

The logo for 'arca' is positioned in the top left corner. It features the word 'arca' in a white, lowercase, sans-serif font. To the right of the text is a stylized graphic consisting of two overlapping rectangular shapes: a teal one in front and a purple one behind it, both tilted at an angle.

arca®

OVER 70 YEARS
OF INNOVATION
AND SUSTAINABILITY
FOR A FUTURE
OF EXCELLENCE

The background of the entire page is a close-up photograph of a vibrant green leaf. The leaf's veins are clearly visible, and it is covered with numerous water droplets of various sizes. A large, prominent droplet is in the lower-left foreground, reflecting light and showing the texture of the leaf. The overall color palette is dominated by various shades of green, from deep forest green to bright, almost neon green.

*Live green,
Breathe green,
Go green!*

ARCA ETICHETTE S.p.A.

IMPACT REPORT as a BENEFIT CORPORATION

Year 2020

Reporter: *Sala Roberto – C.O.O. Labels Division Arca Etichette SpA
Sustainability Manager, appointed by the Board of Directors on 8th April 2021*

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Introduction

Arca Etichette S.p.A. has been a Benefit Corporation (BC) since 8th April 2021. The subsidiaries Etifix srl and Arca Sleeves srl (which together with Arca Etichette make up the Arca Group) have also been BCs since 8th April.

A radical transformation, which marks the beginning of a new story.

The Arca Group **Mission** testifies to an ongoing dedication to reinforcing the leadership of products and services, enriched by new commitments to the Environment, Workers and the Community.

We make innovative labelling and identification products for the manufacturing industry: self-adhesive labels and sleeves for the decoration of packages, promotion, safety, logistics and the best automatic labelling and print-apply machines, laser markers, as well as software for unmanned printing, the validation of products and traceability. Our command over all aspects in this area means we are able to guarantee complete and safe solutions.

We are a Benefit Corporation, committed to generating measurable economic and social value, preserving the environment, using processes that reduce energy consumption and the waste of resources, involving suppliers and customers in common actions regarding ecological issues. We promote projects for our community, spreading the culture of sustainability in the local area. We encourage the cultural and professional growth of our colleagues. We pursue their fulfilment, in an environment that nurtures creativity and a gratifying sense of well-being, for everyone that contributes towards our mission.

This is our year ZERO as a Benefit Corporation; pursuant to the law founding Benefit Companies (law 08/2018), the annual impact report is not required for 2020, becoming compulsory as of 2022, as an annex of the 2021 Financial Statements.

However, we decided to publish this 2020 impact report for awareness-raising purposes, for all stakeholders involved in Arca Etichette S.p.A.

We wish to share the motivations, objectives, indicators and the first actions for this new company model, with all due transparency.

The Impact Report is the main document with which a Benefit Corporation plans actions with a socio-environmental impact for the new year and provide details of the value generated for all stakeholders. The transformation into a Benefit Corporation runs alongside the decision to pursue B Corp certification, the highest standard in the world, certifying the environmental, social and economic performance of all our activities, for the entire Arca Group.

The letter by our Chairman, Riccardo Fadiga, dated 15th April 2021 and printed here below, describes the chosen path of transformation.

IT'S OFFICIAL, ARCA ETICHETTE IS NOW A BENEFIT CORPORATION!

On 20th January I thanked all workers and colleagues of Arca Etichette for their commitment and achievements in the most difficult year of our corporate and social history, describing how together we succeeded in adapting to the health and economic emergency. We reacted, while also setting ourselves a commitment to transformation, becoming an even stronger corporate reality, with the ability to generate Value for many years to come, for stakeholders, workers and the World all around us.

The crisis has continued in these first few months of 2021, but we are spearheading our objectives.

The first milestone: on 8th April we became a Benefit Corporation, by Notary Deed.

In addition to the definition of products and services we provide, our new Bylaws also list so-called Objectives of Common Benefit, for the Environment, Workers and local Community, made public as a testament to our commitment.

As Operative Director of the Labels Division, Mr. Robert Sala has also embraced the new function of Head of Social and Environmental Impact (Sustainability Manager) of both Divisions, while also supporting both subsidiary companies Etifix s.r.l. and Arca Sleeves s.r.l., both also Benefit Companies since 8th April.

This evolution enables us to protect our corporate, social and environmental values, reinforcing our growth capacity over the years to come, for the ongoing satisfaction of shareholders and everyone operating in Arca Etichette, or who interacts with us, as Clients and Suppliers.

As a Benefit Corporation, our values will be monitored and measured over time, by means of an impact report, inspiring us to strive for increasingly innovative social and environmental solutions. Our conduct and actions determine who we are and our corporate essence.

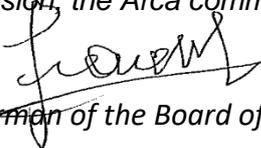
There's no stopping us now! The next challenge is B-Corporation (B Corp) certification, by the end of 2021.

What is the difference between a Benefit Corporation and a B Corp?

Both represent the global movement of companies that have resolved to use business as a force for good, including for socio-environmental improvement. Both share high standards of responsibility and transparency, as well as missions oriented towards the resolution of society's toughest problems. However, there are some important differences.

The status of Benefit Corporation is a legal form, whereas B Corp is a certification. Companies can only become a Benefit Corporation in countries that provide for it in their legislation, as is the case in Italy. B Corp certification can be obtained in any Nation, by companies that are able to prove their corporate, environmental and social commitment, in accordance with a complex certification system devised by the international organisation BLab, the only accredited certification body.

In conclusion, the Arca commitment is for forever: present and future, without ever looking back.



The Chairman of the Board of Directors of Arca Etichette SpA Marcallo, 15th April 2021

Specific Purposes of Common Benefit

As a BC, the new status of Arca Etichette incorporates three areas of purposes of common benefit, applied in the pursuit of and in correlation with business, with the aim of generating measurable economic, environmental and social value.

ENVIRONMENTAL AREA

The company recognises that the Environment is essential for the peaceful and liveable existence of humans on this Planet.

With the purpose of creating conditions of prosperity for the biosphere, the Company is committed to acting so as not to damage the environmental system, striving for the promotion of production models with closed cycles, taking as little as possible from natural systems, reducing the consumption and waste of resources, managing low environmental impact production processes and promoting awareness-raising activities for the involvement of clients and suppliers, to stimulate common actions on environmental issues of strategic and mutual importance within the value chain.

PEOPLE AREA

The Company recognises that individual Persons hold a strategic and front-line role in the social and corporate context.

The Company promotes human and cultural development on a par with professional and occupational development. It is committed to creating an environment that nurtures productive, fulfilling and gratifying well-being, stimulating and rewarding creative thought, guaranteeing continuous learning and the exchange of knowledge and skills, with the sharing of targets and results.

COMMUNITY AREA

The Company recognises its social function and role as a positive force for Business in the Local Area. It is aware that the development of companies goes hand in hand with everything around them, which may require a redefinition of the way in which businesses generate richness and well-being, also taking into consideration social and environmental balances.

The Company wishes to strengthen its corporate citizenship and is committed to improving its social impact, by supporting and promoting projects for the community, spreading the culture of sustainability in the local area where it operates, activating synergistic partnerships with local stakeholders guided by the reciprocity of intentions, the transparency of purposes and methods, also through nurturing and conserving values, culture, processes and good practices.

Actions for Areas of Common Benefit - Year 2020.

N.B.: as a BC since 8th April 2021, we are not formally required to report on all actions for common benefit in the year 2020. However, we still felt it would be useful to provide a report, considering the unprecedented nature of last year, characterised by the serious socio-health crisis, which is still ongoing.

Adapting to the crisis was necessary before reacting, to the benefit of all stakeholders, with a multitude of initiatives by our Company.

Like most companies, Arca Etichette found itself in an unexpected situation, sudden and above all, unprecedented, rife with critical issues:

- Employees
 - The need to manage the health of employees and the security of their future in economic terms
 - Work reorganisation (we never stopped production, as we are part of the pharmaceutical and food supply chain)
 - Greater degree of criticality of relations with workplace trade unions and workers' health and safety representatives
- Clients
 - Sudden closure for weeks and even months in some cases, of some of our most important clients (cosmetics) and the automotive industry
 - Liquidity crisis among many such companies
- Suppliers
 - Sudden reduction of supply capacity along the entire chain, of our primary and ancillary materials
- Shareholders and BoD:
 - Significant impact on purchases, with a dramatic fall already in March, which continued until October, consequently requiring a revised budget and therefore questions on "whether and what to do" for already planned investments (over 3 million euros in 2020 in the Labels division, which generates a turnover of 18 million euros per year).

The Covid crisis will end of course, however as declared by our Chairman in his letters to all staff, everything we have put in place to tackle it will not cease, on the contrary, it will be reinforced. We are undergoing a TRANSFORMATION, which as a Benefit Corporation, commits us to continuous improvement, not only of profits, but also of what is perceivable by stakeholders, the Environment, Workers, local Communities, Clients and Suppliers.

Here below we list the most significant actions:

Environment Area – Actions 2020

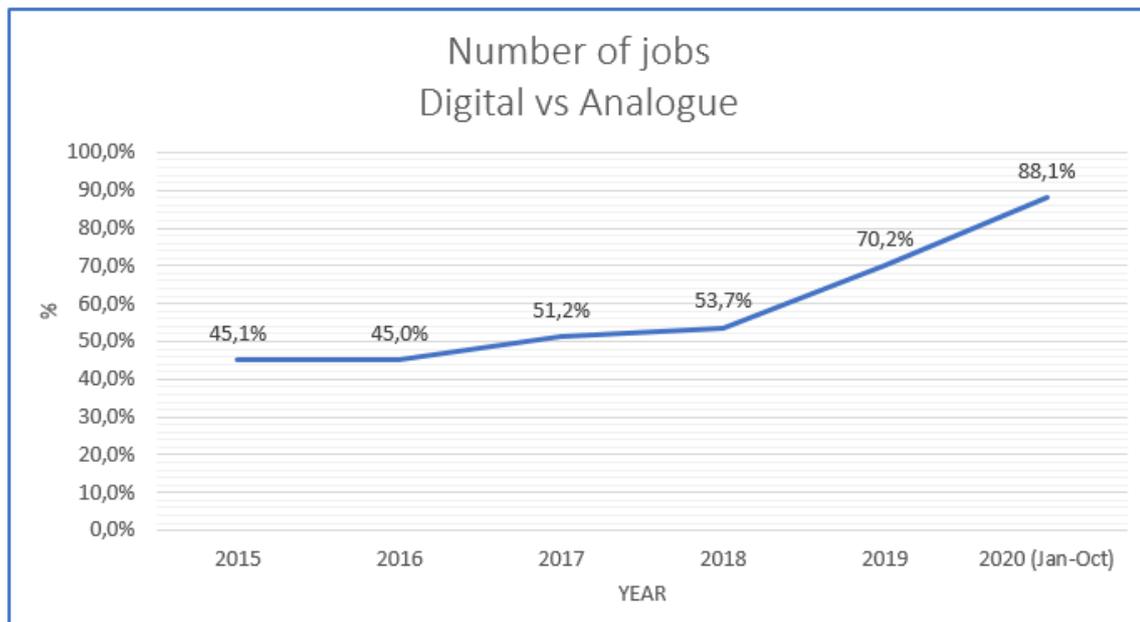
Arca Etichette has been pursuing the objective of minimum environmental impact for years now, and we have obtained ISO14001 certification.

- **We are a Solvent-Free company**, having eliminated organic solvents and even water from pre-printing and printing processes:
 - Printing matrices, stereotypes and plates are prepared using "dry" processes;
 - inks are polymerised using UV lights, so they are solvent free, avoiding the emission of volatile organic solvents (VOCs) into the atmosphere.
- Traditional printing is increasingly being replaced by **Digital Printing**: this enables the minimisation of material and ink waste and does not require plates or stereotypes; a single UV lamp is required for the polymerisation of inks/paints, whereas five are required to achieve similar results in traditional flexography, or lithographic/offset printing.

We are internationally recognised as "pioneers" of technological development, especially for digital printing. We first introduced digital printing processes back in 2005, with offset digital printing, and in 2010 we undertook various R&D projects for inkjet UV digital printing, culminating in 2017 in the first significant investment, followed by a second one in 2020.

Today we have 4 digital and 5 analogical machines; the number of digitally produced orders has exceeded analogical ones. This has enabled an environmental improvement that is quantifiable due to the reduction of material, ink and energy waste, as well as production times.

Digital Printing



Arca Etichette – Dicembre 2020

Results compared to production with conventional printing method, on an annual basis:

From our ERP data, we calculate that from 2019 to 2020, around 1000 orders shifted from analogical to digital production (a similar number of orders shifted from analogical to digital from 2018 to 2019). Therefore we can suitably calculate savings in terms of less material and ink waste, unnecessary printing matrices (and therefore the positive environmental impact of avoided preparation and disposal of matrices), hours of plant use with a consequent reduction of energy consumption.

- **Self-adhesive material waste:**
 - 320,000 sqm saved, approximately 25% of total waste, amounting to 1,400,000 squares, 2018-2019 average (Source: ERP Arca Etichette)
- **Ink waste**
 - 540 kg of ink which would have remained on scrap printed material, around 25% of total wasted ink, amounting to 2362 kg (ink remaining on approximately 1.4 million square metres of scrap of the previous point).
- **Stereotypes and plates**
 - Not produced and therefore not conferred for disposal after Production: 6,000 printing matrices, plastic material flexo stereotypes or litho-offset metal plates
- **Production hours:**
 - 1500 hours of printing machinery and auxiliary machinery, compared to a total of approximately 23000 hours of production (total digital and analogical work hours, from Arca Etichette ERP)
- **Electric Power Operations:**
 - 255,000 kwh, compared to a total of 1,627,000 kwh (total energy consumption of both divisions, offices and manufacturing divisions), thanks to less production hours and less UV lamps required for digital printing. Electrical power consumed by UV lamps amounts to around 70% of the total.
- **Management of process waste and silicone coated paper scraps**
 - Production waste is conferred to a **waste-to-energy plant** rather than landfill, despite the considerably higher cost this entails.
 - The main waste in the self-adhesive supply chain is **liner, silicone coated paper support (glassine)** of labels, which accounts for over 60% of total waste (38% of the volume of the entire initial roll). Arca has signed a partnership with **Cycle4green**, a Finnish company specialised in the management of glassine paper (liner) recycling system. For information <https://www.c4g.fi/>
 - Our partner collects (upon request) and transports it with its own vehicles to Austria, to Lenzing Papier, a paper factory that **recycles** it for reuse.
 - Arca sponsors the participation of its Clients. Two big companies have joined in the last two years.
 - In 2020 we recycled 16,2 tons of silicone paper, amounting to around 32 tons of CO₂eq.





- Special products, also without silicone coating, so-called **linerless labels**
 - Liner can and must be recycled, but – where possible – also **eliminated at the source**.
 - Arca, one of very few manufacturers in Europe, offers:
 - Striped Lineless labels, **free from silicone coating**, for the 360° decoration of bowls and trays.
 - For information <https://www.arcaetichette.it/prodotto/etichette-striped-linerless/>

- In 2020, around 6% of labels division turnover was generated with Linerless labels, around 2,000,000 sqm net of products delivered to clients, FREE FROM silicone coated paper requiring disposal.
 - Considering that silicone coated paper is around 60 gsm (grams per square metre), we achieved a saving of around 120,000 kg of silicone coated material requiring disposal, **amounting to around 250,000 kg of CO₂ eq.**
- The Systems Division of Arca Etichette also manufactures machines for the application of LINERLESS neutral labels in rolls.
 - In logistics (identification, boxes, pallets,...), these products enable enormous savings of end-of-process scrap material, as shown in the comparative table here below:

Tipo	FARDELLI		SCATOLE		PALLET	
	Linerless	Autoadesivo	Linerless	Autoadesivo	Linerless	Autoadesivo
Formato etichetta	100x76 mm	100x76 mm	150x76 mm	150x76 mm	150x210 mm	150x210 mm
Lunghezza bobina	900 m	421 m	900 m	421 m	900 m	421 m
Peso bobina	6,91 Kg	6,47 Kg	10,36 Kg	9,61 Kg	10,36 Kg	9,61 Kg
Resa	13,123 m ² /kg	6,757 m ² /kg	13,123 m ² /kg	6,757 m ² /kg	13,123 m ² /kg	6,757 m ² /kg
Produzione	50 pz/min	50 pz/min	30pz/min	30 pz/min	2 pz/min	2 pz/min
Q.tà etichette/bobina	11.842	5.333	11.842	5.333	4.285	1.978
Intervallo sostituzione bobina	3,94 ore	1,77 ore	6,57 ore	2,96 ore	17,85 ore	8,23 ore
Materiale di scarto	-	43,36 m ² /bobina	-	64,41 m ² /bobina	-	64,41 m ² /bobina

- Use of LED lighting at facilities since 2016, and in late 2020 trials began for the use of UV LED for the polymerisation of inks on 4 digital printing machines. A saving of at least 30% is expected for these production lines in 2021.
- Energy 100% from renewable sources, Zero impact.
 - Arca Etichette has chosen the renewable energy of LifeGate, for years for natural gas and since 2020 for electrical power too. With LifeGate, Arca plays an active role as an agent of change in the most important environmental challenge of our time: the energy transition, from fossil fuels to renewable sources.

CERTIFICATO PER L'ACQUISTO
DI GAS NATURALE A IMPATTO ZERO®



Si certifica che

ARCA ETICHETTE

ha scelto di utilizzare gas naturale con emissioni di CO₂
compensate al 100% grazie a Impatto Zero®

Secondo le stime effettuate da LifeGate, per ogni Smc di gas naturale estratto, le emissioni di anidride carbonica generate sono pari a 1,949 kg. Per compensare queste emissioni, LifeGate Energy si avvale del progetto Impatto Zero®: l'anidride carbonica generata dalla filiera produttiva e distributiva della fornitura è stata compensata mediante crediti di carbonio provenienti da progetti di efficienza energetica e da interventi di creazione e tutela di foreste in crescita in Italia e nel mondo.

Grazie a Impatto Zero® e LifeGate Energy

ARCA ETICHETTE

ha compensato i 2.493 kg CO₂ - derivanti dalla produzione e dalla distribuzione di 107.459 Smc di gas naturale consumato dal 01/01/2019 al 31/12/2019 - con progetti di efficienza energetica e contribuendo a progetti di creazione e tutela di foreste in crescita in Madagascar per 557 mq.

I PARTNER DI IMPATTO ZERO®



CERTIFICATO PER L'ACQUISTO DI ENERGIA
ELETTRICA PRODOTTA DA FONTI RINNOVABILI



Si certifica che

Arca Etichette Spa

ha scelto di utilizzare 100% energia rinnovabile
di origine certificata GO a Impatto Zero¹

La Garanzia di Origine è una certificazione che attesta l'origine rinnovabile delle fonti utilizzate dagli impianti qualificati IGO. La garanzia di origine GO (in conformità con la Direttiva 2009/28/CE) ha lo scopo di consentire ai fornitori di energia elettrica di provare ai clienti finali la quantità di energia da fonti rinnovabili presente nel proprio mix energetico ed è gestita dal Gestore del Sistema Elettrico (GSE).

LifeGate ha certificato il 100% della propria energia elettrica.

Secondo le stime effettuate da LifeGate, per ogni kWh proveniente da centrali idroelettriche, le emissioni di anidride carbonica sono pari a 23,24 gr CO₂eq. Per rendere il ciclo dell'energia rinnovabile totalmente pulito, LifeGate Energy si avvale del progetto Impatto Zero[®]: l'anidride carbonica generata dalla produzione e dalla distribuzione dell'energia elettrica rinnovabile è stata compensata mediante crediti di carbonio prodotti da progetti di efficienza energetica e da interventi di creazione e tutela di foreste in crescita in Madagascar.

Grazie a LifeGate Energy
Arca Etichette Spa

dal 01/01/2020 al 31/12/2020 ha consumato 1.815.874 kWh
ha evitato la combustione di 1.101 barili di petrolio
e l'emissione in atmosfera di 964.229 Kg di CO₂

INFORMAZIONI TECNICHE SULL'ORIGINE

Sistema di Certificazione: GO

Periodo di produzione: 2020

Tipologia: Idroelettrica

Centrale di riferimento:

Cod Id Impianto 803255132000009587

Luogo: Italia

I PARTNER DI IMPATTO ZERO[®]





LIFEGATE

Di seguito riportiamo un dettaglio della situazione di ARCA ETICHETTE SPA nel corso del 2020:

kWh anno 2020	kg CO ₂ Evitata	kg CO ₂ Compensata	Mq Foresta Madagascar
1.815.874	964.229	42.128	9.411

Nel corso del 2020 ARCA ETICHETTE SPA ha consumato 1.815.874 kWh.

Grazie all'utilizzo di LifeGate Energy eviterà di emettere in atmosfera 964.229 Kg di CO₂ e con Impatto Zero® compenserà 42.128 kg di CO₂ attraverso crediti di carbonio generati da:

- interventi di creazione e tutela di 9.411 Mq di foresta in crescita in Madagascar (30% delle emissioni totali);
- un progetto di energia rinnovabile da impianto eolico a Gujarat in India (70% delle emissioni totali).

In allegato un dettaglio dei progetti previsti secondo la modalità di Impatto Zero® (dettaglio Allegato A).

Restiamo a disposizione per qualsiasi chiarimento in merito.

Cordiali Saluti.

LIFEGATE Energy S.r.l.

The use of 100% Zero Impact natural gas and as of 2020, 100% Zero Impact electrical power too, enables us to minimise Greenhouse Gas emissions, calculated as CO₂ equivalent, in the Scope 2 index.

Scope 2 and Scope 1 are greenhouse gas emissions indicators, as defined here below (Source: Greenhouse Gas Protocol):

DIRECT EMISSIONS - SCOPE 1

Direct GREENHOUSE GAS emissions (GHG) from installations at company facilities, due to the use of fossil fuels and the emission of any greenhouse gases into the atmosphere. They are direct emissions, for example emissions deriving from fossil fuel combustion in heating systems; **emissions due to the consumption of fuel for company vehicles**; leaks of fluorinated greenhouse gases from air conditioning systems.

GREENHOUSE GAS EMISSIONS FROM ENERGY CONSUMPTION - SCOPE 2

Indirect GHG emissions deriving from the **generation of electricity, heat and steam imported and consumed by the organisation**, insofar as the importer is directly responsible for emissions generated by the supplier for the generation of requested energy.

Here follow Scope 1 and Scope 2 in 2020 for Arca Etichette SpA (Labels+ Systems Divisions):

Scope 1: 213 tons CO₂ equivalent

Scope 2: 5.5 tons CO₂ equivalent

Environment area - Objectives for the year 2021

This is our year Zero as a Benefit Corporation. Our commitment to the Environment, Workers and the Community, as declared in the new Bylaws, establishes improvement targets for all three areas. For the Environment area, the table here below indicates objectives, assessment indicators for results and envisaged actions:

Objective	KPI	Envisaged action
Reduction of Greenhouse Gas emissions	20% reduction compared to 2019-2020 of Scope 1.	Progressive replacement of company fleet with Hybrid and/or Full Electric vehicles. Installation of charging stations in company parking facilities. Reimbursement with the purchase of carbon credits.
Reduction of electrical power consumption per net sqm of labels.	10% reduction of kwh/sqm, assuming that electrical power of printing amounts to 70% of the total (from average data of various previous years).	Use of UV lamps instead of UV Arc (Mercury) lamps for ink polymerisation. Increased digital production compared to analogical production.
Increased digital printing also in affiliated companies	Number of machines installed and production values	Installation of a digital machine in Arca Sleeves and one in Etifix.

People/ Workers Area – Actions 2020

- People/ Employees:
 - Smart working, an absolute novelty for us, which we successfully activated in March 2020 (Covid19 emergency) for 3-4 days, for all office staff and which will continue even once the crisis ends.
 - Management of all internal and above all external meetings using web platforms.
 - Acceleration and completion of our management system, in use for over 15 years, with a new management system, under development for two years now, which now enables us to have multi-platform accesses and simultaneous multi-functions. The new system also enables:
 - NO PAPER in production, with an important environmental benefit. Consider we manage around 15,000 items in production annually, each with a technical data file that is around 20 A4 pages long!
 - Reassurance on the continuity of employment and income.
 - All our employees with fixed-term contracts have been confirmed
 - For March and April 2020, an extra-bonus was awarded to all employees, amounting to 10% of their salary, excluding executives and top management.
 - We activated an insurance policy for Covid health complications, yet again for all employees, and renewed it for 2021.
 - Tailored economic support for employees affected by so-called fragilities, either themselves or family members.
 - Company bonuses based on economic and qualitative indicators in 2020, involving 100% of all employees, were awarded as usual. Last year's bonus is also in proportion to EBITDA, in addition to added Value and objectives for the reduction of costs for disputes and reduced accident frequency rates. All objectives were spearheaded and the 2020 bonus was the most important in many years, greater in economic value than an average monthly wage.
 - We confirmed ongoing initiatives for 2020 too:
 - Renewal of Health and Safety Certification OHSAS 18001/ ISO 45001
 - Priority to employees in the event of new roles or opportunities
 - Anti-smoking incentives and treatments, with costs 100% born by the company
 - Free flu vaccine for all staff

People area - Objectives for the year 2021

Objective	KPI	Envisaged action
Assess worker satisfaction	Greater than 70%	Questionnaire
Increase flexibility of work hours	Apply to at least 70% of non-production staff.	Flexible hours for office staff. Smart Working (even when not compulsory, once the Covid emergency is over)
Professional/ personal development for staff	Involvement of at least 4 employees in personal/professional growth projects (example: foreign language courses)	Budget for a contribution of at least 50% of expenses for attending courses.

Community, Clients, Suppliers Area - Actions for 2020

- Relations with the Local Community
 - We reinforced relations with the local Community by donating to the local hospital and participating in the Covid-19 Maternity project by the Rava Foundation, through our association GIPEA.
 - *With 25,000 euros donated by GIPEA, so with the economic participation of shareholders, including Arca Etichette, a contribution was made towards the purchase of equipment required to set up the Covid-19 Maternity Ward at the Mangiagalli Polyclinic in Milan. The project created separate and safe birth paths for mothers who tested positive and their newborn babies. Specifically, thanks to the contribution, 24 Oximeters and 2 x 700 ETC-F TOUCH freezers were donated to the Covid-19 Maternity ward of the Polyclinic, for the laboratory.*
 - The Bee my Future project
 - For 2020 we reconfirmed our active participation in the project, in partnership with Lifegate.
 - The aim of this project is to support the farming of 14 hives, thanks to the work of an expert beekeeper, rigorously selected by APAM, the Beekeepers' Association of the Province of Milan.
Concretely, Arca "adopted" an entire hive. Tens of thousands of our bees are now farmed in an urban context in the province of Milan, in accordance with organic guiding principles. In addition to the swarm of bees, our sponsorship provides the beekeeper with all necessary equipment for operating in full safety and efficiency, guaranteeing the well-being and prosperity of our hard-working friends.



Certification n. 65.502.399
Valid until 30th November 2021
Generated on 1st December 2020

ARCA ETICHETTE

supports Bee my Future's project protecting one beehive
from 1st December 2020 to 30th November 2021



"Honeybees don't just make honey. Our future depends on them"



in collaboration with



- Clients

Premise: we work to orders in B2B and manage around 7-8000 orders per year, for 300 active clients, including the labels and systems divisions. The optimisation of programming is essential for profitability.

In spite of this, we implemented:

- A review of order programming, with unprecedented levels of flexibility (bearing all relative costs).
- The availability of our warehouse for the storage of already produced quantities, ready for invoicing, with the replanning of deliveries.
- Payments deferred, even by months.
- Updates, on a weekly basis at least, on the continuity of business and relative critical issues.
- Sharing of Community support actions: in the cosmetics sector, an important client reconverted their lines for the production of hand sanitiser gel due to acute shortages during the first few weeks of the crisis. Thus they responded to the needs of local hospitals; we provided all necessary labels free of charge, produced in record times, to the detriment of other, previously planned production batches, even requesting that our contribution was not advertised.

- Suppliers:

- We manage hundreds of self-adhesive materials, each for specific functionalities. The lack of availability of different materials for weeks on end required urgent searches for and validation of alternatives, with onerous production and use tests, involving major clients.
- No orders were cancelled; whenever necessary, stock increases were implemented at our warehouses.

Community area - Objectives for the year 2021

<i>Objective</i>	<i>KPI</i>	<i>Envisaged action</i>
Donations to Organisations	+ 20% compared to 2020	Assessment of organisations in agreement with workers and definition of donations, in agreement with the Ethical Code.
Actions for the local community	Participation/ Promotion of Municipal socio-economic initiatives	Work in Process project of municipalities in the Magenta area

Impact Assessment External Standard

In <https://www.societabenefit.net/obblighi-di-reportistica/> it is specified that:

In order to satisfy transparency requirements set forth in legislation, Benefit Companies are required to prepare the annual impact report, to be annexed to financial statements and published on the company website.

Report requirements in Italy

For an impact report to be correctly prepared, it must include:

- 1. the description of specific objectives, the methods and actions implemented by directors in the pursuit of purposes of common benefit, and any circumstances that may have prevented or slowed this down;*
- 2. the assessment of generated impact, using the external assessment standard, with characteristics described in annex 4 of the law and which includes the assessment areas identified in annex 5 (governance of business, workers, other stakeholders, the environment)**
- 3. a section focused on the description of new targets the company aims to pursue in the next financial year.*

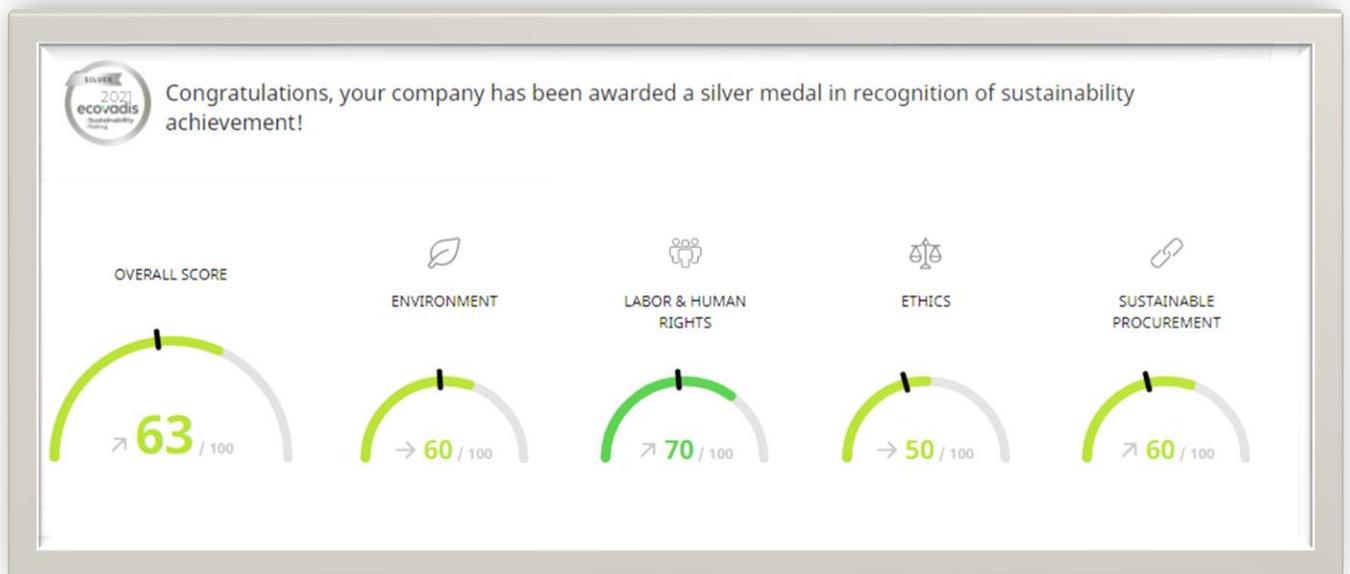
The Law has adopted the architecture of the **B Impact Assessment (BIA) as a reference for the impact report, developed as of 2006 by B Lab specifically for Benefit Corporations, to measure their impacts. However other standards can also be applied, on the condition they satisfy the requirements of propriety, transparency and completeness. The Law on Benefit Companies specifies report obligations, as set forth in paragraphs 383 and 384. Transparency requirements are necessary not only for informing the general public on the overall social and environmental impacts of Benefit Companies, but also for informing executives and directors of the impact, so that they can exercise their role in the best possible way, and shareholders, so that they can exercise their rights. The correct preparation and publication of the impact report becomes a fundamental instrument for Benefit Companies, in the fulfilment of obligations of transparency as regards the creation of general and specific common benefits. Benefit Companies are subject to provisions against misleading advertising and to auditing by Market Competition Authorities.*

Arca Etichette SpA, a Benefit Corporation since 8th April 2021, has decided to use the **external standard BIA of B Lab**; on 9th April 2021 we submitted our BIA for B Lab assessment and it is currently “pending assessment”. We are confident that by the end of 2021 we will be granted validation and consequently B Corp certification, which is one of our main Governance objectives for 2021. Data contained in the BIA submitted to B Lab focus on the year 2020 and therefore provide extensive, detailed and documented information on actions described in this impact report.

The following image shows the scores obtained in five assessment areas in the B Lab BIA.



It is also important to consider that in December 2020 Arca Etichette submitted its ESG (Environmental, Social, Governance) certification for renewal by **Ecovadis**, and was awarded the Silver Medal. See <https://ecovadis.com/it/>



Conclusions

This first Impact Report formalises our reinforced commitment to all stakeholders involved in Arca Etichette.

As of now, each year we will publish a report on improvements as well as on the inevitable difficulties experienced when striving to achieve objectives, while also defining a plan for spearheading them. Through BIA (Benefit Impact Assessment) and desirable B Corp certification, we will measure impacts generated by our activities and set annual targets for improvement.

We publish this report and trust it will stimulate all those who read it, inspiring them to engage in dialogue with us, in a relationship of interdependency, for a sustainable improvement path. This Impact Report addresses all our stakeholders and our wish is that it can inspire other businesses to move in the same direction, whatever economic sphere they operate in.



Roberto Sala – Sustainability Manager

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