



IMPACT REPORT 2021

as a BENEFIT CORPORATION

Arca Etichette SpA
Via Edison, 115
20010 Marcallo (MI) - Italy

IMPACT REPORT 2021 as a BENEFIT CORPORATION

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



RINA

CERTIFICAZIONE DELLE COMPETENZE
PROFICIENCY CERTIFICATION

CERTIFICATO N. CCM-743/22
CERTIFICATE No.

SI CERTIFICA CHE
IT IS HEREBY CERTIFIED THAT

Roberto SALA

nato/a a MAGENTA (MI) il 31/08/1955
Born in on

SODDISFA I REQUISITI SPECIFICATI NEL
MEETS THE REQUIREMENTS SPECIFIED IN THE

**Disciplinare per la valutazione e la certificazione
delle competenze manageriali** (rev. 10/2019)

emesso da FEDERMANAGER issued by FEDERMANAGER

per le seguenti tipologie di manager/consulenti di direzione
for the following types of manager/management consultants

Manager per la sostenibilità

Manager che assicura la definizione e la gestione di politiche di impresa volte al perseguimento di obiettivi di Sostenibilità, favorendo la crescita e lo sviluppo durevole dell'azienda.
A manager who ensures the definition and management of business policies aimed at achieving sustainability objectives, fostering the company's growth and development.

Employment background

Economic sector:	Pulp, paper and paper products
Enterprise size:	MEDIUM (<250 employees and annual turnover = 50 million euro)
Nature of ownership:	private family

Prima emissione First issue	21.02.2022
Emissione corrente Current issue	21.02.2022
Data scadenza Expiry date	20.02.2025

Filippo Lago
(Italy Welding & Pressure Equipments, Personnel Certification & Laboratories Director)

RINA Serices S.p.A.
Via Corsica 12 - 16128 Genova Italy

Il presente certificato è composto da 1 pagina
This certificate consist of 1 page

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Member degli accordi di riconoscimento SA, IAF e ILAC
Signatory of EA, IAF and ILAC Mutual Recognition Agreements

IMPACT REPORT 2021 as a BENEFIT CORPORATION

In cooperation
with:

Baroffio Serena – Environmental & Quality System Mng. Labels
Division - Arca Etichette SpA
RINA Proficiency certification:



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PROFICIENCY CERTIFICATION

CERTIFICATO N. CCM-742/22
CERTIFICATE No.

SI CERTIFICA CHE
IT IS HEREBY CERTIFIED THAT

Serena BAROFFIO

nato/a a
Born in VARESE (VA) il
on 13/08/1974

SODDISFA I REQUISITI SPECIFICATI NEL
MEETS THE REQUIREMENTS SPECIFIED IN THE

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Enterprise size: MEDIUM (<250 employees and annual turnover < 50 million euro)
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Arca Etichette SpA - About Us

We have been manufacturing labels since 1948.

In the Sixties, we were one of the first protagonists of the self-adhesive revolution in Italy. Since then we have grown from strength to strength.

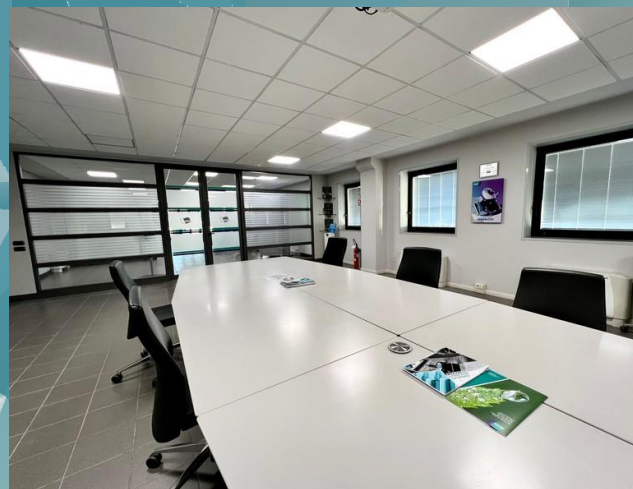
In 1975 we also entered the labelling machine market and today we are in the top ranks of world technology. We have mastered both aspects of self-adhesive technology: materials and machinery.

Over 70 years of experience. A long story of success, the best start for a promising future!

We are tirelessly committed to perfecting our products: materials selected by an equipped laboratory, modern and innovative printing machines, highly trained and motivated staff. State-of-the-art labels and sleeves that guarantee compliance with specifications and all the efficiency that is indispensable for the manufacturing industry.

Arca Etichette S.p.A. is structured with two Operative Divisions: Labels and Systems, the former for the production of self-adhesive labels and the latter for the planning and production of labellers, labelling and marking systems.

The company controls two companies, also active in the packaging sector: Etifix s.r.l. and Arca Sleeves s.r.l., which together with Arca Etichette S.p.A., make up the Arca Group (<https://www.arcagroup.net/?lang=en>).



Arca Etichette SpA - Labels Division

With over 70 years of experience, it designs and produces self-adhesive labels for the decoration, identification, promotion, safety and for various special functions, which are all state-of-the-art, to satisfy all customer requirements.

Arca Etichette SpA - Systems Division

Complete and innovative identification solutions for the manufacturing industry: self-adhesive labellers and laser markers, synonymous with productivity, reliability, safety and durability.

Arca Sleeves

Company exclusively specialised in the production of heat-retractable sleeves of any size and printing technology (digital, flexo, offset), neutral (guarantee seals, double packaging, promotional packaging), with the aim of 'dressing up' any product.

Etifix

Since 1988, experts in the production of self-adhesive labels in rolls and sheets, in a flexible and rapid way.





Our numbers

135

Employees
Arca Etichette SpA



Over 8.5 million square metres of labels printed in 2020. Almost 2.2 billion labels delivered in 2020

175

Employees
Arca Group



Arca Etichette SpA
€29M turnover in 2021

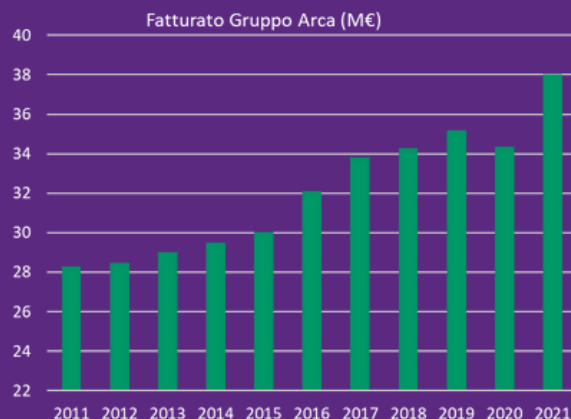
Arca Group
€38M turnover in 2021

30

Printing machines,
assembly and digital
converting, flexo, off-
set

7000

Orders per year



Awards



**Sustainability Leader
2021**

*Il Sole 24 Ore and
Statista*



**Best Performance
Award 2020/2021**

Selected Company
Best Performance
Award
2020/2021
SDA Bocconi
SCHOOL OF MANAGEMENT

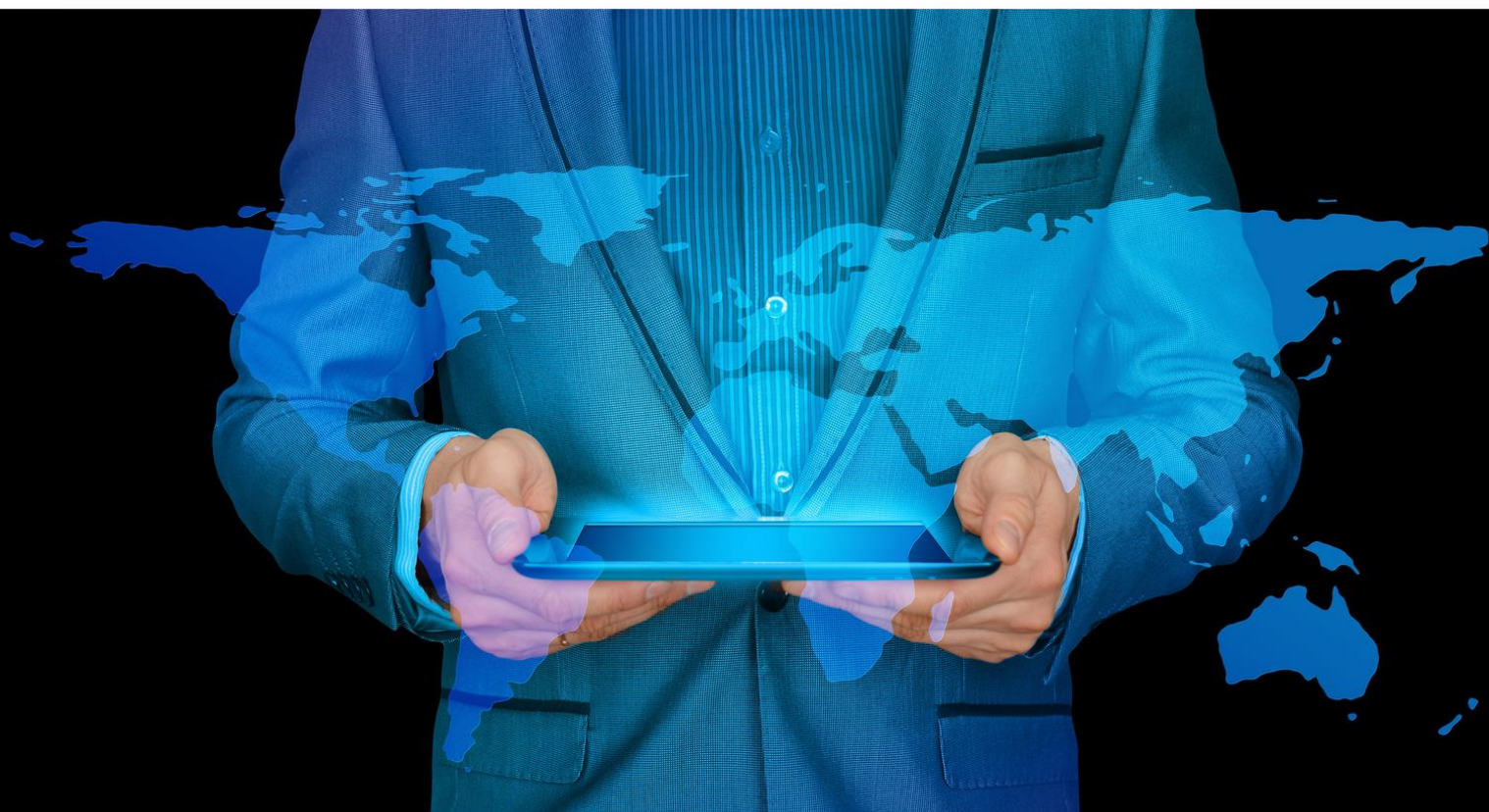
SDA Bocconi

International Presence – Concordia Labels

Together with other major European labellers, Arca has built an international network with a member in different EU countries: **Concordia Labels**.

An association for the pursuit of joint technical developments and the exchange of experiences, technologies, resources and **best practices**. Concordia Labels membership means that Arca can benefit from **a continuous flow of news, know-how and benchmarking**.

Concordia Labels also operates as a purchasing group for materials and equipment, giving all its members a competitive edge on their respective markets. Lastly, it guarantees production back up in the event of any emergency.



Benefit Corporation



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, marking the beginning of a new story.



Mission



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.

Impact Report



As a Benefit Corporation, our values are monitored, measured over time and made public with the utmost transparency, through the annual Impact Report. We wish to share the motivations, goals, indicators and the first actions in the name of this new company model.

The Impact Report is the main document with which a Benefit Corporation plans actions with a socio-environmental impact for the new year and provides 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. Roberto 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 Corporations 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 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.

AS A BENEFIT CORPORATION, THE PURPOSE OF ARCA ETICHETTE IS TO GENERATE A POSITIVE IMPACT ON SOCIETY AND THE BIOSPHERE, FOR THE CREATION OF SHARED VALUE

PROMOTES

the development of ecological packaging solutions

ADOPTS

sustainable environmental management systems

PREVENTS

any form of pollution, limiting the consumption of energy resources

CARRIES OUT

projects and actions for the social sustainability of its workers and the context in which it operates

POSSESSES

Eco-sustainability certifications, as a guarantee for its stakeholders (employees, commercial partners, local communities)



Actions for Areas of Common Benefit - Years 2020 and 2021

Environmental Area

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

Our [Environmental Policy](#), entered in the Environmental Management System Manual, is as follows:



UNI EN ISO 14001:15 - ENVIRONMENTAL POLICY

ARCA ETICHETTE S.p.A. bases its management strategies on its ability to provide markets with services that meet the expectations of customers as well as stakeholders, while respecting environmental issues and sustainability.

As such, Arca's environmental management system can be summarized as follows:

- Ensure respect for our neighboring environment by preventing any forms of pollution as well as by protecting stakeholders.
- Satisfy compliance obligations by periodically assessing compliance.
- Pursue the ongoing improvement of Arca's Environmental Management System, in an effort to enhance overall environmental performance, through periodic reviews, objectives and targets.

Priority objectives for Arca's Environmental Policy have thus been established, in accordance with the UNI EN ISO 14001: 2015 standard.

The General Management is committed to:

- developing and maintaining its Environmental Management System up-to-date;
- involving all personnel, deemed the company's most important resource, in an ongoing improvement process, while providing awareness for the effects of everyone's work on significant environmental issues;
- developing a constructive relationship of collaboration based on transparency and trust, both internally and with the external community and institutions in managing environmental issues;
- containing and improving the consumption of energy and natural resources;
- complying fully with international and domestic regulations in force;
- monitoring, measuring and boosting environmental performance in order to minimize environmental impacts.

Senior Management at Arca Etichette confirms its environmental commitment and provides that this policy be made available to the general public and communicated to people who work directly for the organization or on its behalf.

Marcallo. 18 Dec. 2017

The Chairman



In line with reference legislation, over time we have implemented a plan of environmental targets and qualifying actions, summarised here below:

We are a **Solvent-Free company**:

we have eliminated organic solvents and water from pre-printing and printing processes:

- printing 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 printing plates; 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.

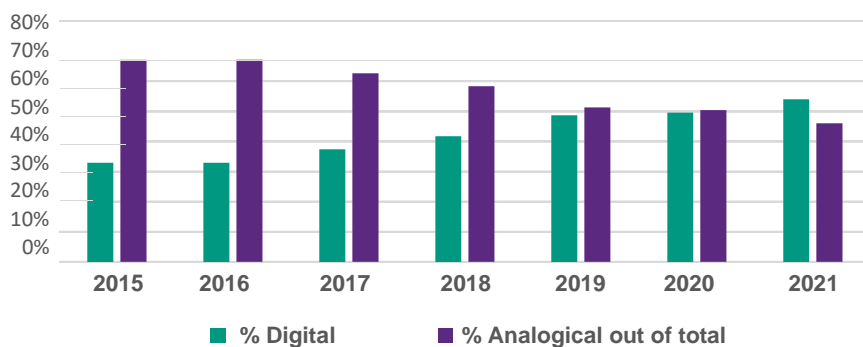
We are internationally recognised as "pioneers" of technological development, especially for digital printing. We first introduced digital printing processes back in 2005, with offset digital printing, and in 2010 we undertook various R&D projects for inkjet UV digital printing, culminating in 2017 in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

In 2021, the number of orders for digitally printed products largely exceeded those for analogically printed products, as visible in the data and graphs here below:

Orders	year 2015		year 2016		year 2017		year 2018		year 2019		year 2020		year 2021	
Total (Anal.+Dig.)	4702		5167		5938		5511		6410		6258		6438	
Analogue print	3154	67%	3467	67%	3718	63%	3212	58%	3287	51%	3154	50%	2944	46%
Digital print	1548	33%	1700	33%	2220	37%	2299	42%	3123	49%	3105	50%	3494	54%

Digital printing vs. analogical printing % compared to total orders



We are fully committed to further increasing digital over analogical, by:

- ◆ Production capacity: (on average, both HP Indigo offset digital machines are used for just over 3 shifts out of 4 potentially available ones; the same goes for both digital inkjet machines). In November 2021 we ordered a third converting machine, for the offline finishing of digital labels. It is due to arrive in September 2022 (waiting times for new machines currently stand at around one year, due to the increasing problem of the availability of parts), so that we are ready to face the rise in digital printing.
- ◆ Promotion of digital printing among customers in all market sectors: in addition to the economic advantage, greater environmental sustainability is now seen as essential.

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

According to data from our ERP management system, at least 1000 production orders per year are produced digitally and not analogically, even though said orders could also be produced using analogical printing.

Therefore we can 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 power consumption, also due to the lower number of UV lamps required for ink polymerisation:

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).

Printing plates:

- Not produced and therefore not conferred for disposal after Production: 6.000 printing matrices, plastic material flexo plates 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 consumed by all of Arca Etichette.

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 (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 the glassine paper (liner) recycling system.

For information <https://www.c4g.fi/>



Reduce, Reuse and Recycle

- 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. Three big companies have joined in the last few years.
- In 2020 we recycled 16.2 tons of silicone coated paper, amounting to around 32 tons of CO2eq; **in 2021 this figure rose to 19.4 tons of silicone coated paper, amounting to 37 tons of CO2eq.**

We also report that in light of our invitation and operative support, three important Clients have joined the C4G circuit in the last three years.



This is to certify that

Arca Etichette Spa

Via Thomas Alva Edison 119, 20010 Marcallo (MI), Italy

is a partner of Cycle4green Recycling

In 2021 Arca Etichette Spa recycled 19,4 tons of release paper waste
which equals to an estimated reduction of 37 tons of CO₂ eq.

Espoo, 01.01.2022

Petri Tani

Petri Tani, Cycle4green Ltd

in cooperation with



For further information on this certificate or C4G Recycling visit www.cycle4green.eu

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 Linerless labels, **free from silicone coating paper**, for the 360° decoration of bowls and trays.

.....

EFFICIENT



Lower transport,
storage and
disposal costs

SUSTAINABLE



No liner to
dispose of and
with adhesive in
areas

ECONOMIC



Less material
means less
costs



For information <https://www.arcaetichette.it/en/product/etichette-striped-linerless/>

.....

Similar to 2020, in 2021 around 6% of labels division turnover was generated with Linerless labels, 28 million labels for around 800.000 sqm net of products delivered to clients, FREE FROM silicone coated paper requiring disposal.

Considering that silicone coated paper is around 65 gsm (grams per square metre), we achieved a saving of 52.000 kg of silicone coated material requiring disposal, **amounting to around 110000 kg of CO2eq.**

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:

	FARDELLI		SCATOLE		PALLET	
Tipo	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

For the Systems Division, we also report a growing commitment to the design, internal production and commercial development of direct laser marking systems:

“Laser marking technology is based on the amplification of concentrated monochromatic light, with a very high power density, by means of emission stimulated by radiation.

Laser marking directly on products does not require the use of any labels (adhesive, glued, sleeve, roll-fed, etc.), resulting in a TOTAL saving of primary materials, both printed material and material for printing over and silicone lined paper (liner).

Moreover, even compared to other direct marking technologies (typically ink jet) or on paper (heat transfer), laser marking does not use ink, neither in liquid form or as pigment on tape.

This results in significant savings, considering that these materials and their packaging consume resources and create problems due to the disposal of spent containers.

Laser requires nothing but electric power (which can be obtained from renewable sources) and significantly less than the amount required for the production of consumables used with all alternative systems.

Laser technology is ecological, because it does not consume resources and because light does not pollute.”

Use of LED lighting at facilities since 2016; in late 2020, trials first began for the use of UV LED for the polymerisation of inks on 4 flexography printers, in 500 mm roll labels, one with six printing and drying units, one with eight, two with ten; each drying unit was previously fitted with traditional UV lamps (mercury ARC), 160-200 watt/cm2. In 2021 production with UV LED drying became standard for at least 50% of the production output of these machines. For 2021 we forecast a power saving of at least 30% for these production lines and as we will see in the energy consumption tables and relative performance indicators (KPIs), these forecasts were accurate.

.....



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.



CERTIFICATE FOR THE PURCHASE
OF NATURAL GAS WITH EMISSIONS OFFSET
THANKS TO ZERO IMPACT PROJECT



It is hereby certified that
ARCA ETICHETTE SPA
has chosen Zero Impact natural gas

According to LifeGate's estimates, 1,949 kg CO₂eq of carbon dioxide are emitted for each Smc extracted. In order to compensate these emissions, LifeGate has implemented the Zero Impact project: the carbon dioxide emitted during the production and distribution of gas is offset through the purchase of carbon credits generated by projects for energy efficiency and the planting and safeguarding of growing forests in Italy and in other countries.

Thanks to LifeGate Energy
ARCA ETICHETTE SPA

has offset the 2,951 kg CO₂ emitted by the production
and distribution of 127,203 Smc consumed
between 01/01/2021 and 31/12/2021
thanks to projects for energy efficiency and the planting
and safeguarding of growing forests in Madagascar.

ZERO IMPACT PARTNERS





CERTIFICATE FOR THE PURCHASE OF
ELECTRICAL ENERGY FROM RENEWABLE SOURCES

It is hereby certified that
ARCA ETICHETTE SPA
has chosen 100% renewable Zero Impact
energy of GO certified origin

Guarantee of Origin (GO) is a certificate that proves that energy has been produced by IGO qualified plants using renewable sources. The GO allows electrical energy suppliers to prove to final customers the quantity of renewable energy within their overall energy mix (in conformity with European Directive 2009/28/EC) and is managed by Gestore del Sistema Elettrico (GSE; an independent Italian public company).

LifeGate has certified 100% of its electrical energy.

According to LifeGate's estimates, 23.24 gCO₂eq of carbon dioxide are emitted for every kWh produced by hydroelectric power plants. LifeGate has implemented the Zero Impact project to ensure that the renewable energy cycle is entirely clean: the carbon dioxide emitted by the production and distribution of electrical energy is offset through the purchase of carbon credits generated by projects for energy efficiency and the planting and safeguarding of growing forests in Madagascar.

Thanks to LifeGate Energy
ARCA ETICHETTE SPA

consumed 1,844,567 kWh between
01/01/2021 and 31/12/2021 while avoiding
burning 1,118 oil barrels and emitting 979,465 kg of CO₂

TECHNICAL INFORMATION ON ORIGIN

Certification System: GO
Production period: 2021
Type: Hydroelectric

Location: Italy
Power Plant:
Plant ID 803255132000008139

ZERO IMPACT PARTNERS



LIFEGATE



Below we present a detail of the situation in ARCA ETICHETTE SPA throughout 2021:

kWh for 2021	kg CO ₂ Prevented	kg CO ₂ Compensated	sqm Forest in Madagascar
1.844.567	979.465	42.794	9.559

Throughout 2021 ARCA ETICHETTE SPA consumed 1.844.567 kWh.

Thanks to its use of LifeGate Energy it will prevent 979.465 kg of CO₂ emissions into the atmosphere and through Zero Impact it will compensate 42.794 kg of CO₂ emissions through carbon credits generated by:

- planting and conservation of 9.559 sqm of growing forests in Madagascar (30% of total emissions);
- a wind-power renewable energy project in Gujarat, India (70% of total emissions).

Please find attached documents detailing the projects planned as part of Zero Impact (reports on Madagascar and the CER Project in India).

We remain at Your disposal for any clarification with regards to the above.

Kind regards.

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.

Metrics for environmental management - energies, emissions and performance indicators (KPIs)

KPI 2018 -2019-2020						
		2018	2019	2020	2021	D% Y-1
	Energy					
Arca Etichette SpA	Electrical energy purchased and consumed (GJ)	5.933,80	5.859,90	6.012,70	5.360,90	-10,8
Arca Etichette SpA	Natural Gas consumed (GJ)	3.274,50	3.362,70	3.917,40	3.449,40	-11,9
Arca Etichette SpA	Petroleum products (Fuels) (GJ)	773,3	881,3	628,4	735,7	17,1
Arca Etichette SpA	Total consumed energy (GJ)	10.432,00	10.104,00	10.559,00	9.546,00	-9,6
Arca Etichette SpA	Purchased Energy produced by renewable sources (GJ)	296,7	5.859,90	6.012,70	5.361,00	-10,8
Arca Etichette SpA	Purchased Energy produced by low impact renewable sources (solar energy, wind energy, water power, geothermic energy)	4.021	9.223	9.218	8.810	-4,4
Arca Etichette SpA	% consumed energy by renewable sources/ total consumed energy	41,4	149,3	151	151	0
Arca Etichette SpA	Self-produced energy/ total consumed energy (GJ)	0	0	0	0	0
Arca Etichette SpA	Water consumed	3.427.000	5.948.000	5.793.000	6.901.000	19,1
Arca Etichette SpA	Total CO2 emission (Ton) (SCOPE 1 + SCOPE 2)	624	241	254	236	-7,1
Arca Etichette SpA	CO2 SCOPE 1 emission (Ton)	248,1	236,2	248,6	231,1	-7
Arca Etichette SpA	CO2 SCOPE2 emission (Ton)	376,1	5,2	5,3	4,8	-9,4
Arca Etichette SpA	Turnover	nd	27.021.886	26.258.485	28.801.805	9,7
Arca Etichette SpA	Energy intensity index((CO2scope 1 + CO2scope2)/turnover*100)	nd	0,000893	0,000967	0,000819	-15,3
Labels Division	(Label dept only) order nr		6413	6671	6438	-3,5
Labels Division	(Label dept only) printed codes nr	11369	12304	12335	12466	1,1
Labels Division	(Label dept only) KWH electrical energy consumed/ printed codes nr	135	120	119	101	-15,6
Labels Division	(Label dept only) Net sqm of labels			4.717.284	5.093.567	8
Labels Division	(Label dept only) Electrical energy 70%			1.030.453	879.000	-14,7
Labels Division	(Label dept only) electrical power consumption per net sqm of labels, assuming that electrical power of printing amounts to 70% of the total (from average data of various previous years).			0,22	0,17	-21

Comments

Ref. 1-14 refer to both Operative, Labels and Systems Divisions, based on data collected in 2021 and compared with the previous year (and until 2018).

Source: purchase invoices for power and gas - consumptions

Compared to 2020, power consumptions and relative CO₂eq emission have decreased significantly, by even more than two percentage figures.

Ref. 14 contains "Energy Intensity Index" cumulative of Scope 1 and 2, in relation to turnover over the years. In 2021 we reduced the index by over 15%.

As already reported, the Scope 2 index is now close to zero, with the use of energy sources that are certified 100% renewable (Ref. 12).

We report that in 2021 we undertook the progressive replacement of company vehicles with Full Hybrid, Hybrid Plug.in and Full-Electric models; in 2021 we installed 6 recharging columns with 12 stations, also available for our guests, clients and suppliers. Two cars were replaced and in 2022 a further 5 will be replaced; the transition will be completed by 2023.

This intervention has contributed towards the reduction of emissions classified in Scope 1 (Ref. 11).



Ref. 16-22 refer to the Labels Division, which is significantly energivorous due to its printing and UV lamp drying processes. Consumed energy must be compared to production, with a direct proportionality between electric power and sqm2 of product.

For Re. 22, we report a 21% reduction in 2021 compared to 2020, mostly attributable to the use of new drying/ polymerisation systems of inks, with UV LED lamps instead of traditional UV ones.

Other environmental impact actions

The use of Eco-Bio materials for self-adhesive label production

Arca Etichette has been active for several years in the selection and testing of self-adhesive materials or materials required for the production of labels, made available with the least possible environmental impact in the entire life cycle of materials and their products (LCA - Lie Cycle Assessment).

A partial list of such materials and their classification is provided here below:



1 BIO-BASED MATERIALS

BIOBASED PE

Made entirely from ethanol from sugar cane, certified according to the Bonsucro® program. Suitable for the company's "green message" and for achieving sustainability goals.

MARBLE BASE / STONE PAPER

Made of 80% stone Powder (calcium carbonate) and 20% HDPE (non toxic high density resin), making it a binder. Stone Paper material has a pleasant and velvety natural "soft touch"; it is unique and also usable for surface finishes. It can be recycled like plastic.



2 MATERIALS FROM NATURAL SOURCES

Fronts partly recycled and deriving from **vegetable fibres**, sugar cane and many other natural materials from post-consumption waste. Ideal for anyone looking to reduce their environmental impact, creating an **artisan look** for a unique product presentation.



**FSC® CERTIFIED
MATERIALS**



COMPOSTABLE



BIODEGRADABLE

3 RECYCLED MATERIALS

PE

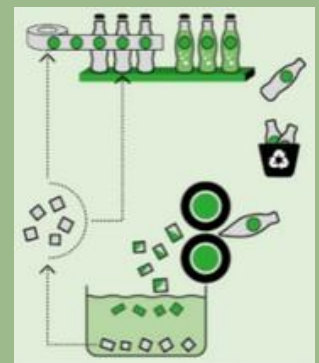
Made of 100% recycled and Bonsucro® certified materials: 50% from post-consumption and 50% from production waste. Solvent free adhesive. Helps to innovate, differentiate from competition and achieve sustainability goals.

PET

contains a minimum of 25% of waste (Post Consumer Waste) of PET bottles.

CLEANFLAKE PORTFOLIO

enables the recycling of PET from bottle to bottle, in a clean way. Something we have already used can be re-used several times over.



PP

100% recycled.

4

REDUCTION OF MATERIALS

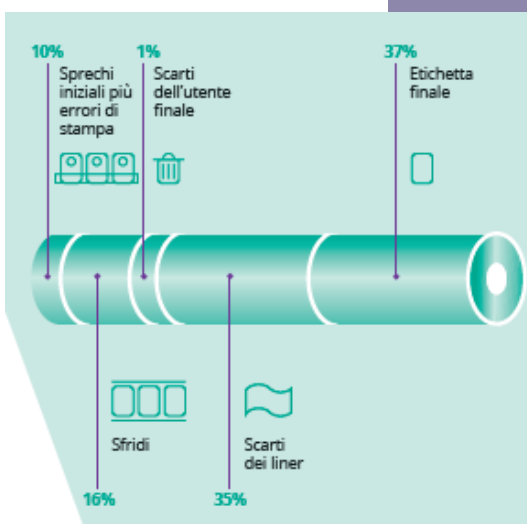
THINKTHIN FILMS

lower carbon dioxide emissions, reducing the **thickness of materials**. Only amounts that are strictly necessary are produced and used.

LINERLESS

Cardboard and synthetic material (white or transparent polypropylene) Striped Linerless labels come in a continuous roll of adhesive material, **free from silicone coated paper**, for almost zero environmental impact: process waste production is eliminated.

If no waste is produced, recycling is not required.



In partnership with a growing number of customers and suppliers, over the last few years we have been increasingly using these materials, despite their significantly higher costs and different problems, since resolved, regarding the quality and efficiency of production and use.

The table (source: ERP Arca Etichette) highlights growth: almost a third of the square metres of self-adhesive used in 2021 is classifiable as having low impact characteristics.

Self-adhesive labelstock materials (Labels Division)		2019	2020	2021	D% Y-1
Total purchased	SQM	7.553.119	6.979.116	7.541.559	8,2
Eco-materials	SQM	2.542.983	2.310.997	2.369.779	2,5
Turnover by Eco-materials	€	2.432.324	403.993	4.311.468	6,9
FSC materials	SQM	2.443.460	2.182.507	2.200.607	0,8
Turnover by FSC materials	€	1.838.847	3.261.097	3.288.506	0,8
Plastic material low impact (i.e. PE Bio Based)	SQM	99.523	128.490	169.172	31,7
Turnover by plastic materials low impact	€	593.477	771.897	1.022.963	32,5

However, it must be noted that already in the second half of 2021 and even more so in the first few months of 2022, it became very difficult to source a significant part of these materials, plastic ones in particular, and sometimes suppliers are unable to provide them at all.

This is due to a series of economic and social crises (the Covid crisis caused lengthy closures of production plants; the exponential growth of energy costs; a protracted strike in production centres in the paper supply chain and other traumatic events).

However, we remain committed to resuming growth trends of eco-sustainable solutions as soon as possible, indeed various projects are already under way with suppliers and clients.

.....

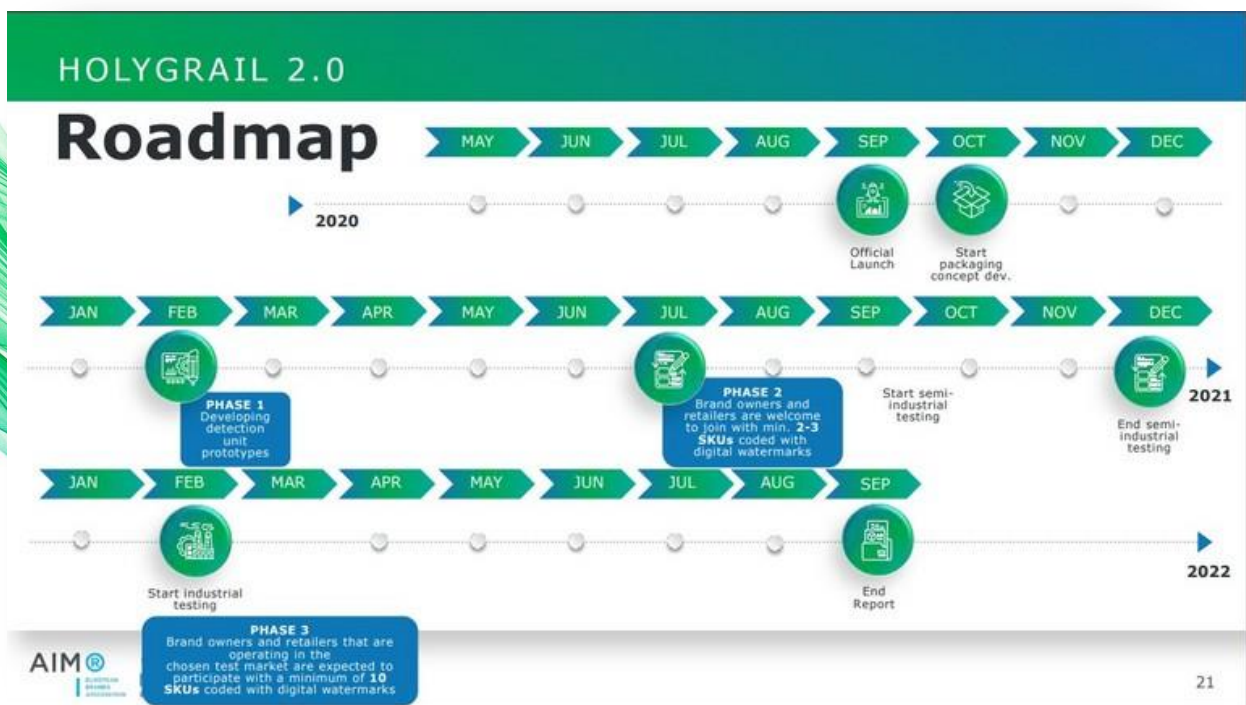
AIM – HolyGrail 2.0 Project

For 2021-22 we are also partners of the European project **AIM Holygrail 2.0**, an ambitious project that aims to implement an authentic **circular economy**, revolutionising the way in which packaging is sorted in the waste management system.



How? By using advanced technologies based on digital watermarks, which enable optical readers to analyse the characteristics of each product in a fraction of a second, guaranteeing the separation of materials.

For more information, go to the website: <https://www.digitalwatermarks.eu/>



Environment area - Goals for the year 2021 and achievements

With the 2020 Impact Report, Year Zero as a Benefit Corporation, we made our commitment to the Environment, Workers and Community official, as declared in our Bylaws; we also set ourselves improvement targets in all three areas, as of 2021.

For the Environment area, the table here below indicates goals, assessment indicators, 2021 achievements and envisaged actions:

GOAL	KPI	ACHIEVEMENTS 2021	IMPLEMENTED ACTIONS
Reduction of Greenhouse Gas emissions.	20% reduction compared to 2020 of the Energy intensity index (CO2scope1+CO2scope 2)/revenue*100 .	-15,3%	Progressive replacement of company fleet with Hybrid and/or Full Electric vehicles. (two cars in 2021, at least another 4 in 2022=). Installation of charging stations in company parking facilities (six for twelve stations). Lifegate control confirmed for the use of energy 100% from renewable sources.
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).	-14,7%	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.	+ 2 machines	A new digital one was installed in January in Arca Etichette. In January 2021 and July 2021, Arca Sleeve and Etifix respectively installed a digital machine for their production.

Environment area - Goals for the year 2022

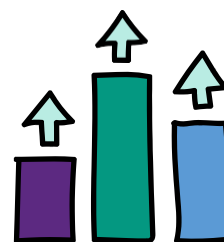
As already mentioned, in 2021 there have been problems with self-adhesive materials (and lots of other materials too): cost increases in excess of 30% compared to 2020, after a lengthy period of stability, a lack of suppliers capable of responding to growing market demands for both eco-sustainable and standard materials, and a strike that first started at least four months ago! UPM Kymmene plants (paper supply chain), turned critical issues into what is today defined as the "perfect storm" for self-adhesive labels, with a growing risk of production line stops in key sectors, like pharmaceuticals and food.

On the issue date of this report (March 2022), the end of the strike has not been forecast, however we do know that if an agreement is reached within the month, a return to supply chain normality will take from three to six months. The war in Ukraine and the economic impact (without even mentioning the much more serious social impact) will undoubtedly protract the return to normality.

Arca Etichette is tackling the issue with all necessary organisational and economic efforts; currently we are guaranteeing the necessary continuity of supplies to the most important chains, for the well-being of communities. Thanks to digital printing, linerless materials and other special features, we are able to contain material needs, maintain safety stock and offer alternative materials.

The energy crisis, with the triplication of electric power and gas prices, has had a significant impact on our budget and relative margins; however, we are still continuing with Lifegate for 100% Zero Impact Energy, despite costs being higher compared to other alternatives.





Therefore despite the criticalities, we can still set ourselves improvement goals for 2022. The following table contains goals achieved in 2021, with further improvements:

GOAL 2022	KPI	ENVISAGED ACTION	ACHIEVEMENTS 2022
Reduction of Greenhouse Gas emissions.	8% reduction compared to 2021 of the Energy intensity index (CO2scope1+CO2scope2)/revenue*100.	Continue progressive replacement of company fleet with Hybrid and/or Full Electric vehicles. (two cars in 2021, at least another 4 in 2022). Lifegate control confirmed for the use of energy 100% from renewable sources.	
Reduction of electrical power consumption per net sqm of labels.	5% 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.	20% increase of digital production compared to 2021.	In January 2021 and July 2021, Arca Sleeve and Etifix respectively installed a digital machine for their production.	

People / Workers Area – Actions 2020 and 2021

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:
- ♦ 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 also renewed it for 2021 and 2022.
- Tailored economic support for employees affected by so-called fragilities, either themselves or family members.
- Company bonuses based on economic and qualitative indicators, involving 100% of all staff, were awarded as normal both in 2020 and 2021. The 2020 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 goals were achieved**; the 2020 bonus was the most important in years, and greater in economic value than an average monthly wage; the 2021 bonus is pending definition upon closure of the financial balance sheets, by April, and will be in line with 2020, if not greater in value.
- ♦ For 2020 and 2021 we have also confirmed ongoing initiatives
 1. Renewal of Health and Safety Certification OHSAS 18001/ ISO 45001
 2. Priority to employees in the event of new roles or opportunities
 3. Anti-smoking incentives and treatments, with costs 100% born by the company
 4. Free flu vaccine for all staff



People area - Goals for the year 2021 and Achievements

GOAL	KPI	ENVISAGED AND IMPLEMENTED ACTION	ACHIEVEMENTS
Assess worker satisfaction.	Greater than 70%.	Questionnaire.	Greater than 80%.
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).	Operative as of February 2022. Operative as of April 2022.
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.	Contribution towards managerial training courses for two members of staff. In November 2021, agreement with Trade Unions to promote the personal and professional development of staff, with an available spending budget.

For the year 2022 we aim to consolidate and improve the aforementioned goals.



Community, Clients, Suppliers Area - Actions for 2020 and 2021

Relations with the local community

- ◆ In 2020 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.*



- ◆ In 2021 we made a significant donation to Fondazione ABIO for Bambino in Ospedale (www.abio.org), based in Magenta (MI), and so with particular reference to the needs of the local community.



- ◆ Work in Progress project:

- Arca Etichette joined the project, which is part of the Social Plan of the Magenta Area, focused on the integration of the unemployed into the labour market, who, also in light of the health emergency, may find themselves in an especially precarious situation.
- Selected persons are provided with a training and motivational pathway that includes group meetings for defining training initiatives, and individual meetings with specialised operators. This gives participants the chance to reflect on their potential in terms of skills, abilities and know-how and is followed up by an internship at a company of around three months, with an economic contribution.

- "This initiative supports a segment of the population, which after a period of unemployment, is finding it more difficult to return to the world of work.", the Welfare Councillor, Patrizia Morani, explains. "It is not just about providing economic support to those in difficulty, but about building a pathway, a process of training and skills enhancement, which leads to a return to the world of work, thus generating a virtuous mechanism in economic and social terms".
- Arca Etichette also welcomed an operator over the age of 50, as part of a specialised retraining process; the operator first arrived in September 2021 and was hired before the end of the Magenta Project, initially with a fixed-term contract ending in 2022.

Bee My Future Project



For 2020 and 2021 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
APAM

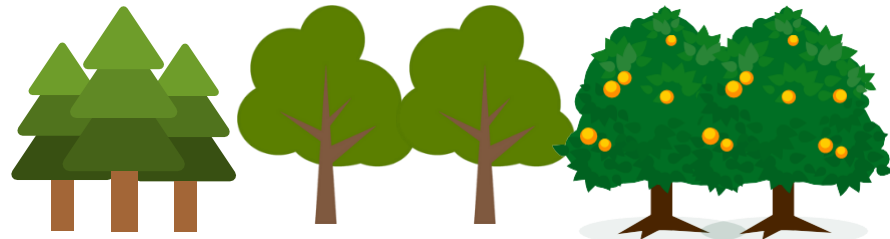
Treedom Project



Since 2021 we have been a partner of Treedom, a company that cares for the planet thanks to reforestation projects throughout the world.

In total we have planted 200 trees in Ecuador, Haiti, Kenya, Madagascar and Tanzania, absorbing 31.000 kg of CO2.

Our contribution will benefit the environment and society. In addition to capturing CO2, all trees emit oxygen, encourage biodiversity and fight land erosion. Moreover, rural communities involved in our projects received training and financial support, caring for the trees and enjoying their fruits.



Treedom
CERTIFICATE 2021



Arca Etichette S.p.A



200
Planted trees



-31
Tons of CO2

www.treedom.net



treedom | friend
2021

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 2020 we still implemented it, despite the onset and protraction of the Covid crisis, which caused lengthy closures among our Clients:

- ♦ A review of order programming, with unprecedented levels of flexibility (bearing all relative costs).
- ♦ The availability of our warehouse for the storage of previously 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.

All these actions, first undertaken in 2020, were prolonged in 2021 whenever necessary, especially in the second half, when the availability of materials was even lower.

Client Questionnaire



Starting in July 2021 we ran a customer satisfaction survey. 42 respondents answered an online survey based on a questionnaire:



62.86% of customers declared they were aware of our strategic plan for environmental and social sustainability, recognising it as a necessary process for current and future developments.

In general, the results highlight how most customers highly value the products and services of Arca.

SATISFIED CLIENTS

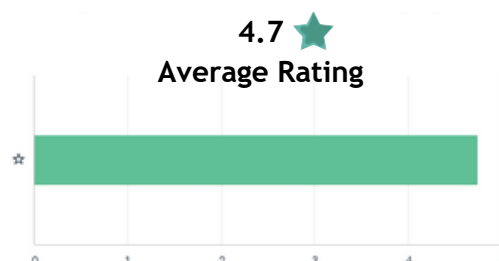
WHAT THEY SAY ABOUT US

Francesco G.



High level products, excellent print, colours true to graphics file (colour faithfulness). Arca is a highly professional company, with well-defined bureaucratic procedures that ensure near-perfect compliance with production times.

In general how satisfied are you from 1 to 5?
(1=dissatisfied 5=extremely satisfied)



Suppliers



- We manage hundreds of self-adhesive materials, each for specific functionalities. The lack of availability of different materials for weeks during the health crisis in 2020 and in 2021, due to the more general supply crisis and unprecedented inflation, required an urgent search 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.
 - In 2021 we reinforced relations with local suppliers, in particular for ink supplies for the printing of labels: our main supplier, with around 75% of total amounts, is now located in Lombardy, replacing our previous German supplier.
 - In 2021, the annual assessment of suppliers, previously based on quality, service and price indicators (necessary document for ISO 9001 certification), was integrated with assessment indicators regarding aspects of environmental and social sustainability, and governance.
- All suppliers were also assessed for formal acceptance of our ethical code (first issued in 2021), or, if already available, for the compliance of their own ethical code.

Community area - Goals for the year 2021 and achievements

GOAL	KPI	ENVISAGED AND IMPLEMENTED ACTIONS	ACHIEVEMENTS
Donations to Organisations.	+ 20% compared to 2020	Assessment of organisations in agreement with workers and definition of donations, in agreement with the Ethical Code.	Goal +20% exceeded.
Actions for the local community.	Participation/ Promotion of Municipal socio-economic initiatives.	Work in Process project of municipalities in the Magenta area.	An operator participated in Arca in the program and was later hired.

For the year 2022 we aim to consolidate and improve aforementioned goals.



Impact Assessment External Standard



In <https://www.societabenefit.net/english-information/> it is hereby specified:

In order to satisfy transparency requirements set forth in legislation, Benefit Corporations 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.*

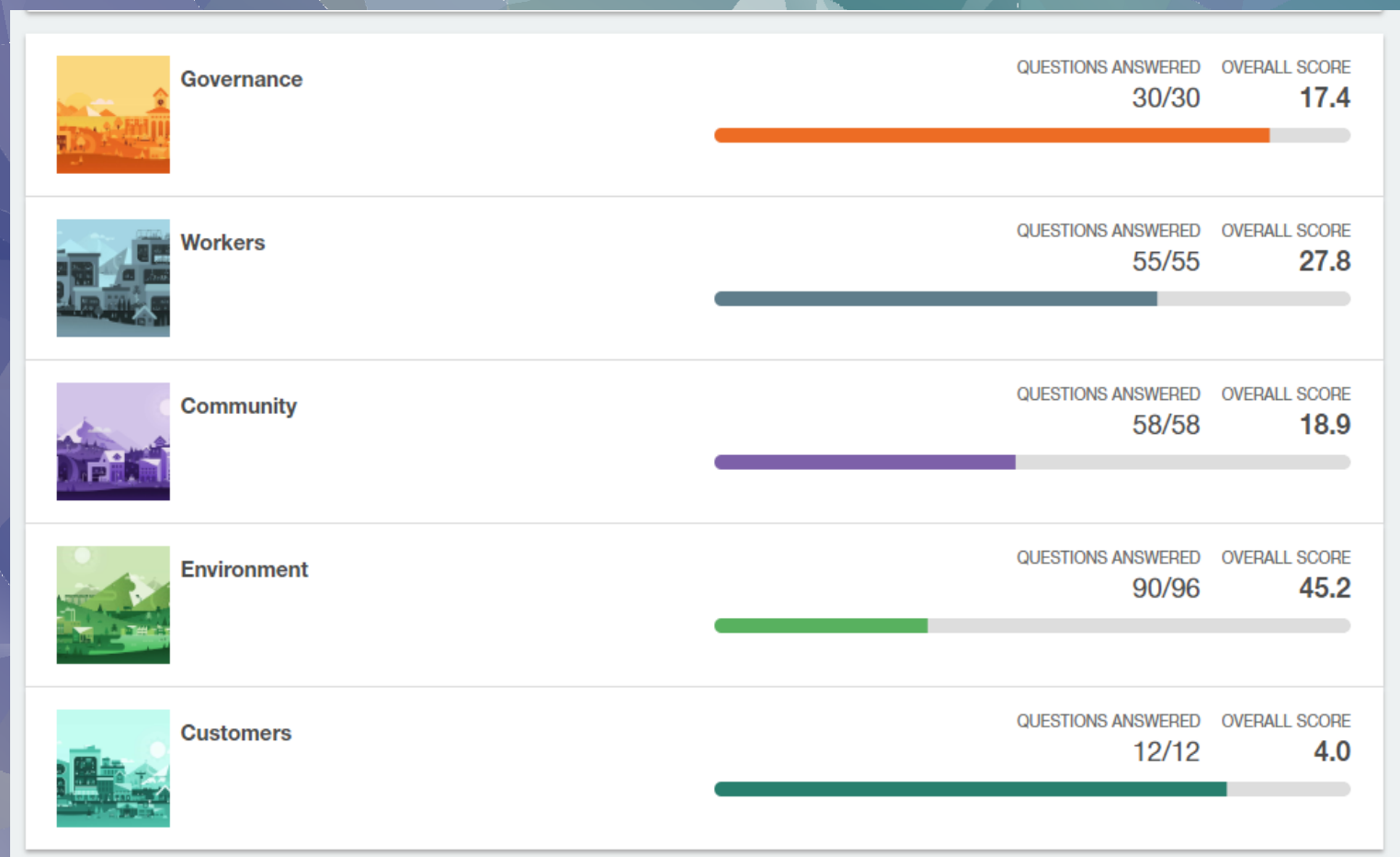
The Law has adopted the architecture of the **B Impact Assessment (BIA) as a reference for the impact report, developed as of 2006 by B Lab specifically for Benefit Corporations, to measure their impacts. However other standards can also be applied, on the condition they satisfy the requirements of propriety, transparency and completeness. The Law on Benefit Corporations 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 Corporations, 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 Corporations, in the fulfilment of obligations of transparency as regards the creation of general and specific common benefits. Benefit Corporations are subject to provisions against misleading advertising and to auditing by Market Competition Authorities.



Arca Etichette SpA, a Benefit Corporation since 8th April 2021, decided to use the [external standard BIA of B Lab](#); on 9th April 2021 we submitted our BIA to B Lab for assessment and currently (March 2022) document verification in B Lab is pending, due to the exponential rise in certifications and the Organisation's efforts to keep up with demand. However, we are confident that by mid 2022 we will receive positive validation and consequently B Corp™ certification too, which is one of our main Governance goals. Data contained in the BIA submitted to B Lab focus on the year 2020 and provide extensive, detailed and documented information on actions described in this impact report. Data, updated in 2021, confirm the scores as below.

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/>

With improvement actions implemented in 2021, we received the Gold Medal.



ecovadis

Sustainability Performance Overview

ARCA ETICHETTE SPA (GROUP)

MARCALLO CON CASONE - Italy | Manufacture of other articles of paper and paperboard

Publication date: 4 Feb 2022

Valid until: 4 Feb 2023



68 /100
94th
percentile

Overall score distribution



HIGHLIGHTS

Overall score

ARCA ETICHETTE SPA (GROUP) is in the top **6%** of companies rated by EcoVadis in the Manufacture of other articles of paper and paperboard industry.

Environment

ARCA ETICHETTE SPA (GROUP) is in the top **16%** of companies rated by EcoVadis in the Manufacture of other articles of paper and paperboard industry.

Labor & Human Rights

ARCA ETICHETTE SPA (GROUP) is in the top **9%** of companies rated by EcoVadis in the Manufacture of other articles of paper and paperboard industry.

Sustainable Procurement

ARCA ETICHETTE SPA (GROUP) is in the top **18%** of companies rated by EcoVadis in the Manufacture of other articles of paper and paperboard industry.

Ethics

ARCA ETICHETTE SPA (GROUP) is in the top **24%** of companies rated by EcoVadis in the Manufacture of other articles of paper and paperboard industry.

Conclusion

In 2021 we became a Benefit Corporation and this 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 Arca

Etichette SpA
Via Edison 119
20010 Marcallo con Casone - Italy



arca®