style="list-style-type: none"> → Direct and continuous relationship → Customer care service support → Sharing of annual results 	Daily Annual Semiannual
SUPPLIERS	<ul style="list-style-type: none"> → Daily reports → Definition and sharing of regulations and standards → Dedicated platform → Regular meetings and site visits → Shared improvement plans 	Daily Annual Semiannual
COMMUNITY	<ul style="list-style-type: none"> → Meetings with community organizations and associations → Definition of projects or initiatives and actions in support of the local community 	Annual Semiannual
DISTRIBUTORS AND RETAILERS	<ul style="list-style-type: none"> → Annual meetings → Sharing of objectives and annual results → Product related training → Customer care service support 	Annual Semiannual
INSTITUTIONS AND REGULATORS	<ul style="list-style-type: none"> → Participation and collaboration with working groups → Design and development of common initiatives 	Annual
FINAL CONSUMERS	<ul style="list-style-type: none"> → Customer service → Email box dedicated to feedback receiving 	Daily

In addition, EuroItalia is a member of several associations of different areas of intervention: the following are the main associations to which EuroItalia adheres:

1 ASSOLOMBARDA: association of companies operating in the Metropolitan City of Milan and in the provinces of Lodi, Monza, Brianza e Pavia. The association protects the interests of the member companies in their relations with the institutional interlocutors and Stakeholders of the territory active in various fields: training, environment, culture, economy, work, civil society.

IN 2019, EUROITALIA WAS INCLUDED AMONG THE TOP 25 FOR ITS 2018 TURNOVER AMONG THE CLASSIFICATION TOP500+ THE EXCELLENCE OF MONZA AND BRIANZA OF ASSOLOMBARDA.

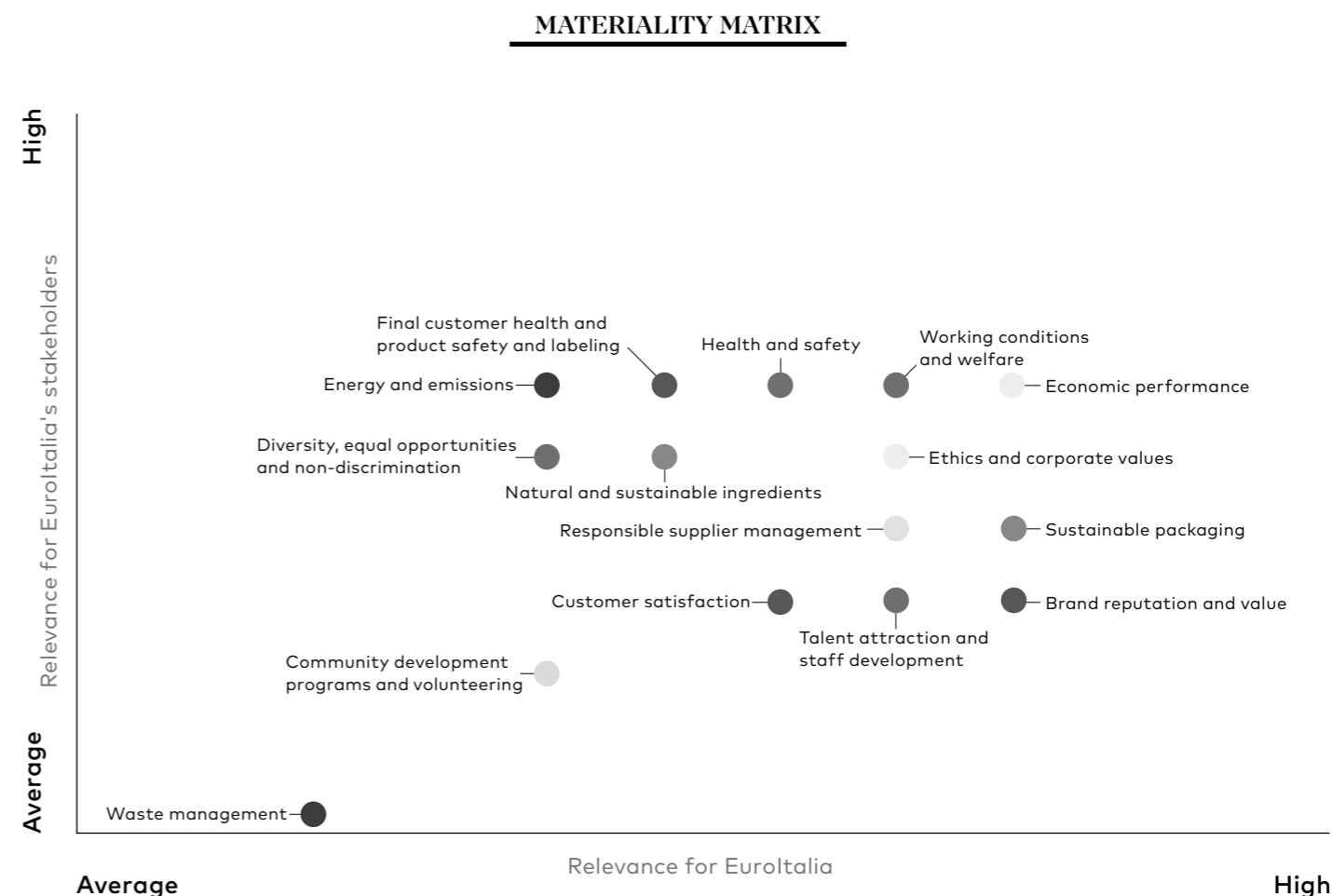
2 COSMETICAITALIA: National union of perfumery, cosmetics, toilet soaps and similar industries, is the association point of reference of the sector in the processing and dissemination of regulatory, technical, fiscal and commercial information. Its goal is to accompany and support consumers in the research of cosmetic products, providing detailed information for a thorough knowledge of cosmetics and their ingredients.

3 CONFCOMMERCIO: Italian General Confederation of Enterprises, Professional Activities and Self-employment, is the largest business representation in Italy. The Confederation acts in support of organizations' needs, defining lines of action, coordinating implementation tools, working out a strategy for the development of the sectors represented and developing a continuous dialogue with national institutions and agencies.

MATERIAL TOPICS FOR EUROITALIA: WHAT IS REALLY IMPORTANT FOR US AND OUR STAKEHOLDERS

In order to identify the strategic technical-economic, social and environmental priorities that reflect the Company's economic, environmental and social impacts and influence Stakeholders' assessments and decisions, EuroItalia has developed an analysis of material issues. The aim of the analysis is to identify where its impacts take place and, consequently, the structure and contents of its Sustainability Report. The analysis was carried out considering the context and sector of reference, best practices at national and international level and the main sustainability frameworks (Global Reporting Initiative, UN Sustainable Development Goals, etc.). The analysis process took place within the Company through the participation of the Owners and the Management, which identified the material issues both from the point of view of the organization and of its Stakeholders.

THE RESULT OF THE ANALYSIS LED TO THE DEFINITION OF THE FOLLOWING MATERIALITY MATRIX.

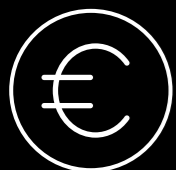


Economic responsibility

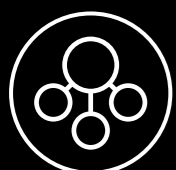
ECONOMIC AND FINANCIAL PERFORMANCE



+ 13,4% OF GROUP REVENUES



+ 10% OF THE VALUE DIRECTLY GENERATED



87% OF THE GENERATED VALUE WAS DISTRIBUTED TO OUR STAKEHOLDERS

*Values calculated using 2019-2018 data

EuroItalia achieved important goals in 2019, confirming its positive growth trend by recording an increase in Group revenues, which amounted to Euro 448,103 thousand in 2019, 13.4% compared to 2018. The trend is also confirmed in the three-year period in which the Group recorded a 25% increase in production revenues compared to 2017.

EuroItalia is currently investing significantly in its international commercial facilities in order to consolidate its international business considering its importance for the Company.

Below is a reclassification of the Group's income statement that represents the value generated and distributed, an indicator of the economic impact of EuroItalia, achieved through its activities. The value directly generated by EuroItalia in 2019 is equal to Euro 470,851 thousand, recording an increase of 10% compared to 2018, and the value distributed in 2019 was equal to Euro 407,996 thousand, recording an increase of 15% compared to 2018. 86.65% of the value generated by EuroItalia was distributed to its Stakeholders, both internal and external, while 13.35% of the value generated was retained within the Company.

Most of the economic value distributed is allocated to the suppliers' compensation, followed by Public Administration payments, equal to 4.96% of the distributed value, and Personnel payments, equal to 0.79%. Such distributions emphasize the importance of the supply chain for EuroItalia which, as previously reported, is characterized by a business model structured on the outsourcing of productive activities.

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED

Thousands of euro	2018	Percentage	2019	Percentage
VALUE DISTRIBUTED TO SUPPLIERS	327.700	92,15%	384.491	94,24%
STAFF COMPENSATION	2.960	0,83%	3.225	0,79%
FINANCIAL PAYMENTS	111	0,03%	/	0,00%
PAYMENTS TO PUBLIC ADMINISTRATION	24.834	6,98%	20.253	4,96%
PAYMENTS TO COMMUNITY	/	/	27	0,01%
DISTRIBUTED ECONOMIC VALUE	355.605	82,88%	407.996	86,65%
ECONOMIC VALUE WITHHELD	73.481	17,12%	62.855	13,35%
DIRECTLY GENERATED ECONOMIC VALUE	429.086	100%	470.851	100%

Responsibility to Our people



100% FULL-TIME PERMANENT EMPLOYEES



16% MANAGERS, 61% CLERKS, 23% WORKERS



**QUAS HEALTH COVERAGE +
ADDITIONAL HEALTH CARE FOR MANAGERS**



+ 5 NEW HIRED



EAST FUND FOR OTHER EMPLOYEES



0 INJURIES IN 10 YEARS

EuroItalia recognizes the importance of its human capital as a strategic asset for its success. For this reason, We invest Our energies in attracting and selecting the best talents and in the professional growth and enhancement of each of Our employees. In addition, We are committed to promoting the well-being of Our people and to ensuring a safe, healthy, stimulating and meritocratic working environment where each individual is encouraged to express their skills and talent. Our company and our employees have a direct, transparent and friendly relationship with each other.

At 31 December 2019, the total number of employees was 58, an increase of 5% compared to 2018. In particular, EuroItalia has 44 employees hired on permanent full-time contracts. In addition to the employees, there are 14 collaborators, of which 10 are exclusive agents working for EuroItalia and 4 contracted workers.

RESPONSIBILITY TO OUR PEOPLE

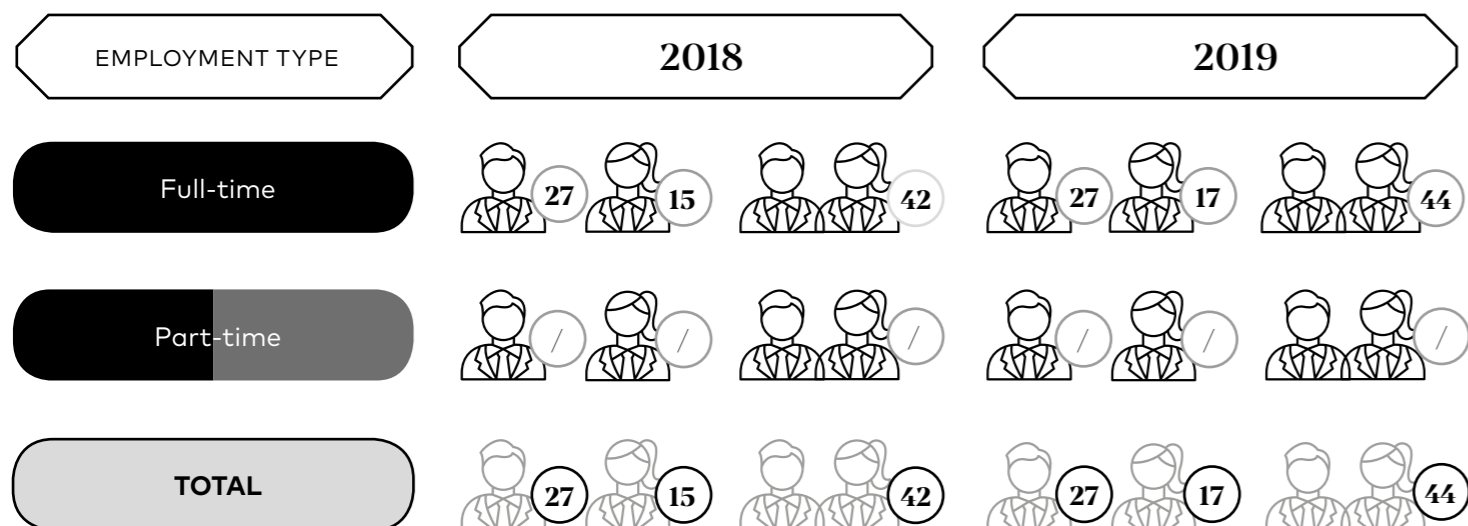
TOTAL WORKFORCE						
TWF*	2018			2019		
	Male	Female	Total	Male	Female	Total
EMPLOYEES	27	15	42	27	17	44
COLLABORATORS	11	2	13	11	3	14
TOTAL	38	17	55	38	42	58

*Total workforce

EUROITALIA EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY) AND GENDER						
TEC*	2018			2019		
	Male	Female	Total	Male	Female	Total
TEMPORARY CONTRACT	/	2	2	/	/	/
PERMANENT CONTRACT	27	13	40	27	17	44
TOTAL	27	15	42	27	17	44

*Type of employment contract

EUROITALIA EMPLOYEES BY EMPLOYMENT TYPE (FULL-TIME AND PART-TIME) AND GENDER

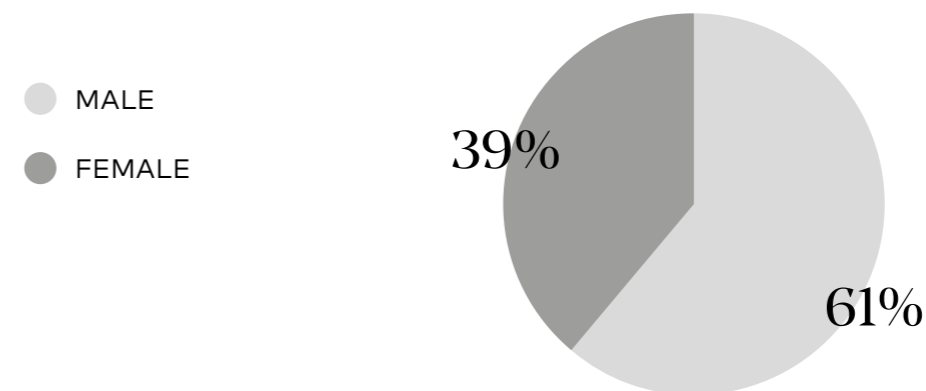


DIVERSITY, EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

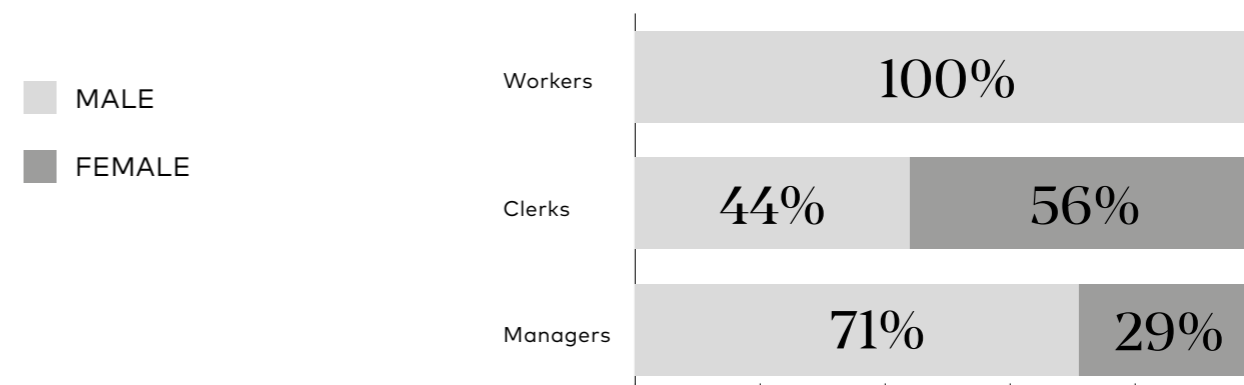
Diversity, inclusion and equality are fundamental values for us, which We strive to respect every day. We have resources with different skills and backgrounds, from marketing to logistics management, from the study of materials to quality control. Therefore, We invest Our efforts in promoting and enhancing the unique value that each employee represents by offering equal opportunities for professional and personal growth and always paying close attention to all aspects affecting the lives of our people.

EuroItalia's corporate workforce is composed of 39% women and 61% men. In addition, 61% of employees are in between 30 and 50 years of age, followed by those over 50 years of age with 34%. In particular, most managers (57%) are in the over-50s age group, while the majority of office workers (67%) and blue-collar workers (60%) are in the 30-50s age group.

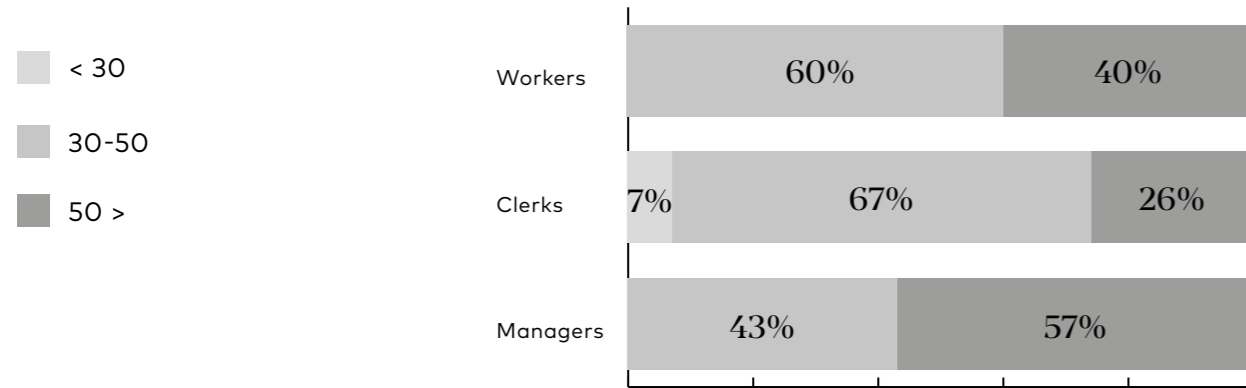
EMPLOYEES BY GENDER (2019)



EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER (2019)



EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP (2019)

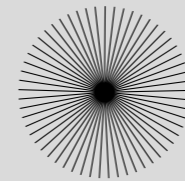


EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

Number	2018			2019		
	Male	Female	Total	Male	Female	Total
MANAGERS	88%	13%	19%	71%	29%	16%
CLERKS	44%	56%	60%	44%	56%	61%
WORKERS	100%	0%	21%	100%	0%	23%
TOTAL	64%	36%	100%	61%	39%	100%

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP

Number	2018				2019			
	< 30	30-50	50 >	Total	< 30	30-50	50 >	Total
MANAGERS	0%	50%	50%	19%	0%	43%	57%	16%
CLERKS	8%	72%	20%	60%	7%	67%	88%	61%
WORKERS	0%	56%	44%	21%	0%	60%	40%	23%
TOTALE	5%	64%	61%	100%	5%	61%	34%	100%



EUROITALIA DOES NOT TOLERATE ANY FORM OF DISCRIMINATION BASED ON GENDER, ETHNIC ORIGIN, SKIN COLOR, NATIONALITY, AGE, RELIGION, POLITICAL OPINION, SEXUAL ORIENTATION, MARITAL STATUS, UNION AFFILIATION, PHYSICAL OR MENTAL DISABILITY AND ANY OTHER CHARACTERISTIC OR PERSONAL STATUS. DURING 2019, NO EPISODES OF ACTUAL OR ALLEGED DISCRIMINATION WERE DETECTED OR REPORTED WITHIN EUROITALIA.

Talent attraction and staff training as sources of growth and improvement

We place a great attention to the recruitment and selection of talented resources considering it as a priority for the growth of the company and for strengthening its competitive advantage in the sector. The new talents hired add value to the know-how of the company by bringing new and different skills and experience.

IN 2019, EUROITALIA HIRED 5 NEW EMPLOYEES, INCLUDING 3 MEN AND 2 WOMEN, RECORDING A HIRING RATE OF 11.4. WHEREAS 3 TERMINATION OF CONTRACTS WERE REPORTED, RECORDING A TURNOVER RATE OF 6.8.

As for the hiring process, Euroitalia entrusts to recruiting agencies or receives applications directly through its LinkedIn network. We consider training a key element in the process of developing Our people, being a key tool to develop, improve and consolidate the skills of each individual employee. Training is also an important driver to share and transmit the company's strategy and values, supporting the growth and cultural development of the Company through the growth and development of its people.

DURING 2019, EUROITALIA PROVIDED A TOTAL OF 278 HOURS OF TRAINING TO ITS EMPLOYEES, AN INCREASE OF 46% COMPARED TO 2018, THUS DEMONSTRATING ITS COMMITMENT TO INCREASE THE FREQUENCY OF TRAINING COURSES FOR ITS PEOPLE.

Euroitalia handles the management and monitoring of professional updates of its employees, including the training and awareness course on Cyber Security issues, along with training courses required by law, including the course on security and fire prevention, management of dangerous materials shipments and the course on waste management, ensuring the participation of everyone.

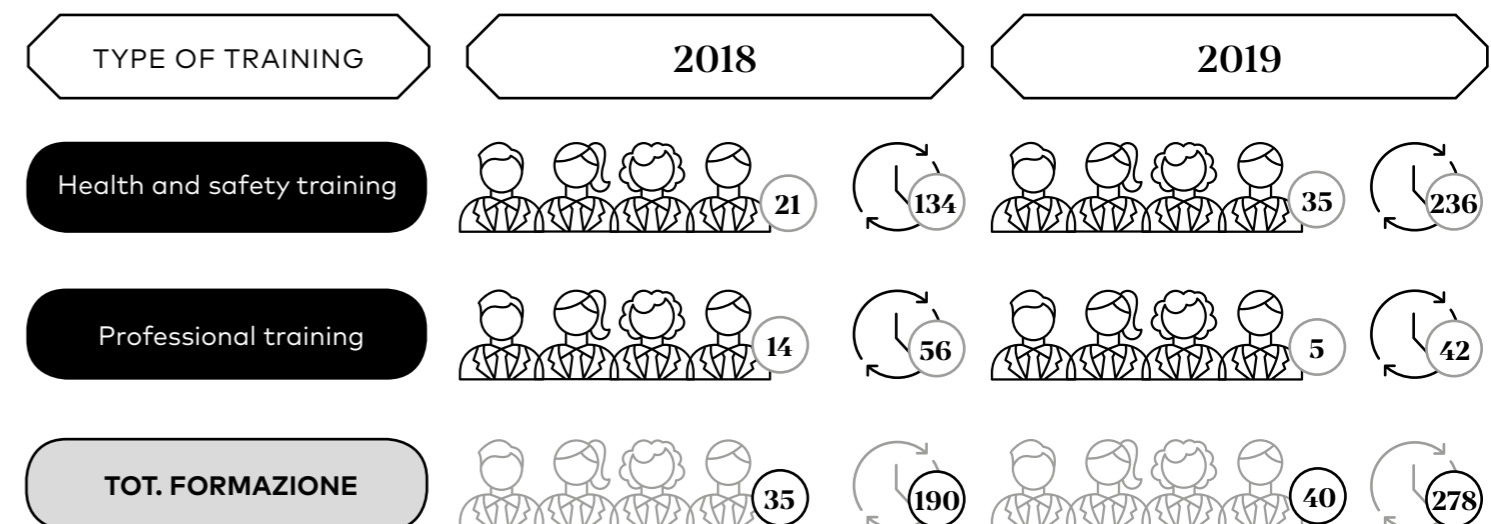
In addition, employees are invited to suggest any training courses for which the company will sponsor participation. Courses attended by employees include courses on marketing, green packaging and consolidated financial statements.

Finally, We strongly believe in trainings on the job. Working and collaborating closely together, every employee has the opportunity to learn from personal and professional experiences of their colleagues. For this reason, We invest Our efforts in creating an informal and familiar working environment to encourage listening and sharing specific skills and knowledge. In this way We protect and pass on Our know-how from one generation to another, from one employee to another.

AVERAGE HOURS OF TRAINING						
AH*	2018			2019		
	Male	Female	Total	Male	Female	Total
MANAGERS	3	0	2	2	0	1
CLERKS	3	4	4	7	3	5
WORKERS	9	/	9	14	/	14
TOTAL	5	4	5	8	3	6

*Average hours

TYPE OF TRAINING PROVIDED



Working conditions and welfare

WE ARE COMMITTED TO CREATING A FAMILIAR AND STIMULATING WORK ENVIRONMENT IN ORDER TO ENCOURAGE OUR EMPLOYEES TO FULLY EXPRESS THEIR ABILITIES. WE ALSO RECOGNIZE THE IMPORTANCE OF A PROPER WORK/PERSONAL LIFE BALANCE FOR OUR EMPLOYEES

As anticipated, We consider Our human capital an essential and indispensable element of Our strategy, at the basis of our ability to create long-term value. For this reason, We value and reward Our employees by offering certain corporate benefits.

Regarding health care, EuroItalia guarantees by law the QuAS health coverage for managers and the EST fund for other employees. In addition, the Company guarantees additional supplementary health care to managers and attorneys. During the COVID-19 emergency, EuroItalia took out a supplementary insurance coverage, Really United by Reale Mutua, in case of coronavirus infection (SARS-COV 2) for all employees.

(For further information, please refer to the paragraph "Truly united: COVID-19 Emergency")

EuroItalia awards a prize to all its employees in June or at the end of the year. The awarding of such prizes is based on the meritocratic assessment of the performance of individual employees and the availability demonstrated during the year. EuroItalia does not use sales or turnover targets as the basis for these evaluations, in order to emphasize the merit of each employee.

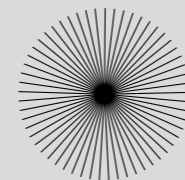
Every year, EuroItalia donates a Christmas basket to its employees as a gesture of gratitude for the commitment shown during the year. In 2019, during the COVID-19 emergency, the Company wanted to demonstrate its solidarity with the staff and their families by sending to every employee a Cova Dove for Easter.

In order to ensure a pleasant working environment, EuroItalia has set up a break room equipped for all employees where they can have their lunch.

Finally, EuroItalia is always available to receive suggestions and proposals from its employees, establishing a direct relationship with each of them. Recently, the Company has provided chairs so you can eat your lunch outside or to relax and enjoy your break in the open air, as proposed by the staff.

Following the positive experience of smart-working adopted during the COVID-19 emergency, EuroItalia is considering the possibility of giving its employees the opportunity to take advantage of this working method regardless of the emergency situation, in order to make work more flexible.

All employees are covered by collective bargaining. The minimum notice period for termination of employment provided by the National Collective Bargaining Agreement for Distribution and Services Tertiary employees is 20 days and may vary with respect to years of service and employee level. There is no defined minimum notice period for operational business changes as this is based on the needs of the moment and is not specified within the applicable national collective bargaining agreement.



DURING THE COVID-19 EMERGENCY, EUROITALIA TOOK OUT A SUPPLEMENTARY INSURANCE COVERAGE, REALLY UNITED BY REALE MUTUA, IN CASE OF CORONAVIRUS INFECTION (SARS-COV 2) FOR ALL EMPLOYEES.

Health and safety at work

We are committed to ensuring a safe and secure workplace by taking preventive measures necessary to comply with the highest standards required by law. In the management of health and safety at work, We rely on the advice of an external specialized company in order to receive as much support as possible to better manage this issue. The experience of the external company allows us to receive specialized technical advice. In particular, this company deals with the management of mandatory training for all employees related to safety at work and first aid and emergency training. Various meetings are held during the year to discuss the activities necessary for training on safety at work.

EuroItalia's health and safety management system following the Article 81 of 2008, Act for Work Safety, which reorganizes and coordinates, within a single text, all the rules to be complied with in terms of health and safety of workers in the workplace, in particular establishes a series of preventive actions and how they should be mandatory implemented and, consequently, a series of interventions to improve the safety and health of workers and how they should be mandatory carried out.

EUROITALIA PREPARES THE RISK ASSESSMENT DOCUMENT (DVR), UPDATED ANNUALLY, WHICH IDENTIFIES, ANALYZES AND MONITORS RISKS IN THE OPERATIONS OF THE COMPANY AND ALLOWS THE COMPANY TO DEFINE CORRECTIVE ACTIONS AND MAKE RESPONSIBLE DECISIONS ALSO WITH REGARD TO IMPROVING THE HEALTH CONDITIONS AND PHYSICAL WELL-BEING OF WORKERS

In 2020, following the COVID-19 emergency, biological risk was also introduced and assessed. In addition, inspections of offices and warehouses are also carried out annually with the support of external consultants in order to prevent any possible accident at work. Regarding health and safety management related to the procurement, EuroItalia requires the necessary documents to draft the Interference Risk Assessment Document (DUVRI) which assesses the risks arising from mutual interference due to the two different activities, indicates the measures taken to eliminate the risks of interference and the measures taken to minimize risks that cannot be eliminated, verifies that the workers in charge of the works are in possession of the appropriate technical requirements and ensures that the workers in charge of the works are in compliance with INAIL insurance status. The contracted workers are then covered by the health and safety management system through DUVRI.

In order to ensure compliance with health and safety, the company has identified an external Prevention and Protection Service Manager (RSPP), two persons in charge of first aid and emergency workers. The first aid and emergency workers are trained employees in charge of these tasks.

WORKPLACE SAFETY TRAINING IS CARRIED OUT EVERY YEAR IN ACCORDANCE WITH THE INTERVALS REQUIRED BY CURRENT LAW. THIS TRAINING IS PROVIDED THROUGH CLASSROOM COURSES AND SPECIFIC COURSES DEPENDING ON THE FUNCTION OF THE EMPLOYEES.

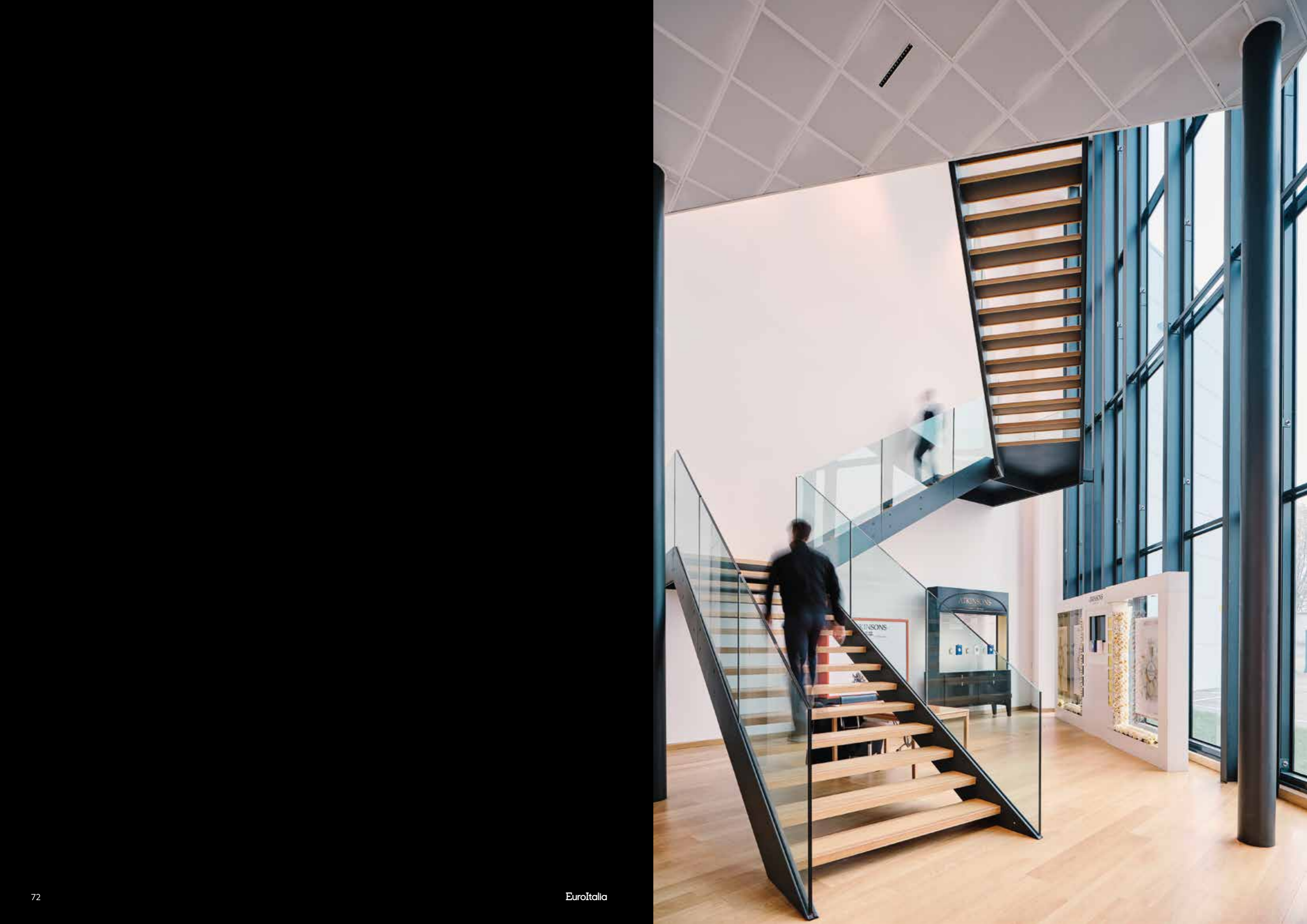
For instance, for the use of lift trucks (forklifts), training and update sessions are provided to ensure the safety of operators. In addition, health and safety supervisors and emergency workers attend refresher courses every year. Finally, all employees will participate in the fire training required by law and are involved in the evacuation test carried out once a year. During the evacuation test, the evacuation plan is implemented and updated annually.

EuroItalia entrusts its own doctor in charge of medical examinations, including blood and urine tests, of new employees to establish absolute or partial suitability and to report possible prescriptions and points of attention with respect to any assigned tasks. In addition, the doctor is responsible for the annual medical examination required by law and also for the examination prior to return when an employee exceeds 60 days of illness, in order to ascertain his or her suitability. In addition, urine tests are carried out on forklifters and warehouse operators in order to verify the presence of drugs or spirits.

In 2020, EuroItalia installed a defibrillator with Life Guidance function in the logistics center of Cavenago that provides simple step-by-step instructions in order to be able to intervene promptly in case of cardiac emergency. This decision underlines EuroItalia's commitment to ensuring a safe working environment for its employees.

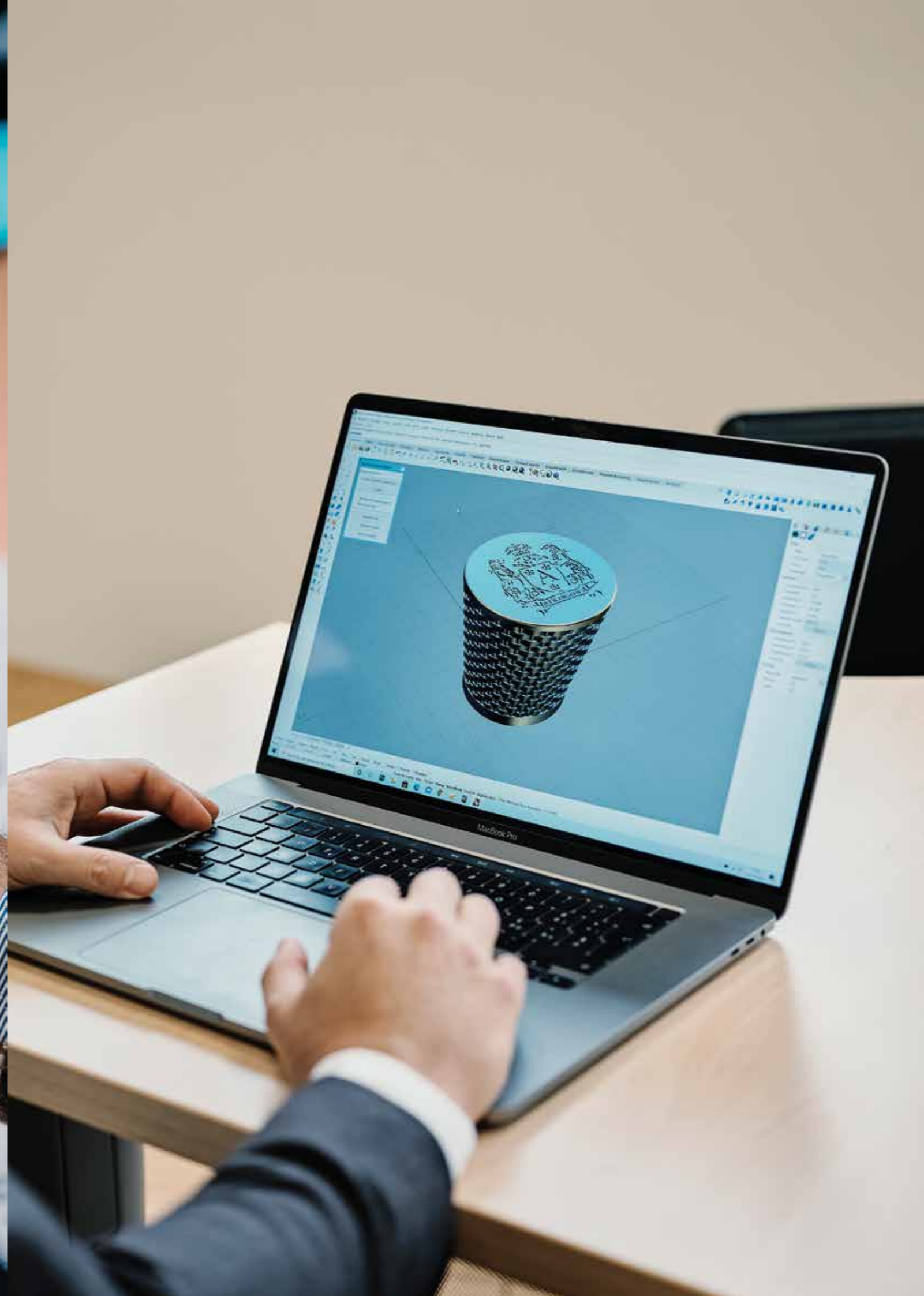
In 2019, EuroItalia reported no injuries, neither for staff nor for collaborators, confirming the trend of zero injuries in ten years. In particular, the rate of accidents at work that can be recorded, the rate of deaths due to accidents at work and the rate of serious accidents at work are zero for both staff and collaborators. Total hours worked in 2019 amounted to approximately 81,645 for employees and approximately 3,778 for collaborators.

TOTAL WORKING HOURS		
Working hours	2018	2019
EMPLOYEES	77.047	81.645
COLLABORATORS	4.692	3.778



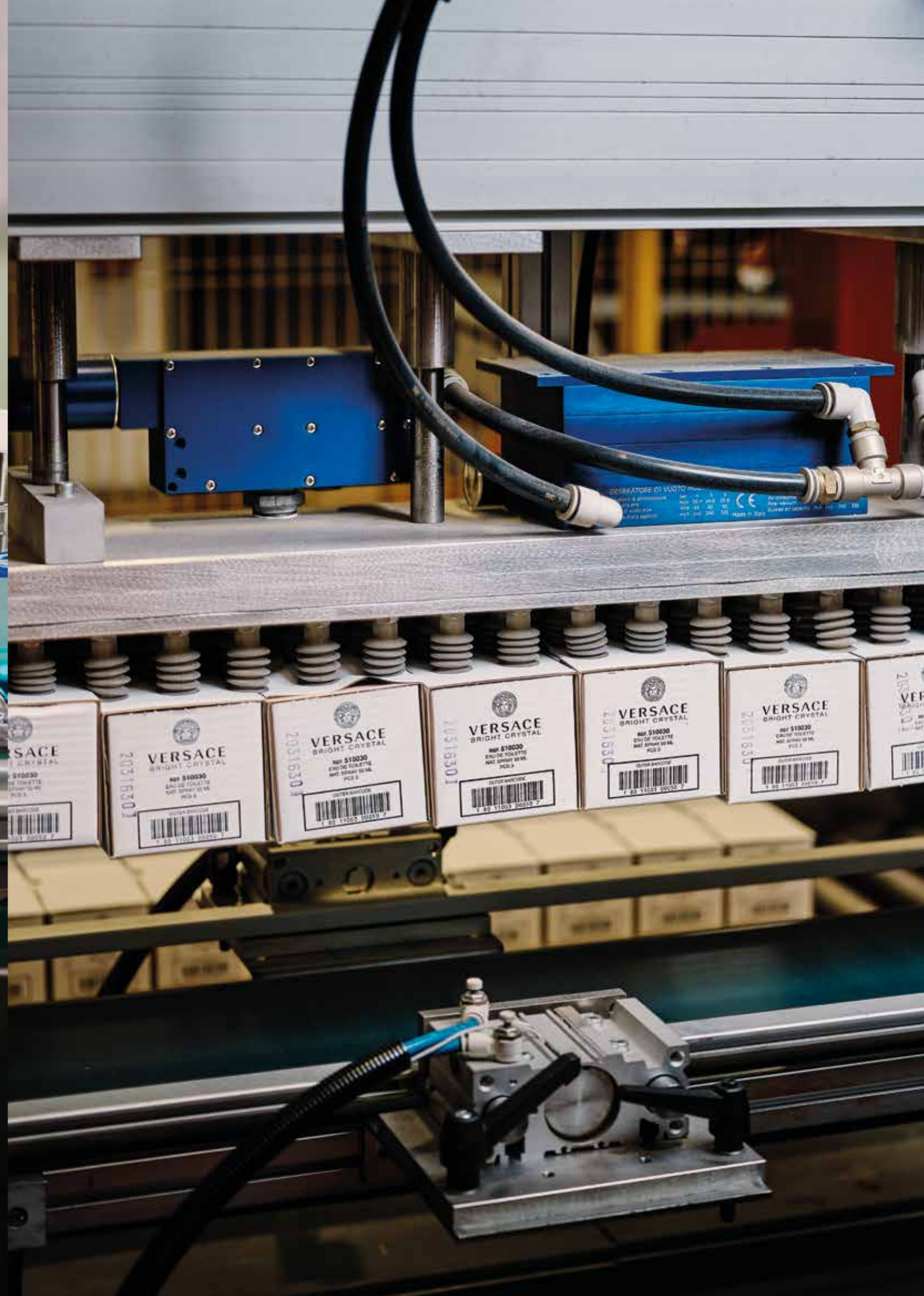
















Environmental responsibility



– **12% GREENHOUSE GAS (GHG) EMISSIONS PURPOSE 1 + PURPOSE 2 LOCATION BASED**



95% OF WASTE IS NON-HAZARDOUS



– **5% OF WASTE PRODUCED**

*Percentages calculated using 2019-2018 data

OUR FOOTPRINT: THE COMMITMENT TO REDUCE OUR ENVIRONMENTAL IMPACT

Over the years, attention to the environment and the surrounding area has become a major concern for the Company, which is committed to improving its performance, both in terms of efficiency and attention to environmental sustainability through the development of various initiatives and projects aimed at reducing its environmental impact.

EuroItalia's energy consumption is entirely attributable to the Cavenago **Headquarter**, composed of offices and warehouses, since the Company does not directly deal with the production phases. The efficient management of energy is among the most important aspects for EuroItalia, as it allows cost reduction, continuity of activities, better maintenance management and greater control over any waste and losses. In addition, We believe the increasingly efficient management of energy is necessary to drastically reduce Our impact on the environment. For this reason, We are committed to investing in consumption efficiency, carrying out preventive maintenance and adopting new monitoring technologies where possible.

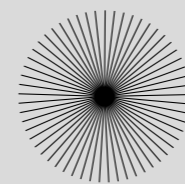
OVER THE YEARS, WE HAVE DEVELOPED AN ENERGY EFFICIENCY PROGRAM THAT INCLUDES SEVERAL PROJECTS AND INITIATIVES AIMED AT REDUCING OUR ENVIRONMENTAL IMPACT, REDUCING ENERGY CONSUMPTION AND USING, WHERE POSSIBLE, ENERGY FROM RENEWABLE SOURCES. SINCE 2020, EUROITALIA USES ONLY ENERGY FROM RENEWABLE SOURCES THROUGH THE ENERGY PRODUCED BY THE PHOTOVOLTAIC SYSTEM AND THROUGH THE PURCHASE OF A CERTIFICATE OF ORIGIN, REPOWER GREEN.

Another initiative that demonstrates this commitment is the renewal of the company car park with the introduction of a hybrid car in 2018. Currently, We are also considering introducing some electric car models, aware and strongly convinced that sustainable mobility is the future. Therefore, We consider it essential to invest in this direction. In addition, in 2020, two recharging stations for employees and business partners were installed in order to promote and support the development of sustainable mobility, both within the company and externally by involving other **Stakeholders**.

Energy management: towards a more sustainable business

In order to improve the environmental impact, We have promoted in the last years important investments for the modernization of Our Headquarters and for the installation and implementation of advanced technologies able to achieve higher energy efficiency performances.

In particular, We estimated that the installation of solar panels could lead to a saving of Euro 60,000 once the total cost of the installation is amortized in about 4 years, and the production of 420,000 KWh of renewable electricity per year. Regarding non-self-generated electricity, EuroItalia has purchased a green energy certificate of guarantee of origin (GO) for electricity consumption in 2020.



DURING 2019 WE HAVE INVESTED EURO 318,000 FOR THE INSTALLATION OF SOLAR PANELS ON THE ROOF OF A WAREHOUSE IN ORDER TO REDUCE THE ENVIRONMENTAL IMPACT, THUS FAVORING MORE AND MORE RENEWABLE ENERGY SOURCES.

FOR THE SAME PURPOSES, WE HAVE ALSO INVESTED IN OTHER PROJECTS AND INITIATIVES AIMED AT REDUCING ENERGY CONSUMPTION:



IN 2018, WE DECIDED TO PURCHASE A NEW AIR-COOLED AND HIGHLY EFFICIENT KAESER ROTARY SCREW COMPRESSOR, WHICH HAS LED TO ESTIMATED SAVINGS OF 23,000 KWH, RESULTING IN A 33.3% REDUCTION IN 2019 COMPARED TO 2018;



IN 2019, WE PURCHASED A NEW CENTRAL DRYER THAT IS ESTIMATED TO SAVE EURO 17,072 IN ENERGY CONSUMPTION OVER 10 YEARS AND A REDUCTION IN CO2 EMISSIONS OF 51.2 TONS IN 10 YEARS.

Since 2019, We started to replace existing bulbs with LED bulbs, both in the offices and in the warehouse. We are also taking steps to install automatic lights in the office and warehouse bathrooms in order to avoid waste and thus reduce Our energy consumption. Finally, We are committed to re-planning some specific activities, scheduling them during the day, in order to make the most of the photovoltaic system installed in 2019 and thus maximize the use of renewable electricity.

Among the main environmental impacts of EuroItalia, the consumption of energy resources and the production of GHG emissions are among the most significant.

Within EuroItalia there is no real production process, as the activity carried out is closely related to trade and distribution. The incoming products are suitably packaged and shipped to the final customer through the use of different types of machinery in the Headquarters of Cavenago.

Electricity is used for the packing and wrapping of products, for general services (compressed air circuit) and for secondary services (office air conditioning, indoor lighting, outdoor lighting, forklifts and offices).

The use of electricity is largely concentrated on secondary services as there is an important space dedicated to the sale of the product and a space dedicated to offices. Process consumption is limited due to the presence of only two packaging areas. Natural gas is used only for secondary services, in particular for the winter air-conditioning of the warehouse.

In particular, in 2019, energy consumption is 8,082 GJ from non-renewable sources, divided in half between electricity and natural gas consumption.

In 2019, energy consumption decreased by 13% compared to the energy consumption recorded in 2018, which amounted to 9,319 GJ. The decrease recorded is due both to a decrease in electricity consumed, equal to 5%, and a reduction in natural gas consumption, equal to 20% compared to 2018. In particular, the consumption of natural gas in 2019 decreased compared to 2018, as the heat pump was used to heat a warehouse when outside temperatures were above 6 degrees.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

	Measurement unit	2018	2019
ELECTRICITY PURCHASED	GJ	4.278	4.057
NATURAL GAS	GJ	5.041	4.025
TOTAL	GJ	9.319	8.082

1. The Location-based approach involves the use of a national average emission factor related to the specific national energy mix for power generation.

2. The Market-based approach involves the use of an emission factor defined on a contractual basis with the electricity supplier.

In 2019, EuroItalia produced a total of 582 tons of CO₂, considering the Scope 2 emissions calculated with the Location based¹ method, and 769 tons of CO₂, considering the Scope 2 emissions calculated with the Market based² method, recording a decrease of 12% and 10% respectively compared to 2018.

THESE EMISSIONS ARE DIVIDED IN/INCLUDE:

DIRECT EMISSIONS - SCOPE 1: EMISSIONS FROM THE USE OF ENERGY AS FUEL USED FOR THE CAR FLEET;

INDIRECT EMISSIONS - SCOPE 2: EMISSIONS FROM PURCHASED ENERGY GENERATION.

In 2019, direct Scope 1 emissions due to energy consumption (natural gas) amounted to 225 tons of CO₂. The indirect Scope 2 emissions calculated with the Location Based method were equal to 357 tons of CO₂, while those calculated with the Market Based approach were equal to 544 tons of CO₂.

INDIRECT GREENHOUSE GAS (GHG) EMISSIONS - SCOPE 1

	Measurement unit	2018	2019
NATURAL GAS	tCO ₂	282	225
TOTAL SCOPE 1	tCO₂	282	225

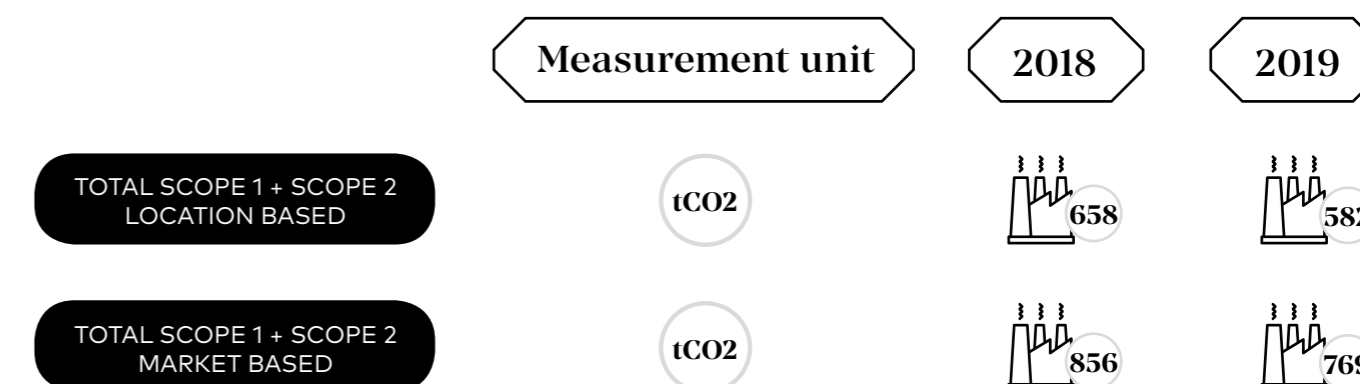
INDIRECT GREENHOUSE GAS (GHG) EMISSIONS - SCOPE 2 - LOCATION BASED

	Measurement unit	2018	2019
ELECTRICITY PURCHASED	tCO ₂	376	357
TOTAL SCOPE 2 LOCATION BASED	tCO₂	376	357

INDIRECT GREENHOUSE GAS (GHG) EMISSIONS - SCOPE 2 - MARKET BASED

	Measurement unit	2018	2019
ELECTRICITY PURCHASED FROM NON-RENEWABLE ENERGY	tCO ₂	574	544
TOTAL SCOPE 2 MARKET BASED	tCO₂	574	544

TOTAL GREENHOUSE GAS EMISSIONS (GHG)



Waste management

EUROITALIA MANAGES THE DISPOSAL OF ITS WASTE IN A TIMELY AND EFFICIENT WAY, IN ORDER TO COMPLY WITH CURRENT LEGISLATION AND REDUCE ITS ENVIRONMENTAL IMPACT.

The waste generated by Euroitalia's activities consists mainly of packaging material, cellophane, scotch, warehouse material, paper, cardboard and wood, toner and production waste. In particular, regarding production waste, the waste generated by subcontractors is collected at the Euroitalia Headquarters from where it is sent for disposal.

In fact, Euroitalia provides subcontractors with production materials and handles the resulting waste. In this way, Euroitalia monitors and tracks the quantity and quality of waste produced by its suppliers and subcontractors, and encourages them to reduce them in order to minimize any waste, always in the interest of product quality and resource savings. We are committed to developing and implementing projects to encourage and stimulate the reduction of the generated waste.

Regarding the management of returns by customers, products, in particular perfumes and cosmetics, are checked and then divided into "non-reusable" and "still reusable" (in some cases only partially). Then, such products are returned to the subcontractor or supplier to be reused in order to reduce waste. For example, if a product is returned due to a defect of the box but the internal product is still reusable, it is sent back to the subcontractor to be repackaged and released back on the market. Euroitalia prepares annually the Environmental Unique Declaration Model (MUD), containing the information relating to each lot disposed of, as required by current legislation. The CONAI fee is paid through suppliers who are subsequently reimbursed.

Packaging resulting from the daily logistic activity of Euroitalia's warehouse, including cardboard (packages and boxes), plastic (cellophane, film and scotch) and wood (broken pallets), is collected and disposed weekly or as required. These waste materials are fully recycled.

Waste generated from the production of Euroitalia products, including perfumes and cosmetics, is collected periodically and accumulated in the Company's warehouse and then disposed once a year under the supervision of the tax authorities.

The finished products are distinguished and managed differently from the components, which are distinguished by type of material. In particular, the finished products are shredded and then sent to a waste-to-energy plant for the production of electricity. The shredding is carried out in authorized plants and is always followed and controlled by Euroitalia's staff since, being products of prestigious brands, Euroitalia ensures that the disposal of such waste is carried out entirely. The components, divided by type of material, are mostly recycled, while the non-recyclable parts are sent to a waste-to-energy plant to produce electricity.

IN 2019, EUROITALIA PRODUCED 334 TONS OF WASTE, OF WHICH 15 TONS OF HAZARDOUS WASTE AND 334 TONS OF NON-HAZARDOUS WASTE, A DECREASE OF 5% COMPARED TO 2018. IN 2019 AS IN 2018, THE MOST USED DISPOSAL METHOD BY THE COMPANY WAS RECOVERY. USUALLY, HAZARDOUS WASTE IS FIRST SHREDDED AND THEN BURNED IN A SPECIALIZED PLANT.

In 2019, 95% of the generated waste was non-hazardous, while the percentage in 2018 was around 91% of the total waste. In 2019, there was a decrease in total generated waste, both hazardous and non-hazardous. The finished product is disposed of as hazardous waste, being highly flammable.

TOTAL WASTE BY TYPE AND METHOD OF DISPOSAL

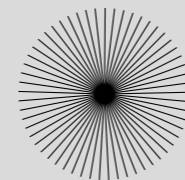
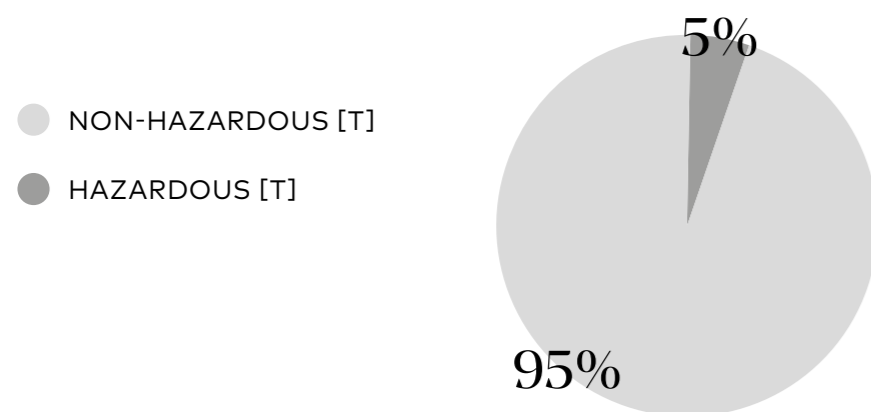
Disposal method [t]	2018				2019			
	Hazardous	Non-hazardous	Total	%	Hazardous	Non-hazardous	Total	%
RECYCLING/RECOVERY ¹	/	320	320	91%	0,1	317	317,1	95%
SHREDDING ²	30	/	30	9%	15	2	17	5%
TOTAL	30	320	350	100%	15	319	334	100%

¹ Including energy recovery ² The shredded waste is later burned

WASTE DISPOSAL

Waste	2018		2019	
	Total	%	Total	%
Hazardous [t]	30	9%	15	5%
Non-hazardous [t]	320	91%	319	95%
Total	350	100%	334	100%

RIFIUTI TOTALI (2019)



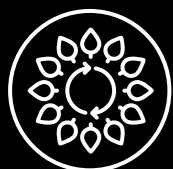
MOREOVER, IT IS IMPORTANT TO INVOLVE AND RAISE AWARENESS AMONG OUR EMPLOYEES ON THE REDUCTION OF PAPER, TONER AND ENERGY CONSUMPTION AND ON THE CORRECT SEPARATE COLLECTION OF WASTE THROUGH GUIDELINES AND INFORMATION.

IN ALL THE OFFICES AND SPACES OF EUROITALIA THERE ARE SPECIAL CONTAINERS FOR THE SEPARATE COLLECTION OF WASTE, IN ORDER TO START THE DISPOSAL OR RECOVERY/ RECYCLING OF THESE MATERIALS IN A CORRECT AND EFFICIENT WAY. IN PARTICULAR, THE WASTE COLLECTED SEPARATELY ARE PAPER, CARDBOARD, WOOD, PLASTIC, GLASS, TONER AND COMPUTER PARTS.

Sustainable innovation: The green revolution in the luxury beauty sector



LAST FRAGRANCE LAUNCHED ON THE MARKET IS BIODEGRADABLE AT 86%



LCA ON SOME SPECIFIC PRODUCTS FOR 2020



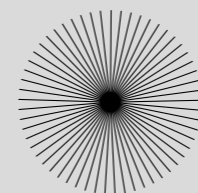
BLACK LIST CREATION OF INGREDIENTS AND RAW MATERIALS



KM ZERO AND PLASTIC FREE COFFRET LINE

Since 1978, EuroItalia is a synonym of quality, innovation and creativity, from the careful selection of raw materials that guarantee the creation of successful fragrances among the best-selling in the world to the choice of increasingly innovative formulas for make-up.

Our commitment has always been focused on the product, the object of a policy of differentiation that represents the expression of our passion for quality and Made in Italy excellence and our strong impulse towards the creation of new and creative products. Moreover, regarding packaging, EuroItalia has always distinguished itself in the sector for materials, shapes, colors and design. A clear example is the Moschino perfume "Cheap & Chic" today displayed at MOMA in New York.



WE ARE ALSO PIONEERS FOR THE OLFACTORY NOTES OF FRAGRANCES, OBTAINING RESULTS AMONG THE MOST CREATIVE AND INNOVATIVE, LAUNCHING ON THE MARKET SOME OF THE BEST SELLERS IN THE WORLD FOR BOTH MEN AND WOMEN.

Emerging innovations, latest trends, consumer satisfaction, product safety, are for us sources of inspiration to continually seeking improvement. For this reason, products are constantly improving, starting from the formula shown on the label to the outer packaging.

THE COMPANY INVESTS ITS EFFORTS IN CONTINUOUS RESEARCH OF UNIQUE ESSENCES AND IN THE DEVELOPMENT OF FORMULAS FOR EFFECTIVE MAKE-UP PRODUCTS THAT REFLECT THE NEW NEEDS OF FINAL CUSTOMERS. WE ARE COMMITTED TO TAKING CARE OF BOTH PRIMARY AND SECONDARY PACKAGING IN EVERY DETAIL, BEING SENSITIVE TO CURRENT INNOVATIONS AND FOLLOWING THE TREND FLOW THAT INFLUENCES THE FINAL CONSUMER'S PURCHASE.

Currently, the luxury sector is undergoing an important green transformation, sustainability is becoming increasingly important in fashion houses' strategic decisions, guiding the creation and development of products. In recent years, consumers have become very sensitive to issues related to the environment, climate change, human rights and sustainable growth, encouraging companies to be responsible and make real decisions towards a common goal, a sustainable, inclusive and fair economy.

In this context of change, We are committed to designing and manufacturing excellent, innovative and creative products, carefully analyzing their possible environmental and social impact in order to mitigate or reduce possible negative impacts where possible. This commitment is expressed concretely in choosing ingredients for fragrances and make-up products, in packaging raw materials and in production processes used. In particular, We consciously avoid ingredients and raw materials with long disposal times in the environment.

Over the years, EuroItalia has created its own **Black List, containing the list of all the ingredients used for the creation of fragrances and make-up products to be excluded both from a safety point of view for consumers and from an environmental and social impact point of view.**

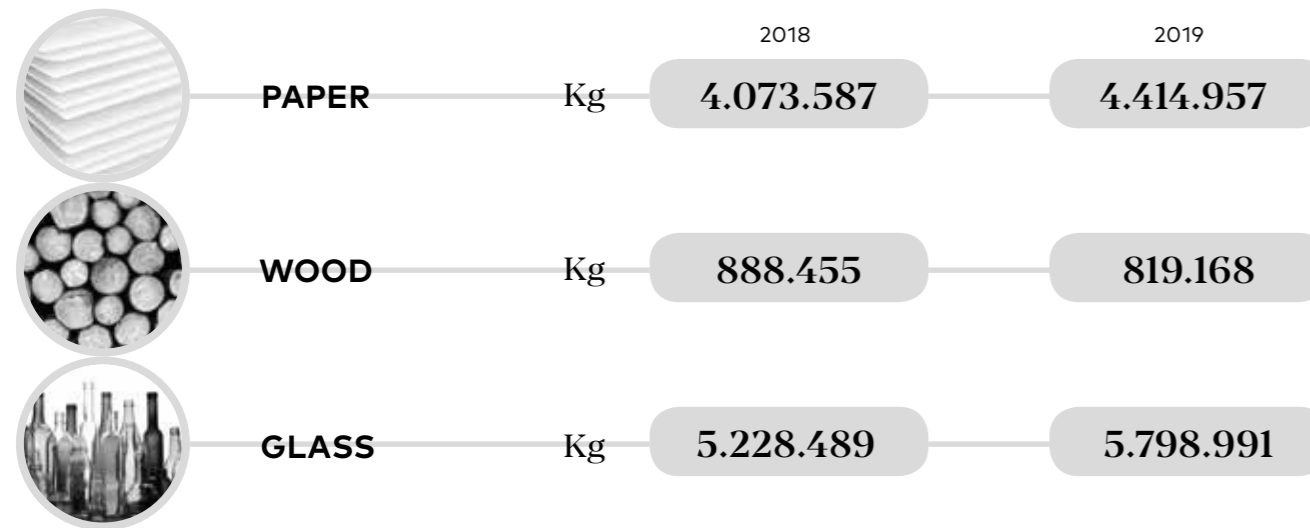
The essences are partly derived from natural ingredients, and partly from a chemical synthesis, that reproduces the qualities of natural ingredients. The use of both methods makes it possible not to burden natural ecosystems and therefore not to impact their biodiversity, an effect that would occur with the only use of natural ingredients.

MOST OF THE PROCESSES USED BY EUROITALIA'S SUPPLIERS FOLLOW THE PRINCIPLES OF GREEN CHEMISTRY. IN PARTICULAR, THREE ESSENCES USED IN 2018 AND 2019 ARE VEGAN, BIODEGRADABLE AT 73.20 % ON AVERAGE AND CONTAIN INGREDIENTS WITH A LEVEL OF CARBON RENEWABILITY EQUAL TO 29.83 % ON AVERAGE.

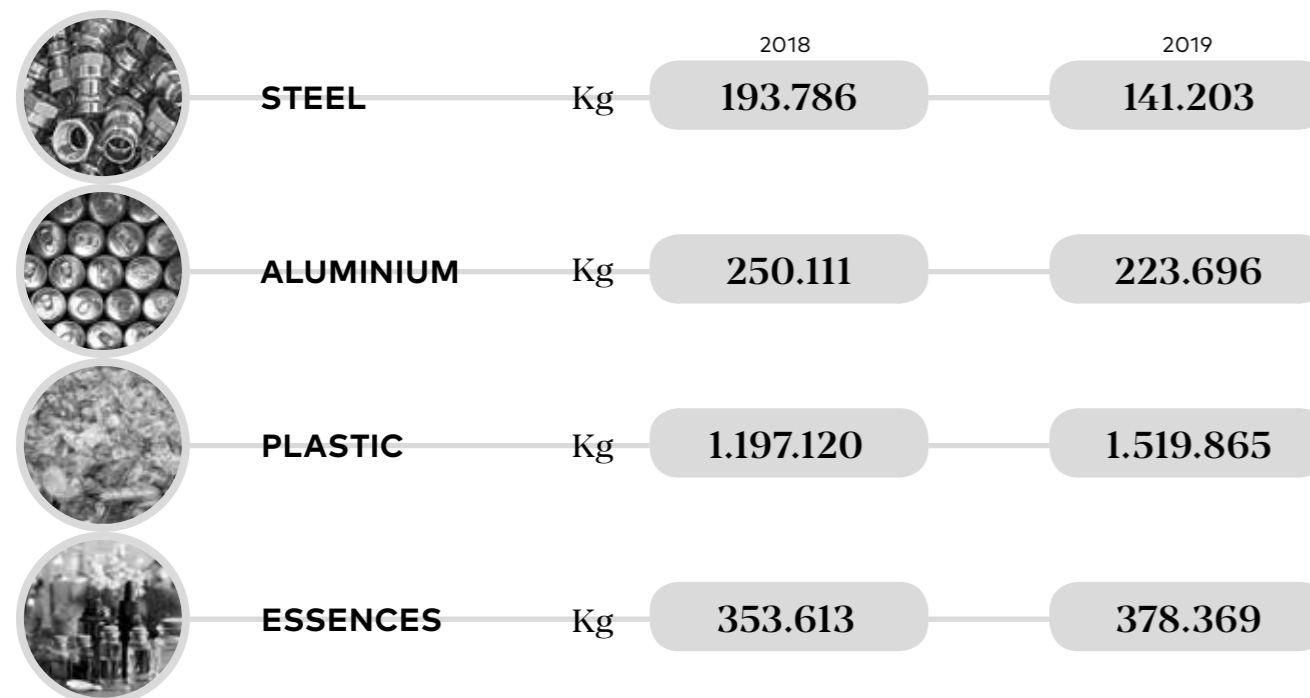
Furthermore, EuroItalia monitors several criteria that characterize its fragrances, including: the E-factor, the fragrance production efficiency, the e/Tox, the potential impact on ecosystems and human health of the whole production process of the fragrance, renewability, the percentage of the fragrance derived from renewable raw materials, and finally the percentage of natural ingredients used in the formula.

Regarding the raw materials used in 2019, both for perfumes and beauty products and for packaging, 83% are renewable while 17% are non-renewable. With regard to aluminum, this material is highly virtuous as it can be 100% recycled and reused almost indefinitely.

RENEWABLE RAW MATERIALS

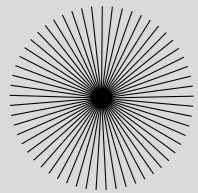


NON-RENEWABLE RAW MATERIALS



FOCUS Fragranze innovative

ONE OF THE LATEST FRAGRANCES LAUNCHED BY EUROITALIA IN 2020 STANDS OUT FOR ITS COMPLIANCE WITH THE HIGHEST SUSTAINABILITY STANDARDS, UNDERLINING THE CONTINUOUS EFFORTS MADE BY THE COMPANY WITH THE AIM OF CREATING PRODUCTS WITH POSITIVE ENVIRONMENTAL AND SOCIAL IMPACTS / REDUCING THE ENVIRONMENTAL AND SOCIAL IMPACTS OF ITS OWN PRODUCTS. FIRST OF ALL, 86% OF THE RAW MATERIALS CONTAINED WITHIN THE PERFUME ARE BIODEGRADABLE. FURTHERMORE, THE PACKAGING, 99% PLASTIC FREE AND KM ZERO, WAS MADE WITH FSC CERTIFIED RAW MATERIALS, GUARANTEEING ITS ORIGIN FROM PROPERLY MANAGED FORESTS.



EUROITALIA HAS BEGUN A PROCESS OF ANALYZING THE ENVIRONMENTAL IMPACTS OF ITS PRODUCTS STARTING FROM ONE OF ITS MOST REPRESENTATIVE AND SOLD WORLDWIDE FRAGRANCES: VERSACE BRIGHT CRYSTAL - EAU DE TOILETTE NATURAL SPRAY. THROUGH THE LCA (LIFE CYCLE ASSESSMENT) STUDY, CARRIED OUT IN ACCORDANCE WITH THE INTERNATIONAL REFERENCE STANDARDS (ISO 14040 AND ISO 14044), IT WAS POSSIBLE TO QUANTIFY THE ENVIRONMENTAL IMPACTS ASSOCIATED WITH ALL PHASES OF THE LIFE CYCLE OF THE ANALYZED PRODUCT: FROM THE EXTRACTION OF RAW MATERIALS, TO THE PRODUCTION, DISTRIBUTION AND END OF LIFE OF THE PERFUME.

Specifically, the environmental analyzed impacts were:

1. GLOBAL WARMING: IMPACT OF GREENHOUSE GASES ON GLOBAL WARMING;

2. ACIDIFICATION: IMPACT ON THE ENVIRONMENT OF ACID GASES RELEASED INTO THE AIR, CAUSE OF ACID RAIN;

3. EUTROPHICATION: IMPACT DUE TO THE CONCENTRATION OF CHEMICAL NUTRIENTS, SUCH AS NITROGEN AND PHOSPHORUS, ON THE EXCESSIVE GROWTH OF AQUATIC PLANTS, CAUSING SERIOUS REDUCTIONS IN WATER QUALITY AND ANIMAL POPULATIONS;

4. REDUCTION OF THE TROPOSPHERIC OZONE LAYER: IMPACT OF GASES THAT DEplete THE OZONE LAYER.

The study carried out made it possible to identify the phases of the life cycle of the product with the greatest impact. In fact, the analysis revealed that the production of primary and secondary packaging (consisting of the glass bottle and all its parts and packaging) and the worldwide distribution phase of the finished product are the areas of greatest impact.

The assessment, conducted on the "Versace Bright Crystal" perfume, provided Euroitalia with a model and with the necessary elements to understand and evaluate the environmental impacts of its products throughout their life cycle. Euroitalia, therefore, strengthened by this teaching, will undertake to reduce and mitigate the environmental impact taking it into account in the development of its future products.

FINALLY, EUROITALIA COMPLIES WITH THE EUROPEAN UNION DIRECTIVES WHICH, UNDER DIRECTIVE 2003/15/EC, BANNED ANIMAL TESTING OF FINISHED COSMETIC PRODUCTS SINCE SEPTEMBER 2004. EUROITALIA'S COMMITMENT IN THIS AREA GOES BEYOND SIMPLY COMPLYING WITH CURRENT LEGISLATION: IN PARTICULAR, WHERE POSSIBLE, FOR PRODUCTS IN WHICH ANIMAL PARTS ARE OFTEN USED, WE ARE COMMITTED TO USING SYNTHETIC PRODUCTS (FOR EXAMPLE, WE PREFER BRUSHES WITH SYNTHETIC BRISTLES). IN ADDITION, A CLEAR EXAMPLE OF THIS COMMITMENT IS THE CREATION OF THE LATEST MEN FRAGRANCE LAUNCHED ON THE MARKET, WHICH CAN BE DEFINED AS VEGAN BECAUSE IT LACKS INGREDIENTS DERIVED DIRECTLY AND INDIRECTLY FROM ANIMALS.

The pursuit of natural and sustainable ingredients

The latest fragrances are produced with a low environmental impact through the use of natural ingredients and ultra-modern molecules, found in a sustainable way. The achievement of this goal has been possible thanks to years of research in green chemistry and white-biotechnology.

We are strongly aware of the strategic importance of ingredient selection for the Company, both in terms of product quality and the potential environmental and social impact generated by such decisions. We are committed to selecting the best ingredients both for fragrance creation and for make-up product development, preferring natural and sustainable ingredients and always paying attention to the new consumer needs that are increasingly sensitive and careful to natural, traceable, vegan, environmentally friendly, cruelty free personal care products.

Moreover, EuroItalia's efforts in developing natural formulas result in the exclusion, where possible, of substances such as preservatives, parabens and limiting the use of allergens. In addition, as already mentioned, EuroItalia has drafted its own Black List, containing all the materials avoided by the Company for the creation of its formulas, from both a safety point of view for consumers and from an environmental and social impact. In particular, the raw materials traced and included in the Black List are nano-materials, derived from oil, parabens, nickel, formaldehyde. In addition to voluntary exclusion of certain ingredients, EuroItalia creates products in compliance with current industry regulations by carefully excluding raw materials prohibited by legislation.

Ingredients traceability is therefore fundamental to ensure the production of sustainable products from an environmental and social point of view. For this reason, We pay close attention to the evaluation, selection and monitoring of Our suppliers of raw materials and ingredients.

(For further information, please refer to the chapter "Final customers' health and product safety as the basis of Our choices").

(For further information, please refer to the chapter "Responsible Supplier Management: a key factor for EuroItalia's success").

IN DEMONSTRATION OF THE ABOVE, WE USE ESSENCES FOR THE PRODUCTION OF BIODEGRADABLE PERFUMES WITH THE GOAL OF ACHIEVING 95% BIODEGRADATION WITHIN 2 YEARS. IN PARTICULAR, THE LATEST FRAGRANCE LAUNCHED ON THE MARKET OBTAINS 86% OF BIODEGRADABLE MOLECULES.

Biodegradation allows the total conversion of the organic source substances, essences, into simple inorganic molecules such as water, carbon dioxide and methane. In this way, the essences are disposed of more easily with a minimal environmental impact.

FINALLY, EUROITALIA MONITORS OTHER IMPORTANT SUSTAINABILITY CRITERIA THAT DETERMINE ITS FRAGRANCES, INCLUDING:

1. RENEWABILITY, WHICH INDICATES THE PERCENTAGE OF THE FRAGRANCE COMING FROM RAW MATERIALS, RENEWABLE IN A SHORT PERIOD;

2. THE E-FACTOR WHICH REFLECTS THE FRAGRANCE PRODUCTION EFFICIENCY (KG OF PRODUCTION WASTE FOR EACH KG OF FRAGRANCE PRODUCED);

3. THE E/TOX, WHICH EVALUATES THE POTENTIAL IMPACT OF THE FRAGRANCE UNDER ANALYSIS ON ECOSYSTEMS AND HUMAN HEALTH OF THE ENTIRE PRODUCTION PROCESS;

4. THE PRINCIPLES OF GREEN CHEMISTRY, AN APPROACH TO CHEMISTRY BASED ON MAXIMIZING THE EFFICIENCY OF PROCESSES AND MINIMIZING THE EFFECTS ON HUMAN HEALTH AND THE ENVIRONMENT. EACH INGREDIENT IN THE FORMULA IS EVALUATED ON DIFFERENT CRITERIA RELATED TO THIS APPROACH.

Packaging: sustainability vehicle

We are conscious of packaging's importance as an opportunity to achieve better sustainability results, decreasing the related environmental and social impact through increasingly sustainable and life-cycle oriented design.

Packaging has become a fundamental tool to achieve sustainability through reusable, recyclable or recycled materials, reduction of materials used, eco-design choices and increasingly green innovations.

In addition, packaging speaks for itself as it has the ability to promote and educate consumers about sustainability, encouraging them to make informed decisions that are increasingly green. Packaging is a strong communicative tool that describes the product, its ingredients, usage instructions, warnings, production and disposal methods.

In this context, We are working to design, develop, select and produce sustainable packaging by sending a strong message to Our industry with Our sustainable packaging strategy. EuroItalia has always been a pioneer of creativity and innovation in terms of materials used, shapes, colors and packaging design, a clear example of this is the perfume, Moschino "Cheap&Chic" displayed at MOMA in New York, as previously mentioned.

WE ARE COMMITTED TO IMPROVE AND REPLACE, WHERE POSSIBLE, PACKAGING BY FAVORING AND SELECTING MATERIALS WITH LOWER ENVIRONMENTAL AND SOCIAL IMPACTS AND AVOIDING MATERIALS THAT ARE HARMFUL TO THE ENVIRONMENT. THE DECISION TO USE FOREST STEWARDSHIP COUNCIL (FSC) CERTIFIED PAPERS IS A CLEAR EXAMPLE OF OUR COMMITMENT. THE FSC CERTIFICATION GUARANTEES THAT PAPERS COME FROM FORESTS MANAGED ACCORDING TO THE PRINCIPLES OF SUSTAINABLE FOREST MANAGEMENT AND PROPER CHAIN OF CUSTODY.

Recently, a totally green coffret line has been developed and produced by eliminating the thermoformed plastic containing the products, which has been replaced with cardboard. In addition, the graphics of the totally green coffret line was designed in order to be produced without the use of hot stamping. In this way, the process does not require further metal spreading steps, as usually happens, and therefore the coffret can be disposed of as recyclable waste. The sheaths to complete the coffret are made of FSC cardboard and no longer PVC.

Moreover, the line can be called KM Zero because it is developed, produced and sent in the same production site, in Lombardy. In particular, a single integrated production and packaging phase is carried out in a production site where printing of the paper, combination of paper with rigid cardboard, perfume insertion, inside the coffret, packaging and finally the shipment of the products at global level. The development of packaging and integrated packaging, carried out in the same site, allows us to reduce Our environmental impact by drastically reducing shipping.

This line represents a pilot project launched for summer 2020. The coffret green & plastic free line will be extended on a large scale, about 2.5 million pieces in 2021.

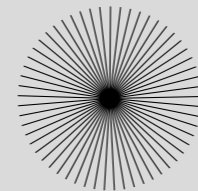
In addition, We are currently developing a pilot project of about 50,000 hard cases with FSC paper, plastic free, and without the use of plastic or metallic cards.

This project will be expanded to all boxes in 2021.

In the whole production, regarding the production of bottles, the coloured lacquering is carried out with water-based paints, and not with harmful solvents, and the decors do not contain heavy metals. On some product lines, the pumps have a part called the caseback that is no longer anodized, but painted.

This process saves energy, thus reducing its environmental impact. The capsules are mainly made of aluminum, a more eco-sustainable and recyclable material. Indeed, the future goal of EuroItalia is to reduce the use of plastic through a great engineering effort in finding more eco-sustainable materials.

Moreover, EuroItalia pays attention both to sustainability and to the exploration of the use of new materials. With its ability in fact EuroItalia manages, starting from simple materials, to create imaginative packaging with different materials. For example, through the use of a high engineering technique, EuroItalia has developed a line of perfumes with partially eco-sustainable wood capsule, as the exterior of the wood is FSC certified while internally it is coated with plastic and magnet. In terms of the materials used, We prefer aluminium over plastic, as it is highly recyclable, both to offer luxury products and to guarantee their quality, and to reduce the environmental impact by reducing the use of plastic.



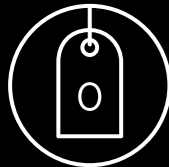
FINALLY, AMONG THE VARIOUS INITIATIVES PROMOTED BY EUROITALIA IN ORDER TO REDUCE ITS ENVIRONMENTAL IMPACT, WE ARE COMMITTED TO ELIMINATE PAINT WITH SOLVENTS, DECORATIONS WITH LEAD AND TO COMPLETELY REMOVE LEAD FROM GLASS IN ORDER TO ENSURE THE RECYCLABILITY OF OUR PRODUCTS. LASTLY, EUROITALIA IS SUBJECT TO THE REACH³ REGULATION, WHICH PROVIDES A COMPLETE LEGAL FRAMEWORK FOR THE MANUFACTURE AND USE OF CHEMICALS IN EUROPE.

3. European Regulation no. 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and the institution of the European Chemicals Agency.

Responsibility to Our customers



ZERO CASES OF NON-COMPLIANCE WITH REGULATIONS AND/OR SELF-REGULATORY CODES REGARDING IMPACTS ON PRODUCT SAFETY



ZERO INCIDENTS OF NON-COMPLIANCE IN THE INFORMATION AND LABELING OF PRODUCTS AND SERVICES



ZERO CASES OF NON-COMPLIANCE WITH REGULATIONS AND/OR VOLUNTARY CODES RELATED TO MARKETING ACTIVITIES, INCLUDING ADVERTISING, PROMOTION AND SPONSORSHIP

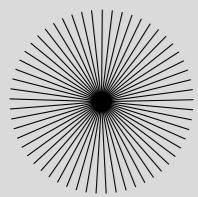
FINAL CUSTOMERS' HEALTH AND PRODUCT SAFETY AS THE BASIS OF OUR CHOICES

In offering high quality and increasingly innovative products, We are committed to ensuring their safety through a responsible choice of ingredients, monitoring and analyzing the compositions throughout the value chain.

PRODUCT SAFETY IS A PRIORITY ISSUE FOR THE INDUSTRY IN WHICH WE OPERATE AS OUR PRODUCTS ARE CLOSELY RELATED TO THE HEALTH OF FINAL CONSUMERS, WITH POTENTIAL IMPACTS ON BOTH THE REPUTATION OF THE COMPANY AND THE REPUTATION OF THE FASHION HOUSE. IN PARTICULAR, PRODUCT SAFETY DETERMINES AND AFFECTS THE CREDIBILITY OF EUROITALIA AND THE FASHION HOUSE. MOREOVER, THE REGULATIONS OF THE LUXURY BEAUTY SECTOR ARE VERY STRICT IN ORDER TO PROTECT THE HEALTH OF FINAL CONSUMERS. FOR THESE REASONS, WE ARE COMMITTED TO PRODUCE AND OFFER SAFE PRODUCTS IN COMPLIANCE WITH THE REGULATIONS AND PARAMETERS ESTABLISHED BY THE REGULATION ON COSMETIC PRODUCTS (EU REG. 1223/2009).

The safety assessment for each product and its impact on the health of final consumers is an integral part of the product development process, which starts from a careful analysis and selection of suppliers and raw materials. In particular, EuroItalia requires its suppliers to comply with international standards, including 22716/2007 GMP (Good Manufacturing Practices specific to cosmetic products that guarantee their safety) and ISO 1907/2006 REACH (concerning the registration, evaluation, authorization and restriction of chemicals).

The suppliers themselves are directly involved in ensuring the safety of the products as they personally carry out tests and verifications in order to comply with the required standards and to prepare the required documentation. This documentation is fundamental as it guarantees the in-depth knowledge of each product and therefore safety.



FURTHERMORE, RAW MATERIALS ARE CAREFULLY SELECTED PRIORITIZING QUALITY, SUSTAINABILITY AND SAFETY. IN ADDITION TO THE SUBSTANCES PROHIBITED BY LAW, WE DO NOT USE SOME SPECIFIC INGREDIENTS THAT ARE CONSIDERED INVASIVE OR HARMFUL TO THE HEALTH OF CONSUMERS, WHICH MAY CAUSE NEGATIVE REACTIONS IN SOME PEOPLE. AS ALREADY MENTIONED IN PREVIOUS PARAGRAPHS, OVER THE YEARS THE COMPANY HAS DRAWN UP ITS OWN BLACK LIST THAT IDENTIFIES THESE INGREDIENTS IN ORDER TO ELIMINATE THEM FROM ITS FORMULATIONS. WITH REGARD TO MAKE-UP PRODUCTS, FOR EXAMPLE, PARABENS, NICKEL AND FORMALDEHYDE ARE EXCLUDED IN ADVANCE IN THE SELECTION OF POSSIBLE INGREDIENTS THAT CAN BE USED.

In order to guarantee the safety of the products, external consultants dedicated and specialized in cosmetics are involved during the product development phase to define the necessary parameters to create a safe product for consumers, compatible with product features or line. The use of specialized external consultants, devoted to us and qualified, enables us to carry out a super partes double control process, thus ensuring compliance with the required standards and releasing safe products on the market. In case, following the evaluation by external consultants, a corrective action is necessary, We intervene directly with suppliers and contractors for its implementation.

In the development phase, all products are tested in the laboratory to ensure and certify their safety. More specifically, the products undergo a patch test, an allergological test used to determine the presence of substances that, once in contact with the skin, cause allergic skin inflammation. In addition, the make-up products applied in the eye area, are also subjected to ophthalmological tests to evaluate any abnormalities in the eye.

BEFORE BEING LAUNCHED ON THE MARKET, ALL PRODUCTS UNDERGO A SAFETY ASSESSMENT AND A MICROBIOLOGICAL TEST FOR THE PRESENCE OF MICROORGANISMS. IN ADDITION, BEFORE BEING LAUNCHED ON THE MARKET, CONTRACTORS MUST PREPARE A FILE CALLED PIF (PRODUCT INFORMATION FILE), CONTAINING ALL THE CHARACTERISTICS OF THE PRODUCT, FROM THE FORMULATION TO THE PACKAGING. INSIDE THE PIF THERE IS A DOCUMENT CALLED SAFETY ASSESSMENT, APPROVED AND SIGNED BY A COSMETIC SAFETY INSPECTOR, WHICH CERTIFIES THE SAFETY OF THE PRODUCT. THE PIF ARE CONFIDENTIAL DOCUMENTS, "A SORT OF PRODUCT IDENTITY CARD", AND ARE ARCHIVED AT OUR OFFICES.

In 2019 there were no cases of non-compliance with regulations and/or self-regulatory standards regarding the impact on product safety, confirming the trend of zero cases over the years of EuroItalia's activity. In particular, We have never recorded cases of objective adverse reaction due to one of Our products.

However, in case of non-compliance or product safety issues, We are ready to take immediate action in order to support Our final consumers. In particular, with regard to problems arising from the use of products, consumers have the possibility to contact EuroItalia or fashion houses directly.

In case of any side effects arising from the use of a cosmetic product, a quick intervention by EuroItalia is necessary, through the immediate start of a Cosmeto-vigilanza practice, to investigate the incident.

Even if cosmetic products are developed and produced in accordance with the reference regulation (Reg. EU 1223/2009) and, in the development phase, are tested in the laboratory to determine their safety.

It is possible that a customer may find an undesired event following the application of a product.

As established by the European Regulation, the "Cosmeto-vigilance" procedure provides that the manufacturer, after the customer's report, undertakes an investigative action on the reported product. Therefore, the consumer is asked to fill in a survey to obtain data from the user, to describe in detail the adverse event occurred and to identify the product that caused the incident.

In addition to the data provided by the consumer through the completion of the survey, it is necessary to find and collect also the data from the production facilities related to the production of the cosmetic product subject of the report.

Subsequently, the data collected are cross-checked and evaluated by qualified consultants in order to determine the origin of the adverse event subject of the initial report.

FROM DATA ANALYSIS TWO CONCLUSIONS CAN BE REACHED.

①

THE FIRST REFERS TO A SUBJECTIVE ADVERSE REACTION, DUE TO AN INTOLERANCE OF THE SUBJECT TO ONE OR MORE INGREDIENTS PRESENT IN THE PRODUCT.



IN THE FIRST CASE, WE RESPOND TO THE CONSUMER BY REPORTING WHAT HAS EMERGED FROM THE ASSESSMENTS MADE AND URGING THE CONSUMER TO INVESTIGATE THE INCIDENT WITH A DOCTOR AS SOON AS POSSIBLE IN ORDER TO AVOID A REPETITION OF A SIMILAR EVENT.

②

THE SECOND REFERS TO AN OBJECTIVE ADVERSE REACTION DUE TO THE PRODUCT ITSELF.



IN THE SECOND CASE, WE WILL TAKE THE MOST APPROPRIATE ACTION DEPENDING ON THE SPECIFIC CASE, INCLUDING PRODUCT REPLACEMENT, STOCK FREEZING, EVALUATION OF RECALL CAMPAIGNS OR CORRECTION OF THE PROBLEM, IF POSSIBLE, BEFORE RE-ENTERING THE MARKET. HOWEVER, EUROITALIA HAS NEVER REPORTED A CASE OF OBJECTIVE ADVERSE REACTION.

Finally, in case materials or components of the product present quality problems or problems related to the use of the product itself, EuroItalia, after careful checks on production data and in-depth controls on compliance with the quality parameters provided for the specific product, promptly provides feedback to the customer or fashion house, reporting the results of the investigation carried out and specifying the origin of the defect objectively or the origin of the defect caused by incorrect use. An immediate response from EuroItalia is essential as the quality and correct functioning of the product are closely linked to the reputation of the fashion houses and EuroItalia itself.

Product Labeling

EuroItalia builds a relationship with its final customers based on transparency and trust through the correct and clear labelling of the products offered. We not only comply with the Regulation on cosmetic products (Reg. EU 1223/2009) by correctly indicating the list of ingredients on the label, but also provide directly on the product all the necessary warnings and required by the type of product itself and how to use it, in order to ensure the correct and appropriate use to protect the health and safety of consumers.

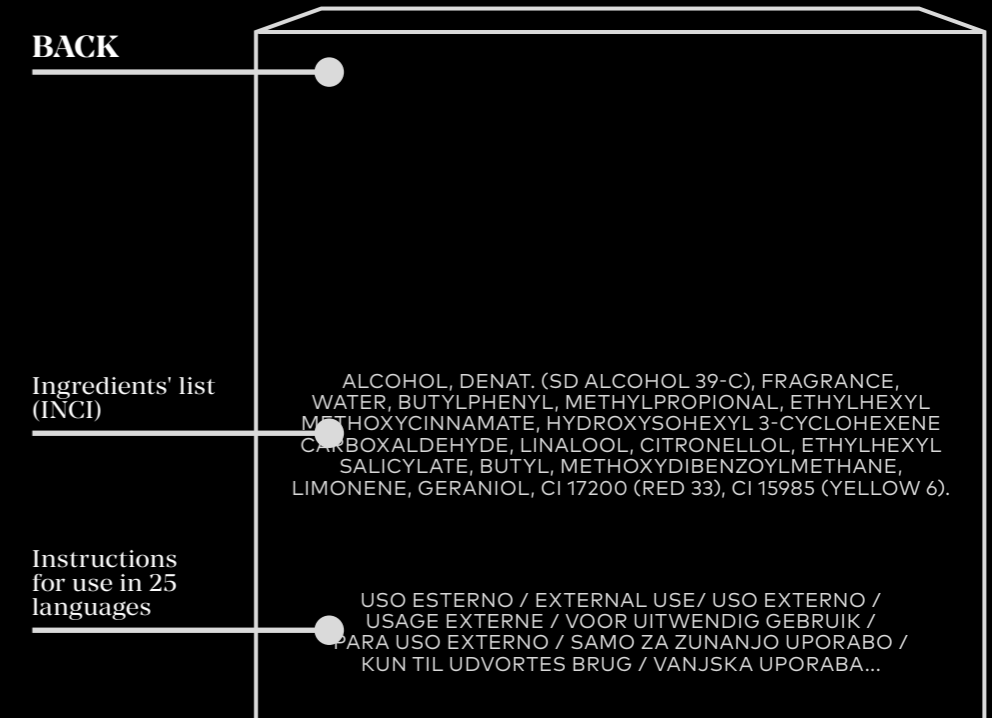
THE ACCURACY OF THE INFORMATION ON PRODUCT LABELS REGARDING THE INGREDIENTS USED MAINLY DERIVES FROM THE DOCUMENTATION PRODUCED BY SUPPLIERS AND CONTRACTORS THROUGH THE PIF (PRODUCT INFORMATION FILE) WHICH CONTAINS ALL THE CHARACTERISTICS OF THE PRODUCT, FROM THE FORMULATION TO THE PACKAGING.

Finally, the Company relies on specialized and certified consultants or consulting firms that carry out specific inspections on the documentation received issued by the subcontractors' laboratories, in particular focusing on the control of the PIF and the formulas of the cosmetic product.

We handle directly the management of any complaints or requests from the customer or final consumers. In particular, We have always welcomed any request from Our customers regarding the disclosure of additional product information. In addition, over the years, certain requests from final consumers have emerged relating to the resolution of undesirable effects deriving from product use which, however, following careful analysis and interaction with the consumer, have always been linked to personal reasons of customers not deriving from the products themselves.

With regard to the Naj Oleari make-up line, other than the information provided through the label, further support is given to customers through the brand's website, where they can find further advices and ways of using the products in a more in-depth way. In addition, on the website there is a section dedicated to the product in which consumers' frequently asked questions are reported with the relative answers to ensure maximum transparency on the products offered.

As a demonstration of EuroItalia's commitment to reporting in a transparent and clear way the information related to its products and services, in 2019 there were no episodes of non-compliance in terms of information and labelling of products and services. In addition, there were no episodes of non-compliance with regulations and/or voluntary codes relating to marketing activities, including advertising, promotion and sponsorship.



Customer satisfaction: Our commitment to listening to Our customers' needs

EuroItalia attributes a central role to the fashion house and final consumers by focusing its efforts on identifying and meeting their expectations.

We aim to build a long-lasting relationship with Our customers, not only guaranteeing high quality and innovative product design, but also establishing a relationship of trust and offering a unique experience.

LISTENING TO OUR CUSTOMERS IS CONSIDERED A FUNDAMENTAL AND STRATEGIC ASPECT IN ORDER TO BE ABLE TO MATCH THE RANGE OF PRODUCTS OFFERED TO SATISFY THEIR DESIRES AND NEEDS. CURRENTLY WE HAVE NO SPECIFIC CAMPAIGNS TO ASSESS CUSTOMER SATISFACTION WITH REGARD TO THE END USER, HOWEVER WE CONSTANTLY COMMUNICATE REGARDING ISSUES RELATED TO THE PRODUCT OR ITS USE.

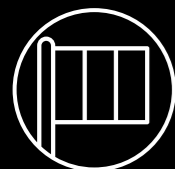
Regarding questions related to the product, final consumers have the possibility to contact EuroItalia or fashion houses to receive specific information and details about the product. We are committed to providing timely and as complete as possible answers as We believe it is essential to fully meet the expectations of Our customers.

Always with the goal of ensuring the safety of its customers and offering an excellent and innovative service, EuroItalia has been proactive in dealing with the COVID-19 emergency. EuroItalia was the first company in the sector to take action by developing innovative solutions to protect its consumers. In particular, We have designed a single-dose perfume cellophane vial for individual use, thus ensuring the safety of the user. In addition, the Company has distributed hand cleansing gel in 500ml dispensers for its customers' points of sale, fashion houses, and 1.5ml single-dose sachets of hand cleansing gel as a gift to the final customer visiting the stores. In addition, EuroItalia has provided a safety kit, containing sanitizing gel and masks signed by Naj Oleari, as a gift to store staff and final customers. Finally, all Naj Oleari stores have been supplied with disposable applicators to safely test the products.

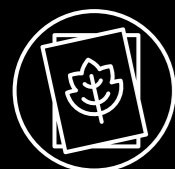


Responsibility to suppliers: shared value creation

Responsibility to suppliers: shared value creation

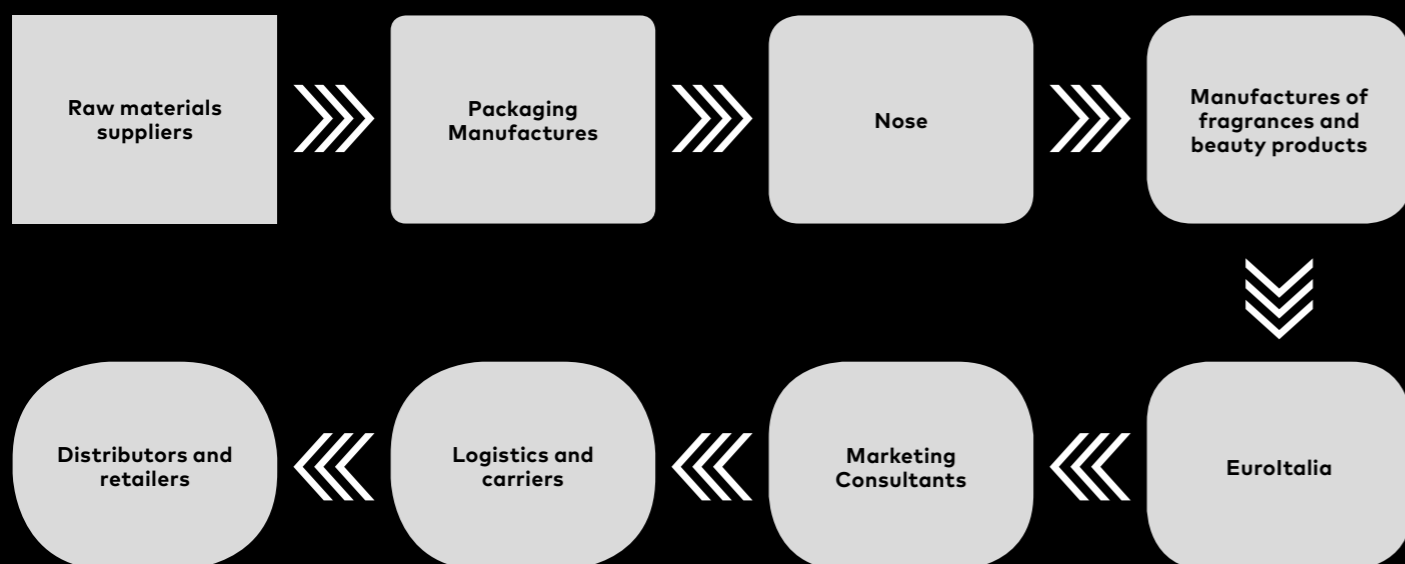


ABOUT 70% OF THE TOTAL ANNUAL EXPENSE IS ATTRIBUTED TO ITALIAN SUPPLIERS



SUPPLIERS INCLUDED IN THE GOLD CATEGORY OF ECOVADIS

THE SUPPLY CHAIN PROFILE: FROM RAW MATERIALS TO MARKET LAUNCH



THE SUPPLIERS INVOLVED IN THE PRODUCTION OF FRAGRANCES AND BEAUTY PRODUCTS ARE LISTED BELOW, DIVIDED INTO UPSTREAM AND DOWNSTREAM.

THE UPSTREAM SUPPLIERS:

RAW MATERIAL SUPPLIERS: they are mainly involved in the supply of ingredients and essences for the production of perfumes, make-up and creams. They are distinguished from suppliers of raw materials, such as glass, paper, cardboard, for the packaging of products;

PACKAGING MANUFACTURERS: they are responsible for the production of packaging materials;

NOSE/ CONSULTANTS: they support EuroItalia in the evaluation and selection of essences;

I PRODUTTORI DELLE FRAGRANZE E DEI PRODOTTI BEAUTY: they take care of the production, bottling and packaging of the products and the supply of fragrances and beauty products.

THE DOWNSTREAM SUPPLIERS:

MARKETING CONSULTANTS: they support EuroItalia in defining and developing the marketing strategy for each product;

LOGISTICS AND CARRIERS: they take care of the shipment of final products from EuroItalia to distributors/retailers;

DISTRIBUTORS AND RETAILERS: they deal with the distribution and sale of EuroItalia's final products.

We collaborate with the best fragrance manufacturers in order to develop quality products to meet the needs of Our customers: the fashion houses. In addition, We are supported by the best Nasai for fragrance creation and development. Regarding packaging process, EuroItalia develops its own idea of packaging for each product relying on various suppliers of raw materials and then having the final packaging developed by specific producers.

The product is bottled, packaged and finalized by essencers and cosmetic manufacturers and reaches EuroItalia's warehouse that takes care of quality control, logistics and transport. Finally, regarding product delivery, EuroItalia relies on several channels specialized in the selective beauty market, including airport retailers, specialized retailers, department stores, independent perfumeries, e-commerce retailers and duty free shops.

The responsible and efficient management of logistics is a strategic element for us, as it allows us to meet Our commitments towards Our customers and Our retailers and distributors and therefore to strengthen Our reputation as a serious and reliable business partner in the sector. EuroItalia's logistics system consists of a single center located in Cavenago (Monza) where We receive finished products from Our subcontractors, check them, code as a unit and store them; finally We ship them to Our retailers and distributors.

In particular, We directly manage inbound and outbound logistics in the logistics center of Cavenago (including truck loading), where the packaging and compound package is created. The transport is not carried out using the Company's vehicles, but takes place through mixed transport, both through transport directly managed by the customer and through transport commissioned by EuroItalia (to tax and duty free and controlled representatives). The transport takes place under ADR (European legislation on the transport of hazardous / flammable material). We pay particular attention to Our logistics system management in order to protect the health and safety of Our employees and guarantee them a safe and secure working environment.

In particular, the logistics center in Cavenago is at the forefront of fire protection, considering the fire risk category (average risk). In addition, the signals available in the logistics center are under constant monitoring, updated according to changes in current regulations, arranged and replaced in case of damage. EuroItalia has developed its own internal checklist in order to monitor and report any damage to shelving and portable ladders. Through the use of the internal checklist, quarterly checks on shelves and portable ladders are carried out while fire extinguishers are checked every month. Finally, EuroItalia is supported by an external company for the control of emergency exits and fire extinguishers, these controls are carried out every 6 months as required by law

(For further information, please refer to the chapter "Health and Safety at Work")

IL RAPPORTO CON I NOSTRI FORNITORI: FIDUCIA, QUALITÀ E AFFIDABILITÀ

Responsible supplier management: a key factor for EuroItalia's success

The supply choices are essential for achieving the highest quality standards, especially in the luxury beauty sector. We select and collaborate with the best suppliers of raw materials, often leading and reference points within their sectors.

IN ORDER TO GUARANTEE PRODUCT QUALITY AND AT THE SAME TIME THE AVAILABILITY OF RAW MATERIALS, WE PAY GREAT ATTENTION TO CHOOSING AND MANAGING OUR SUPPLIERS, WHICH PLAY A KEY ROLE IN THE COMPANY'S VALUE CHAIN. IN PARTICULAR, CONSIDERING THE PECULIAR BUSINESS MODEL STRUCTURE THAT CHARACTERIZES THE LUXURY BEAUTY SECTOR, WHERE THE OUTSOURCING OF THE PRODUCTION CHAIN IS A KEY ELEMENT, WE CAREFULLY CHOOSE OUR SUPPLIERS AND CONSTANTLY EVALUATE THEM IN ORDER TO GUARANTEE THE EXPECTED PERFORMANCE OF THE PRODUCTS AND THE HIGHEST CRITERIA OF ECONOMIC, TECHNICAL AND ETHICAL RELIABILITY.

When selecting Our suppliers, We search for quality, innovation, reliability and professionalism, in order to ensure a final product of excellence and the full satisfaction of Our customers' needs.

Moreover, among the standards We use to evaluate Our suppliers, We also pay particular attention to sustainability issues. In fact, the Company's suppliers of essences are evaluated every year through the EcoVadis⁴ platform - which analyzes the performance of companies with respect to human rights, supply chain, ethics and integrity and the environment. We decided to source only from the companies included in the Gold category of EcoVadis, demonstrating the Company's continuous search for excellence.

4. <https://ecovadis.com>

In evaluating and monitoring Our supply chain, We conduct on-site visits to Our suppliers or possible suppliers, so that We can directly verify the current practices and working methods. In particular, through periodic visits, We verify the activities of Our suppliers in terms of organizational process: good manufacturing production process.

Through the supply of raw materials, We continue to pursue Our mission of enhancing and promoting the Made in Italy in the luxury beauty sector, prioritizing Italian suppliers where possible. About 70% of the total annual expenses are allocated to Italian suppliers.

The production chain is established entirely on the Italian territory and therefore benefits from the valuable know-how of the Made in Italy perfumery and at the same time generates a significant positive impact, engaging about 400 people in the Lombardy region.

Un elemento chiave che contraddistingue il settore luxury beauty è la tracciabilità delle materie prime utilizzate. In particolare, ci impegniamo a collaborare solamente con fornitori trasparenti e attenti alla tematica in modo da garantire una corretta informazione sull'origine e la provenienza delle materie prime.

The traceability of raw materials is a priority in sectors related to personal care in order to ensure compliance with the strict regulations in force and meet the highest standards of health and safety.

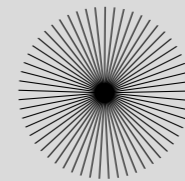
In addition, traceability of ingredients and raw materials used ensures the quality of the products, excellence also in sustainability aspects and compliance with the industry's increasingly strict standards and regulations.

Creating strong professional relationships with Our suppliers is considered a priority for EuroItalia, as well as the necessary premise to continue generating value. In particular, precisely due to the fact that production is outsourced it is even more important to consolidate strong relationships based on trust, transparency and mutual knowledge. In times of difficulty, EuroItalia supports its supply chain through non-speculative economic financing, in order to allow the supplier/partner to overcome the crisis.

Finally, We require Our suppliers to operate in absolute compliance with the most restrictive regulations applicable in the sector, an aspect that is carefully verified in the selection and qualification of suppliers and at individual contract level.

For further information, please refer to the chapter " Final customers' health and product safety as the basis of Our choices").

(For further information, please refer to the chapter "Sustainable Innovation: The green revolution in the luxury beauty sector")



WE HAVE ALWAYS PREFERRED LONG-LASTING AND CONTINUOUS COLLABORATIONS WITH OUR SUPPLIERS, BASED ON TRUST, CONTINUOUS COMMUNICATION AND SHARING THE SAME STRATEGIC GOAL: EXCELLENCE, QUALITY, INNOVATION AND VALUE CREATION IN THE MEDIUM-LONG TERM.

Responsibility towards the community



5 YEARS OF COLLABORATION WITH ONLUS QUI DONNA SICURA ASSOCIATION



NAJ OLEARI'S E-COMMERCE FOR THE RED CROSS OF MONZA DURING THE EMERGENCY COVID-19

**Community Development Programs and Volunteering
TOGETHER WITH OUR COMMUNITY**

EuroItalia is very attentive and sensitive to its community's needs, and has always built a strong bond with it, thanks to a constant attention to the needs and proactive spirit demonstrated over the years.

From the commitment made every year different initiatives emerge to support the region, in different areas and aspects: health, social inclusion, women's empowerment and culture.

Over the years, EuroItalia has made various donations to local hospitals, including San Raffaele Hospital in Milan and San Gerardo Hospital in Monza, thus helping the health system of its region.

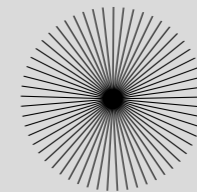
In 2019, We donated several cosmetic products by Naj Oleari to a department of San Raffaele hospital taking care and supporting women diagnosed with depression or bipolar disorder. In particular, the donated products have been used by the Wellness Group, a laboratory oriented to the care of the body and oneself in order to improve their aesthetic appearance and, consequently, to strengthen their self-esteem.

We support the non-profit associations Qui Donna SiCura and Comitato Maria Letizia Verga through various donations during the year. The first one, association supporting women against breast cancer, supports breast cancer research, spreads the culture of prevention and offers support to patients and their families. The second offers children with leukemia receiving treatment at the Maria Letizia Verga Centre the most qualified medical and psychosocial assistance, in order to guarantee them the highest chances of recovery and the best quality of life.

The Company is also committed to enhancing the artistic and cultural heritage of the region. In December 2018, the Company organized the 40th anniversary celebration at the Villa Reale in Monza, thus supporting the restoration and renovation of several halls.

Finally, in 2020, during the COVID-19 emergency, EuroItalia through its brand Naj Oleari used the e-commerce proceeds for the purchase of personal protective equipment, including goggles, surgical masks, FFP2 and FFP3 masks, footwear, gloves, earphones, gowns and overalls, by the Red Cross of Monza, for three months. The programs and initiatives for the involvement of the local community have been developed in 100% of EuroItalia's operations⁵.

5. The only Italian company to be considered as perimeter is EuroItalia S.r.l.



WE COLLABORATE AND SUPPORT QUI DONNA SICURA FOR ABOUT 5 YEARS NOW. IN PARTICULAR, IN 2019, WE SUPPORTED THE DEVELOPMENT OF TWO EQUIPPED ROOMS OF THE HOSPICE SAN PIETRO FOR ILL CHILDREN THROUGH A DONATION TO THE NON-PROFIT ASSOCIATION QUI DONNA SICURA. WHILE, IN 2020, DONATIONS WERE DONATED FOR THE PURCHASE OF 40 BEDS FOR THE INTENSIVE CARE UNIT OF SAN GERARDO IN MONZA.

Appendix: Material topics

DEFINITION OF MATERIAL TOPICS

Material topics	Description
ETHICS AND COMPANY VALUES	<ol style="list-style-type: none"> 1. Values, ideals and aspirations, vision and corporate mission 2. Ethics and integrity in business conduct 3. Adoption of ethical principles, guidelines and international standards in defining codes of conduct
ECONOMIC PERFORMANCE	<ol style="list-style-type: none"> 1. Economic and financial performance of the Company, financial stability and protection of profitability 2. Distribution of financial result generated among various Stakeholders such as shareholders, employees, suppliers, public administrations and local communities
ENERGY AND EMISSIONS	<ol style="list-style-type: none"> 1. Efficient management of energy use for business activities 2. Implementation of initiatives to reduce energy use and increase energy efficiency 3. Use of energy from renewable sources (green certificates, photovoltaic systems, etc.)
WASTE MANAGEMENT	<ol style="list-style-type: none"> 1. Management of waste produced by the company, recycling of production/assembly waste, monitoring and management of spills
HEALTH AND SAFETY	<ol style="list-style-type: none"> 1. Workplace health and safety management practices and systems 2. Workplace accident monitoring 3. Prevention measures, health education and training
DIVERSITY, EQUAL OPPORTUNITIES AND NON-DISCRIMINATION	<ol style="list-style-type: none"> 1. Misure volte a tutelare le minoranze e favorire la diversità 2. Equal opportunities in employment practices and equal pay for employees with the same role
TALENT RECRUITMENT AND STAFF DEVELOPMENT	<ol style="list-style-type: none"> 1. Training, development and personal growth programs for employees and collaborators aimed at increasing and maintaining the quality of the company's human capital and attracting and keeping talents
WORKING CONDITIONS AND WELFARE	<ol style="list-style-type: none"> 1. Promoting best working conditions 2. Ensuring worklife balance 3. Ensuring benefits for employees
CUSTOMER SATISFACTION	<ol style="list-style-type: none"> 1. Management of customer relationship 2. Customer satisfaction surveys 3. Complaint resolution systems 4. Internal policies for postsales services and product returns

DEFINITION OF MATERIAL TOPICS

Material topics	Description
HEALTH OF FINAL CONSUMERS AND PRODUCT SAFETY AND LABELING	<ol style="list-style-type: none"> 1. Protection to guarantee the quality of the products and services offered 2. Implementation of quality and safety management systems for products and processes 3. Transparency and correctness in communicating to customers the raw materials and ingredients used and the properties of the products
BRAND REPUTATION AND VALUE	<ol style="list-style-type: none"> 1. Brand management and improvement 2. Promoting Made in Italy within the sector
COMMUNITY DEVELOPMENT PROGRAMS AND VOLUNTEERING	<ol style="list-style-type: none"> 1. Philanthropic programs or development and value creation programs for the local community 2. Donations, sponsorships and volunteer work for local communities
NATURAL AND SUSTAINABLE INGREDIENTS	<ol style="list-style-type: none"> 1. Research and use of recyclable, certified and traced, natural, vegan, organic, environmentally friendly ingredients and raw materials produced from renewable sources 2. Traceability and disclosure of raw materials and ingredients used
SUSTAINABLE PACKAGING	<ol style="list-style-type: none"> 1. Reduced consumption of packaging materials, with particular attention to plastic 2. Use of more sustainable and recycled materials for packaging production 3. Packaging design to ensure reuse or recyclability
RESPONSIBLE SUPPLIER MANAGEMENT	<ol style="list-style-type: none"> 1. Collaboration and continuous communication with all actors in the supply chain to promote transparency, responsible procurement practices, reduction of environmental impacts and respect for human rights 2. Supplier assessment with respect to social and environmental impact criteria

RECONCILIATION OF MATERIAL TOPICS AND IMPACT PERIMETER

Material topics	Reconciliation with GRI topics	Boundary of impacts	Impact type
ETHICS AND CORPORATE VALUES	N/A	EuroItalia	Caused by the Company
ECONOMIC PERFORMANCE	GRI 201 Economic Performance	EuroItalia	Caused by the Company
ENERGY AND EMISSIONS	GRI 302 Energy GRI 305 Emissions	EuroItalia	To which the Company contributes
WASTE MANAGEMENT	GRI 306 Effluents and waste (2016)	EuroItalia	To which the Company contributes
HEALTH AND SAFETY	GRI 403 Occupational health and safety	EuroItalia, Staff	Caused by the Company
DIVERSITY, EQUAL OPPORTUNITIES AND NON-DISCRIMINATION	GRI 405 Diversity and Equal Opportunity GRI 406 Non-discrimination	EuroItalia, Staff	Caused by the Company
TALENT ATTRACTION AND STAFF DEVELOPMENT	GRI 404 Training and education GRI 401 Employment	EuroItalia, Staff	Caused by the Company
WORKING CONDITIONS AND WELFARE	GRI 401 Employment GRI 402 Labor/Management Relations	EuroItalia, Staff	Caused by the Company
CUSTOMER SATISFACTION	N/A	EuroItalia, Business partners, Distributors and retailers	To which the Company contributes and related to the Company through its business relationships
FINAL CONSUMER HEALTH AND PRODUCT SAFETY AND LABELING	GRI 416 Customer Health and Safety GRI 417 Marketing and labeling	EuroItalia, Business partners, Distributors and retailers	To which the Company contributes and related to the Company through its business relationships
BRAND REPUTATION AND VALUE	N/A	EuroItalia, Business partners, Staff	Caused by the Company and related to the Company through its business relationships
COMMUNITY DEVELOPMENT PROGRAMS AND VOLUNTEERING	GRI 413 Local Communities	EuroItalia, Community	To which the Company contributes
NATURAL AND SUSTAINABLE INGREDIENTS	GRI 301 Materials	EuroItalia, Suppliers and Business Partners	To which the Company contributes and related to the Company through its business relationships
SUSTAINABLE PACKAGING	GRI 301 Materials	EuroItalia, Suppliers and Business Partners	To which the Company contributes and related to the Company through its business relationships
RESPONSIBLE SUPPLIER MANAGEMENT	GRI 204 Procurement Practices	EuroItalia, Suppliers	Caused by the Company and related to the Company through its business relationships

EUROITALIA'S 2019 SUSTAINABILITY REPORT WAS PREPARED IN ACCORDANCE WITH GRI STANDARDS: CORE OPTION. THE FOLLOWING TABLE SHOWS THE COMPANY'S INFORMATION BASED ON THE GRI STANDARDS GUIDELINES WITH REFERENCE TO EUROITALIA'S MATERIALITY ANALYSIS:

MATERIAL TOPICS	Disclosure	Page number	Omissions
GRI 101: Reporting Principles (2016)			
GRI 102: GENERAL DISCLOSURE (2016)			
ORGANIZATION PROFILE			
	102 – 1 Name of the organization	8	
	102 – 2 Activities, brands, products, and services	16, 21-23	
	102 – 3 Location of headquarters	16-17	
	102 – 4 Location of operations	16-19	
	102 – 5 Ownership and legal form	8, 42-43	
	102 – 6 Markets served	18-19	
	102 – 7 Scale of the organization	21-27, 56, 62	
	102 – 8 Information on employees and other workers	62	
	102 – 9 Supply chain	134-139	
	102 – 10 Significant changes to the organization and its supply chain	8-9	
	102 – 11 Precautionary Principle or approach	92-97	
	102 – 12 External initiatives	52	
	102 – 13 Membership of associations	52	
STRATEGY			
	1102 – 14 Statement from senior decision-maker	5-6	

ETHICS AND INTEGRITY		
	102 – 16 Values, principles, standards, and norms of behavior	36-38, 43
GOVERNANCE		
	102 – 18 Governance structure	42-43
STAKEHOLDER ENGAGEMENT		
	102 – 40 List of stakeholder groups	48-49
	102 – 41 Collective bargaining agreements	69
	102 – 42 Identifying and selecting stakeholders	48-50
	102 – 43 Approach to stakeholder engagement	51
	102 – 44 Key topics and concerns raised	53
REPORTING PRACTICE		
	102 – 45 Entities included in the consolidated financial statements	8-9
	102 – 46 Defining report content and Boundaries	53, 148-149
	102 – 47 List of material topics	53, 146-147
	102 – 48 Restatements of information	9
	102 – 49 Changes in reporting	8-9
	102 – 50 Reporting period	8
	102 – 51 Date of most recent report	8
	102 – 52 Reporting cycle	9
	102 – 53 Contacts point for questions regarding the report	9
	102 – 54 Claims of reporting in accordance with the GRI Standards	8
	102 – 55 GRI content index	152-158

MATERIAL TOPICS	Disclosure	Page number	Omissions
ECONOMIC PERFORMANCE			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundaries	8-9, 53, 56-57, 146-149	
	103-2 The management approach and its components	56-57	
	103-3 Evaluation of the management approach	56-57	
GRI 201: ECONOMIC PERFORMANCE (2016)	201-1 Direct economic value generated and distributed	57	
RESPONSIBLE SUPPLIERS' MANAGEMENT			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundaries	8-9, 53, 134-139, 146-149	
	103-2 The management approach and its components	134-139	
	103-3 Evaluation of the management approach	134-139	
GRI 204: PROCUREMENT PRACTICES (2016)	204-1 Proportion of spending on local suppliers	137	
NATURAL AND SUSTAINABLE INGREDIENTS			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundaries	8-9, 53, 106-115, 146-149	
	103-2 The management approach and its components	106-115	
	103-3 Evaluation of the management approach	106-115	
GRI 301: MATERIALS (2016)	301-1 Materials used by weight or volume	110	
SUSTAINABLE PACKAGING			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundaries	8-9, 53, 106-113, 117-119, 146-149	
	103-2 The management approach and its components	106-113, 117-119	
	103-3 Evaluation of the management approach	106-113, 117-119	
GRI 301: MATERIALS (2016)	301-1 Materials used by weight or volume	110	

MATERIAL TOPICS	Disclosure	Page number	Omissions
ENERGY AND EMISSIONS			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundaries	8-9, 53, 92-97, 146-149	
	103-2 The management approach and its components	92-97	
	103-3 Evaluation of the management approach	92-97	
GRI 302: ENERGY (2016)	302-1 Energy consumption within the organization	98	
	302-4 Reduction of energy consumption	94, 96	
GRI 305: EMISSIONS (2016)	305-1 Direct (Scope 1) GHG emissions	99	
	305-2 Energy indirect (Scope 2) GHG emissions	99	
WASTE MANAGEMENT			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundaries	8-9, 53, 92-93, 100-101, 103, 146-149	
	103-2 The management approach and its components	92-93, 100-101, 103	
	103-3 Evaluation of the management approach	92-93, 100-101, 103	
GRI 306: WASTE (2016)	306-2 Waste by type and disposal method	102	
TALENT RECRUITMENT AND STAFF DEVELOPMENT			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundaries	8-9, 53, 66-67, 146-149	
	103-2 The management approach and its components	66-67	
	103-3 Evaluation of the management approach	66-67	
GRI 401: EMPLOYMENT (2016)	401-1 New employees hired and employee turnover	66	
GRI 404: TRAINING AND EDUCATION (2016)	404-1 Average hours of training per year per employee	67	

MATERIAL TOPICS	Disclosure	Page number	Omissions
WORKING CONDITIONS AND WELFARE			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundaries	8-9, 53, 68-69, 146-149	
	103-2 The management approach and its components	68-69	
	103-3 Evaluation of the management approach	68-69	
GRI 103: EMPLOYMENT (2016)	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	68-69	
GRI 402: LABOR/MANAGEMENT RELATIONS (2016)	402-1 Minimum notice periods regarding operational changes	69	
HEALTH AND SAFETY			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundaries	8-9, 53, 70-71, 146-149	
	103-2 The management approach and its components	70-71	
	103-3 Evaluation of the management approach	70-71	
GRI-403: OCCUPATIONAL HEALTH AND SAFETY (2018)	403-1 Occupational health and safety management system	70-71	
	403-2 Hazard identification, risk assessment, and incident investigation	70-71	
	403-3 Occupational health services	70-71	
	403-4 Worker participation, consultation, and communication on occupational health and safety	70-71	
	403-5 Worker training on occupational health and safety	70-71	
	403-6 Promotion of worker health	70-71	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	70-71	
	403-9 Work-related injuries	71	

MATERIAL TOPICS	Disclosure	Page number	Omissions
DIVERSITY, EQUAL OPPORTUNITIES AND NON-DISCRIMINATION			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundaries	8-9, 53, 63-65, 146-149	
	103-2 The management approach and its components	63-65	
	103-3 Evaluation of the management approach	63-65	
405: DIVERSITY AND EQUAL OPPORTUNITY (2016)	405-1 Diversity of governance bodies and employees	64	
GRI-406: NON-DISCRIMINATION (2016)	406-1 Incidents of discrimination and corrective actions taken	No cases of discrimination were recorded in 2019	
COMMUNITY DEVELOPMENT PROGRAMS AND VOLUNTEERING			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundaries	8-9, 53, 142-143, 146-149	
	103-2 The management approach and its components	142-143	
	103-3 Evaluation of the management approach	142-143	
GRI 413: LOCAL COMMUNITIES (2016)	403-1 Operations with local community engagement, impact assessments, and development programs	143	
CONSUMER HEALTH, PRODUCT SAFETY AND LABELLING			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundaries	8-9, 53, 122-129, 146-149	
	103-2 The management approach and its components	122-129	
	103-3 Evaluation of the management approach	122-129	
GRI 416: CUSTOMER HEALTH AND SAFETY (2016)	416-1 Assessment of the health and safety impacts of product and service categories	122-127	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	During 2019, there were cases of non-compliance with laws or regarding health and safety impacts of products and services.	

MATERIAL TOPICS	Disclosure	Page number	Omissions
CONSUMER HEALTH, PRODUCT SAFETY AND LABELLING			
GRI 417: MARKETING AND LABELING (2016)	417-1 Requirements for product and service information and labeling	128-129	
	417-2 Incidents of non-compliance concerning product and service information and labeling	During 2019 there were no episodes of non-compliance in terms of product and service information and labeling.	
	417-3 Incidents of non-compliance concerning marketing communications	No incidents of non-compliance with regulations and voluntary codes relating to marketing activities were recorded during 2019.	

OTHER MATERIAL TOPICS	Disclosure	Page number	Omissions
ETHICS AND COMPANY VALUES			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundaries	8-9, 36-38, 43, 53, 146-149	
	103-2 The management approach and its components	36-38, 43	
	103-3 Evaluation of the management approach	36-38, 43	
BRAND REPUTATION AND VALUE			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundaries	8-9, 38, 53, 146-149	
	103-2 The management approach and its components	38	
	103-3 Evaluation of the management approach	38	
CUSTOMER SATISFACTION			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundaries	8-9, 53, 130-131, 146-149	
	103-2 The management approach and its components	130-131	
	103-3 Evaluation of the management approach	130-131	

