

EuroItalia

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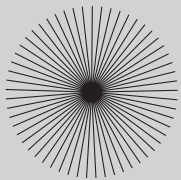
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**SINCE ITS ORIGINS, EUROITALIA HAS
PROPOSED AND OFFERED HIGH QUALITY,
INNOVATIVE AND CREATIVE PRODUCTS TO
ITS CUSTOMERS, ALWAYS ANTICIPATING
AND SATISFYING THEIR NEEDS.**

Letter to the stakeholders

THE SGARIBOLDI FAMILY

IN 2020, EUROITALIA EMBARKED ON A 360° SUSTAINABILITY INTEGRATION PATH. WHAT HAS LED YOUR COMPANY TO CHOOSE THIS ROUTE AND WHAT ARE THE STRATEGIC OBJECTIVES AND PRIORITIES FOR THE ENVIRONMENTAL IMPACTS GENERATED AND DESIRED BY THE COMPANY?

Our reality is deeply rooted in the territory and as such feels responsible and involved in its development; a development that has changed, becoming more complex and being no longer able to concentrate exclusively on indicators of economic performance, but having to consider other dimensions as well. Doing business in 2020 means making its own contribution in the economic, but also in the social and environmental field, to improve the well-being and living conditions of its territory and of its people, increasingly attentive and sensitive to these aspects. This is why Euroitalia, an economic actor made up of people, and therefore human and social, has chosen to have its own Sustainability Policy, within which are included choices and strategies that show particular attention and increasing sensitivity toward the protection of the environment and the ecosystem.

It is from this perspective that important choices must be interpreted, such as the decision to supply electricity from exclusively green sources through self-production from solar panels in the Cavenago headquarters and the purchase of energy from renewable sources certified GOT; or the choice of raw materials and packaging increasingly sustainable and certified by special bodies, such as FSC; or the objective of achieving, within two years, 95% biodegradability of its perfumes, also through an accurate selection of suppliers and the percentage of biodegradability of the essences.

LAST BUT NOT LEAST IN 2020 OUR COMPANY LAUNCHED THE LIFE CYCLE ASSESSMENT PROJECT ON SOME OF ITS PRODUCTS TO STUDY THEIR IMPACT THROUGHOUT THEIR LIFE, IN ORDER TO IDENTIFY POSSIBLE AREAS OF IMPROVEMENT AND TO INTERVENE IN A SUSTAINABLE KEY.

The importance that our reality gives to sustainability also emerges from the voluntary choice to draw up a Report that gives an account of the actions and policies taken in this direction, and then communicate them to their own people: Employees, customers and suppliers. To this end, a special space has been given, within the Company's new website, to the sustainability and commitment of Euroitalia to implement it in every action or daily choice. We know that we have taken the right direction, but we feel at the same time responsible for telling and sharing the reasons behind our choices and beliefs, to make them shared and thus contribute to their spread.

2020 WAS NOT A SIMPLE YEAR. HOW DID EUROITALIA RESPOND TO THE DIFFICULTIES THAT EMERGED FROM THE OUTBREAK OF THE PANDEMIC IN COVID-19 AND HOW WAS THE COMPANY'S ECONOMIC PERFORMANCE?

The year just ended was complex and challenging, especially in the early stages, when ours and other companies had to figure out how best to address this new and unpredictable situation. We put our employees first by implementing a number of measures including remote working and the provision of appropriate personal protective equipment to ensure the health and safety of all at a difficult time.

The luxury beauty market has been particularly affected by the pandemic and the closures it has brought. Before the outbreak of the Covid-19, almost all sales in the industry were in the store, but due to forced closures – even in places like airports, and therefore duty-free – shopping moved further and almost exclusively online, requiring great efforts to invent.

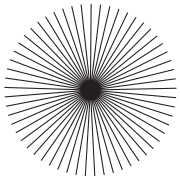
In a year that, as mentioned above, has proved complex and dramatic for many, our Company has been able to react very well, seeing the demand of its products grow despite a situation of general closure of activities and exercises. This has been possible thanks to a solid model built over time, able to resist external shocks and based on relationships of trust that EuroItalia has over time built and cultivated with its customers, and that has been able to maintain even in the difficult months of the pandemic, through dialogue and support tools such as customer service or newsletter.

In fact, our Company continued to invest in new product lines in Research and development in 2020. By launching three new fragrances on the market between 2020 and 2021 and expanding the range of its offer and competence thanks to the acquisition of two important brands of the world perfumery, such as Atkinsons and I Coloniali. The first is a brand that does not require presentations, being a historical and iconic brand synonymous with typically English fragrances and always used by personalities with top roles within society; the second is an Italian brand with a more recent tradition, characterized by a 360° wellness research and which counts among its strong points the use of natural ingredients and a marked sensitivity toward environmental sustainability.

With these two important acquisitions our Company has consolidated and further expanded its position in the luxury beauty market, demonstrating not only that it is able to face a moment of difficulty through a firm and well consolidated Company structure in time, but also to want to take a precise direction in the near future; to combine tradition with a particular attention to well-being understood as a whole and addressed to the person and to the whole ecosystem, favoring natural ingredients and materials respectful of the environment.

A further confirmation of the excellent work done by our Company comes from the new ranking published by Assolombarda in 2020 concerning the economic and financial results of the companies in Brianza;

EuroItalia has improved its position compared to the previous year. Despite being a family Company and not productive, it was placed 20th among the companies in the area, in the Top500+ the excellences of Monza and Brianza by Assolombarda. EuroItalia is classified immediately behind important names with greater dimensional characteristics and first when compared with the other companies of its sector in the ranking. This important achievement is a sign of a successful, functioning business model.



OUR GOALS

95%



**PERCENTAGE OF
BIODEGRADABILITY OF ALL
NEW ESSENCES CREATED**

100%



**USE OF FSC CERTIFIED PAPER
IN THE PACKAGING**

Methodological note

This document is the second edition of the EuroItalia Sustainability Report and aims to describe the initiatives and main results in the economic, social and environmental fields achieved during 2020 (from 1 January to 31 December). In particular, the definition of material topics has taken place on the basis of a Materiality analysis process, described in the chapter **"material Topics for EuroItalia: What is really important for us and our stakeholders"** of this document.

The data contained in the document relate to the period from 1 January 2020 to 31 December 2020. Where data relating to the previous year are present, they are to be considered comparative, in order to facilitate the assessment of the performance of the Company's business.

THIS REPORT WAS PREPARED IN ACCORDANCE WITH THE "GRI SUSTAINABILITY REPORTING STANDARDS" PUBLISHED IN 2016 BY THE GRI (GLOBAL REPORTING INITIATIVE), UNDER THE OPTION «IN ACCORDANCE - CORE».

The data and information contained in this document are based on the principles of balance, comparability, accuracy, timeliness, reliability and clarity that guarantee the quality of the information as defined by the GRI Standards.

The reporting perimeter of financial data and financial information corresponds to that of the EuroItalia Group's consolidated financial statements at December 31, 2020.

The perimeter of social and environmental data and information is related to EuroItalia S.r.l. since both issues are not relevant to the companies EuroItalia USA Inc. and EuroItalia Suisse SA that make up the Group. It should be noted that in 2020 there were no significant changes in the size, organizational structure, ownership structure and supply chain of the organization.

Any changes to the perimeter indicated above are opportunely reported in the document and, where present, do not compromise the proper representation of the business. In order to ensure the reliability of the data, the use of estimates has been limited as far as possible, which, if present, are appropriately reported and based on the best available methodologies. The data for the previous year, where available, are reported for comparative purposes, in order to allow an assessment of the performance of the assets over time. The Sustainability Report is drawn up annually. The document is not subject to external assurance.

THIS DOCUMENT WAS APPROVED BY THE SOLE ADMINISTRATOR OF EUROITALIA ON 11/06/2021.

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

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



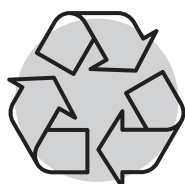
**ESSENCES USED
BIODEGRADABLE AT 75%**



**3MLN OF GREEN AND PLASTIC-FREE
ZERO KM COFFRET PRODUCED IN 2020**



**100% OF THE PAPER PURCHASED
FOR PACKAGING IS FSC CERTIFIED**



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



**CONFLICT MINERALS ASSESSMENT
ON OUR SUPPLY CHAIN**



**NO PLASTICIZING AND METALLIZATION
PROCESSES ARE USED FOR PRINTING**



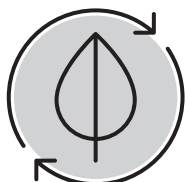
LAUNCH OF 3 NEW INNOVATIVE AND SUSTAINABLE FRAGRANCES



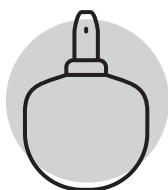
**100% GREEN ENERGY
CONSUMED (SELF-PRODUCTION +
CERTIFICATION PURCHASE)**



MADE IN ITALY PRODUCTION CHAIN



DEVELOPMENT OF PRODUCT LCA



OVER 27 MILLION FLASKS PRODUCED



**TWO NEW BRANDS:
ATKINSONS AND I COLONIALI**

EuroItalia: Who we are

AN ITALIAN FAMILY HISTORY

EuroItalia is a leading family Company in the trade of Italian fragrances, the most appreciated in the world, and operates in the **luxury beauty** sector at international level and specializes in the design, production and distribution of perfumes and fragrances and beauty products.

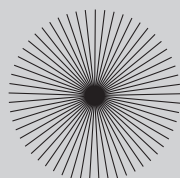
Over the years, quality, innovation and creativity have enabled the Company to bring made in Italy fashion and design to the luxury perfume sector and to consolidate its brands. The **made in Italy** philosophy is reflected concretely in the strategic decisions and the actions of every day and is a founding element of the Company. EuroItalia was born in 1978 from the pioneering vision and entrepreneurial courage of Giovanni Sgariboldi, who immediately believed in the potential of the selective made in Italy perfumery, making EuroItalia the most important and representative actor in the district of the "art" of Italian perfume.

Characterized by a long-term corporate vision and an efficient and dynamic business model, EuroItalia always guarantees the best to the brands it represents by proactively responding to industry trends and acting quickly in an increasingly competitive market. In fact, we collaborate with Italian fashion designers and brands, promptly translating the needs into new lines of successful **fragrances** and **make-up** products and marketing them in the world.

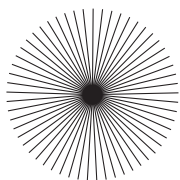
The Company takes care of every phase of development of its products, from the conception of the creative concept to the choice of fragrance, from the study of **packaging** to industrial production, to the identification of selective commercial positioning, supported with the most effective strategies of marketing, merchandising and communication.

At the company level, EuroItalia is constituted by the parent Company EuroItalia S.r.l. and two subsidiaries, EuroItalia Suisse SA (Switzerland) and EuroItalia USA Inc (United States). In addition, there are direct commercial presence in Austria, France, Germany and the UK.

In August 2020, EuroItalia undertook important changes at the company level, acquiring and thus becoming the owner of two historic brands in the sector: Atkinsons and I Coloniali. The two acquisitions are part of EuroItalia's strategy to expand its business with the aim of continuing to grow and create shared value.



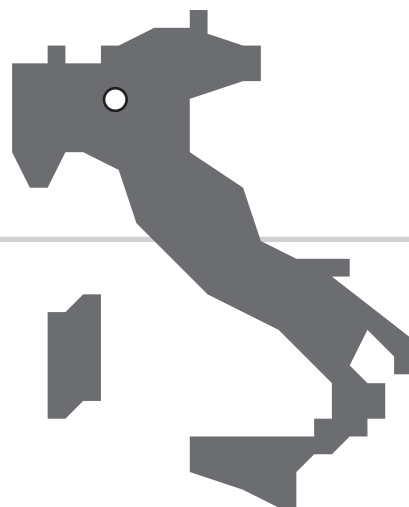
WITH 27 MILLION PIECES SOLD WORLDWIDE IN 2020 AND AN EXPORT SHARE OF 94%, WE ARE PRESENT IN 157 COUNTRIES THROUGH A DIRECT DISTRIBUTION NETWORK, LOCAL TRUSTED PARTNERS AND DUTY FREE.



OUR OFFICES

ITALY

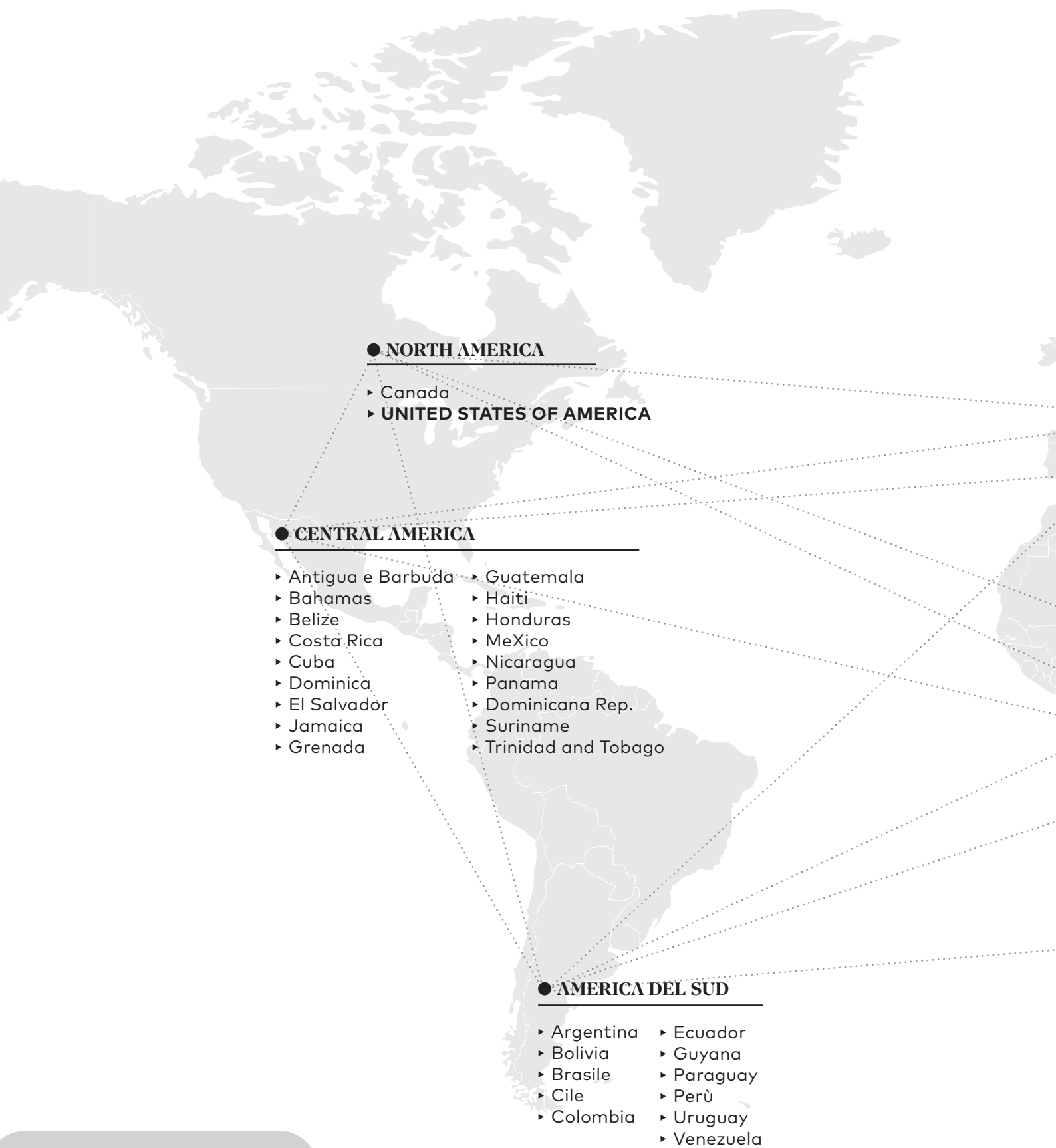
Headquarter



USA

SWITZERLAND





● **NORTH AMERICA**

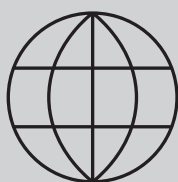
- Canada
- **UNITED STATES OF AMERICA**

● **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



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

- 
- ▶ Albania
 - ▶ Andorra
 - ▶ Armenia
 - ▶ **AUSTRIA**
 - ▶ Azerbaijan
 - ▶ 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

● ASIA

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

● AFRICA

- ▶ Angola
- ▶ Benin
- ▶ Burkina Faso
- ▶ Cameroon
- ▶ Chad
- ▶ Comoros
- ▶ Ivory Coast
- ▶ Egypt
- ▶ Ethiopia
- ▶ Gabon
- ▶ Gambia
- ▶ Ghana
- ▶ Djibouti
- ▶ Guinea
- ▶ Guinea-Bissau
- ▶ Equatorial Guinea
- ▶ 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

● OCEANIA

- ▶ Australia
- ▶ Fiji
- ▶ 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

Business model: The journey of perfumes and cosmetics

The creation of fragrances and beauty products is a complex and highly specialized process involving different actors, both internal and external to the Company, and which is divided into several phases reported below.

The Business Model, characterized by efficiency, dynamism and flexibility, allows EuroItalia to act quickly in an increasingly competitive market and respond proactively to the new needs and expectations of its customers, always with the aim of creating and developing new, creative and high quality products. The EuroItalia business model is based on the concept of **full-service**, since we guarantee fashion houses a support on the entire value chain, from the selection of suppliers and raw materials to the point of sale services.

As far as production is concerned, this is the only outsourced activity, for the fact that it deserves a specialized distinction; despite this it remains directly controlled with our dominant presence and forms of participation. That is why we pay close attention to the selection of our business partners and to 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 have the opportunity to share the stylistic guidelines for the creation and development of perfumes and beauty products. EuroItalia also owns four brands: Naj Oleari, for beauty products, and Reporter for perfumes, to which are added two recently acquired brands, Atkinsons and I Coloniali.

In particular, during 2020, EuroItalia completed two important acquisitions of the brands Atkinsons and I Coloniali with the aim of enriching its portfolio with two brands of great heritage and prestige and expanding on international markets.

Our brands at a glance



ATKINSONS

Atkinsons, a historic English brand born in London in 1799, is recognized for having become the official fragrance of the English crown in 1826, as well as being chosen by some of the most important and aristocratic personalities of the time, such as Napoleon, Admiral Nelson, Tomasi di Lampedusa, and Queen Margherita of Savoy.

The strong points of the house founded by James Atkinsons are the choice of typical English fragrances, including white rose, English lavender and British bouquet, all containing the characteristic and deep true essence of the English fragrance, then different and innovative than those in vogue.

The Atkinsons products are immediately recognizable also thanks to the bottle design: Engraved, gilded and printed, the wide-shoulder glass bottle is an authoritative icon of the neo-traditional design and the British perfumery. The present shape of the bottle originates from the first Cologne packaging, while the seal in the center of the bottle recalls the original packaging of the famous rose scented balm, the very first product of Atkinsons.



I COLONIALI



I Coloniali, a brand born in 1994 in Italy, is inspired by the art of art of Italian spicy masters.

Unique feature of the line is to seek a 360° well-being, not only of the body but also of mind, senses and spirit. The formulas of I Coloniali seek a harmonious relationship with nature, choosing natural ingredients such as Mirra, Rice Crusca, Bamboo and hibiscus with proven benefits and sensory and enveloping characteristics enhanced by fragrances inspired by the art of the best perfumery.

Since their inception, the I Coloniali have also demonstrated a strong sensitivity toward environmental sustainability, using recyclable materials such as aluminum, cardboard and recycled paper, glass, wood and cork.



NAJ OLEARI

Naj Oleari is the **100% Made in Italy** brand, synonymous of quality and design spread in 21 countries worldwide, and with more than 750 sales outlets between Europe and Latin America.

It is aimed at socially responsible and optimistic **millennial women** who are rigged without excesses but to exalt their beauty and style. Naj Oleari proposes a **make-up** as an exercise to happiness, that valorizes Italian beauty with a positive approach to life and without masks.

Naj Oleari products are concerned with the health and safety of their consumers: They are based on formulas without parabens, phthalates, toluene, formaldehyde and camphor, and are enriched with natural ingredients, without being tested on animals.

The packaging of Naj Oleari products is immediately recognizable, modern and feminine, with its pink gold color and practical and elegant magnetic closures.



REPORTER



Reporter for Men is a strong and innovative masculine fragrance for a man who wants to stand out. The most famous fragrance, still today very modern, was launched on the market in 1978; aromatic, seductive and dynamic, with notes of kumquat, grapefruit, cardamom and green lemon of Santo Domingo. For THE REPORTER brand, after-shave lotions and shower-shampoo have also been produced.



①

CREATIVE CONCEPT DEVELOPMENT

WE TAKE CARE OF THE ENTIRE PRODUCT DEVELOPMENT PROCESS AND THE FIRST STEP BEGINS BY SHARING DEVELOPMENT GUIDELINES WITH FASHION HOUSES. THROUGH MARKET ANALYSIS TO ANTICIPATE INDUSTRY TRENDS AND READILY TRANSLATE THEM INTO PRODUCTS THAT REFLECT OUR CUSTOMERS' NEEDS AND BLEND WITH BRAND IDENTIFICATION DNA, WE DESIGN A CREATIVE CONCEPT FOR EVERY PRODUCT AROUND WHICH WE SHAPE EVERY DEVELOPMENT CHOICE. FROM THE SELECTION OF INGREDIENTS TO THE STUDY OF FORMULAS, FROM THE ANALYSIS OF RAW MATERIALS FOR 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 WHICH TO COLLABORATE TO ACQUIRE THE RAW MATERIALS AND THE INGREDIENTS NECESSARY FOR THE PRODUCTION. (for more 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 FAR AS THE PERFUME JOURNEY IS CONCERNED, WE COLLABORATE WITH THE MOST IMPORTANT AND QUALIFIED ESSENCE PRODUCERS OF 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 BRIEF. THIS WORK PROCESS IS CONSISTENT WITH THE SELECTION OF INGREDIENTS THAT COMPLY WITH CURRENT LEGISLATION. AS FOR MAKE-UP PRODUCTS, WE ANALYZE, STUDY AND CREATE FORMULAS FOR THE DEVELOPMENT OF EFFECTIVE AND SAFE PRODUCTS FOR FINAL CONSUMERS. WE ARE SUPPORTED BY DEDICATED EXTERNAL COSMETOLOGY CONSULTANTS TO ENSURE COMPLIANCE WITH APPLICABLE LEGISLATION. AT THE SAME TIME, WE IMPLEMENT THE PACKAGING ENGINEERING PHASE FOR EACH MORPHOLOGY AND TYPE OF MATERIAL, SO THAT THE DESIGN IS PERFECTLY FUNCTIONAL AND AT THE SAME TIME ESTHETIC. THEN WE MOVE ON TO THE DEFINITION OF THE PRODUCTION STRUCTURE.

④

CAREFUL PRODUCT TESTING AND ANALYSIS

IN ADDITION, BOTH DIRECTLY AND INDIRECTLY THROUGH THE SUPPORT OF OUR MANUFACTURERS AND SPECIALIZED THIRD-PARTY COMPANIES, WE CARRY OUT CAREFUL CHECKS AND ANALYZES ON OUR PRODUCTS, THROUGH EFFICACY TESTS, ALLERGY TESTS, OPHTHALMOLOGIC TESTS AND MICROBIOLOGICAL TESTS, IN ORDER TO ENSURE THE SAFETY AND THE HIGH PERFORMANCE EXPECTED. 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 THE DEVELOPMENT, THE FINISHED GOODS ARE BOTTLED, PACKAGED IN THE CHOSEN PACKAGING AND FINALLY SENT TO THE EUROITALIA HEADQUARTERS IN CAVENAGO, AN AUTOMATED AND STATE-OF-THE-ART LOGISTICS CENTER, WHERE QUALITY CONTROL, SORTING, THE SPECIFIC PACKAGING AND TRACKING OF EACH PRODUCT SOLD AND FROM HERE ORGANIZES AND MANAGES TRANSPORTATION TO DISTRIBUTORS AND RETAILERS GLOBALLY.

⑥ LOGISTIC MANAGEMENT

IN PARTICULAR, THE LOGISTICS, BOTH INBOUND AND OUTBOUND, IS MANAGED DIRECTLY BY EUROITALIA IN THE LOGISTIC CENTER OF CAVENAGO. THE TRANSPORT CARRIED OUT IS OF MIXED TYPE, BOTH THROUGH TRANSPORT DIRECTLY MANAGED BY THE CUSTOMER (RANCOPHABRICA, EXWORKS IN ENGLISH), AND ALSO THROUGH TRANSPORT MANAGED DIRECTLY BY EUROITALIA. FOR EXTREME SAFETY, ALL TRANSPORT IS ESCORTED BY SUPERVISION TO THE FIRST CUSTOMS DESTINATION.

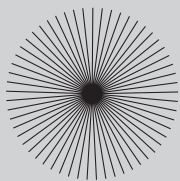
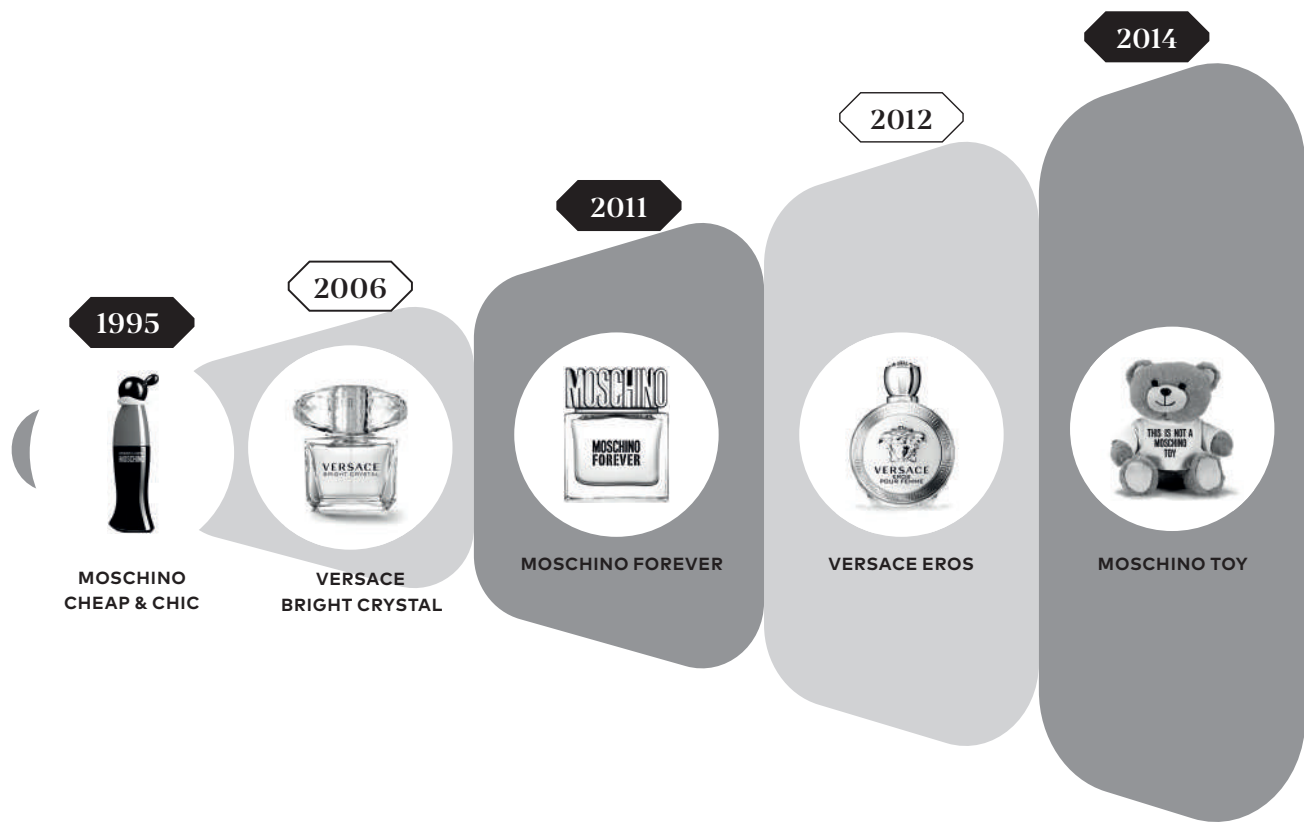
⑦ MARKETING STRATEGY DEVELOPMENT

⑧ SUPPORT AND ASSISTANCE OF STORE

⑨ CUSTOMER SATISFACTION MANAGEMENT

IN CONCLUSION, WE ARE RESPONSIBLE FOR THE SELECTIVE COMMERCIAL POSITIONING OF OUR PRODUCTS, CREATING AND DEVELOPING THE MOST EFFECTIVE MARKETING, MERCHANDISING AND COMMUNICATION STRATEGIES. IN ADDITION, WE BRING BEAUTY ASSISTANTS CLOSER TO OUR PRODUCTS, PROVIDING SPECIFIC TRAINING AND TRAINING FOCUSED ON THE CHARACTERISTICS, QUALITY, FORMULA AND HOW THEY ARE USED. WE ALSO ASSIST THE SALES OUTLETS IN EVERY NEED AND IN THE INSTALLATION OF MERCHANDISING. FINALLY, WE SUPPORT FASHION HOUSES AND RETAIL OUTLETS IN MANAGING CUSTOMER SATISFACTION, PARTICULARLY RELATED TO COMPLAINTS FROM FINAL CONSUMERS.

(For more information please refer to the chapter “Customer satisfaction: Our commitment to listening to the needs of our customers”).



WE WORK WITH THE LARGEST INTERNATIONAL FASHION BRANDS, BOASTING THE CREATION OF A WIDE RANGE OF PRODUCTS, INCLUDING SOME ICONIC FRAGRANCES.

2015



MOSCHINO FRESH



MISSONI
EAU DE PARFUM

2016



VERSACE
DYLAN BLUE



VERSACE
EROS FLAME



DSQUARED2
WOOD FOR MAN AND
WOOD FOR WOMAN

2018

2019



VERSACE
DYLAN TURQUOISE

2020



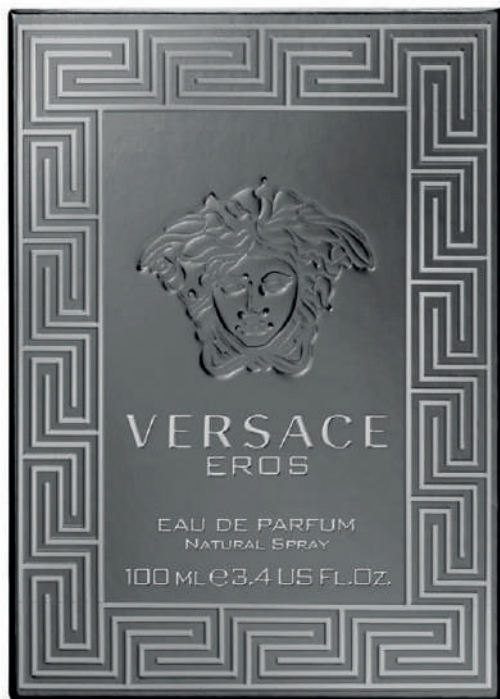
MOSCHINO
TOY 2 BUBBLE GUM

VERSACE

In 2020, we extended the creation of Atelier Versace's exclusive collection with 6 other fragrances, very sensory and innovative.

Atelier Versace is based on the research of design, materials and innovative technology, incorporating in the six fragrances ingredients of superb qualities, craftsmanship, innovative techniques and the esthetics that distinguishes the Versace brand.

In collaboration with the Versace brand, during 2020, we developed **Eros Eau de Parfum**. The new masculine fragrance of the Maison Versace has a personality that does not fear to show itself and to reveal its extremes, extremely esperidato on one side and extremely gentle on the other. The fragrance is characterized by the depth of its woody agreement, cedar - vetiver - patchouli, revived by the duality of lemon and tangerine, strictly Italian, and animated by an unexpected note of candied apple. Finally, a final note composed of the binding of vanilla to leather. **Eros Eau de Parfum** is a fatal and provocative weapon that stands out for its heady and creamy effects, its vibrant contours and its oriental character. This new scent is characterized by an intense blue, firm shade, which represents an evident reminder of the Mediterranean Sea and its lifestyle and of Greek Roman art and culture revisited in a contemporary way.



2 WOOD DSQUARED2



In 2020 EuroItalia collaborated to develop a new fragrance, 2 Wood. The new fragrance, described as an essence with a free, intense, vigorous and sophisticated spirit that expresses authenticity, depth and passion, is intended to express the characteristics of contemporary man and woman, sensual, confident in themselves and in their personalities, but also of the young people who capture the Zeitgeist, living with passions and **good vibes**.



DSQUARED2

MOSCHINO

MOSCHINO

In 2020 **Toy 2 Bubble Gum** was born from the creative inspiration of the creative director of Moschino and from our expertise. Unlike the previous Toy, Bubble Gum is dedicated to women **#Pinkaddicted**. This fragrance is characterized by a glossy, extroverted and playful note that explores the facets of her Majesty La Rosa. It is a scent that frees the spirit from negative thoughts, envelops the body and stimulates the mind.

Finally, we have collaborated to create the **Toy 2 Bubble Gum by Moschino** bathroom line, which consists of exclusive products for daily body care, with classic **Bath & Shower Gel** and **Body Lotion**, moisturizing and emollients that are combined with an innovative and delicious product, a hair spray, **Hair Mist**.



MOSCHINO

Our context of reference

EUROITALIA: A RESILIENT REALITY

Euroitalia operates in the **luxury beauty** sector at an international level, where it is competing with multinational perfumery companies in a very competitive and multi-brand market.

Thanks to its flexibility and to its dynamic and efficient business model, Euroitalia has managed over the years to emerge in the sector acquiring an important **market share**. Moreover, through its dynamic structure and decision-making process, Euroitalia has managed to obtain a very competitive **"Time to Market"** factor, ensuring the rapid introduction of its products into the market.

Within the personal products sector, in which Euroitalia deals in particular with **luxury beauty**, brand management and product quality are increasingly important issues, whose development is guided by the need for continuous innovation, the maintenance of market positioning or the acquisition of market shares.

The creation and development of the product is a priority because it is directly linked to the safety of the product itself. In addition, increasing demand for more innovative products encourages companies to develop improved and reformulated versions of their traditional products.

There is increasing attention to the composition of products, in fact, in combination with an evolving regulatory environment that increasingly regulates the use of ingredients and chemicals, new consumer needs guide innovation toward high-quality, safe and natural products.

AT PRESENT, THE KEY ISSUES IN THE SECTOR LARGELY RELATE TO THE USE OF NATURAL AND SUSTAINABLE INGREDIENTS, AND AS FAR AS PACKAGING IS CONCERNED TO THE REDUCTION OF PLASTIC USE.

Companies have identified secondary product characteristics as key elements of consumer choice and growth. In particular, in the perfume segment, companies focus on the innovation of fragrances, using a wide variety of essences and exploiting technologies that guarantee greater persistence and intensity of the product. In addition, packaging and delivery systems also play a key role in the supply of differentiated products. The demand for natural and sustainable products is growing due to the increasing awareness of the environmental and social impacts of the substances and ingredients used, the search for a more sustainable lifestyle and the particular attention of the final consumers toward the **mission** of companies.

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

The beauty and cosmetic market was a growing sector with excellent performances in all categories, before the outbreak of the emergency of COVID-19, which led to a slowdown in the world economy. In particular, the **luxury beauty** market has experienced a significant worldwide decline, especially in the fragrance and make-up segments.

During 2020, given the global pandemic situation, new challenges emerged for the **luxury beauty** sector, in particular: the temporary closure of many shops, including duty free, customers increasingly attentive to sustainability and interruptions in the supply chain. Before the pandemic spread, up to 85% of the industry's purchases were in the store. Due to forced closures, shopping moved online and e-commerce played a key role in 2020. For this reason, companies and brands have been forced to focus and strengthen their digital footprint.

EuroItalia has faced the challenges that emerged during 2020 and has demonstrated strong and consolidated resilience capabilities. This was mainly possible thanks to a solid and successful model built and consolidated over time, which has allowed our reality to react positively to a difficult and unexpected situation.

In particular, in 2020, the Company strengthened its loyalty relationship with its customers even more by enhancing its **customer service** support services and developing the new newsletter tool dedicated to its customers in order to communicate periodically the main updates and news, transmitting a feeling of closeness in dealing with this shared situation of difficulty. Moreover, Euroitalia has decided to renegotiate some of the credits toward its customers, demonstrating its ability to listen and understand their needs and its willingness to always meet its stakeholders halfway in times of difficulty. Euroitalia has shown that the relationship with its customers is one of the main corporate priorities, a lasting relationship that has consolidated over time thanks to mutual trust and esteem.

Another fundamental element that has enabled Euroitalia to face this crisis situation is certainly the quality and efficiency of the distribution channels of its products that have allowed a faster restart.

TO DEMONSTRATE THE VITALITY AND PROACTIVITY WITH WHICH EUROITALIA FACES THE DIFFICULTIES, THE COMPANY HAS NOT REDUCED INVESTMENT IN RESEARCH AND DEVELOPMENT OF NEW PRODUCT LINES, IN PARTICULAR, 3 NEW PERFUMES WERE CREATED IN 2020, 1 OF WHICH WAS LAUNCHED ON THE MARKET DURING THE YEAR AND TWO LAUNCHED IN 2021, AND IN THE COMMUNICATION ACTIVITIES, DESPITE A DECREASE IN TURNOVER. FINALLY, DURING 2020, WE COMPLETED, AS PREVIOUSLY REPORTED, TWO IMPORTANT ACQUISITIONS AIMED AT STRENGTHENING HIS POSITION IN THE LUXURY BEAUTY SECTOR.

Finally, during 2020, we completed, as previously reported, two important acquisitions aimed at strengthening his position in the **luxury beauty sector**.

Euroitalia has not used the Redundancy fund to deal with the economic difficulties arising from the outbreak of the pandemic from COVID-19, nor has it delayed the making of payments to its employees and suppliers, proving once again to the side of all its stakeholders.

In 2020, 24 Ore Research and Studies, the 24 Ore Group area carrying out market sector analysis, in collaboration with the Mediobanca Studies Area, published the Cosmesi Report, showing a photograph of the current situation of the cosmetics sector and of the companies operating there with interesting forecasts and scenarios, especially in the light of the COVID-19 emergency.

The Cosmesi Report underlines the important presence of Italian companies in this sector, placing EuroItalia among the top five players in Italy in terms of 2018 turnover with 395.3 million euros.

Italy, in fact, is in the ninth position as a world producer and in the fourth position as a European producer with sales of USD 11.9 billion, preceded in Europe by Germany, France and the United Kingdom.

The entire made in Italy cosmetics chain, including packaging suppliers, reaches approximately \$16 billion in sales. Finally, the Report reports that 195 Italian companies in the beauty sector have a turnover of more than 10 million with sales of 12.1 billion euros and more than 39,000 employees.

● FOCUS

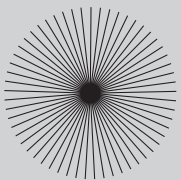
“Beauty Inc Unveils Top 100 Global Beauty Manufacturers” ¹

In 2020, Euroitalia was able to position 35° among the 100 best producers of beauty products included in the ranking of WWD Beauty Inc., thus improving its position compared to the previous year. This year the ranking, created on the basis of sales made, tells the story of industries and a world shaken by the pandemic from COVID-19.

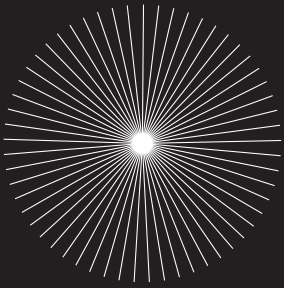
The article shows that Euroitalia has been able to cope with the pandemic situation since COVID-19, continuing the activities of launching its products in the license portfolio. These launches include Missoni Wave (male fragrance) and Versace Dylan Turquoise (female fragrance), which have been particularly successful on social media thanks to the advertising campaign involving Hailey Bieber and Bella Hadid.

Finally, the article highlights the important acquisitions of Atkinsons and I Coloniali completed by Euroitalia in 2020. These acquisitions have been very successful, allowing the Group to gain greater visibility in the sector.

1. WWD Beauty (2021), Beauty Inc Unveils Top 100 Global Beauty Manufacturers - [Link](#)



IN 2020, EUROITALIA WAS ABLE TO POSITION 35° AMONG THE 100 BEST PRODUCERS OF BEAUTY PRODUCTS INCLUDED IN THE RANKING OF WWD BEAUTY INC., THUS IMPROVING ITS POSITION COMPARED TO THE PREVIOUS YEAR.



EuroItalia has proved proactive in dealing with the emergency by implementing preventive actions from the first confirmed cases of COVID-19 in the Lombardy region at the end of February 2020 operating in full compliance with the ministerial directives and guaranteeing daily the continuity and operation of its business.

IN 2020, EUROITALIA, THROUGH THE HUMAN RESOURCES FUNCTION, IN THE LIGHT OF THE MEASURES TAKEN BY THE ITALIAN GOVERNMENT TO COMBAT THE COVID-19 EMERGENCY, INCLUDING THE CLOSURE OF SCHOOLS OF ALL GRADES AND NON-NECESSARY CORPORATE DEPARTMENTS, HAS PREPARED DAY AFTER DAY ALL THE NECESSARY MEASURES TO GUARANTEE AND PROTECT THE HEALTH OF HIS EMPLOYEES, WHICH HAS ALWAYS BEEN A PRIORITY FOR US. IN PARTICULAR, WE HAVE IMMEDIATELY DISTRIBUTED FFP2 AND FFP3 MASKS, GOGGLES AND FACE SHIELDS, GLOVES AND SANITIZERS TO PROTECT THE HEALTH AND SAFETY OF OUR EMPLOYEES. IN-PERSON MEETINGS HAVE BEEN REDUCED BY FAVORING REMOTE MEETINGS THROUGH THE DIGITAL PLATFORMS PROVIDED BY THE COMPANY. IN ADDITION, EUROITALIA HAS INSTALLED SPECIFIC AIR PURIFIERS TO REDUCE THE RISK OF INFECTION.

Following the decision of the Italian Government to close all commercial activities in order to reduce and contain the spread of the virus, EuroItalia has provided the appropriate tools to its employees in order to be able to continue their work at home, where possible. In particular, we have provided those who needed laptops and the extension of the corporate VPN. For employees who did not work in remote working, a paid permit was granted.

The employees received weekly communications on the updating of the way in which the activities were carried out and on possible future developments in order to reduce as far as possible the uncertainty due to the emergency situation.

Shifts have been organized to alternate the presence of employees in the office to ensure safety standards and to comply with regulations.

Really united: Emergency COVID-19

In May, with the aim of operating at full speed with all the employees present in the office and in the warehouse, we have prepared the working spaces ensuring health and safety through the installation of plexiglass and air purifiers in our offices, as well as sanitizing gel dispensers, and periodic sanitization of work environments according to the procedures provided for by the recommendations of the Ministry of Health.

At the beginning of June, EuroItalia guaranteed the possibility for all employees to carry out venous serological tests and molecular buffers to monitor and protect the health and safety of the staff, thus responding to many requests of the same employees to be tested. Employees who were positive for the serological test were initiated into the quarantine procedure and immediately submitted to the buffer in order to verify positive virus. As of June 2020, all employees were negative to the buffer and then reinstated at work.

TO CONFIRM THE CONSTANT ATTENTION TO THE PROTECTION OF THE HEALTH AND WELL-BEING OF ITS WORKERS, EUROITALIA HAS STIPULATED A SPECIFIC INSURANCE COVER FOR THE COVID-19 ("REALMENTE UNITI" OF REALE MUTUA), WITH THE AIM OF PROTECTING ITS PEOPLE IN THIS EXCEPTIONAL CONTEXT THAT WE HAVE FACED.

The policy was active until the first months of 2021 for employees and their families and provided for a compensation in case of hospitalization caused by infection COVID-19, an intensive care compensation and a complete care package. It includes the general medical consultation H24 independent of infection COVID-19, and, in case of hospitalization, the booking of examinations and visits, and the delivery of the drugs, and also of the expense, besides a service of sending of pet sitter, for all the necessary treatments. The evolution of the situation is constantly monitored in order to act promptly with the appropriate measures, minimizing the social and economic effects for the Company.

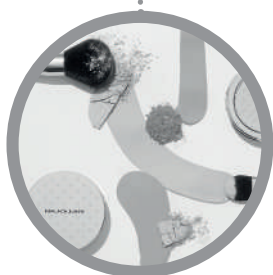
Giovanni Sgariboldi, currently **President of EuroItalia**, founds the company in 1978. The initial **licensing portfolio** consists of the brands **Oleg Cassini**, **Reporter**, **Enrico Coveri**.

REPORTER FOR MEN



1978

1988



NAJ·OLEARI Italian Beauty

Between 1988 and 1989 **EuroItalia purchases** the trendy brands **Naj Oleari** and **El Charro**. In addition EuroItalia signs 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 bestselling 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



OUR HISTORY: WHERE IT ALL STARTED.

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



SUSTAINABILITY ATKINSONS

LONDON 1799

I COLONIALI

EuroItalia undertakes a detailed program for the development of **sustainability practices**. **EuroItalia** completes the acquisition of **Atkinsons** and **I Coloniali**.

FROM THE PAST WE LOOK TO THE FUTURE

Our Mission and our values: A family matter

THE SECRETS OF OUR SUCCESS

Our Company is founded on the values of the family, trust, collaboration and dialogue, fundamental elements of its success. Moreover, EuroItalia is synonymous with creativity, quality and innovation, elements that have always distinguished it and have allowed it to grow and establish itself in the luxury beauty sector at international level. The values of EuroItalia are the ingredients of the formula for the creation of value in the long term. Concretely, these ingredients drive and enrich business decisions and daily actions/activities.



1. FAMILY

EuroItalia strongly believes in the value of the family, the foundation of its success.



2. TRUST

EuroItalia believes that building relationships based on mutual trust with all its stakeholders guarantees the creation of value in the long term.



3. COLLABORATION AND DIALOGUE

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



4. CREATIVITY

EuroItalia is an inexhaustible source of creativity. Its ability to generate unique and original products, always putting its customers at the center, is its distinctive feature.



5. QUALITY

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



6. INNOVATION

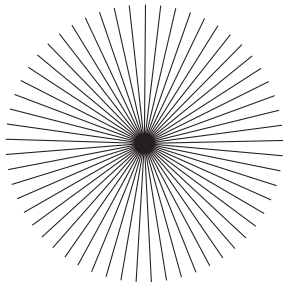
EuroItalia is constantly oriented to the creation of more and more innovative products that anticipate the needs of its customers and the market trends.

● (For more information please refer to the chapter “Customer satisfaction: Our commitment to listening to the needs of our customers”).

The Company values are inherent in the philosophy of the Company and are constantly transmitted by the family that has an active role in the organizational structure.

These values guide employees in their activities and allow the Company to build long-term relationships with its business partners. Business ethics are essential to build trust with your people, suppliers and customers, increase reputation and give you a competitive advantage. EuroItalia in fact boasts very long-term collaborations based on mutual trust with its customers, suppliers and distributors.

Finally, EuroItalia stands out for its high and constant attention to the customers with the aim of fully satisfying their expectations and anticipating their future needs promptly. In particular, with the international fashion house partners, it demonstrates an excellent ability to adapt to the specific creative styles that distinguish each of them.



Made in Italy philosophy

QUALITY AND CREATIVITY

"Made in Italy? A responsibility" (Giovanni Sgariboldi)

In 1978, Giovanni Sgariboldi created a new entrepreneurial reality in the province of Monza, putting **made in Italy** at the center of its **raison d'être**.

This philosophy is an element of uniqueness of the Company which, since its birth, has set itself the mission of spreading and enhancing the **Made in Italy** in the world, through perfumes.

Made in Italy represents a key part of EuroItalia's identity, through the predilection of Italian skills, quality and creativity, favoring collaboration with Italian companies from the great brands of the fashion sector to small and medium-sized entrepreneurs in the territory. Over the years, EuroItalia has taken on the role of main supporter of the district of the "art" of the Italian perfume.

THIS PHILOSOPHY IS SYNONYMOUS WITH EXCELLENCE AND CARE IN THE CHOICE OF INGREDIENTS AND THE SEARCH FOR A VERY HIGH QUALITY, STRICTLY MADE IN ITALY. AS A DEMONSTRATION OF THE EFFORTS MADE IN RECENT YEARS, EUROITALIA HAS BEEN NAMED AMONG THE COMPANIES TO WHICH IT IS RECOGNIZED THE MERIT TO BRING AND QUALIFY MADE IN ITALY IN THE WORLD.

Also during 2020, the year marked by the global pandemic by COVID-19, EuroItalia has committed itself and will commit itself to spreading with pride and vision the **Made in Italy** in the world, supporting and promoting the district of the Italian perfume to which it belongs



Governance and compliance

Governance and compliance

EuroItalia presents a traditional governance model, a lean and dynamic system as it includes a management body, the sole director in the person of Giovanni Sgariboldi, and a control body, the Board of Statutory Auditors. The Board of Statutory Auditors does not have accounting control, which is delegated to an external auditors. In 2020, the financial statements of EuroItalia S.r.l. were audited, which led to the issuance by the auditing firm responsible of a positive opinion pursuant to Article 14(2) (e) of the Legislative Decree 39/10. The Board of Statutory Auditors is responsible for overseeing the process of preparing EuroItalia's financial information. In addition, the management of EuroItalia is owned by the Sgariboldi family, which has a decision-making and operational role.

In 2020, EuroItalia was equipped with the Organizational Model pursuant to Legislative Decree 231/2001, defining its own internal procedures for various types of offenses, including, for example, offenses linked to corruption between private individuals, market abuse and corresponding administrative offenses, accommodation and recycling, and offenses against public administration, environmental offenses, crimes committed in violation of accident prevention and health protection at work, and offenses of racism and xenophobia. EuroItalia has voluntarily decided to start a project of analysis of its organizational, management and control instruments, aimed at verifying the correspondence of the behavioral principles and control principals already adopted to the aims foreseen by the Decree. In particular, EuroItalia has identified the Company activities in which the offenses included in the Decree could potentially be committed.

Also, pursuant to Legislative Decree 231/2001, EuroItalia has set up its own internal supervisory body to monitor compliance, effectiveness, implementation and operation of the model and to update it. The supervisory body with a collegial structure is composed of external members with autonomy, independence and professionalism appointed by the administrative body. The members of the supervisory body shall remain in office for three years from the appointment and shall in any event be re-elected. Finally, the Company has defined and adopted a system of sanctions, containing the disciplinary measures applicable in case of violation of the requirements contained in the Organizational Model pursuant to Legislative Decree 231/2001 in order to ensure the effective implementation of the model. This decision represents the Company's commitment to combating corruption. Following the adoption of the 231 model, EuroItalia has developed its own Code of Ethics.

In 2020, EuroItalia did not record any case of corruption. Finally, in 2020, EuroItalia registered no instances of non-compliance with socio-economic legislation and regulations.

THE CODE OF ETHICS

In 2020, EuroItalia developed and adopted its own Code of Ethics in order to ensure that its business activities are carried out with respect for legality and ethical principles such as fairness, loyalty, integrity and transparency. The Code of Ethics enshrines a series of values and rules of “corporate ethics” which EuroItalia recognizes as its own and which require compliance by its social bodies, employees and third parties.

Cybersecurity and Data Privacy

FIRST MOVER IN THE BEAUTY AND FASHION SECTOR

During 2020, the increased use of remote working has exposed EuroItalia to the risk of cyber-attacks. In order to avoid this situation, our Company has committed itself to achieving ISO 27001 "Cyber Security" certification. In order to achieve this result, since the first months of the pandemic, in spring 2020, EuroItalia has been active to improve the security of its computer systems, through:

- Training sessions to educate and raise awareness of Cyber threats, which in 94% of cases reach business pcs through email and phishing attacks;
- The implementation, in two phases, of a centralized management of the Company password portfolio and profiling of EuroItalia personnel through Active Directory;
- The choice to adopt the Organizational Model pursuant to Legislative Decree 231/2001, containing within it a reference to "computer crimes and illicit data processing";
- The engagement of a structured partner for its management and the choice to undergo two phases of Vulnerability Assessment and penetration Test;
- The modernization of the machine room hardware and the Company's Wi-Fi infrastructure;
- The revision of the network architecture and the modernization of the related equipment;
- The adoption of a proxy server, a logging system and new Next Generation Firewalls in early 2021.

The implementation of all these measures, in addition to demonstrating a professionalism and a particular attention of EuroItalia toward its employees and customers, has enabled our Company – first of the companies operating in the perfume and cosmetic sector – to obtain at the beginning of 2021 the ISO 27001 "Cyber Security" certification.

Achieving this goal makes us proud and aware that we have improved the safety of our Company and therefore of our people.



Sustainability for EuroItalia

Sustainability for EuroItalia: A new beginning

2020 was a turning point for EuroItalia, as during the year we launched a structured path of formalization and structuring of existing business practices, starting a process of formal integration of 360-degree sustainability. In order to expand and improve its impacts on sustainable development.

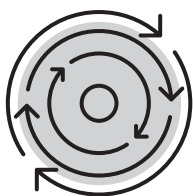
In 2021, EuroItalia maintained its commitment, reported in its Sustainability Policy, to draw up the Sustainability Report for the second consecutive year.

The Sustainability Report has the objective of reporting our performance in terms of technical, economic, social and environmental responsibility, constantly monitoring the Company's sustainability performance and therefore making us more aware of the direct and indirect impacts we generate. Finally, the development and publication of this report allow us to increase transparency and strengthen dialogue with our **Stakeholder**.

FINALLY, IN 2020 WE DEFINED AND DEVELOPED OUR OWN SUSTAINABILITY POLICY.

The mission of the Sustainability Policy is to guide and support EuroItalia in the sustainability path undertaken, in particular in the decision-making process and in the day-to-day management of its activities.

In the process of defining the Policy, EuroItalia has identified four fundamental pillars on which to focus its commitment, as follows:



CENTRALITY OF THE PERSON AND SOCIAL IMPACT

EuroItalia considers its human capital a strategic asset, for this reason it is committed to enhancing its people and the uniqueness they represent and to promoting a meritocratic, stimulating and secure work environment. EuroItalia places its customers at the center, anticipating their needs and transforming them into safe, innovative and creative quality products. Aware of the fundamental role that EuroItalia assumes in its territory 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 aimed at reducing its footprint on natural capital and improving its environmental performance;



RESPONSIBLE SUPPLY CHAIN MANAGEMENT

EuroItalia, aware of the strategic role assumed by its supply chain, is committed to creating and maintaining a collaborative relationship, trust and dialogue with its suppliers. EuroItalia is committed to carefully selecting and monitoring suppliers in order to guarantee the creation of quality and safe products for its customers;



BUSINESS INTEGRITY

EuroItalia is characterized by a strong business integrity leading its activities in compliance with and respecting the Law.

A continuous dialogue with our stakeholders

THE UNIQUE VALUE THAT OUR STAKEHOLDERS REPRESENT

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



EuroItalia



STAFF: the staff is considered a valuable asset, fundamental to the creation of long-term value. We strongly believe in the importance of our employees to achieve increasingly challenging goals and to continue to consolidate our success. For this reason, we invest in the personal and professional development of our employees and are committed to ensuring a safe, flexible, family-friendly working environment that is suitable for the needs of our people.



BUSINESS PARTNERS: Business partners, understood as fashion houses that grant the Company the license to produce and distribute beauty products, support us in the design of the products. On the other hand, we are committed to producing and offering products of excellence, innovative and creative that fully meet the needs and expectations of fashion houses. Finally, we invest our efforts in offering products that comply with current regulations and are safe for final consumers.



DISTRIBUTORI AND RETAILER: Distributors and retailers support the Company in the distribution and sale of end products. They are instrumental in generating long-term value, ensuring efficient sales and distribution service. At the same time, we are committed to fulfilling our commitments to them.



COMMUNITY: the community supports Euroitalia and in the same way we support the development of our community through its involvement in initiatives and projects of the territory.



INSTITUTIONS AND REGULATORS: the institutions and regulators have the task of regulating and verifying the Company's activities. We have always committed ourselves to operating in accordance with the law and to comply with all applicable laws.



SUPPLIERS: the suppliers of raw materials, 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 to achieve common goals for growth and value creation.



FINAL CONSUMERS: they benefit from the product and the attention to product safety is devoted to them.

We believe it is vital to establish and maintain long-term and strong relationships with all our stakeholders. A relationship based on constant and transparent dialogue and the active involvement of its stakeholders is a crucial element for the creation of long-term value. Through continuous and stable relations, we are able to understand the specific priorities and expectations of each stakeholder, to anticipate the emergence of possible criticalities and to promptly correct our actions in response to the needs of each of them.

In addition, the transparent and ongoing dialogue with our stakeholders, in particular, with our community, guarantees us the support to continue generating value.

We support, promote and spread the made in Italy in the sector worldwide, thus enhancing the skills and know-how of the community in which we operate. The Company also has a strong social impact in the context in which it operates, being able to generate long-term value for its suppliers and for the whole territory.

In 2020, we decided to embark on a path of sustainability aimed also at improving and strengthening dialogue with our stakeholders, promoting transparency through the drafting and annual publication of the Sustainability Report. The path taken is a further expression of the responsibility that EuroItalia takes toward its community.

The precise identification of its stakeholders, the organization of effective channels of dialogue and involvement and the constant monitoring of their interests and needs are priorities. As a demonstration of EuroItalia's attention to its stakeholders, the Company has set up a new website whose purpose is the account of our reality in a clear and transparent way addressed to all stakeholders.

ONE OF THE CENTRAL THEMES OF THE NEW EUROITALIA WEBSITE IS SUSTAINABILITY, TO WHICH A SECTION WILL BE DEDICATED THAT WILL HIGHLIGHT THE EXTRACTS FROM THE REPORT AND WILL ALLOW TO DOWNLOAD DIRECTLY THE SUSTAINABILITY REPORT.

HOW STAKEHOLDERS ARE INVOLVED		
Stakeholder groups involved	How to engage	Frequency of involvement
STAFF	<ul style="list-style-type: none"> → Ongoing dialogue with the Human Resources Function; → Meetings with employees to share achievements and future goals; → Awareness-raising meetings on issues related to welfare and health and safety; → Training sessions; → Corporate Intranet; → New hired induction programs. 	Daily.
BUSINESS PARTNERS	<ul style="list-style-type: none"> → Direct and continuous relationship; → Customer care support; → Share annual results. 	Daily Annual Half-yearly.
SUPPLIERS	<ul style="list-style-type: none"> → Daily reports; → Define and share regulations and standards; → Dedicated portal; → Regular meetings and on-site visits; → Shared improvement plans. 	Daily Annual Half-yearly.
COMMUNITY	<ul style="list-style-type: none"> → Meetings with representatives organizations and associations of the local community; → Definition of projects or initiatives or interventions to support the local community. 	Annual Half-yearly.
DISTRIBUTORS AND RETAILERS	<ul style="list-style-type: none"> → Annual meetings; → Sharing targets and annual results; → Product training; → Customer care support. 	Annual Semi-annual.
INSTITUTION AND REGULATORS	<ul style="list-style-type: none"> → Participation and collaboration with working groups; → Design and development of joint initiatives. 	Yearly.
FINAL CONSUMERS	<ul style="list-style-type: none"> → Customer service → E-mail box for receiving feedback. 	Daily.

In addition, EuroItalia is a member of various associations in different areas of intervention. In this connection, the main associations to which EuroItalia is a member are listed below:

1 ASSOLOMBARDA: Association of companies operating in the Metropolitan City of Milan and in the provinces of Lodi, Monza and Brianza, Pavia. The association protects the interests of the associated companies in the relationship with the institutional partners and stakeholders of the territory active in various fields: training, environment, culture, economy, work, civil society. EuroItalia was ranked among the top 25 places for 2018 turnover in the Top500+ the excellence of Monza and Brianza of Assolombarda, which analyzes the economic/financial data of the most performing enterprises of the province, one of the main manufacturing districts in Europe. In 2020, this positioning was further improved. Our Company was in fact placed in the 20th position of ranking by revenue 2019, compared to the 23rd of 2018. This figure acquires an even more significant value since EuroItalia is first compared with the other companies in its sector included in the classification drawn up by Assolombarda. In addition, the ranking reports companies, with a higher dimensional and financial profile and operating in productive sectors, while our Company does not carry out a real production process. For these reasons EuroItalia's position in the 20th position is an even more important result, underlining the great growth we are experiencing and constituting for us a stimulus to continuous improvement in the awareness of having performed well in recent years;

2 COSMETICAITALIA: National Union of perfumery, cosmetics, soaps and similar industries is the sector's reference point in the elaboration and dissemination of information of a regulatory, technical, fiscal and commercial nature. Its objective is to accompany and support consumers in the search for cosmetic products by providing detailed information for a thorough knowledge of cosmetics and their ingredients;

3 CONFCOMMERCIO: The Italian General Confederation of Business, Professional activities and Self-employment, is the largest company representation in Italy. The Confederation supports the needs of the associated companies by defining lines of action, coordinating the implementation instruments, developing a strategy for the development of the sectors represented and developing a continuous dialogue with national institutions and bodies.

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

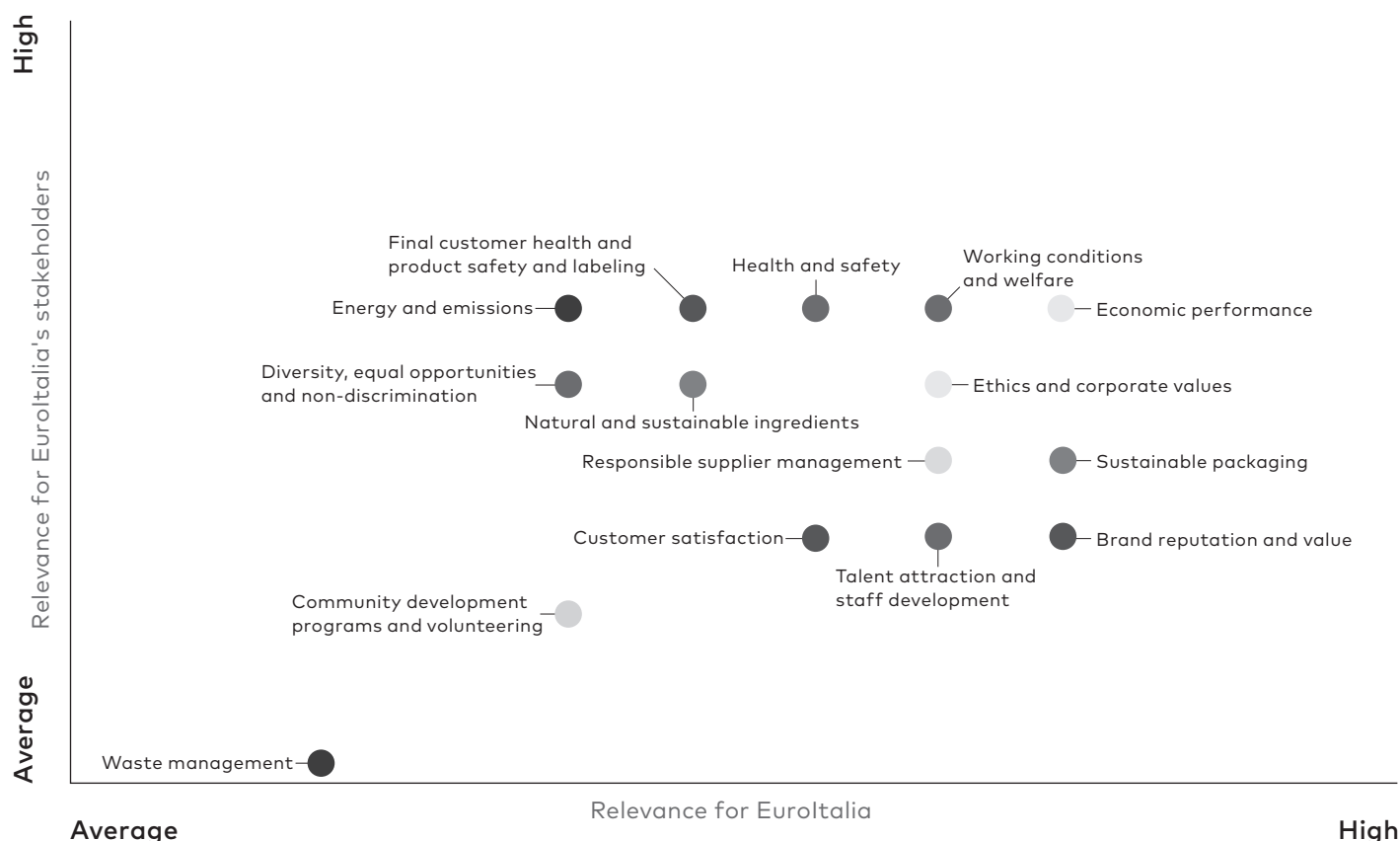
OUR SUSTAINABILITY PRIORITIES

In order to identify the Company's strategic priorities in the technical, economic, social and environmental fields that reflect significant economic, environmental and social impacts and influence stakeholder assessments and decisions, Euroitalia developed an analysis of material topics during 2020. The purpose 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 taking into account the context and sector of reference, national and international best practices and the main sustainability frameworks (Global Reporting Initiative, UN Sustainable Development Goals, etc.). The process of analysis took place internally to the Company through the involvement of the property and the management that identified the material topics both from the point of view of the organization and from that of its stakeholders. The result of the analysis led to the definition of the Euroitalia Materiality matrix.

During 2020, the reference context and sector trends were analyzed and deepened in order to update the Materiality matrix, which constantly represents the context in which Euroitalia operates, reflecting the challenges to be faced and the economic impacts, significant environmental and social generated.

THE RESULT OF THIS ANALYSIS CONFIRMED THE MATERIALITY MATRIX PUBLISHED IN THE 2019 SUSTAINABILITY REPORT AS FOLLOWS.

MATERIALITY MATRIX



Economic responsibility

ECONOMIC-FINANCIAL RESULTS



FINALIZED ACQUISITIONS OF ATKINSONS AND I COLONIALI



LAUNCH OF 3 NEW PERFUMES BETWEEN 2020 AND THE EARLY MONTHS OF 2021



ABOUT 83% OF THE GENERATED VALUE HAS BEEN DISTRIBUTED TO OURS STAKEHOLDERS (COMPARED TO 2019)

2020 was characterized by the outbreak and spread of the COVID-19 pandemic, which strongly affected the world economy, generating a strong slowdown in all sectors, including in the **luxury beauty** sector.

In 2020, EuroItalia ended the year with a turnover of 373,085 thousand euros, recording a slight decrease. This decrease is mainly due to the pandemic crisis from COVID-19, which led to the complete or partial suspension of production activities and the contraction of consumption at global level. The results achieved in 2020 underline EuroItalia's ability to create shared value, although the world crisis that it had to face during the year.

EuroItalia is investing its efforts in returning to growth, with the objective of confirming its positive growth trend recorded in the last three years, where, in 2019, the Group recorded an increase in production revenues of 25% compared to 2017. As a demonstration of this commitment, in 2020, EuroItalia finalized the acquisition of the two brands Atkinsons and I Coloniali in order to increase and consolidate its market position. Moreover, during the year, EuroItalia continued to invest in its marketing campaigns despite the decline in revenues.

EuroItalia is currently investing a lot in its commercial structures abroad in order to consolidate its foreign business because of its relevance to the Company.

The following is a reclassification of the Group's income statement representing the value generated and distributed, an indicator of the economic impact of EuroItalia, promoted through its activities.

The value directly generated by EuroItalia in 2020 amounted to 389,699 thousand euros, a decrease of 18% compared to 2019, and the value distributed in 2020 was 321,939 thousand euros, a decrease of 22% compared to 2019. Approximately 83% of the value generated by EuroItalia has been distributed to its internal and external stakeholders, while 17.4% of the value generated has been retained within the Company.

The largest share of the distributed economic value is committed to the remuneration of the suppliers, followed by the remuneration of the Public Administration, equal to 6.2% of the distributed, and the remuneration of the personnel, equal to 1%. These distributions underline the importance of the supply chain for EuroItalia which, as previously reported, is characterized by a business model structured on the outsourcing of production activities.

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED ²						
thousands of euros	2018	Percentage	2019	Percentage	2020	Percentage
VALUE DISTRIBUTED TO SUPPLIERS	329.863	91,9%	388.413	93,6%	298.570	92,7%
STAFF REMUNERATION	2.960	0,8%	3.225	0,8%	3.324	1%
REMUNERATION OF DONORS	111	0,03%	/	/	1	0,0%
REMUNERATION OF THE PUBLIC ADMINISTRATION	25.894	7,2%	23.403	5,6%	19.996	6,2%
REMUNERATION OF THE COMMUNITY	/	/	27	0,01%	48	0,01%
DISTRIBUTED ECONOMIC VALUE	358.828	83,2%	415.068	87,4%	321.939	82,6%
RETAINED ECONOMIC VALUE	72.421	16,8%	59.704	12,6%	67.759	17,4%
DIRECTLY GENERATED ECONOMIC VALUE	431.249	100%	474.773	100%	389.699	100%

2. By virtue of an improvement in the collection and calculation process, the 2018 and 2019 data relating to the determination of the Group's generated economic value were restated with respect to those published in the 2019 Sustainability Report.

Responsibility to People

PEOPLE IN THE CENTER



98% FULL-TIME PERMANENT EMPLOYEES



15% MANAGERS, 59% CLERKS, 26% WORKERS



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



NEW HIRES



EST FUND FOR OTHER EMPLOYEES



0 INJURIES IN 10 YEARS

EuroItalia recognizes the importance and centrality 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 valorization 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 work environment where everyone is encouraged to express their own skills and talents. At the base of the report there is a direct, transparent and human relationship between the Company and the employees themselves.

As of December 31, 2020, the total workforce was 46, recording a reduction of 19% respect to 2019. In particular, compared to 2019, EuroItalia has no external collaborators as at 31 December 2020, so the total workforce is equal to the total number of employees, which increased by 7% compared to 2019, from 43 to 46 employees.

EUROITALIA EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

TOTAL WORKFORCE ³						
TW*	2019			2020		
	Men	Women	Total	Men	Women	Total
EMPLOYEES	27	16	43	28	18	46
EXTERNAL COLLABORATORS	11	3	14	/	/	/
TOTAL	38	19	57	28	18	46

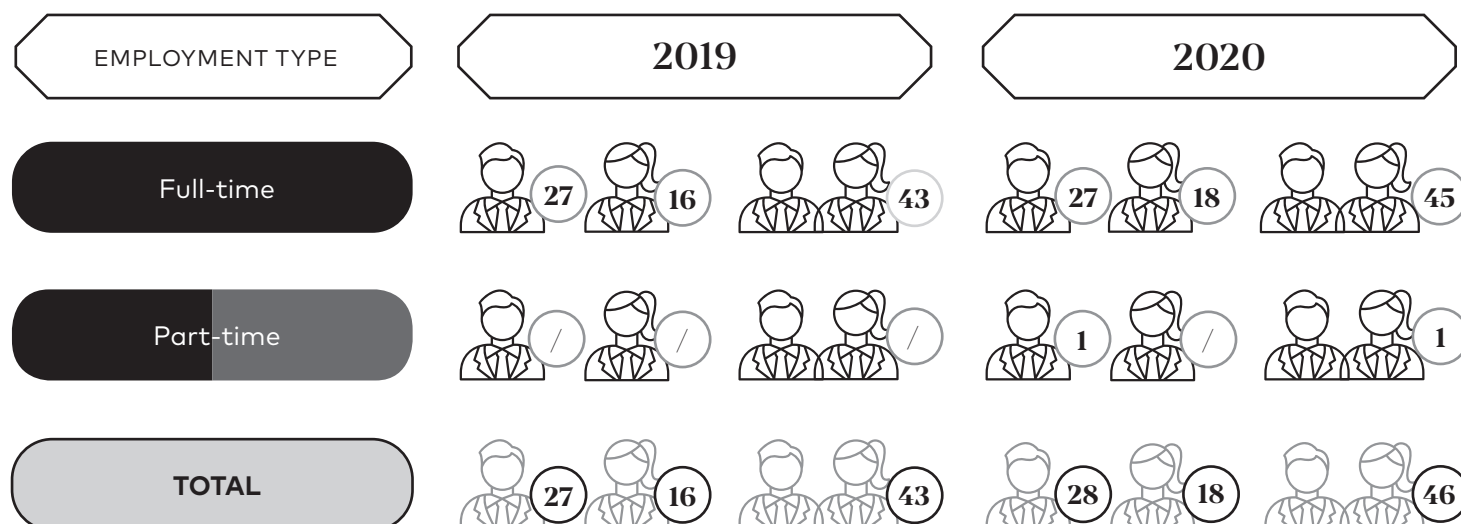
*Total workforce

3. Thanks to an improvement in the methodology used, all 2019 personnel data were re-stated compared to the data published in the 2019 Sustainability Report.

EUROITALIA EMPLOYEES BY CONTRACT TYPE AND GENDER						
TEC*	2019			2020		
	Men	Women	Total	Men	Women	Total
TEMPORARY	/	/	/	/	1	1
PERMANENT	27	16	43	28	17	45
TOTAL	27	16	43	28	18	46

*Type of employment contract

EUROITALIA EMPLOYEES BY PROFESSIONAL TYPE AND GENDER



DIVERSITY, EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

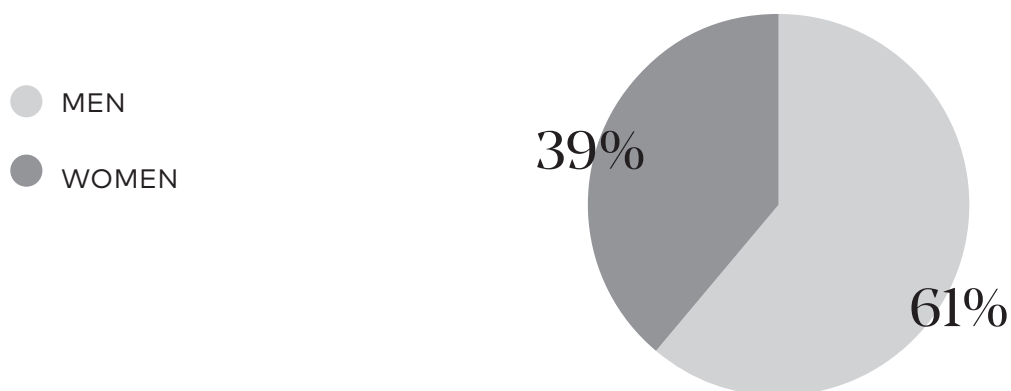
DIVERSITY AS A SOURCE OF VALUE

Diversity, inclusion and equality are fundamental values for us, and we are committed to respecting them every day. We have resources with different skills and backgrounds, from marketing to logistics management, from materials study to quality control. For this reason we invest our efforts in promoting and enhancing the unique value that every employee represents by offering equal opportunities for professional and personal growth and always paying close attention to all aspects of the life of our people.

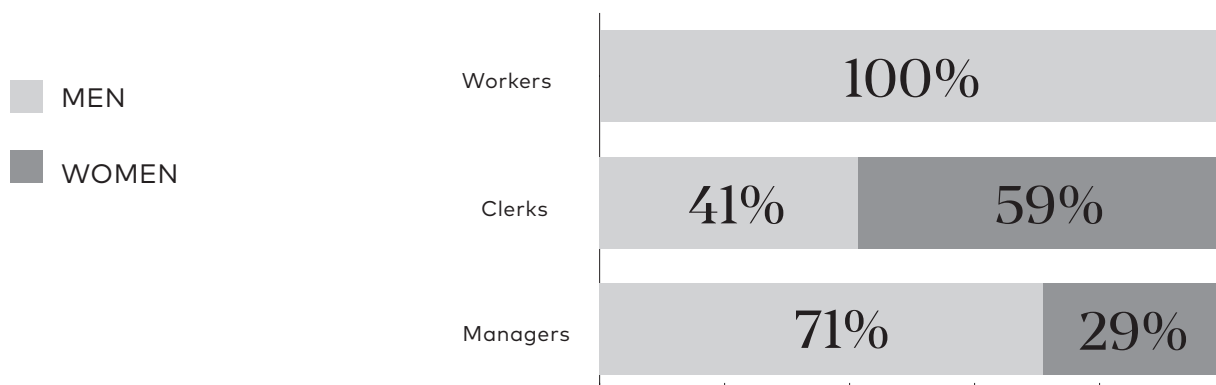
Euroitalia's corporate population consists of 39% women and 61% men. In addition, 63% of employees are in the age group 30 to 50, followed by the age group over 50 with 30%. In particular, the majority of managers (57%) are in the age group above 50, while the majority of employees (67%) and workers (67%) are in the age group between 30 and 50.

A significant figure, which makes us particularly proud, concerns our employees with the qualification of executives: 100% are hired in the local district. This characteristic demonstrates Euroitalia's attention to local communities and the territory in which it operates, and is fundamental to the success of our model based on the philosophy of made in Italy.

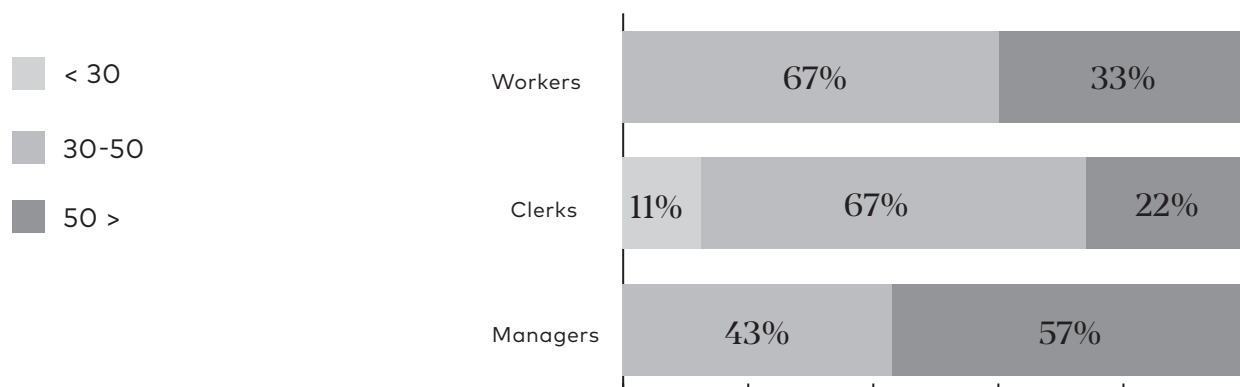
EMPLOYEES BY GENDER (2020)



EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER (2020)



EMPLOYEES BY FRAMEWORK AND AGE GROUPS (2020)



EUROITALIA EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

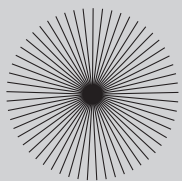
NP*	2019			2020		
	Men	Women	Total	Men	Women	Total
MANAGERS	71%	29%	16%	71%	29%	15%
CLERKS	42%	58%	56%	41%	59%	59%
WORKERS	100%	0%	28%	100%	0%	26%
TOTAL	63%	37%	100%	61%	39%	100%

*Number of persons

EUROITALIA EMPLOYEES FOR THE FRAMEWORK AND AGE GROUPS

NP*	2019				2020			
	<30	30-50	50>	Total	<30	30-50	50>	Total
MANAGERS	0%	43%	57%	16%	0%	43%	57%	15%
CLERKS	8%	67%	25%	56%	11%	67%	22%	59%
WORKERS	0%	67%	33%	28%	0%	67%	33%	26%
TOTAL	5%	63%	33%	100%	7%	63%	30%	100%

*Number of persons



EUROITALIA DOES NOT TOLERATE ANY FORM OF DISCRIMINATION ON THE BASIS OF GENDER, ETHNIC ORIGIN, SKIN COLOR, NATIONALITY, AGE, RELIGION, POLITICAL OPINION, SEXUAL ORIENTATION, MARITAL STATUS, TRADE UNION AFFILIATION, PHYSICAL OR MENTAL DISABILITY AND ANY OTHER CHARACTERISTIC OR PERSONAL STATUS. DURING 2020, NO ACTUAL OR ALLEGED DISCRIMINATION INCIDENT WAS DETECTED OR REPORTED WITHIN EUROITALIA.

Attracting talents and training staff as sources growth and improvement

EUROITALIA BELIEVES AND INVESTS IN ITS HUMAN CAPITAL

We pay close attention to the attraction and selection of talented resources as we consider it a priority for the growth of the Company and for the strengthening of its competitive advantage in the sector. The new talent we hire adds value to existing business know-how by adding new and different skills and experiences.

IN 2020, EUROITALIA HIRED FOUR NEW EMPLOYEES, WITH A NEW HIRING RATE OF 8.7 %. THE COMPANY REPORTED THREE TERMINATIONS OF CONTRACT, WITH A TURNOVER RATE OF 2.2 %.

As regards the entry of new resources, EuroItalia relies on recruitment agencies or receives applications directly through its LinkedIn channel. We consider training to be a key element in the process of enhancing our people, as it is a key tool for developing, improving and consolidating the skills of each individual employee. At the same time, training is an important vehicle for spreading and transmitting corporate strategy and values, supporting the growth and cultural evolution of the Company through the growth and evolution of its people.

IN 2020, DUE TO THE PANDEMIC CRISIS WITH COVID-19, TRAINING WAS REDUCED BY 82% BECAUSE IT WAS NOT POSSIBLE TO PROVIDE TRAINING IN PRESENCE.

EuroItalia is responsible for the management and monitoring of the professional updates of its employees, including the training and awareness-raising course on Cyber Security issues, and compulsory training courses by law, including the safety and fire training course. The course on the management of dangerous goods shipments and the course on waste management, ensuring that everyone is involved.

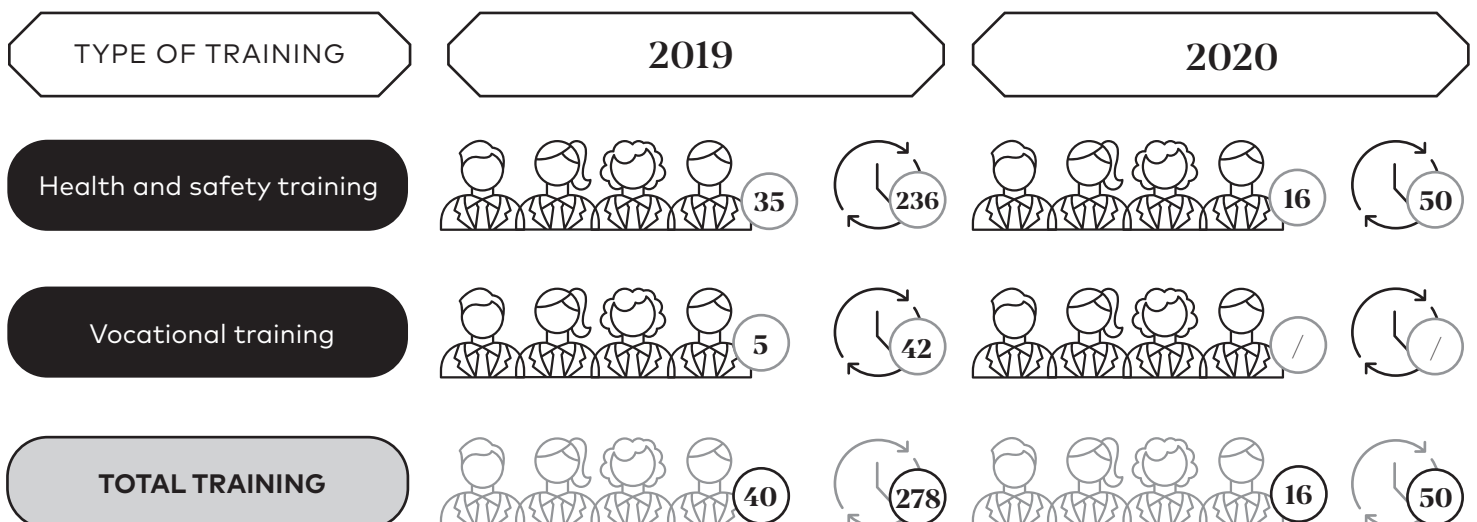
In addition, employees are encouraged to offer any training for which the Company sponsors participation. Among the courses employees took part are courses on marketing, green packaging and consolidated financial statements.

Finally, we strongly believe in training on the job. By working and collaborating closely, every employee has the opportunity to learn from their colleagues' personal and professional experiences. For this reason, we invest our energies in creating an informal and familiar working environment to encourage listening and sharing of 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*	2019			2020		
	Men	Women	Total	Men	Women	Total
MANAGERS	2	/	1	/	/	/
CLERKS	8	4	6	1	/	/
WORKERS	11	/	11	3	/	3
TOTAL	8	3	6	2	/	1

*Average hours

TYPE OF TRAINING PROVIDED



Working conditions and welfare

OUR ATTENTION TO PEOPLE

WE ARE COMMITTED TO CREATING A FAMILY-FRIENDLY AND CHALLENGING WORK ENVIRONMENT TO ENCOURAGE OUR EMPLOYEES TO MAXIMIZE THEIR SKILLS. WE ALSO RECOGNIZE THE IMPORTANCE OF A FAIR BALANCE BETWEEN WORK AND PRIVATE LIFE FOR OUR EMPLOYEES.

(For more information please refer to “Really united: Emergency COVID-19”)

As we said, we consider our human capital to be an essential element of our strategy, which underpins our ability to create long-term value. That's why we value and reward our employees by offering some business benefits.

As far as healthcare is concerned, EuroItalia guarantees by law the QuAS health coverage for the management and the EST fund for the other employees. In addition, the Company guarantees additional health care to the managers and the prosecutors. During the emergency COVID-19, and therefore also for the whole year 2020, EuroItalia has stipulated a supplementary insurance cover, “Realmente Uniti” of Reale Mutua, in case of coronavirus infection (SARS-COV 2) for all employees.

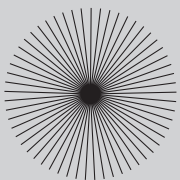
EuroItalia distributes a prize to all its employees in June or at the end of the year. The awarding of these prizes is based on a meritocratic assessment of the performance of individual employees and the availability shown during the year. EuroItalia does not base these evaluations on sales or turnover targets, just to enhance the merit of each employee.

Every year, EuroItalia donates a Christmas basket to its employees as a sign of thanks for the commitment shown during the year. Also in 2020, as already happened in 2019, the Company wanted to demonstrate its closeness, in this pandemic situation, to the staff and to their families sending to the home of each employee a little thought for Christmas and Easter.

In order to guarantee a comfortable working environment, EuroItalia has prepared a fully equipped dining room for all employees where it is possible to have your own lunch.

Finally, EuroItalia is always open to suggestions and proposals from its employees, establishing a direct relationship with each one of them. Recently, the Company has provided deckchairs to have lunch outside or to relax and enjoy the break in a green garden, as proposed by the staff.

All employees are covered by collective bargaining. The minimum period of notice for termination of employment under the CCNL for distribution and service providers is 20 days and may vary with the years of service and employee level. There is, however, no minimum notice period for corporate operational changes defined as this is based on the needs of the moment and is not explicit within the applied CCNL.



DURING THE EMERGENCY COVID-19, AND THEREFORE ALSO FOR THE WHOLE YEAR 2020, EUROITALIA HAS STIPULATED A SUPPLEMENTARY INSURANCE COVER, "REALMENTE UNITI" OF REALE MUTUA, IN CASE OF CORONAVIRUS INFECTION (SARS-COV 2) FOR ALL EMPLOYEES

Health and safety at work

THE HEALTH AND SAFETY OF OUR PEOPLE ALWAYS AT THE FIRST PLACE

We are committed to ensuring a safe and secure workplace by taking precautionary measures to comply with the highest required standards and regulations. In managing the health and safety at work of our employees, we rely on the advice of a specialized external company to receive the greatest possible support to manage this issue. The experience of the external society allows us to receive specialized technical advice. In particular, the company is responsible for the management of compulsory training for all employees related to safety at work and the training of first aid and emergency personnel. Through various meetings of comparison taking place during the year, the necessary activities for training on safety at work are planned. The EuroItalia health and safety management system is compliant with the Article 81 of 2008, Act for Work Safety, which reorders and coordinates, within a single text, all the rules to be observed in the field of health and safety of workers at work, in particular, it establishes a series of preventive actions and how they must be carried out and, consequently, a series of measures to improve the safety and health of workers and how they must be carried out.

EUROITALIA PREPARES THE RISK ASSESSMENT DOCUMENT (DVR), UPDATED ANNUALLY, WHICH IDENTIFIES, ANALYZES AND MONITORS THE RISKS IN THE OPERATION OF THE COMPANY AND ALLOWS IT TO DEFINE CORRECTIVE ACTIONS AND TO MAKE RESPONSIBLE DECISIONS ALSO WITH RESPECT TO THE IMPROVEMENT OF THE HEALTH CONDITIONS AND THE PHYSICAL INTEGRITY OF THE WORKERS.

In 2020, following the outbreak of the COVID-19 pandemic, our Company integrated the DVR with the protocol for the regulation of the fight against and containment to the spread of the virus, containing a series of measures to combat the emergency. In addition, an annual inspection of offices and warehouses is carried out also through the support of external consultants in order to prevent any possible accidents at work.

With regard to health and safety management related to procurement management, EuroItalia requires the necessary documents to draw up 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 interference risks and the measures taken to minimize non-eliminable risks, checks that the employees responsible for the work are in possession of the appropriate technical requirements and ensures that the employees responsible for the work are in compliance with the INAIL insurance positions. The contracted workers are then covered by the health and safety management system through DUVRI. In the Company, to ensure the respect of health and safety, an external Head of the Prevention and Protection Service (RSPP), two officers, first aid and emergency workers have been identified.

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 RULES LAID DOWN BY THE LAW IN FORCE. THIS TRAINING IS DELIVERED THROUGH CLASSROOM COURSES AND SPECIFIC COURSES DEPENDING ON THE EMPLOYEE'S FUNCTION.

For example, training and updating sessions are provided for the use of forklift trucks to ensure the safety of users. In addition, health and safety managers and emergency workers attend refresher courses each year. Finally, all employees participate in the compulsory fire-fighting course by law and are involved in the evacuation test carried out once a year. During the evacuation test, the evacuation plan shall be implemented and shall be updated annually.

EuroItalia relies on its own professional doctor for the first visit, including blood and urine tests, of new hires to establish absolute or partial fitness and to report possible prescriptions and points of attention in relation to any assigned tasks. In addition, the competent doctor will take care of the medical examination on an annual basis as required by law and also of the visit before return when an employee exceeds 60 days of illness, in order to ascertain his/her fitness. In addition, urinalysis is carried out to the forklift and warehouse workers in order to check for the presence of drugs or alcohol.

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

In 2020, EuroItalia did not record any injury, neither for staff nor for external employees, confirming the trend of zero injuries in ten years. In particular, the recorded rate of work-related injuries, the rate of fatalities as a result of work-related injury and the rate of high-consequence work-related injuries are zero for both staff and external staff. Total hours worked for 2020 amounted to approximately 77.493 for employees and approximately 4.598 for external employees.

(For more information please refer to "Really united: Emergency COVID-19").

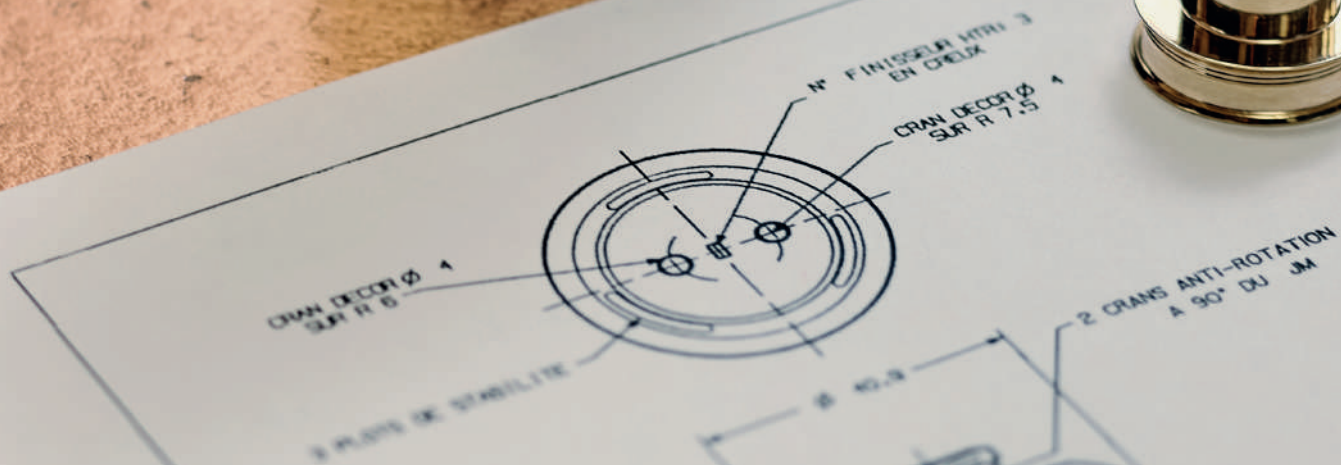
During 2020, EuroItalia addressed the health emergency from COVID-19 and committed itself to protecting the health and safety of its employees by implementing the necessary precautionary measures in accordance with the current legislation.

TOTAL HOURS WORKED		
Hours worked	2019	2020
EMPLOYEES	81.645	77.493
EXTERNAL COLLABORATORS	3.778	4.598















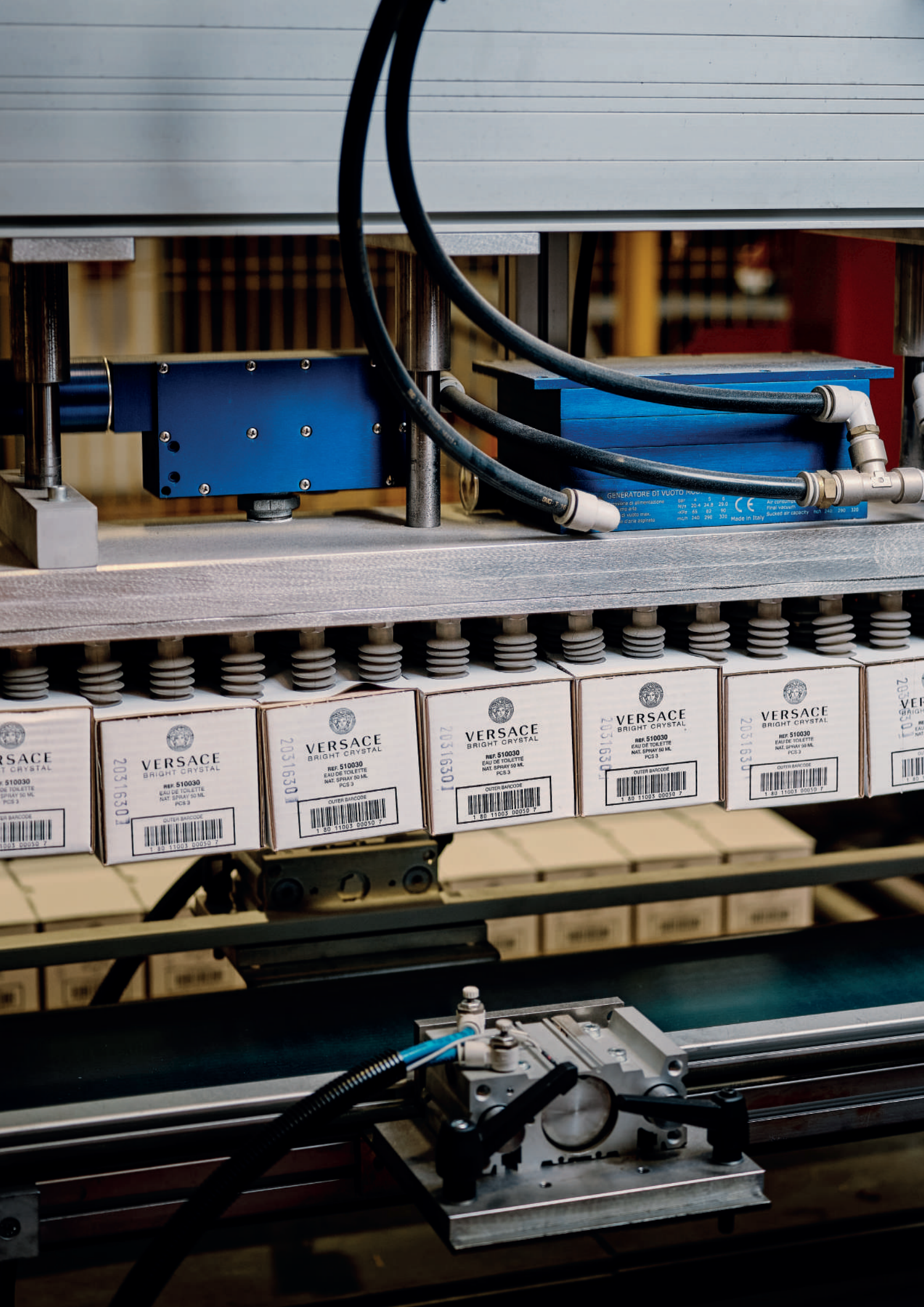












GENERATORE DI VUOTO M...
ser. 4 5 6
max. di alimentazione 20 24 28
max. a/c 15 20 30
max. 240 290 320
CE
Air consumption
Final vacuum
Suction air capacity
Made in Italy

VERSACE BRIGHT CRYSTAL
REF. 510030
EAU DE TOILETTE
NAT. SPRAY 50 ML
PCS 3
OUTER BARCODE
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UN 1266
PERFUMERY
PRODUCTS

LOC
UN 23187-14
V210030
QUANTITY: 54,00



40/S/20
S/01/0
V-104

MADE IN ITALY



Environmental responsibility



100% ELECTRICITY FROM RENEWABLE SOURCES



89% OF WASTE IS NON-HAZARDOUS



**– 62% OF GREENHOUSE GAS EMISSIONS
(SCOPE 1 + SCOPE 2 MARKET BASED) COMPARED TO 2019**

**OUR FOOTPRINT: OUR COMMITMENT TO
REDUCING OUR ENVIRONMENTAL IMPACT**

EUROITALIA'S ATTENTION TO THE
PROTECTION OF OUR NATURAL HERITAGE

Respect for the environment and the surrounding territory has become in the years of great attention for the Company which is committed to improving its performance, both in terms of efficiency, focus on environmental sustainability through the development of various initiatives and projects aimed at reducing its environmental impact.

EuroItalia's energy consumption is attributable only to the **Cavenago Headquarter**, which consists of offices and warehouses, since the Company does not directly deal with the production phases. The efficient management of energy is one of the most important aspects for EuroItalia, as it allows reduction of costs, continuity of activities, better management of maintenance and greater control on possible wastes and dispersions. In addition, we believe that the energy management needed to drastically reduce our impact on the environment is increasingly efficient. For this very 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, WHERE POSSIBLE, USING ENERGY FROM RENEWABLE SOURCES. SINCE 2020, EUROITALIA HAS USED ONLY ELECTRICITY 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's car park with the introduction of hybrid and electric cars in recent years, the latter being charged mainly with the energy produced by our photovoltaic system. We are currently considering introducing additional plug-in electric or hybrid car models with the awareness and strong conviction that sustainable mobility is the mobility of the future. That is why we believe it is essential to invest in this direction. In addition, in 2020 two free charging posts were installed for employees and business partners, in order to promote and support the development of sustainable mobility, both inside the Company and outside, involving also the other **stakeholders**.

At the end of 2021, some rental contracts for the cars that make up the Company car park will expire, and EuroItalia is considering the purchase or rental of 100% electric or hybrid Plug-in cars.

As a demonstration of its commitment to managing and improving its environmental impacts, during 2020, EuroItalia did not register cases of non-compliance with environmental laws and regulations.

Energy management: Toward a more sustainable business

HOW EUROITALIA IS COMMITTED TO THE ENVIRONMENT

In order to further improve environmental performance, in recent years we have undertaken important investments for the modernization of our **Headquarters** and for the installation and implementation of advanced technologies capable of achieving increasingly high energy efficiency performance.

DURING 2019, EUROITALIA INVESTED EURO 318,000 IN THE CONSTRUCTION AND INSTALLATION OF SOLAR PANELS, ACTIVATED IN 2020. SOLAR PANELS, LOCATED ON THE ROOF OF THE WAREHOUSE, ALLOW US TO PRODUCE ABOUT 480,000KWH OF RENEWABLE ELECTRICITY ANNUALLY.

Furthermore, EuroItalia is proud to announce the achievement of an important objective: Our electricity consumption is 100% renewable. In fact, in 2020, as a demonstration of EuroItalia's continued commitment to reduce its environmental impact, 100% of electricity purchased comes from renewable sources with green energy certificate guarantee of origin (GO).



AMONG THE INITIATIVES WE HAVE TAKEN TO REDUCE THE IMPACT ON THE ENVIRONMENT, THERE ARE:

The purchase, in 2018, of a new, highly efficient air-cooled Kaeser rotary-life compressor, able to guarantee an estimated saving of 23,000 kWh, resulting in a reduction of 33% in 2019 compared to 2018;

The purchase, in 2019, of a new central dryer that we estimate will allow a saving of 17,072 Euro in terms of energy consumed over 10 years and a reduction in CO2 emissions of 51.2 tons over the same period of time;

The replacement of existing lamps with LED lamps in the warehouse since 2019, while in 2020 the replacement of traditional office lamps with LED illuminated bodies was completed. Moreover, it was decided to install automatic lights in the bathrooms of the offices and the warehouse in order to avoid waste and therefore reduce our energy consumption;

The commitment to re-plan some specific activities by scheduling them during the day in order to make the most of the photovoltaic system installed in 2019, thus maximizing 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.

A commercial and logistic process takes place inside Euroitalia's main site, while the production plants are outside the main site. Incoming products are appropriately packaged and shipped to the final customer through the use of different types of machinery present in the **Cavenago Headquarter**.

The electricity is used for product packaging and wrapping activities, for general services (compressed air circuit) and for secondary services (office air conditioning, interior lighting, outdoor lighting, forklifts and offices).

The use of electricity is largely concentrated on auxiliary services, as the plant has an important space dedicated to the sale of the product and a space dedicated to the offices. Process consumption is limited due to the presence of only two packaging islands. Natural gas is used only for auxiliary services, mainly for the winter air conditioning of the warehouse.

In 2020, the Company's energy consumption amounted to 9,211 GJ, with a higher consumption of natural gas than electricity, as a result of a more rigid winter, resulting in a higher use of natural gas than in 2019.

In 2020, energy consumption increased by 14% compared to 2019 energy consumption of 8,082 GJ. This increase is due in a small part to the increase in electricity consumption and mainly to natural gas, which has instead undergone a strong increase, increasing by 28% compared to 2019.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION			
	Unit of measure	2019	2020
ELECTRICITY CONSUMED	GJ	4.057	4.068
OF WHICH PURCHASED	GJ	4.057	3.334
OF WHICH SELF-PRODUCED AND CONSUMED	GJ	/	734
NATURAL GAS	GJ	4.025	5.143
TOTAL	GJ	8.082	9.211

4. The Location based approach provides for the use of a national average emission factor for the specific national energy mix for the production of electricity.

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

6. Source of the emission coefficients of natural gas: Ministry of the Environment and the Protection of the Territory and the Sea, Table National Standard Parameters, 2020.

In 2020, EuroItalia produced a total of 603 tons of CO₂, taking into account the Scope 2 emissions calculated using the Location based method⁴, and 289 tons of CO₂, taking into account the Scope 2 emissions calculated using the Market based method⁵, this is a 4% increase and a 62% decrease, respectively, compared to 2019. This sharp decrease of 62% is due to the fact that electricity purchased from non-renewable sources in 2020 is 0, compared with electricity consumption coming 100% from renewable sources, such as EuroItalia's self-production and the purchase of the Repower Green certificate of origin.

THESE EMISSIONS ARE DIVIDED INTO/INCLUDE:

DIRECT EMISSIONS - SCOPE 1: EMISSIONS FROM ENERGY USE, SUCH AS HEATING FUELS;

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

7. The source of the emission factors of Scope 2 "Location-based": TERNA, international comparisons, 2018. Scope 2 emissions are expressed in tons of CO₂. However, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂equivalents) as indicated in the ISPRA report "Atmospheric emission factors of CO₂ and other greenhouse gases in the electricity sector".

In 2020, Scope 1 indirect emissions from energy consumption amounted to 289 tons of CO₂⁶.

Indirect Scope 2 emissions calculated with the Location based method were 314 tons of CO₂⁷, while those calculated according to the Market based approach were 0.

DIRECT GREENHOUSE GAS EMISSIONS (GHG) – SCOPE 1

	Unit of measure	2019	2020
NATURAL GAS	tCO ₂	225	289
TOTAL SCOPE 1	tCO₂	225	289





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

	Unit of measure	2019	2020
ELECTRICITY CONSUMED	tCO ₂	357	314
TOTAL SCOPE 2 LOCATION BASED	tCO₂	357	314

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

	Unit of measure	2019	2020
ELECTRICITY CONSUMED	tCO ₂	544	/
TOTAL SCOPE 2 MARKET BASED	tCO₂	544	/

TOTAL GREENHOUSE GAS EMISSIONS (GHG)

	Unit of measure	2019	2020
TOTAL SCOPE 1 + SCOPE 2 LOCATION BASED	tCO ₂	 582	 603
TOTAL SCOPE 1 + SCOPE 2 MARKET BASED	tCO ₂	 769	 289

In addition, at Euroitalia we are constantly committed to informing us about solutions to optimize consumption and avoid energy waste. In 2019, we carried out research into compressed air leaks, which will be rescheduled shortly, with the aim of avoiding energy waste and monitoring its environmental impacts.

Waste management

SPECIAL ATTENTION

EUROITALIA MANAGES THE WASTE DISPOSAL IN A TIMELY AND EFFICIENT WAY, IN ORDER TO COMPLY WITH THE CURRENT LEGISLATION AND MITIGATE 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, with regard to production waste, the waste products generated by the contractors converge at the EuroItalia Headquarters from which they are started for disposal. EuroItalia in fact supplies to the contractors the materials for production and consequently manages the waste deriving from it. In this way, EuroItalia monitors and tracks the quantity and quality of the waste produced by its suppliers and contractors, and encourages them to reduce them in order to minimize any waste, always in the interests of product quality and resource saving.

We are committed to developing and implementing projects to encourage and support the reduction of waste generated.

As regards customer return management, products, in particular perfumes and cosmetics, are checked and then subdivided into "non reusable" and "still reusable" (in some cases only partially). These are referred back to the contractor or supplier for reuse in order to reduce waste. For example, if a product is returned due to a defect in the case but the internal product is still reusable, it is returned to the contractor for re-packaging and then returned to the market.

EuroItalia draws up annually the unique model of Environmental Declaration (MUD), containing the information relating to each batch disposed of, as required by the current legislation. The CONAI fee is paid through the suppliers and is then refunded.

The daily logistics of the EuroItalia warehouse, including cardboard (packages and boxes), plastic (cellophane, film and Scotch) and wood (broken pallets), are collected and disposed of weekly on call if necessary. These waste materials are recycled entirely.

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

The Finished goods are distinguished and managed differently from the components, which in turn are distinguished by material type. In particular, the finished goods are triturated and then sent to a heat-storage unit for the production of electric energy. The grinding is carried out at authorized plants and is always followed and controlled by the staff of EuroItalia since, being products of prestigious brands, EuroItalia ensures that the disposal of such waste is carried out in its entirety. The components, divided by type of material, are instead mostly recycled, while the non-recyclable part is sent to a waste-to-energy plant to produce electrical energy.

IN 2020, EUROITALIA PRODUCED 364 TONS OF WASTE, OF WHICH 40 TONS OF HAZARDOUS WASTE AND 324 TONS OF NON-HAZARDOUS WASTE, AN INCREASE OF 9% COMPARED TO 2019. IN 2020 AS IN 2019, THE MOST WIDELY USED DISPOSAL METHOD OF THE COMPANY WAS RECOVERY. USUALLY, HAZARDOUS WASTE IS SHREDDED FIRST AND THEN BURNED IN A SPECIALIZED PLANT.

In 2020, 89% of the waste generated is non-hazardous waste, while in 2019, it was around 95% of total waste. In 2020, there was an increase in total waste produced, both hazardous and non-hazardous. The finished product is disposed of as hazardous waste, being highly flammable.

TOTAL WEIGHT OF WASTE BY TYPE AND METHOD OF DISPOSAL

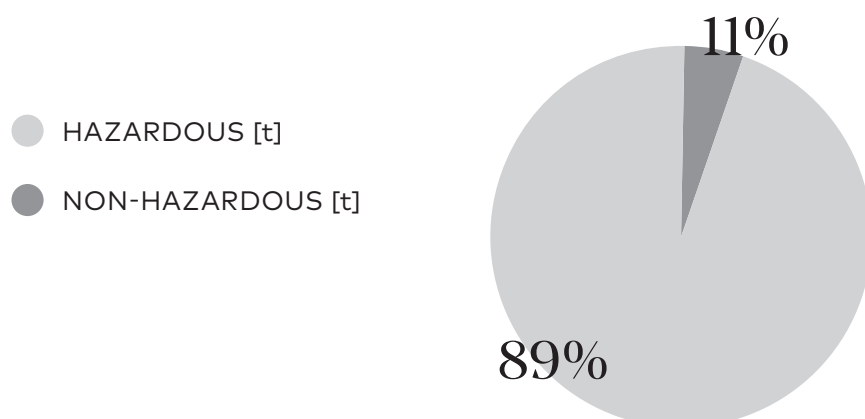
	2019				2020			
Method of disposal [t]	Dange- rous	Non- hazardous	Total	%	Dange- rous	Non- hazardous	Total	%
RECYCLING/RECOVER ⁸	0,1	317	317,1	95%	/	322,9	322,9	89%
CRUSHING ⁹	15	2	17	5%	40,4	0,9	41,3	11%
TOTAL	15,1	319	334,1	100%	40,4	323,8	364,2	100%

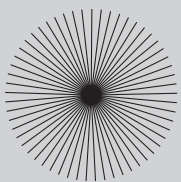
8. Energy recovery is also included in this category 9. The grinding process is followed by incineration

BREAKDOWN OF WASTE

	2019		2020	
WASTE [t]	Total	%	Total	%
DANGEROUS	15	5%	40	11%
NON-HAZARDOUS	319	95%	324	89%
TOTAL	334	100%	364	100%

TOTAL WASTE (2020)





FURTHERMORE IT IS IMPORTANT TO INVOLVE AND RAISE AWARENESS AMONG OUR EMPLOYEES ABOUT REDUCING PAPER , TONER AND ENERGY CONSUMPTION AND THE PROPER SEPARATE COLLECTION OF WASTE THROUGH GUIDELINES AND INFORMATION.

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

Sustainable innovation: The green revolution in the luxury beauty sector



**LATEST FRAGRANCE LAUNCHED ON THE MARKET 100%
VEGAN AND 75% BY GREEN CHEMISTRY**



LCA ON SOME 2020 SPECIFIC PRODUCTS



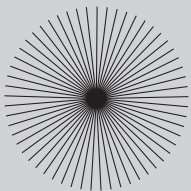
**CREATION OF THE INGREDIENTS
AND RAW MATERIALS BLACK LIST**



LINE OF COFFRET AT KM ZERO AND PLASTIC FREE

Since 1978, EuroItalia has been synonymous with quality, innovation and creativity, from the careful selection of raw materials that guarantee the creation of successful fragrances among the best sold in the world to the choice of ever more innovative formulas for make-up.

Our commitment has always focused on the product, the object of a policy of differentiation that represents the expression of its passion for quality and **Made in Italy** excellence and its strong impulse toward the creation of new and creative products. Moreover, as far as packaging is concerned, EuroItalia has always distinguished itself in the field for the materials used, the shapes, the colors and the design. An obvious example is the "**Cheap & Chic**" perfume exhibited today at MOMA in New York.



WE ARE PIONEERS ALSO FOR THE OLFACTORY NOTES OF FRAGRANCES, OBTAINING RESULTS AMONG THE MOST CREATIVE AND INNOVATIVE, LAUNCHING ON THE MARKET SOME PERFUMES AMONG THE BEST SOLD IN THE WORLD FOR BOTH MALE AND FEMALE.

Emerging innovations, current trends, consumer satisfaction, product safety are inspiration to us for the continuous search for improvement. For this reason the products are in continuous evolution, starting from the formula indicated on the label to the external packaging.

THE COMPANY INVESTS ITS EFFORTS IN THE CONTINUOUS SEARCH OF UNIQUE ESSENCES AND IN THE DEVELOPMENT OF FORMULAS FOR THE EFFECTIVE MAKE-UP PRODUCTS THAT REFLECT THE NEW NEEDS OF THE FINAL CUSTOMERS. WE ARE COMMITTED TO TAKING CARE OF THE PRIMARY AND SECONDARY PACKAGING IN THE SMALLEST DETAIL, SHOWING US SENSITIVITY TO THE INNOVATIONS OF THE MOMENT AND FOLLOWING THE FLOW OF TRENDS THAT INFLUENCE THE PURCHASE OF THE FINAL CONSUMER.

Currently, the luxury sector is undergoing an important green transformation, sustainability is gaining more and more importance in the strategic decisions of fashion houses, leading 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 take their responsibilities and make concrete decisions toward achieving a common goal: a sustainable, inclusive, and equitable economy.

In this context of change, we are committed to designing and manufacturing products of excellence, innovative and creative, carefully analyzing their potential environmental and social impact in order to mitigate or reduce any adverse effects where possible. This commitment is expressed concretely in the choice of ingredients for fragrances and make-up products, in the choice of raw materials for packaging and in the choice of the 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 point of view.

The essences are in part derived from natural raw materials, and in part from a chemical synthesis that reproduces the qualities of natural ingredients. Using both modes does not burden natural ecosystems and thus does not affect their biodiversity, which would be the effect of using natural raw materials alone.

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

10. The figure was calculated on the basis of the percentage of biodegradability of the essences of the main EuroItalia suppliers.

Our Company has set itself the ambitious goal of producing, within two years, essences with a percentage of biodegradability equal to 95%. For this purpose EuroItalia carefully chooses its suppliers among those following the Green Chemistry processes. In particular, among the essences used in 2020 the average percentage of biodegradability is around 75%. In 2020, moreover, our reality launched a product containing 86% of biodegradable molecules, which testifies to the efforts made to achieve the above-mentioned objective.¹⁰

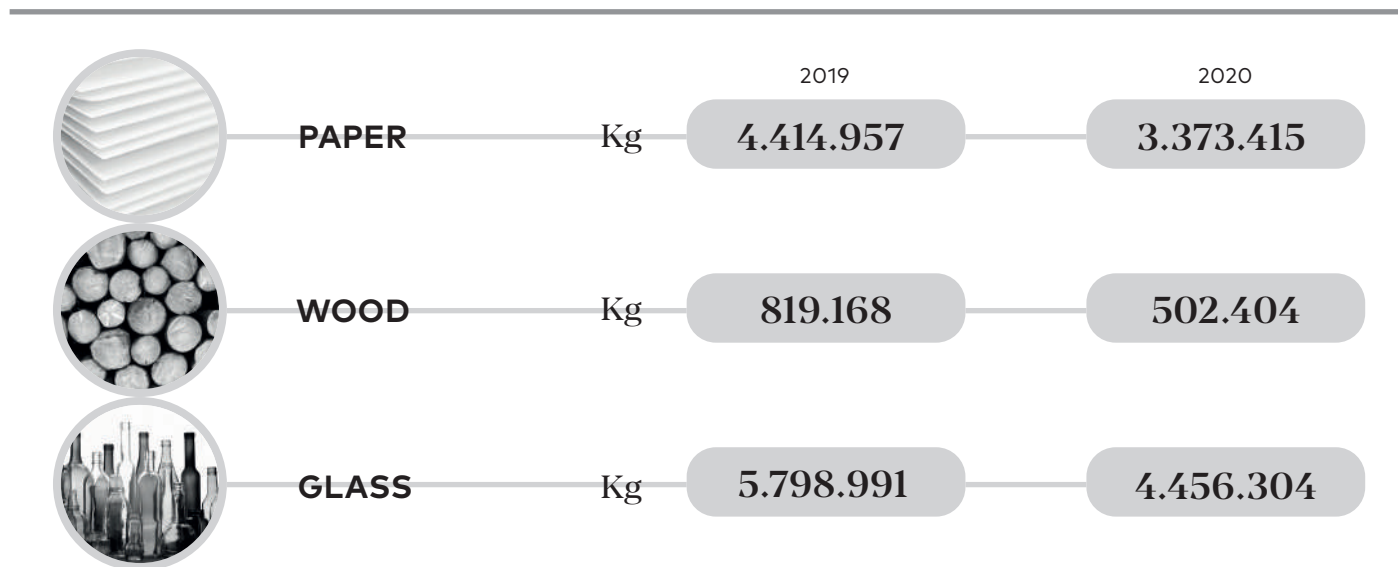
In addition, EuroItalia monitors various parameters that characterize its fragrances, including parameters that indicate the efficiency of fragrance production, others that measure the potential impact on ecosystems and human health of the whole fragrance production process, still others that indicate the percentage of the fragrance coming from renewable raw materials, and finally the percentage of natural ingredients used in the formula.

In order to further improve its commitment, EuroItalia decided to launch in 2020 a Life Cycle Assessment (LCA) on its own perfume with the aim of analyzing and evaluating its environmental impact throughout the life cycle of the product. The study enabled the Company to understand the environmental impact of each phase of the product life cycle analyzed in order to design and develop solutions to mitigate or reduce impacts.

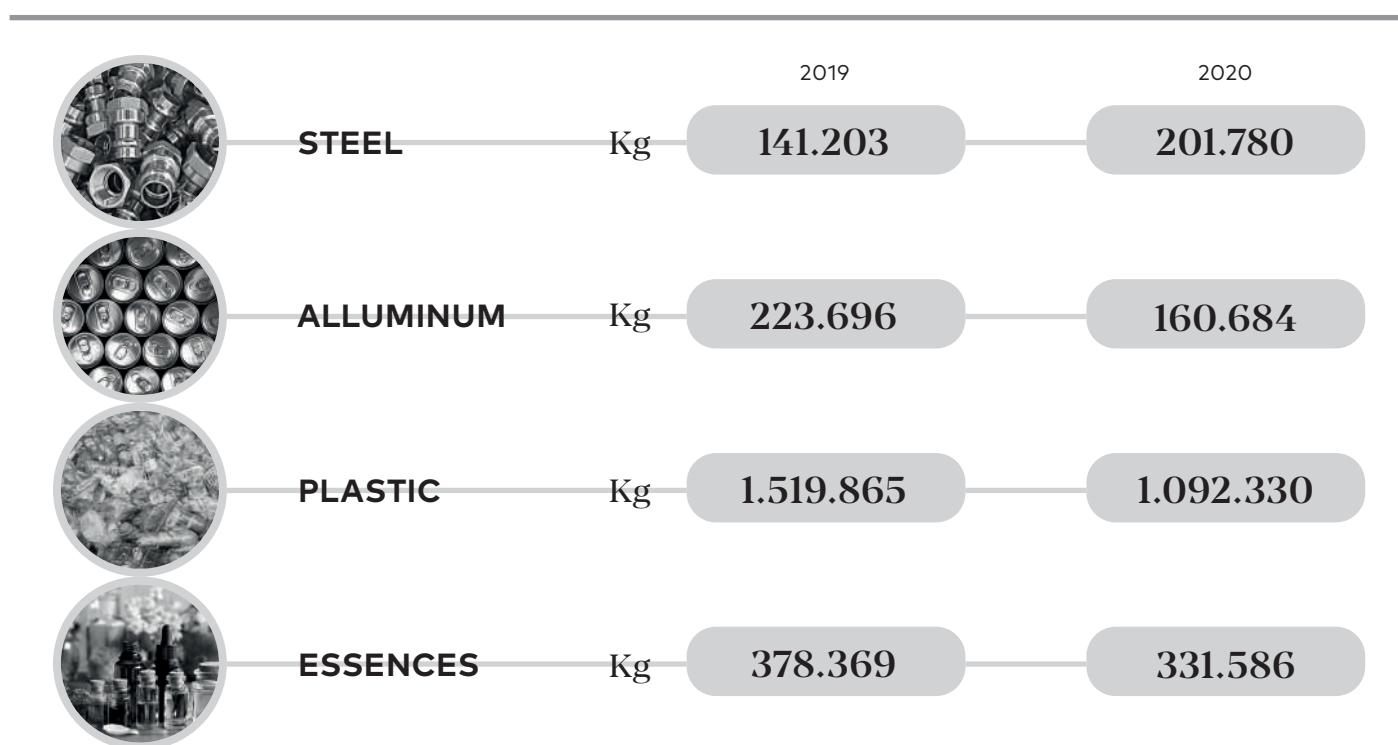
Finally, EuroItalia respects the guidelines of the European Union which, through Directive 2003/15/EC, has established a ban on animal experiments on finished cosmetic products since September 2004. EuroItalia's commitment in this area exceeds the mere compliance with the current legislation: in particular, where possible, in products where animal parts are often used, we are committed to using synthetic products (for example, we prefer brushes with synthetic bristles). Moreover, a clear example of this commitment is the creation of the latest masculine fragrance launched on the market, which can be defined as vegan since it lacks ingredients that derive directly and indirectly from the animal world.

Therefore, considering the overall context, as regards the raw materials used in 2020, both for perfumes and beauty products and for packaging, 82% are renewable while 18% are non-renewable. As far as aluminum is concerned, it is a highly virtuous material, since it is 100% recyclable and can be reused almost indefinitely.

RENEWABLE RAW MATERIALS¹¹



NON - RENEWABLE RAW MATERIALS¹²

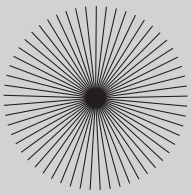


11-12. It is specified that data 2019 and 2020 relating to renewable raw materials refer to data on the purchase of such materials.

● FOCUS

Innovative fragrances

ONE OF THE LAST FRAGRANCES LAUNCHED BY EUROITALIA IN 2020 IS DISTINGUISHED BY THE RESPECT OF THE HIGHEST STANDARDS OF SUSTAINABILITY, UNDERLINING THE CONTINUOUS EFFORTS SUPPORTED BY THE COMPANY WITH THE OBJECTIVE OF CREATING PRODUCTS WITH POSITIVE ENVIRONMENTAL AND SOCIAL IMPACTS/OF REDUCING THE ENVIRONMENTAL AND SOCIAL IMPACTS OF ITS PRODUCTS. FIRST, 86% OF THE RAW MATERIALS CONTAINED IN THE PERFUME ARE BIODEGRADABLE. IN ADDITION, PACKAGING, OF WHICH 99% IS PLASTIC FREE AND AT ZERO KM , HAS BEEN MADE WITH FSC CERTIFIED RAW MATERIALS, GUARANTEEING ITS ORIGIN FROM RESPONSIBLY MANAGED FORESTS.



EUROITALIA HAS STARTED AN ANALYSIS OF THE ENVIRONMENTAL IMPACTS OF ITS PRODUCTS STARTING FROM ONE OF ITS MOST REPRESENTATIVE PERFUMES AND SOLD WORLDWIDE: 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 PRODUCT ANALYZED: FROM THE EXTRACTION OF RAW MATERIALS, TO THE PRODUCTION, DISTRIBUTION AND END OF LIFE OF PERFUME.

Specifically, the environmental impacts analyzed were:

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

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

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

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

The study made it possible to identify the life cycle phases of the product with the greatest impact. The analysis showed that the production of the primary and secondary packaging (consisting of the glass bottle and all its parts and the 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, has provided EuroItalia with a model and the elements necessary to know and evaluate the environmental impacts on the life cycle of its products. EuroItalia will therefore, with this teaching, commit itself to reducing and mitigating the environmental impact taking into account in the development of its future products.

FINALLY, EUROITALIA COMPLIES WITH THE GUIDELINES OF THE EUROPEAN UNION WHICH, THROUGH DIRECTIVE 2003/15/EC, HAS ESTABLISHED A BAN ON ANIMAL TESTING OF FINISHED COSMETIC PRODUCTS SINCE SEPTEMBER 2004. EUROITALIA'S COMMITMENT IN THIS AREA EXCEEDS THE MERE COMPLIANCE WITH THE CURRENT LEGISLATION: IN PARTICULAR, WHERE POSSIBLE, IN PRODUCTS WHERE ANIMAL PARTS ARE OFTEN USED, WE ARE COMMITTED TO USING SYNTHETIC PRODUCTS (FOR EXAMPLE, WE PREFER BRUSHES WITH SYNTHETIC BRISTLES). MOREOVER, A CLEAR EXAMPLE OF THIS COMMITMENT IS THE CREATION OF THE LATEST MASCULINE FRAGRANCE LAUNCHED ON THE MARKET, WHICH CAN BE DEFINED AS VEGAN SINCE IT LACKS INGREDIENTS THAT DERIVE DIRECTLY AND INDIRECTLY FROM THE ANIMAL WORLD.

Looking for natural and sustainable ingredients

OUR SUSTAINABILITY CHOICES REFLECTED IN OUR PRODUCTS

The last generation fragrances are produced with a low environmental impact through the use of natural ingredients and ultra-modern molecules, found in a sustainable way. This was achieved through years of research into green chemistry and white biotechnology.

We are strongly aware of the strategic importance that the selection of ingredients represents for the Company, both as regards the quality of the product and for the potential environmental and social impact generated through these choices.

We are committed to choosing the best ingredients for both the creation of fragrances and the development of make-up products, preferring natural and sustainable ingredients and always keeping in mind the new needs of consumers who are increasingly sensitive and attentive to the selection of natural, tracked, vegan, environmentally friendly, cruelty free. Furthermore, EuroItalia's efforts in the development of natural formulas translate concretely into the exclusion, as far as possible, of substances such as preservatives, parabens and the limitation of the use of allergens. Furthermore, as already mentioned, EuroItalia has drawn up its own Black List, containing all the materials avoided by the Company for the creation of its formulas, both from a point of view of safety for consumers and from a point of view of environmental and social impact. In particular, the black lists are nano-materials, PROPYL PARABEN, BENZOPHENONE-3, derived from petroleum, parabens, nickel, formaldehyde. In addition to the voluntary exclusion of certain ingredients, EuroItalia creates products in accordance with the current regulations of the sector, carefully excluding raw materials prohibited by law.

(For more information please refer to the chapter "Final consumers' health and product safety at the basis of Our choices).

The traceability of ingredients is therefore crucial to ensuring the creation of environmentally and socially sustainable products. For this reason, we pay close attention to the evaluation, selection and monitoring of our suppliers of raw materials and ingredients.

IN FACT, EUROITALIA HAS SET ITSELF THE OBJECTIVE OF PRODUCING, WITHIN TWO YEARS, FRAGRANCES THAT ARE 95% BIODEGRADABLE, AND IN ORDER TO ACHIEVE THIS RESULT, IT CAREFULLY CHOOSES ITS SUPPLIERS ACCORDING TO THEIR COMMITMENT IN THE ENVIRONMENTAL FIELD. IN 2020, IN FACT, THE FRAGRANCES OF EUROITALIA HAVE BEEN REALIZED USING ESSENCES WITH AN AVERAGE PERCENTAGE OF BIODEGRADABILITY OF ABOUT 75%¹³, AND IN THE SAME YEAR OUR COMPANY LAUNCHED ON THE MARKET A PRODUCT CONTAINING 86% OF BIODEGRADABLE MOLECULES.

13. The value was calculated on the basis of the percentage of biodegradability of the essences of EuroItalia's main suppliers.

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

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

1. THE RENEWABILITY WHICH INDICATES THE PERCENTAGE OF THE FRAGRANCE COMING FROM RAW MATERIALS THAT CAN BE REGENERATED IN A SHORT PERIOD OF TIME;

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

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

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

● FOCUS

"Our green revolution in 2020 launches"

In 2020, Euroitalia collaborated to create the following innovative fragrances to demonstrate our concrete commitment to the use of natural ingredients and the design of sustainable packaging:

- **Eros Eau de Parfum** by Versace it is a fragrance compatible with vegan principles and contains 75.4% of biodegradable raw materials. The product does not contain any intentionally added animal ingredients or animal derived ingredients such as dairy products, eggs, bee products or animal enzymes;
- The composition of the new **2 Wood** by Dsquared consists of 75% green chemistry and 100% sustainable alcohol and is also characterized at 100% by a vegan formula. 100% made in Italy components were used for the packaging and all the wood used for the cap and for the outer box and all the paper used are FSC certified;
- The new scent **Toy 2 Bubble Gum** by Moschino, is a fragrance compatible with vegan principles, therefore the perfume does not contain any animal or derived ingredients. About 80% of the raw materials contained in the fragrance is biodegradable.

Packaging: A vehicle of sustainability

THE MESSAGE WE WANT TO EXPRESS

We are aware of the importance of **packaging** as an opportunity to achieve better sustainability performance, reducing the associated environmental and social impact through the increasingly sustainable and conscious design of the entire life cycle.

Packaging has become a key vehicle for sustainability through the selection of reusable, recyclable or recycled materials, the reduction of materials used, eco-design choices and **greener** innovations.

Moreover, **packaging** can be called "talking" because it has the ability to promote and educate consumers about sustainability, encouraging them to make greener, informed decisions. **Packaging** is a powerful communication tool that describes the product, its ingredients, its use recommendations, warnings, how to manufacture and dispose of it.

In this context, we are working to design, develop, select and produce **sustainable packaging** by issuing a direct signal of presence in our industry with our sustainable **packaging** strategy. EuroItalia has always been a pioneer of creativity and innovation as regards the materials used, the shapes, the colors and the design of the **packaging**, an obvious example of this is the perfume, Moschino Cheap&Chic exhibited at the MOMA in New York, as already anticipated.

With a view to continuous improvement always in compliance with the laws, EuroItalia monitors and is constantly updated on sector news and on the national and international regulatory environment. In this sense our Company has promptly adapted to the provisions of Legislative Decree 116/2020, transposing European Directives 851 and 852 of 2018 on waste and packaging and packaging waste.

The decree, in particular, places the emphasis on labeling as a means of information and provides that all packaging must be properly labeled in accordance with the "applicable UNI technical standards and in accordance with the requirements of the European Union", in order to facilitate collection, re-use, the recovery and recycling of packaging and to properly inform consumers about the final destinations of packaging.

In order for the regulation to be applied correctly, the following information is required on the labels:

1. Identification and classification of packaging, by indicating the nature of the packaging materials used;
2. Indication of the role of consumers in the process of reuse, recovery and recycling of end-of-life packaging.

In order to be able to fulfill the requirements of the aforementioned Decree, all our packaging will be provided with a QR Code containing all the information to facilitate the collection, reuse, recovery and recycling of packaging, in order to give consumers correct information about their final destination.

AS A DEMONSTRATION OF THE SENSITIVITY TOWARD THE SUSTAINABILITY OF OUR REALITY WE ARE COMMITTED TO IMPROVING AND REPLACING, WHERE POSSIBLE, PACKAGING BY PREFERRING AND SELECTING MATERIALS WITH LOWER ENVIRONMENTAL AND SOCIAL IMPACTS AND EXCLUDING MATERIALS THAT ARE HARMFUL TO THE ENVIRONMENT. THE CHOICE OF USING FOREST STEWARDSHIP COUNCIL (FSC) CERTIFIED CARDS IS A CLEAR EXAMPLE OF OUR COMMITMENT. FSC CERTIFICATION GUARANTEES THE ORIGIN OF THE CARDS FROM FORESTS MANAGED ACCORDING TO THE PRINCIPLES OF SUSTAINABLE FOREST MANAGEMENT AND CORRECT CHAIN OF CUSTODY.

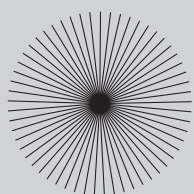
Recently, moreover, a totally **green** range of **coffret** has been developed and produced by eliminating the plastic thermoformed containing the products, which has been replaced with cardboard. In addition, the graphic of the totally green range of coffret has been designed with the use of hot printing within the limits of 5%, so as to allow the disposal of the component in the differentiated. In this way the process does not provide for further metal laying steps, as usually occurs and therefore the coffret is disposable in the differentiated. The covers to complete the coffret are made of FSC cardboard and no longer PET. Moreover, this line can be defined as km Zero as it is developed, produced and shipped 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 take place. The development of **packaging** and integrated packaging, carried out on the same site, allows us to reduce our environmental impact by drastically reducing transport.

Following the design and testing of the pilot test, we **extended the range of green & plastic free coffret with FSC paper on a large scale to reach the production of 3 million pieces in 2020**

In all the productions, as far as the processing of bottles is concerned, the colored lacquers are made with water colors, and not with harmful solvents, and the decorations do not contain heavy metals. On some product lines the pumps have a part called the bottom that is no longer anodized, but painted. This process saves energy, thus reducing its environmental impact.

The capsules are mainly made of aluminum, which is more environmentally friendly and recyclable. Euroitalia's future objective is in fact to reduce the use of plastic through a great commitment of engineering in finding more eco-friendly materials.

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



FINALLY, AMONG THE VARIOUS INITIATIVES PROMOTED BY EUROITALIA IN ORDER TO REDUCE ITS ENVIRONMENTAL IMPACT, WE HAVE COMMITTED OURSELVES TO ELIMINATING SOLVENT PAINTS, LEAD DECORATIONS AND TO COMPLETELY REMOVING LEAD FROM GLASS FOR THE PURPOSE TO ENSURE THE RECYCLABILITY OF OUR PRODUCTS. FINALLY, EUROITALIA IS SUBJECT TO REACH LEGISLATION¹⁴, WHICH PROVIDES A COMPREHENSIVE LEGAL FRAMEWORK FOR THE MANUFACTURE AND USE OF CHEMICALS IN EUROPE.

14. Regulation (EC) No 1907/2006 concerning the registration, evaluation, authorization and restriction of chemicals (REACH) and the establishment of the European Chemicals Agency.

Customer responsibility



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



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



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

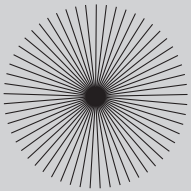
FINAL CONSUMERS' HEALTH AND PRODUCT SAFETY AT THE BASIS OF OUR CHOICES

QUALITY AND SAFETY GUARANTEED

In offering high quality and increasingly innovative products, we are committed to ensuring safety through a conscious choice of the ingredients used, 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 CONNECTED TO THE HEALTH OF FINAL CONSUMERS, WITH POTENTIAL IMPACTS BOTH ON THE REPUTATION OF THE COMPANY AND ON THE REPUTATION OF THE FASHION HOUSE. IN PARTICULAR, PRODUCT SAFETY DETERMINES AND AFFECTS THE CREDIBILITY OF EUROITALIA AND THE FASHION HOUSE. FURTHERMORE, THE REGULATION OF THE LUXURY BEAUTY SECTOR IS VERY STRICT IN ORDER TO PROTECT THE HEALTH OF THE FINAL CONSUMERS. FOR THESE REASONS, WE ARE COMMITTED TO PRODUCING AND OFFERING SAFE PRODUCTS IN COMPLIANCE WITH THE REGULATIONS AND PARAMETERS SET OUT IN THE COSMETICS REGULATION (REG. UE 1223/2009).

The evaluation of the safety of each product and its impact on the health of the final consumer is an integral part of the product development process, which begins with the 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 (relating to the registration, evaluation, authorization and restriction of chemicals). The suppliers themselves are directly involved in ensuring product safety as they are personally responsible for carrying out tests and inspections to meet the required standards and to draw up the required documentation. This documentation is essential because it guarantees the in-depth knowledge of each product and therefore the safety.



IN ADDITION, RAW MATERIALS ARE CAREFULLY SELECTED, FOCUSING ON QUALITY, SUSTAINABILITY AND SAFETY. IN ADDITION TO THE SUBSTANCES PROHIBITED BY LAW, WE DO NOT USE CERTAIN SPECIFIC INGREDIENTS THAT ARE CONSIDERED INVASIVE OR HARMFUL TO THE HEALTH OF CONSUMERS, WHICH MAY CAUSE ADVERSE REACTIONS IN SOME INDIVIDUALS. AS ALREADY MENTIONED IN THE PREVIOUS PARAGRAPHS, IN FACT, OVER THE YEARS THE COMPANY HAS DRAWN UP ITS OWN BLACK LIST WHICH IDENTIFIES THESE INGREDIENTS WITH THE ULTIMATE AIM OF ELIMINATING THEM FROM ITS FORMULATIONS. AS FAR AS MAKE-UP PRODUCTS ARE CONCERNED, FOR EXAMPLE, PARABENS, NICKEL AND FORMALDEHYDE ARE EXCLUDED A PRIORI IN THE SELECTION OF THE POSSIBLE INGREDIENTS THAT CAN BE USED.

In order to guarantee the safety of the products, dedicated external consultants specialized in the cosmetic field are involved during the development phase of the product for the definition of the parameters necessary to create, compatible with the peculiarities of the product itself or of the line, a product safe for the consumers. The use of specialized external consultants, dedicated to us and competent in the field allows us to carry out a double control action **super parts**, thus ensuring the compliance with the required standards and the placing on the market of products safe for the intended use. If corrective action is required as a result of evaluation by external consultants, we will take direct action with suppliers and contractors to implement it.

In the development phase, all products are tested in the laboratory to ensure their safety. More specifically, the products are subjected to patch tests, an allergy test used to determine the presence of substances that, once in contact with the skin, cause an allergic inflammation of the skin. In addition, make-up products for application in the eye area are also subjected to ophthalmological tests to evaluate possible anomalies at the ocular level.

BEFORE PLACING ON THE MARKET, ALL PRODUCTS ARE SUBJECT TO SAFETY ASSESSMENT AND MICROBIOLOGICAL TESTING FOR THE PRESENCE OF MICRO ORGANISMS. FURTHERMORE, PRIOR TO PLACING ON THE MARKET, CONTRACTORS MUST DRAW UP A DOSSIER CALLED PIF (PRODUCT INFORMATION FILE), CONTAINING ALL THE CHARACTERISTICS OF THE PRODUCT, FROM FORMULATION TO 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. PIFS ARE CONFIDENTIAL DOCUMENTS, "A SORT OF PRODUCT IDENTITY CARD," AND ARE STORED AT OUR HEADQUARTERS.

In 2020 there were no cases of non-compliance with the regulations and/or self-regulatory codes concerning the impacts on product safety, confirming the trend of zero cases in all EuroItalia's years of activity. In particular, we have never experienced any cases of objective adverse reaction due to our product. However, in the event of non-compliance or product safety issues, we are ready to act immediately to support our final consumers. In particular, with regard to the problems arising from the use of the products, consumers have the possibility to contact EuroItalia or the fashion houses directly.

In the event that any undesirable effects occur following the use of a cosmetic product, a quick intervention by EuroItalia is necessary, through the immediate start of a Cosmeto-Vigilanza practice, aimed at investigating the undesired event that has occurred.

Cosmetic articles are developed and produced in accordance with the reference regulations (Reg. EU 1223/2009) and, under development, are tested in the laboratory to determine its safety.

If a customer experiences an unwanted effect as a result of the application of a product, we activate the Cosmeto-Vigilanza.

As set out in the European Regulation, the Cosmeto-Vigilanza procedure requires the manufacturer, following the customer's notification, to take an investigation of the product concerned. The consumer is therefore asked to complete a questionnaire aimed at obtaining the data of the user, describing in detail the adverse event occurring and identifying the product which gave rise to the undesired event.

In addition to the data provided by the consumer through the questionnaire, it is necessary to find and collect data from the production sites and related to the production of the cosmetic product concerned by the report.

Subsequently, the data collected are cross-checked and evaluated by competent consultants in the field in order to determine the origin of the adverse event to which the initial report is to be reported.

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 ON THE FINDINGS OF THE ASSESSMENTS MADE AND URGING THE CONSUMER TO INVESTIGATE THE CASE WITH A DOCTOR AS SOON AS POSSIBLE IN ORDER TO AVOID A RECURRENCE OF A SIMILAR EVENT.

②

THE SECOND RELATES TO AN OBJECTIVE ADVERSE REACTION, DUE THEREFORE TO THE PRODUCT ITSELF. IN THIS CASE, THE PRODUCT IS POTENTIALLY UNSAFE.



IN THE SECOND CASE, WE TAKE THE MOST APPROPRIATE ACTION DEPENDING ON THE SPECIFIC CASE, INCLUDING PRODUCT REPLACEMENT, STOCK FREEZING, ASSESSMENT OF RECALL OR PROBLEM CORRECTION CAMPAIGNS, IF POSSIBLE, PRIOR TO RE-PLACING ON THE MARKET. HOWEVER, EUROITALIA HAS NEVER REPORTED AN OBJECTIVE ADVERSE REACTION CASE.

Finally, in the case where materials or components of the product present quality problems or problems related to the use of the product itself, Euroitalia, after careful checks on the basis of the production data and in-depth checks on compliance with the quality parameters foreseen for the specific product, provides timely **feedback** to the customer or fashion house, reporting the results of the investigation conducted and specifying the origin of the objective defect or the origin of the defect caused by incorrect use. An immediate response from Euroitalia is fundamental, since the quality and correct functioning of the product are closely linked to the reputation of fashion houses and Euroitalia itself.

Product labeling

THE HISTORY OF OUR PRODUCTS

(For further information on this, please refer to the paragraph “Packaging: A vehicle of sustainability”).

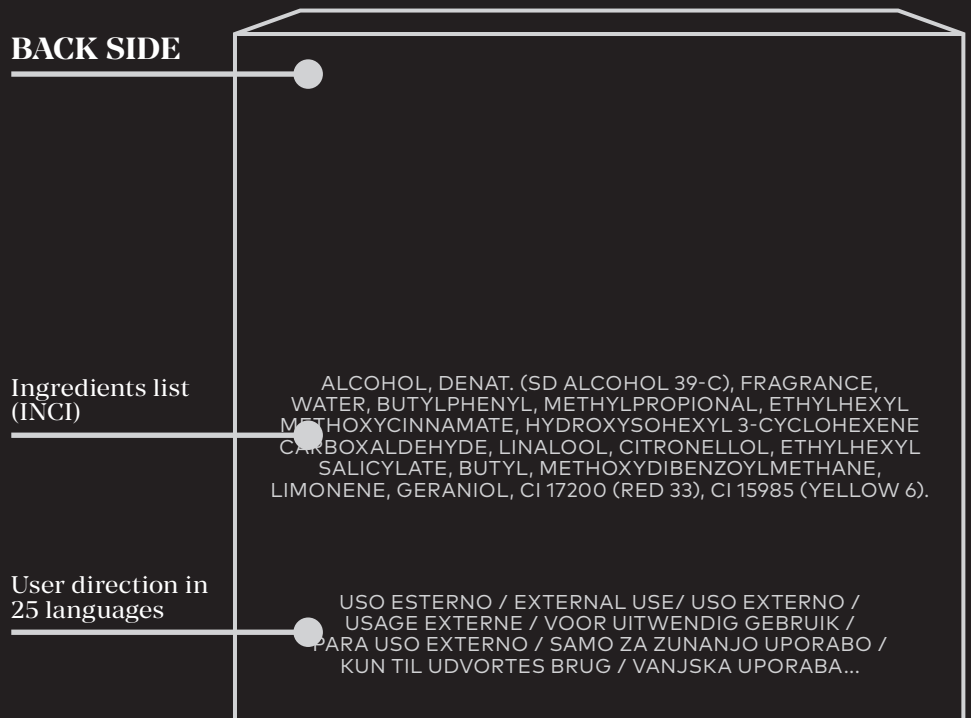
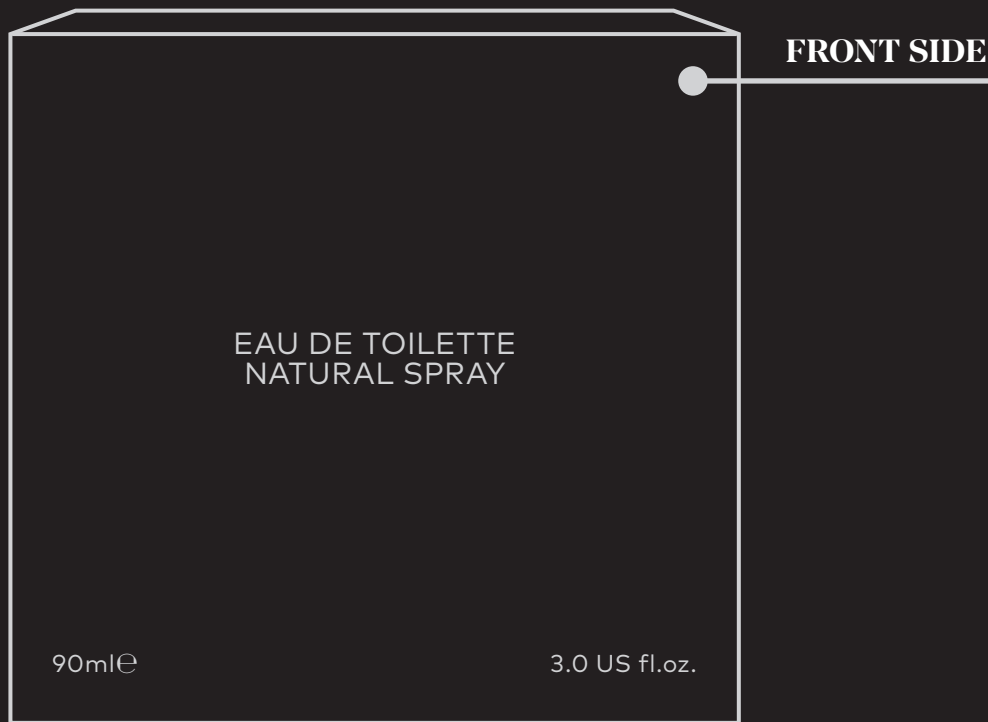
EuroItalia builds a relationship with its final customers based on transparency and trust through the correct and clear labeling of the products offered. We are not limited to compliance with the regulation on cosmetic products (Reg. EU 1223/2009) by correctly reporting the list of ingredients on the label, but we also report directly on the product all the necessary warnings and required by the type of product itself and the methods of use, in order to guarantee the correct and appropriate use in protection of the health and safety of consumers. EuroItalia constantly monitors new regulations and adjusts accordingly. This is the case with the re-labeling of its packaging in accordance with the European Directives of 2018 n° 851 and 852, which require the inclusion in the labels of information and instruction systems on packaging and its reuse and recycling. Our Company has complied with these legislative innovations by providing its products with a QR Code containing all the appropriate information to explain to the consumer how to manage these activities

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

Finally, the Company uses consultants or specialized and certified consulting firms that carry out specific checks on the documentation received from the laboratories of the third-contractors, in particular they focus on the control of the PIF and the formulas of the cosmetic product. We directly handle any customer or end-consumer complaints or requests. In particular, we have always welcomed any request from our customers regarding the disclosure of additional product information. In addition, over the years, there have been requests from final consumers to resolve undesirable effects arising from the use of products, but following careful analysis and dialogue with the consumer, they were always tied to customer's personal reasons and not to the products themselves.

As for the Naj Oleari **make up** line, in addition to the information provided through the label, customers are further supported through the brand's website, where it is possible to find further advice and methods of use regarding the products in more depth. In addition, there is a product section on the site that lists frequently asked questions from consumers and answers to ensure maximum transparency about the products offered.

As a demonstration of EuroItalia's commitment to reporting information on its products and services in a transparent and clear way, there were no incidents of non-compliance in 2020 with regard to the information and labeling of products and services. In addition, there have been no incidents of non-compliance with regulations and/or voluntary codes relating to marketing activity, including advertising, promotion.



Customer satisfaction: Our commitment to listening to the needs of our customers

CUSTOMERS AT THE HEART OF OUR VALUE CHAIN



NEWSLETTER FOR THE CLIENTS



NEW WEBSITE

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

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

LISTENING TO THE CUSTOMER IS CONSIDERED A FUNDAMENTAL AND STRATEGIC ASPECT IN ORDER TO BE ABLE TO ALIGN THE RANGE OF PRODUCTS OFFERED WITH THE WISHES AND NEEDS OF THE CUSTOMER. AT PRESENT, NO SPECIFIC CAMPAIGNS ARE CARRIED OUT TO EVALUATE CUSTOMER SATISFACTION WITH RESPECT TO THE FINAL USER, HOWEVER WE CONSTANTLY COMMUNICATE WITH THE FINAL USER FOR QUESTIONS RELATED TO THE PRODUCT OR ITS USE.

To demonstrate the centrality that the relationship with the customer and with the stakeholders has for EuroItalia, in 2020, despite the particularity of the year, the Company implemented a restyling of its website, whose objective is to tell our story and our reality in a clear and transparent way.

EuroItalia



ENG

Transforming
concepts and ideas
into Beauty Icons.
Since 1978.

One of the central themes to which a particular space will be dedicated within the new website is sustainability, which will be present with a section that will be clearly visible that will highlight the extracts of the report and will allow, through a download button, to download directly the sustainability report.

Within the new website, in the News section, you will also find another new feature introduced by EuroItalia in 2020: a periodic newsletter dedicated to its customers.

The Newsletter is aimed primarily at our customers to inform them of the main news regarding our Company and its products. It is a communication tool that aims to maintain and improve the loyalty relationship with our customers, built over time and based on mutual esteem and trust. With regard to questions related to the product, final consumers have the possibility to contact EuroItalia or the fashion houses to receive specific information and details about the product. This customer service was also maintained and strengthened during 2020, demonstrating the attention our Company paid to its customers. In fact, EuroItalia is committed to providing timely and as comprehensive as possible responses as we consider it essential to fully satisfy our customers' expectations.

Always with the aim of protecting the safety of its customers and offering an excellent and innovative service, EuroItalia has proved proactive in dealing with the COVID-19 emergency. EuroItalia was the first Company in the sector to develop innovative solutions to protect its consumers. In particular, we have designed a single-dose cellophaned perfume flap for individual use, thus guaranteeing the safety of the user. In addition, the Company distributed hand cleansing gel in 500ml dispensers for its customers' retail points of sale, fashion houses, and 1.5ml hand sanitizing gel single-dose sachets as a gift to the finale 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.



SINGLE-DOSE VIAL 1 ML



SINGLE-DOSE SANITIZING GEL

Responsibility to partners: Creating shared value



**73% OF THE TOTAL ANNUAL EXPENSE
IS ALLOCATED TO ITALIAN SUPPLIERS**



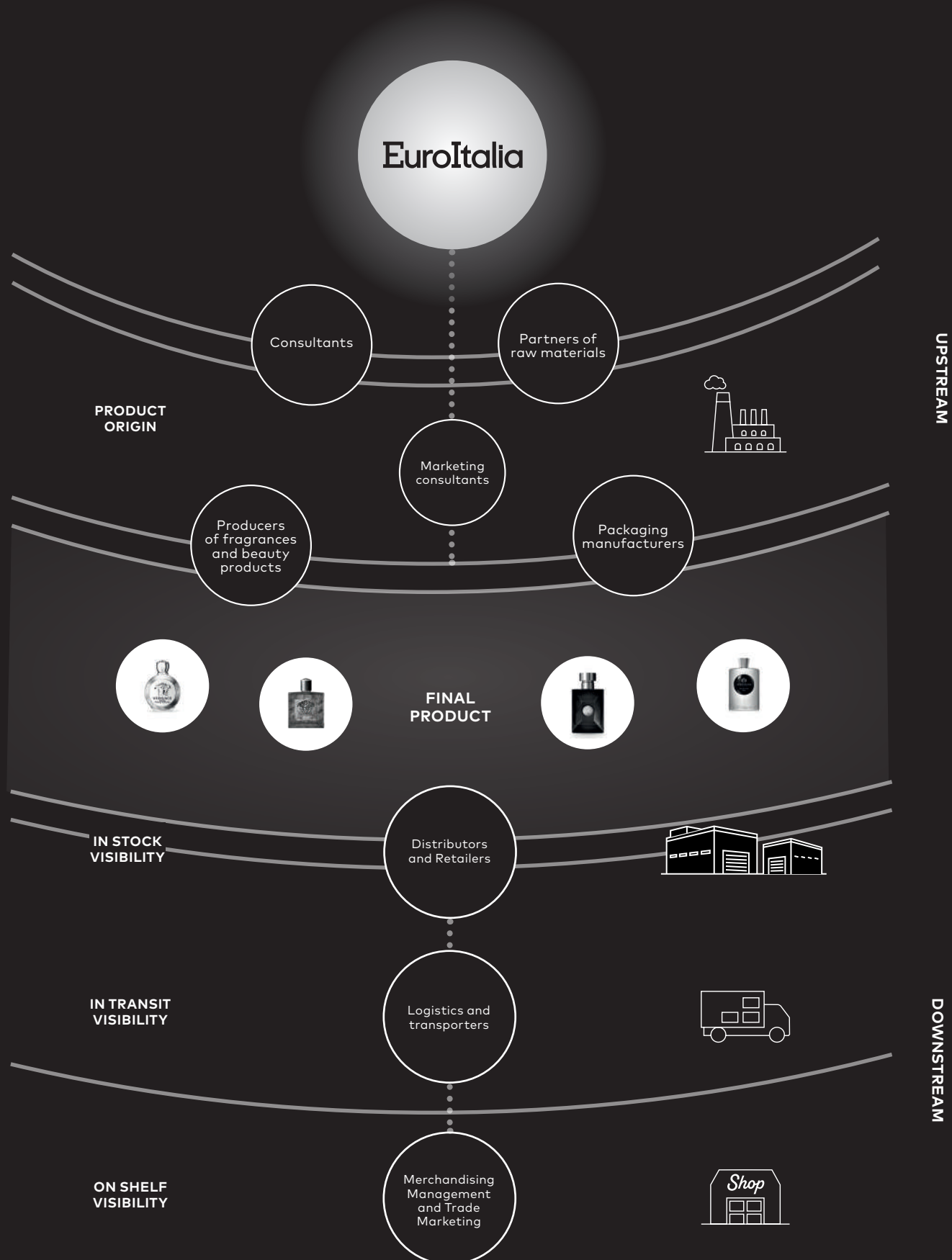
**SUPPLIERS INCLUDED IN THE PLATINUM
CATEGORY OF ECOVADIS**



**CONFLICT MINERALS ASSESSMENT
ON OUR SUPPLY CHAIN**

The Profile of the supply chain: from raw materials to market launch

OUR STRENGTH



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

UPSTREAM PARTNERS:

THE PARTNERS OF RAW MATERIALS: they are mainly concerned with the supply of ingredients and essences for the production of perfumes, tricks and creams. The latter are distinguished from the suppliers of raw materials, such as glass, paper, cardboard, for the packaging of products;

MARKETING CONSULTANTS: they support Euroitalia in the definition and development of the marketing strategy at the base of each product;

NASI/CONSULTANTS: they support Euroitalia in the evaluation and selection of essences;

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

THE PRODUCERS OF FRAGRANCES AND BEAUTY PRODUCTS: they are responsible for the production, bottling and packaging of products and the supply of fragrances and beauty products.

DOWNSTREAM PARTNERS:

LOGISTICS AND TRANSPORTERS: they transport final products from Euroitalia to distributors/retailers;

DISTRIBUTORS AND RETAILERS: they are responsible for the distribution and sale of Euroitalia's final products;

MERCHANDISING MANAGEMENT AND TRADE MARKETING: They are responsible for store management and architecture consistent with the Brand style.

We collaborate with the best fragrance producers in order to develop quality products to meet the needs of our customers: **fashion houses**. In addition, we are supported by the best **Nasi** for the creation and development of perfumes. As for **packaging**, EuroItalia develops its own packaging idea for each product by relying on various raw materials suppliers and then developing the final packaging to specific manufacturers. The product is bottled, packaged and finalized by the essence producers and the cosmetic producers and reaches the EuroItalia warehouse that deals with quality control, logistics and transport.

Finally, as far as the distribution of products is concerned, 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**.

Responsible and efficient logistics management is a strategic element for us, enabling us to meet our commitments to our customers and our retailers and distributors and thereby strengthen our reputation as a serious and reliable business partner in the industry.

EuroItalia's logistics system is made up of a single pole located in Cavenago (Monza) where we receive the finished goods from our contractors, check them, code them together and store them; finally we send them to our **retailers** and distributors. In particular, we directly manage the **inbound and outbound** logistics in the logistic center of Cavenago (including the loading of the trucks), where the creation of the packaging and the composite package takes place. The transport is not carried out by means of the Company, but is carried out in a mixed way, both through transport directly managed by the customer, and through transport commissioned by EuroItalia (toward tax and **duty free** and controlled representations). Transport is under ADR (European legislation on the transport of hazardous/flammable material).

We pay particular attention to the management of our logistics system in order to protect the health and safety of our employees and to guarantee them a safe and secure working environment. In particular, the logistic center of Cavenago is at the forefront for fire protection, also in view of the category of fire risk (average risk). In addition, the signs in the logistics center are under constant monitoring, updated according to changes in current legislation, arranged and replaced in case of damage. EuroItalia has developed its own internal **checklist** in order to monitor and report any damage to racks and portable ladders. Through the use of the internal **checklist**, quarterly checks on racks 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 safety exits and fire extinguishers, these checks are carried out every 6 months as required by law.

(For more information please refer to the chapter "Health and Safety at work").

Responsible Supplier Management: a key factor for EuroItalia's success

THE RELATIONSHIP WITH OUR SUPPLIERS: TRUST, QUALITY AND RELIABILITY

The choices of supply are central to the achievement of the highest quality criteria, especially in the luxury beauty sector. We select and collaborate with the best suppliers of raw materials, very often also reference points and leaders in their sectors.

IN ORDER TO GUARANTEE THE QUALITY OF THE PRODUCT AND AT THE SAME TIME THE AVAILABILITY OF THE RAW MATERIALS, WE PAY CLOSE ATTENTION TO THE SELECTION AND MANAGEMENT OF OUR SUPPLIERS, WHICH TAKE ON A KEY ROLE IN THE COMPANY'S VALUE CHAIN. IN PARTICULAR, TAKING INTO ACCOUNT THE PECULIAR STRUCTURE OF THE BUSINESS MODEL THAT CHARACTERIZES THE LUXURY BEAUTY SECTOR, WHERE THE OUTSOURCING OF THE PRODUCTION CHAIN IS A KEY ELEMENT, WE CAREFULLY SELECT OUR SUPPLIERS AND CONSTANTLY SUBMIT THEM TO CAREFUL EVALUATIONS, INDISPENSABLE TO GUARANTEE THE EXPECTED PERFORMANCE OF THE PRODUCTS AND THE RESPECT OF THE HIGHEST CRITERIA OF ECONOMIC, TECHNICAL AND ETHICAL RELIABILITY.

In the selection of suppliers, we seek quality, innovation, reliability and professionalism, with the aim of ensuring a final product of excellence and the full satisfaction of the needs of our customers.

In addition, within the criteria used for the evaluation of our suppliers, we also pay particular attention to sustainability issues. In fact, the Company's suppliers of essences are evaluated every year through the EcoVadis platform¹⁵ – which analyzes the company's **performance** with respect to human rights, supply chain, ethics and integrity and the environment. We have decided to supply only from the companies included in the **Platinum** category of EcoVadis, demonstrating the continuous search for excellence by the Company.

15. For more information you can visit the EcoVadis website at <https://ecovadis.com>

In evaluating and monitoring our supply chain, we make **on-site** visits to our suppliers or possible suppliers, so that we can directly verify the practices in place and the way we work. 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 pursue our mission of valorization and diffusion of **made in Italy** in the **luxury beauty** sector, in fact preferring Italian suppliers, where possible. In particular, 57% of our suppliers are Italian, equal to 73% of our total annual supply expenditure, with an increase of 4% compared to 2019.

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

A key element that distinguishes the luxury beauty sector is the traceability of the raw materials used. In particular, we are committed to working only with transparent and responsible suppliers in order to ensure proper information on the origin and origin of the raw materials

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

In addition, the traceability of the ingredients and raw materials used guarantees the very quality of the products, excellence also on sustainability aspects and compliance with increasingly broad and stringent standards and regulations in the sector.

The creation of strong professional relations with our suppliers is a priority for EuroItalia, as well as the prerequisite for continuing to generate value. In particular, precisely because production is outsourced, it becomes 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 stringent regulations applicable in the sector, which is duly verified in the practice of selection and qualification of suppliers and at the level of a single contract.

(For more information please refer to the chapter “Final consumers’ health and product safety at the basis of Our choices”)

(For more information please refer to the chapter “Sustainable innovation: The green revolution in the luxury beauty sector”)

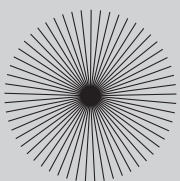
0 FOCUS

“Our special attention to the supply of Conflict Minerals”

Conflict Minerals policy aims to discourage the use of minerals such as gold, tantalum, tin and tungsten, whose trade could finance violent conflict, corruption and money laundering in Central Africa, in countries such as the Democratic Republic of Congo, the Central African Republic, Angola, Burundi, Rwanda, Sudan, Tanzania, Uganda and Zambia

EuroItalia is a full member of the **Conflict Minerals** policy and therefore undertakes not to purchase products or raw materials derived from the extraction of conflict minerals. The commitment of our Company, however, goes beyond the direct relationship with suppliers and customers; during 2020, in fact, our reality welcomed the invitation of some customers to submit to an **assessment** of their supply chain. The objective of the evaluation was to analyze and understand our own supply chain, in particular by mapping our own trading partners and checking whether they adhere to the **Conflict Minerals** policy and choose not to purchase materials that can finance armed conflicts or other corrupt and/or illegal practices.

The assessment returned a positive result, as no supplier of our Company involved in purchases of minerals from war zones, and as a result did not finance armed conflicts and/or corrupt and illegal practices.



WE HAVE ALWAYS PRIVILEGED LONG-LASTING AND CONTINUOUS COLLABORATIONS WITH OUR SUPPLIERS, FOUNDED ON TRUST, ON CONTINUOUS DIALOGUE AND ON THE SHARING OF THE SAME STRATEGIC OBJECTIVE: EXCELLENCE, QUALITY, INNOVATION AND CREATION OF VALUE IN THE MEDIUM TO LONG TERM.

Responsibility to the community



5 YEARS OF COLLABORATION WITH ONLUS "QUI DONNA SICURA" ASSOCIATION



PROCEEDS FROM THE E-COMMERCE OF NAJ OLEARI DESTINED FOR THE RED CROSS MONZA DURING THE EMERGENCY COVID-19

COMMUNITY DEVELOPMENT PROGRAMS AND VOLUNTEERING ALONGSIDE OUR COMMUNITY

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

Every year, the commitment to support the territory has resulted in various initiatives aimed at supporting the territory, in different areas and aspects: health, social inclusion, female empowerment and culture.

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

2019 was marked by important actions to support our community. In particular, we donated numerous Naj Oleari cosmetic products to a department of San Raffaele Hospital that follows and supports 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 oneself and of the body in order to reassess their esthetic appearance and, consequently, to strengthen their self-esteem.

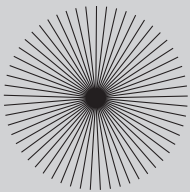
We support the Onlus "Qui Donna SiCura" association and "Comitato Maria Letizia Verga" through various donations throughout the year. The first, association with women against breast cancer, supports research for the treatment of breast tumors, spreads the culture of prevention and offers support to patients and their families. The second offers children with leukemia in treatment at the Maria Letizia Verga Center the most qualified medical and psychosocial assistance, in order to guarantee them the highest possible chances of healing and the best quality of life.

The Company is also committed to the enhancement of the artistic and cultural heritage of the territory. In December 2018, the Company organized the 40th anniversary celebration at the Villa Reale in Monza, thus supporting the restoration and renovation of some rooms.

2020 was also a year of important aid and support to our community, in particular, aimed above all at dealing with the emerging situation that we are still experiencing. In 2020, Naj Oleari used e-commerce proceeds to purchase personal protective equipment, including protective goggles, surgical masks, FFP2 and FFP3 masks, socks, gloves, headphones, coats and overalls, by the Red Cross of Monza for three months.

In continuity with what was achieved in 2019, in 2020, and with reference to programs and initiatives involving the local community, they were developed in 100% of EuroItalia's operations.¹⁶.

16. As a perimeter it is to be considered the only Italian company EuroItalia S.r.l.



WE COLLABORATE AND SUPPORT ONLUS "QUI DONNA SICURA" FOR ABOUT 5 YEARS NOW. IN PARTICULAR, IN 2019, WE SUPPORTED THE DEVELOPMENT OF TWO WELL-EQUIPPED ROOMS OF THE HOSPICE SAN PIETRO FOR TERMINAL SICK CHILDREN THROUGH A DONATION TO ONLUS "QUI DONNA SICURA". IN 2012, DONATIONS WERE DONATED TO THE PURCHASE OF 40 BEDS FOR THE INTENSIVE CARE DEPARTMENT OF SAN GERARDO IN MONZA.

Appendix: Material issues

DEFINITION OF MATERIAL TOPICS

Material Theme	Description
ETHICS AND CORPORATE VALUES	<ol style="list-style-type: none"> 1. Values, ideals and aspirations, vision and corporate mission; 2. Ethics and integrity in the conduct of the business; 3. Adoption of ethical principles, guidelines and international standards in the definition of codes of conduct.
ECONOMIC PERFORMANCE	<ol style="list-style-type: none"> 1. The Company's economic and financial performance, financial stability and the protection of profitability; 2. Distribution of the economic value generated among different 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. Company-generated waste management, production/assembly waste recycling, spill monitoring and management.
HEALTH AND SAFETY	<ol style="list-style-type: none"> 1. Practices and systems for managing health and safety at work; 2. Monitoring of accidents at work; 3. Health prevention, education and training measures.
DIVERSITY, EQUAL OPPORTUNITIES AND NON-DISCRIMINATION	<ol style="list-style-type: none"> 1. Measures to protect minorities and promote diversity; 2. Equal opportunities in employment practices and employee remuneration for equal roles.
TALENT ATTRACTION AND STAFF DEVELOPMENT	<ol style="list-style-type: none"> 1. Training, training and personal growth paths for employees and employees to increase and maintain the quality of the Company's human capital and attract and retain talent.
WORKING CONDITIONS AND WELFARE	<ol style="list-style-type: none"> 1. To promote optimum working conditions; 2. To ensure a work-life balance; 3. Provide benefits to your employees.
CUSTOMER SATISFACTION	<ol style="list-style-type: none"> 1. Customer relationship management; 2. Customer satisfaction surveys; 3. Systems for the resolution of complaints; 4. Internal policies for after-sales and product return services.

DEFINITION OF MATERIAL TOPICS

Material Theme	Description
FINAL CONSUMER HEALTH AND PRODUCT SAFETY AND LABELING	<ol style="list-style-type: none"> 1. Safeguards to guarantee the quality of the products and services offered; 2. Implementation of management systems for the quality and safety of products and processes; 3. Transparency and correctness in communicating to the customers the Raw materials and the ingredients used and the properties of the products.
BRAND REPUTATION AND VALUE	<ol style="list-style-type: none"> 1. Brand management and valorization; 2. Promotion of made in Italy in the reference 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, sponsorship and volunteer activities for local communities.
NATURAL AND SUSTAINABLE INGREDIENTS	<ol style="list-style-type: none"> 1. Research and use of recyclable, recycled, certified and traced ingredients and Raw materials, natural, vegan, organic, environmentally friendly, biological and renewable sources; 2. Traceability and disclosure of the Raw materials and ingredients used.
SUSTAINABLE PACKAGING	<ol style="list-style-type: none"> 1. Reduction in the consumption of packaging materials, with particular attention to plastics; 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. Continuous collaboration and dialogue with all actors in the supply chain to promote transparency, responsible supply practices, reduction of environmental impacts and respect for human rights; 2. Evaluation of suppliers in relation to social and environmental performance criteria.

RECONCILIATION OF MATERIAL TOPICS AND IMPACT PERIMETER

Material topics	Reconciliation with GRI topics
ETHICS AND CORPORATE VALUES	GRI 205 Anti-corruption GRI 307 Environmental compliance GRI 419 Socioeconomic compliance
ECONOMIC PERFORMANCE	GRI 201 Economic performance
ENERGY AND EMISSIONS	GRI 302 Energy GRI 305 Emissions
WASTE MANAGEMENT	GRI 306 Waste
HEALTH AND SAFETY	GRI 403 Occupational Health and Safety
DIVERSITY, EQUAL OPPORTUNITIES AND NON-DISCRIMINATION	GRI 405 Diversity and equal opportunity GRI 406 Non-discrimination
TALENT ATTRACTION AND STAFF DEVELOPMENT	GRI 404 Training and Education GRI 401 Employment
WORKING CONDITIONS AND WELFARE	GRI 401 Employment GRI 402 Labor/Management Relations
CUSTOMER SATISFACTION	N/A
FINAL CONSUMER HEALTH AND PRODUCT SAFETY AND LABELING	GRI 416 Customer Health and Safety GRI 417 Marketing and Labeling
BRAND REPUTATION AND VALUE	GRI 202 Market Presence
COMMUNITY DEVELOPMENT PROGRAMS AND VOLUNTEERING	GRI 413 Local Communities
NATURAL AND SUSTAINABLE INGREDIENTS	GRI 301 Materials
SUSTAINABLE PACKAGING	GRI 301 Materials
RESPONSIBLE SUPPLIER MANAGEMENT	GRI 204 Procurement Practices

Where it happens	Type of impact
EuroItalia	Caused by the Company
EuroItalia	Caused by the Company
EuroItalia	To which the Company contributes
EuroItalia	To which the Company contributes
EuroItalia, staff	Caused by the Company
EuroItalia, staff	Caused by the Company
EuroItalia, staff	Caused by the Company
EuroItalia, staff	Caused by the Company
EuroItalia, Sales Partners, Distributors and Retailers	To which the Company contributes and related to the Company through his business relations
EuroItalia, Sales Partners, Distributors and Retailers, suppliers	To which the Company contributes and related to the Company through his business relations
EuroItalia, Sales Partner, personnel	Caused by the Company and related to the Company through its own business relationships
EuroItalia, Community	To which the Company contributes
EuroItalia, suppliers and Sales Partners	To which the Company contributes and related to the Company through his business relations
EuroItalia, suppliers and Sales Partners	To which the Company contributes and related to the Company through his business relations
EuroItalia, suppliers	Caused by the Company and related to the Company through its own business relationships

EUROITALIA'S 2020 SUSTAINABILITY REPORT HAS BEEN PREPARED IN ACCORDANCE TO THE 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:

GRI STANDARD	Informative	Page number	Omissions
GRI 101 Principi di rendicontazione (2016)			
GRI 102 General Disclosure (2016)			
PROFILO DELL'ORGANIZZAZIONE			
	102 – 1 Name of the organization	8	
	102 – 2 Activities, brands, products and services	16, 21-29	
	102 – 3 Location of headquarters	16-17	
	102 – 4 Location of operations	16-19	
	102 – 5 Ownership and legal form	8, 46	
	102 – 6 Markets served	18-19	
	102 – 7 Scale of the organization	12, 21-27, 62, 67	
	102 – 8 Information on employees and other workers	68	
	102 – 9 Supply Chain	141-147	
	102 – 10 Significant changes to the organization and its supply chain	8-9	
	102 – 11 Precautionary Principle or approach	98-103	
	102 – 12 External initiatives	58	
	102 – 13 Membership of associations	58	
STRATEGY			
	102 – 14 Statement from a senior decision-maker	5-7	

ETHICS AND INTEGRITY

102 – 16 Values, principles, standards and norms of behavior

40-42, 47, 52-53

GOVERNANCE

102 – 18 Governance structure

46

STAKEHOLDER INVOLVEMENT

102 – 40 List of stakeholder groups

54-55

102 – 41 Collective bargaining agreements

75

102 – 42 Identifying and selecting stakeholders

54-56

102 – 43 Approach to stakeholder engagement

57

102 – 44 Key topics and concerns raised

59

REPORTING PRACTICES

102 – 45 Entities included in the consolidated financial statements

8-9

102 – 46 Defining report content and topic Boundaries

59, 156-157

102 – 47 List of material topics

59, 154-155

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 Contact point for questions regarding the report

9

102 – 54 Claims of reporting in accordance with the GRI Standards

8

102 – 55 GRI content index

160-166

GRI STANDARD	Informative	Page number	Omissions
ECONOMIC PERFORMANCE			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundary	8-9, 59, 62-63, 154-157	
	103-2 The management approach and its components	62-63	
	103-3 Evaluation of the management approach	62-63	
GRI 201: ECONOMIC PERFORMANCE (2016)	201-1 Direct economic value generated and distributed	63	
BRAND REPUTATION AND VALUE			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundary	8-9, 42, 59, 69, 154-157	
	103-2 The management approach and its components	42	
	103-3 Evaluation of the management approach	42	
GRI 202: MARKET PRESENCE (2016)	202-2 Proportion of senior management hired from the local community	69	
RESPONSIBLE SUPPLIER MANAGEMENT			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundary	8-9, 59, 141-147, 154-157	
	103-2 The management approach and its components	141-147	
	103-3 Evaluation of the management approach	141-147	
GRI 204: PROCUREMENT PRACTICES (2016)	204-1 Proportion of spending on local suppliers	141-145	
BUSINESS ETHICS AND VALUES			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundary	8-9, 40-42, 47, 52-53, 59, 154-157	
	103-2 The management approach and its components	40-42, 47, 52-53	
	103-3 Evaluation of the management approach	40-42, 47, 52-53	
GRI 205: ANTI-CORRUPTION (2016)	205-3 Confirmed incidents of corruption and actions taken	46	
GRI 307: ENVIRONMENTAL COMPLIANCE (2016)	307-1 Non-compliance with environmental laws and regulations	99	
GRI 419: SOCIOECONOMIC COMPLIANCE (2016)	419-1 Non-compliance with laws and regulations in the social and economic area	46	

NATURAL AND SUSTAINABLE INGREDIENTS

GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundary	8-9, 59, 112-121, 154-157	
	103-2 The management approach and its components	112-121	
	103-3 Evaluation of the management approach	112-121	
GRI 301: MATERIALS (2016)	301-1 Materials used by weight or volume	116	

SUSTAINABLE PACKAGING

GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundary	8-9, 59, 112-119, 154-157	
	103-2 The management approach and its components	112-119, 123-125	
	103-3 Evaluation of the management approach	112-119, 123-125	
GRI 301: MATERIALS (2016)	301-1 Materials used by weight or volume	116	

ENERGY AND EMISSIONS

GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundary	8-9, 59, 98-103, 154-157	
	103-2 The management approach and its components	98-103	
	103-3 Evaluation of the management approach	98-103	
GRI 302: ENERGY (2016)	302-1 Energy consumption within the organization	104	
	302-4 Reduction of energy consumption	100-102	
GRI 305: EMISSIONS (2016)	305-1 Direct (Scope 1) GHG emissions	104-105	
	305-2 Energy indirect (Scope 2) GHG emissions	104-105	

GRI STANDARD	Informative	Page number	Omissions
WASTE MANAGEMENT			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundary	8-9, 59, 98, 106-107, 109, 154-157	
	103-2 The management approach and its components	98, 106-107, 109	
	103-3 Evaluation of the management approach	98, 106-107, 109	
GRI 306: WASTE (2016)	306-2 Management of significant waste-related impacts	108	
ATTRACTING TALENT AND DEVELOPING PEOPLE			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundary	8-9, 59, 72-73, 154-157	
	103-2 The management approach and its components	72-73	
	103-3 Evaluation of the management approach	72-73	
GRI 401: EMPLOYMENT (2016)	401-1 New employee hires and employee turnover	72	
GRI 404: TRAINING AND EDUCATION (2016)	404-1 Average hours of training per year per employee	73	
WORKING CONDITIONS AND WELFARE			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundary	8-9, 59, 74-75, 154-157	
	103-2 The management approach and its components	74-75	
	103-3 Evaluation of the management approach	74-75	
GRI 401: EMPLOYMENT (2016)	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	74-75	
GRI 402: LABOR/ MANAGEMENT RELATIONS (2016)	402-1 Minimum notice periods regarding operational changes	75	

HEALTH AND SAFETY

GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundary	8-9, 59, 76-77, 154-157	
	103-2 The management approach and its components	76-77	
	103-3 Evaluation of the management approach	76-77	
GRI-403: OCCUPATIONAL HEALTH AND SAFETY (2018)	403-1 Occupational health and safety management system	76-77	
	403-2 Hazard identification, risk assessment, and incident investigation	76-77	
	403-3 Occupational health services	76-77	
	403-4 Worker participation, consultation and communication on occupational health and safety	76-77	
	403-5 Worker training on occupational health and safety	76-77	
	403-6 Promotion of worker health	76-77	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	76-77	
	403-9 Work-related injuries	77	

DIVERSITY, EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundary	8-9, 59, 69-71, 154-157	
	103-2 The management approach and its components	69-71	
	103-3 Evaluation of the management methods	69-71	
405: DIVERSITY AND EQUAL OPPORTUNITY (2016)	405-1 Diversity of governance bodies and employees	70	
GRI-406: NON-DISCRIMINATION (2016)	406-1 Incidents of discrimination and corrective actions taken	No incidents of non-compliance concerning the health and safety impacts of products and services have been registered in 2020	

GRI STANDARD	Informative	Page number	Omissions
COMMUNITY DEVELOPMENT PROGRAMS AND VOLUNTEERING			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundary	8-9, 59, 150-151, 154-157	
	103-2 The management approach and its components	150-151	
	103-3 Evaluation of the management approach	150-151	
GRI 413: LOCAL COMMUNITIES (2016)	413-1 Operations with local community engagement, impact assessments, and development programs	151	
END-CONSUMER HEALTH AND PRODUCT SAFETY AND LABELING			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundary	8-9, 59, 128-135, 154-157	
	103-2 The management approach and its components	128-135	
	103-3 Evaluation of the management approach	128-135	
GRI 416: CUSTOMER HEALTH AND SAFETY (2016)	416-1 Assessment of the health and safety impacts of product and service categories	128-133	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of non-compliance concerning the health and safety impacts of products and services have been registered in 2020	
GRI 417: MARKETING AND LABELING (2016)	417-1 Requirements for product and service information and labeling	134-135	
	417-2 Incidents of non-compliance concerning product and service information and labeling	No incidents of non-compliance concerning information and labeling of products and services have been registered in 2020	
	417-3 Incidents of non-compliance concerning marketing communications	No incidents of non-compliance concerning information and labeling of products and services have been registered in 2020	
OTHER MATERIAL TOPICS			
CUSTOMER SATISFACTION			
GRI 103: MANAGEMENT APPROACH (2016)	103-1 Explanation of the material topic and its Boundary	8-9, 59, 136-139, 154-157	
	103-2 The management approach and its components	136-139	
	103-3 Evaluation of the management approach	136-139	

