



Arca Etichette Spa
Benefit Corporation

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20010 Marcallo (MI)
Italy

Impact Report 2022

A journey through the sustainability
of Arca Etichette: a Certified B Corp
and Benefit Corporation



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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.

Arca Etichette SpA - About Us

We have been producing 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 sleeve that guarantee compliance with specifications and all the efficiency that is indispensable for the manufacturing industry.



Arca Etichette SpA - Today

ARCA ETICHETTE SPA

Labels Division and Systems Division

MQ

Indoor	5280
Outdoor	9179

LABELS DIVISION

Offices	586
Production	2194
Outdoor	3279

SYSTEMS DIVISION

Offices	900
Production	1600
Outdoor	5900

Our numbers

146

Arca Etichette SpA
Employees



Over 8 million square metres of labels printed in 2022 Almost 2 billion labels delivered in 2022

190

Arca Group
Employees



Arca Etichette SpA
€32M turnover in 2022
Gruppo Arca
€42M turnover in 2022

30

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

7000

Orders per year



Recognitions



For responsible conduct regarding the environment, work practices, ethics, procurement processes and sustainable production.

ECOVADIS GOLD MEDAL



One of Italy's 150 most sustainable companies that have distinguished themselves in the last few years due to their tangible actions for environmental, social and economic sustainability.

SUSTAINABILITY LEADER



From a study conducted by Corriere della Sera together with Statista, Arca Etichette came 7th in the 2022 ranking of Italy's top 100 environmentally conscious companies!

A CLIMATE-CONSCIOUS COMPANY



3M issued a veritable diploma, confirming Arca as one of its official converters. We transform high quality 3M branded products into custom products tailored to our clients, in an affordable, repeated and conscientious way.

3M SELECT CONVERTER



Arca Etichette is proud to receive certification for maximum commercial reliability from Cribis D&B, a specialised company operating in business information.

CRIBIS PRIME COMPANY

The 60s

Arca was one of the first exponents of the self-adhesive revolution in Italy

1992

First BS5750
ISO 9002
ISO 9001
certified graphics company

2012

FSC-CoC®
Certification

2016

Ecovadis Silver
Medal
First Assessment

2018

ISO 14001:15
ISO 9001:15
Certification

2021

Sustainability Leaders
Award Sole24 - Statista

2023

BRC Certification
Packaging Grade AA+

ISCC Plus Certification

2022

B Corp Certification

Ecovadis Gold Medal
Second Assessment

2019

ISO
45001:18
Certification

2017

OHSAS
18001:07
Certification

2015

BRC IoP Grade
A Certification

2009

ISO
14001:04
Certification

1975

Arca also entered
the machinery
market

1948

Year of
establishment of
Arca Etichette



International Presence – Concordia Labels

Back in 1994 Arca Etichette became one of the founders of Concordia Labels, an international network of major labellers, including a member in all major EU countries. An association for the pursuit of joint technical developments and the exchange of experiences, technologies, resources and best practices. As a member of Concordia Labels, Arca benefits 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.



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 sleeve 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.



Acting for positive business: 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 2021. A radical transformation, the start of a new story.



A label beyond all labels: we are B Corp certified



This international standard is applied by an ever growing number of companies with a common purpose: to be exponents of global change through their business, generating a positive economic, social and environmental impact.

B Lab, the B Corp certifying body, measured our performance and accredited us with a score of 90, involving us in this new model of Sustainable Economy, in which economic goals go hand in hand with those of social and environmental responsibility. This achievement makes us proud of our values and inspires us to fulfil challenging goals for the future and for all our stakeholders. In late August 2022 the companies of Arca Etichette Group obtained B Corp certification.



"In the continuous evolution of contingent situations and scenarios, including dramatic ones, our Group is reinforcing its position as a leader in reference markets, continuing with necessary investments in human resources, management and production tools, while also becoming an even stronger corporate organisation", confirms the Chairman of Arca Etichette Riccardo Fadiga. He continues: "B Corp certification makes us part of an increasingly vast global community of companies, who want to be at the heart of a global change with their business, generating a positive impact in economic, social and environmental terms. B Corp Companies share high standards of responsibility and transparency, as well as missions oriented towards the resolution of Society's toughest problems."





Thank you letter to all employees for the common commitment to continuing along the pathway



ETICHETTE & SLEEVES
SISTEMI PER L'ETICHETTATURA E L'IDENTIFICAZIONE



LABELS & SLEEVES
LABELING AND IDENTIFICATION SYSTEMS

Arca Group is B Corp certified!

Dear co-workers,

I am back with a few words of gratitude for your commitment, thanks to which we are able to achieve set targets.

As contingent situations and dramatic scenarios unfold, our Group is reinforcing its position as leader in the reference market, continuing with necessary investments in human resources, management and production tools, while also evolving into an even more robust organisation.

As of 8th April, all three of the Group's companies became Benefit Companies, by Notary Deed.

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

Objectives and activities for common benefits, which as of 25th August 2022 have also been confirmed by B Corp Certification (B-Corporation), marking the achievement of one of our most important goals, after two years of intense work.

B Corp Certification enables us to be a part of an increasingly vast global community of companies that strive to be proactive implementers of global change in the pursuit of business, generating a positive economic, social and environmental impact. B Corp Companies share high standards of responsibility and transparency, as well as missions oriented towards the resolution of Society's toughest problems.

Some of our most important Clients are already part of this community of B Corp companies, and will be joined by many others. Together with them and our suppliers, who wish to embark on this challenging journey, we can build a robust social and economic value chain, raising continuity and leadership standards for many years to come.


The Chairman of the Board of Directors of Arca Etichette SpA

Marcallo, 2nd November 2022

Specific Purposes of Common Benefit

As a BC, the By-Laws of Arca Etichette incorporate three areas of purposes of common benefit, applied in the pursuit of and with reference to business, with the aim of generating measurable economic, environmental and social value.



THE GLOBAL GOALS



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.

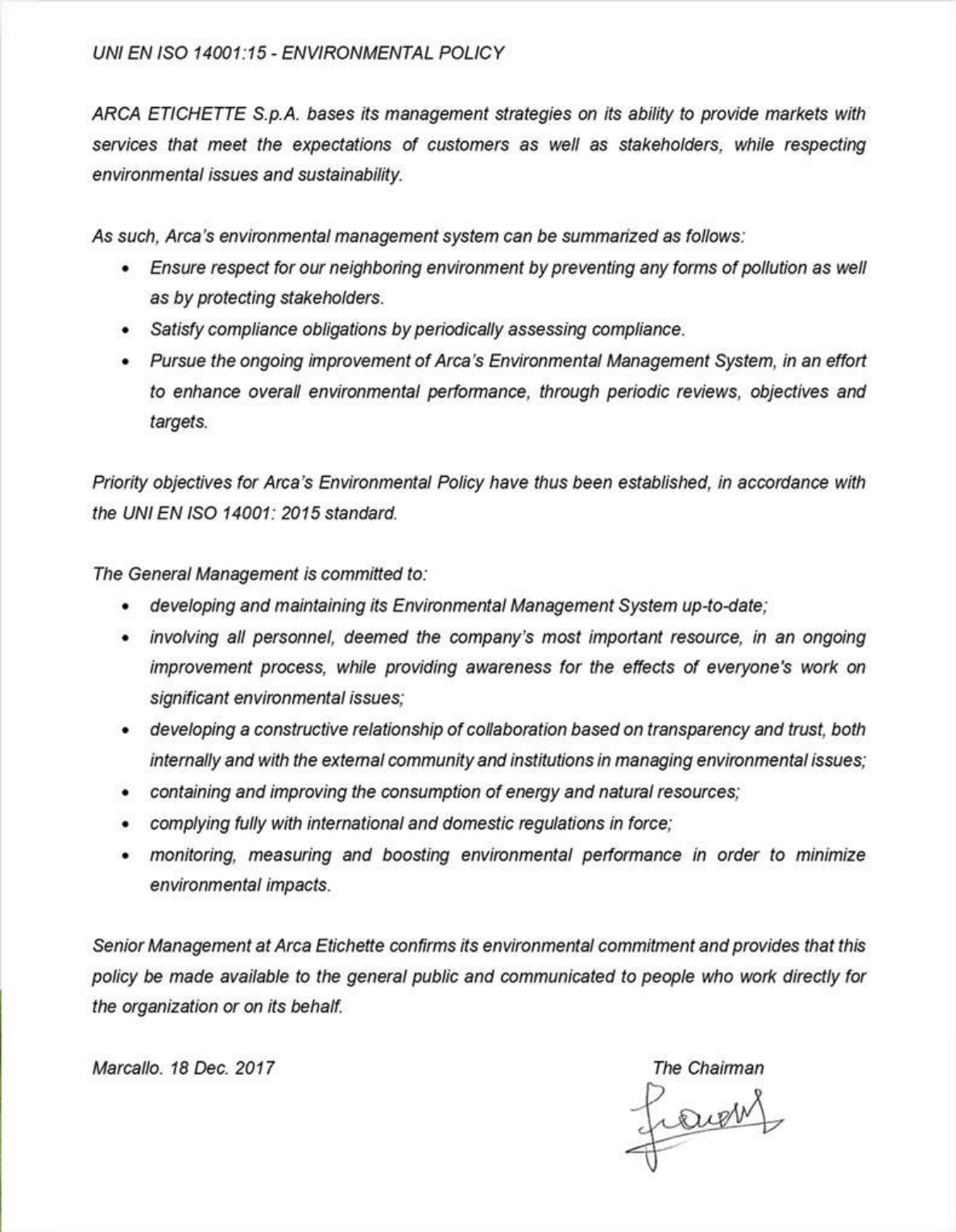
The Company wishes to strengthen its corporate citizenship and is committed to improving its social impact, by supporting and promoting projects for the community, spreading the culture of sustainability in the local area where it operates, activating synergistic partnerships with local stakeholders 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

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:



In line with reference legislation, over time we have implemented a plan of environmental targets and qualifying actions.

We are a Solvent-Free company:

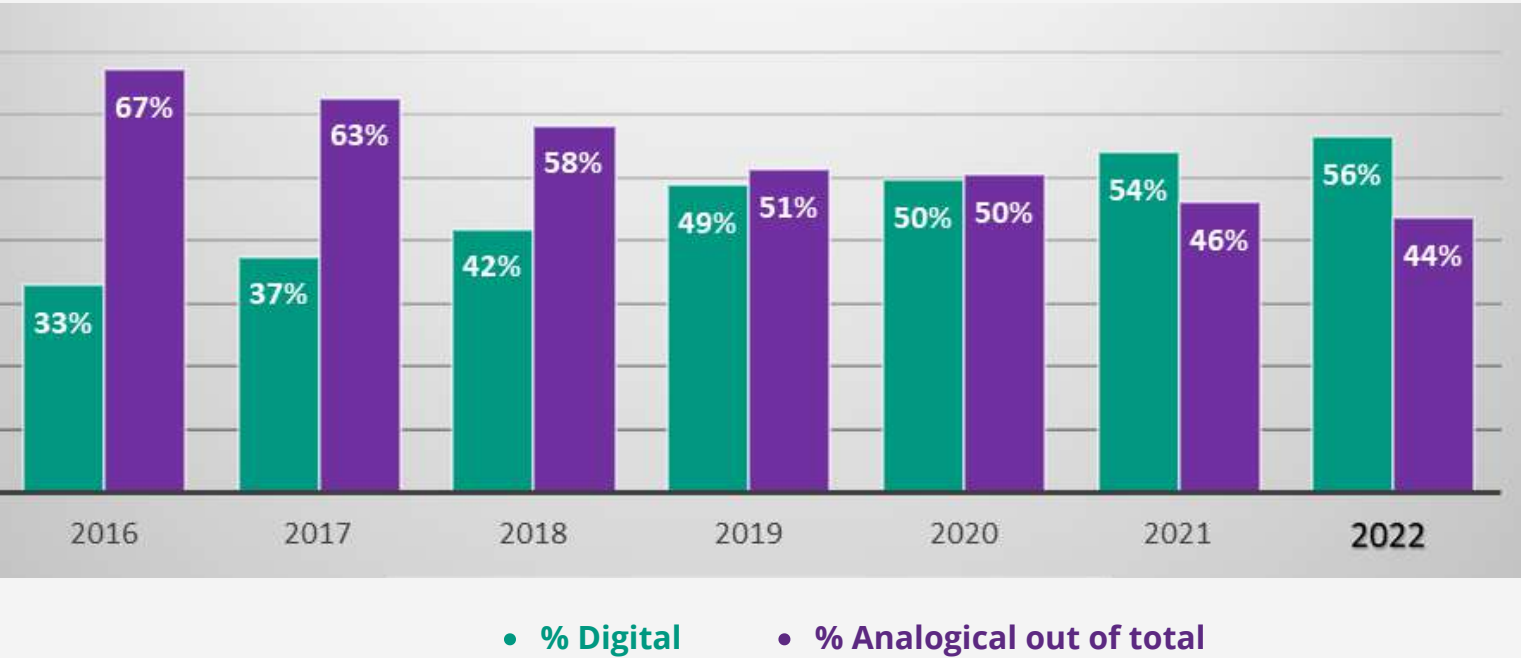
- we have eliminated organic solvents and water from pre-printing and printing processes:
- printing matrices, stereotypes and plates are prepared using "dry" processes;
 - inks are polymerised using UV lights, so they are solvent free, avoiding the emission of volatile organic solvents (VOCs) into the atmosphere.

Traditional printing is increasingly being replaced by Digital Printing:

minimises the waste of materials and inks, does not require plates or stereotypes; on average 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 2022, yet again 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 2022		Year 2021		Year 2020		Year 2019		Year 2018		Year 2017		Year 2016		Year 2015	
Total	6.822		6.438		6.258		6.410		5.511		5.938		5.167		4.702	
Analogue print	2.971	44%	2.944	46%	3.154	50%	3.287	51%	3.212	58%	3.718	63%	3.467	67%	3.154	67%
Digital print (Indigo + inkjet)	3.851	56%	3.494	54%	3.105	50%	3.123	49%	2.299	42%	2.220	37%	1.700	33%	1.548	33%

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 was delivered in November 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 they 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 2,362 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:	1,500 hours of printing machinery and auxiliary machinery, compared to a total of around 23,000 hours of production (total digital and analogical work hours, from Arca Etichette ERP).
Electric Power	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.

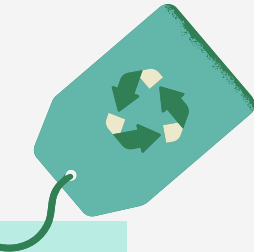
Management of process waste and silicone coated paper scraps

- 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.
- Production waste is conferred to a **waste-to-energy plant** rather than landfill, despite the considerably higher cost this entails.

Reduce, Reuse and Recycle



- 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.
- In 2020 we recycled 16.2 tons of silicone coated paper, amounting to around 32 tons of CO2eq, in 2021, 19.4 tons of silicone coated paper, the equivalent of 37 tons of CO2; **in 2022 this figure rose to 21.7 tons of silicone coated paper, amounting to 41 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.





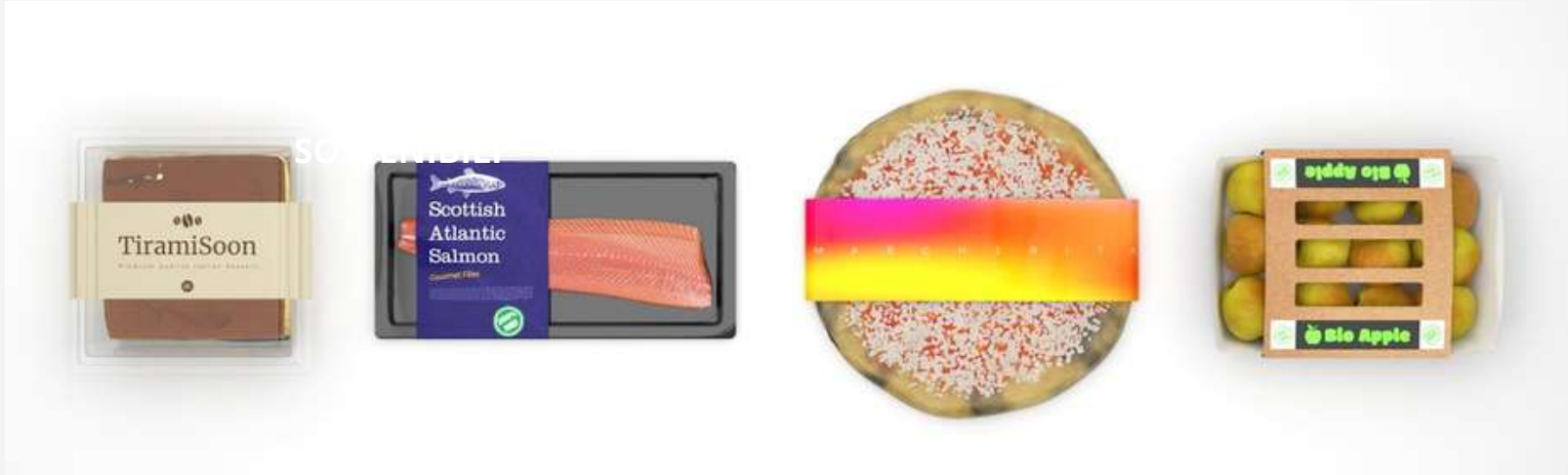
For further information on this certificate or C4G Recycling visit www.cycle4green.eu

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 is one of few European manufacturers to offer Striped Lineless labels, **free from silicone coating**, for the 360° decoration of bowls and trays.



Similar to 2020 and 2021, in 2022 around 5% 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 110,000 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:

	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 m²/kg	6,757 m²/kg	13,123 m²/kg	6,757 m²/kg	13,123 m²/kg	6,757 m²/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 m²/bobina	-	64,41 m²/bobina	-	64,41 m²/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.

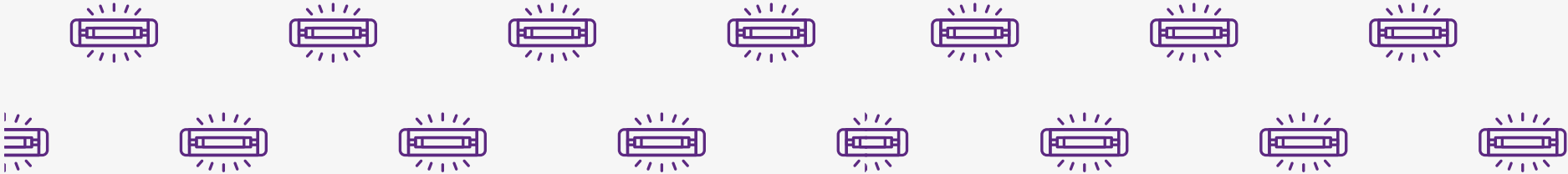
This results in significant savings, considering that these materials and their packaging consume resources and create problems due to the disposal of spent containers.

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. As of 2021, production with UV LED drying became standard for at least 50% of the production output of these machines. For 2022 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).



Energy 100% from renewable sources, Zero impact

Arca Etichette 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. Arca Group has chosen to use nothing but renewable energy for several years now. Its partner was LifeGate until September 2022.

Axpo became our provider in September 2022, due to supply issues. The company is a leading renewable energy producer, providing innovative solutions for a sustainable future. With this new partnership we will continue to use 100% Green Energy from Renewable Sources, just like in the past few years.

This means reducing the polluting impact of the energy system and preserving environmental resources.

My business runs on green power

100% Energy from Renewable Sources Certificate

Holder

Arca etichette spa

Certificate No.

493084

Year of Validity

2022

Axpo Italia SpA undertakes to provide the customer holding this certificate, for the sites covered by the supply contract, with electricity from renewable sources, through the cancellation of the Guarantees of Origin, in accordance with ARERA resolution ARG/elt 104/11.

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 123,978 kg CO₂ emitted by the production and distribution of 63,611 Smc consumed between 1/1/2022 and 31/8/2022 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, 18 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 1,106,690 kWh between
01/01/2022 and 31/08/2022 while avoiding
burning 671 oil barrels and emitting 311,423 kg of CO₂

TECHNICAL INFORMATION ON ORIGIN

Certification System: GO
Production period: 2022
Type: Wind

Location: Italy
Power Plant:
Plant ID 803255132001703071

ZERO IMPACT PARTNERS



Below is a breakdown of ARCA ETICHETTE SPA situation in 2022:

kWh year 2022	kg CO ₂ avoided	kg CO ₂ offset	m ² forest in Madagascar
1.106.690	311.423	19.920	4.450

In 2022, ARCA ETICHETTE SPA consumed 1.106.690 kWh.

Through the use of LifeGate Energy it avoided emitting 311.423 kg of CO₂ into the atmosphere and with Zero Impact it offset 19.920 kg of CO₂ through carbon credits generated by:

- creating and protecting 4.450 m² of forest growth in Madagascar (30% of total emissions);
- two renewable energy projects (70% of total emissions)
 - wind power plant project in Gujarat, India
 - hydroelectric plant project in Brazil

We would be happy to answer any questions you may have.

Best regards

LIFEGATE Energy S.r.l – Società Benefit
(benefit corporation)

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

1

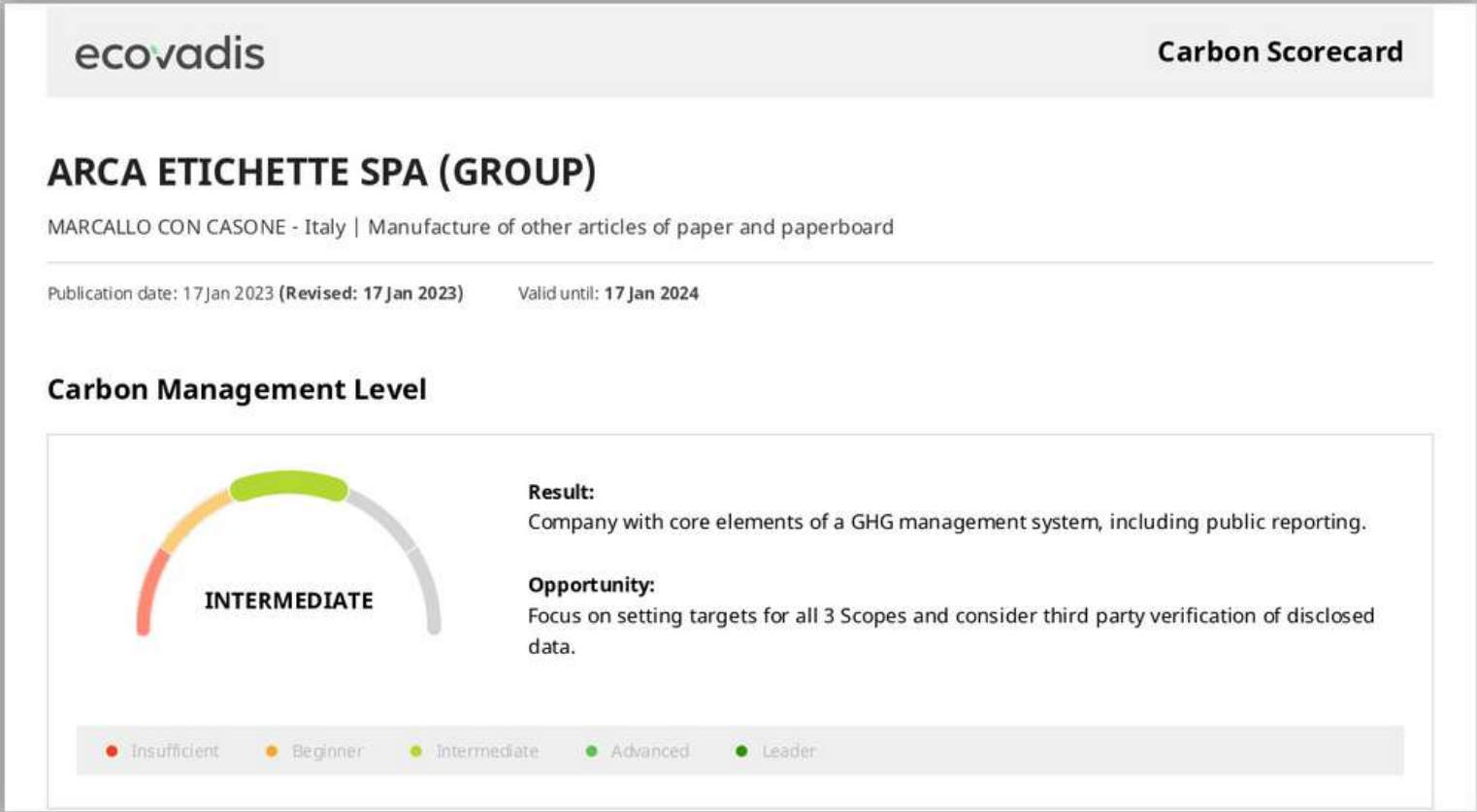
Direct GREENHOUSE GAS emissions (GHG) from installations at company facilities, due to the use of fossil fuels and the emission of any greenhouse gases into the atmosphere. They are direct emissions, for example emissions deriving from fossil fuel combustion in heating systems; emissions due to the consumption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

GREENHOUSE GAS EMISSIONS FROM ENERGY CONSUMPTION - SCOPE 2

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.

Ecovadis Certificate - Carbon Score Card:



Comments

Ref. 1-14 refer to both Operative, Labels and Systems Divisions, based on data collected in 2022 and compared with the previous year (and until 2018).

Source: purchase invoices for power and gas - consumptions

In 2022, compared to 2021, power consumptions and relative CO2 eq 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 2022 we reduced the index by 25%.

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 5 more in 2022; the transition will be completed by 2024.

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 28.5% reduction in 2022 compared to 2021, 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:



01 BIO BASED MATERIALS

PE BIORENEW

made using up to 98% bio-circular content ISCC certified, it helps to reduce carbon footprint and fossil fuel consumption and make labels more circular. Since it has properties and appearance comparable to virgin PE, it can be recycled in the same streams as standard PE film.

MARBLE BASE/STONE PAPER

consisting of 80% stone dust (calcium carbonate) and 20% of HDPE (non-toxic high-density resin) which acts as a binder. Stone Paper material has a pleasant natural velvety "soft-touch" effect, which makes it unique and usable even without surface finishing. It can be recycled like a plastic. It is waterproof.



02 NATURAL SOURCES MATERIALS



Partially recycled facestocks deriving from vegetable fibers, sugar cane and many other natural materials from post-consumer waste. Ideal for those who wish to reduce their environmental impact, giving an artisanal look for a unique product tale.

FSC® CERTIFIED MATERIALS

liners and facestocks that embrace sustainability. Circular economy plays an important role and gives a greater environmental impact on the shelf.

COMPOSTABLE

combined with equally compostable adhesives.

BIODEGRADABLE

combined with equally biodegradable adhesives.

03 RECYCLED MATERIALS



White and clear recycled synthetic films.

PE

made by 100% recycled materials consumes fewer resources, helps to keep plastic out of the waste stream, and gives packaging a more authentic look.

PET

with a minimum content of 25% from post-consumer waste of PET bottles.

CLEANFLAKE PORTFOLIO

allows PET recycling from bottle to bottle in a clean way. What we have already used can be reused several times.

PP

up to 100 % post-consumer recycled (PCR) content.

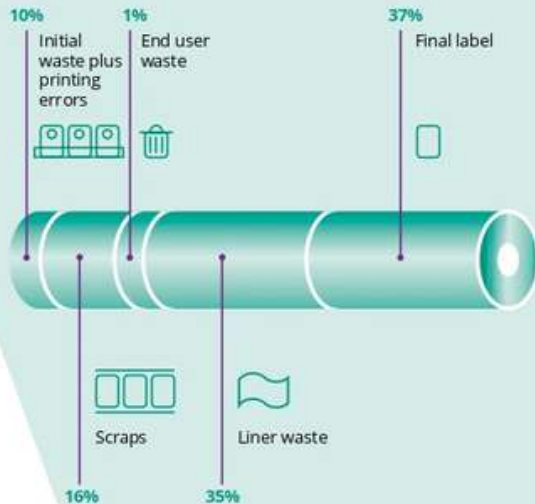
04 MATERIALS' REDUCTION

THINKTHIN FILMS

reduce carbon dioxide emissions by decreasing the thickness of materials. Only what is strictly necessary is produced and used. Operational efficiency: less downtime, storage and transport.

LINERLESS

Striped Linerless labels in cardboard and synthetic material (white or clear polypropylene), appear as a continuous roll of adhesive material without a silicone support, for an almost zero environmental impact: it allows to eliminate the production of process' waste. If we don't produce waste, recycling is prevented.



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: in 2022 too, a third of the square metres of self-adhesive material used is classifiable as having low impact characteristics, a sign of further growth on what is already a highly positive result of the last five years.

	Self-adhesive labels (labels division only)	2018	2019	2020	2021	2022	D% Y-1
Labels division	SQM purchased raw materials (tot)	nd	7553119	6970116	7541559	8563794	13.6
Labels division	SQM raw materials with low impact characteristics (FSC/ recyclable/ biodegradable)	nd	2542983	2310997	2369779	2540223	7.2
Labels division	Turnover (€) generated from materials with low impact characteristics (FSC/ recyclable/ biodegradable)	nd	2432324	4032993	4311468	6197375	43.7
Labels division	SQM FSC raw materials	nd	2443460	2182507	2200607	2256876	2.6
Labels division	Turnover (€) generated by FSC materials	nd	1838847	3261097	3288506	4360981	32.6
Labels division	SQM plastic raw materials with low impact characteristics (e.g. BIO-PE)	nd	99523	128490	169172	283347	67.5
Labels division	Turnover (€) generated by plastic raw materials with low impact characteristics (e.g. BIO-PE)	nd	593477	771897	1022963	1836394	79.5

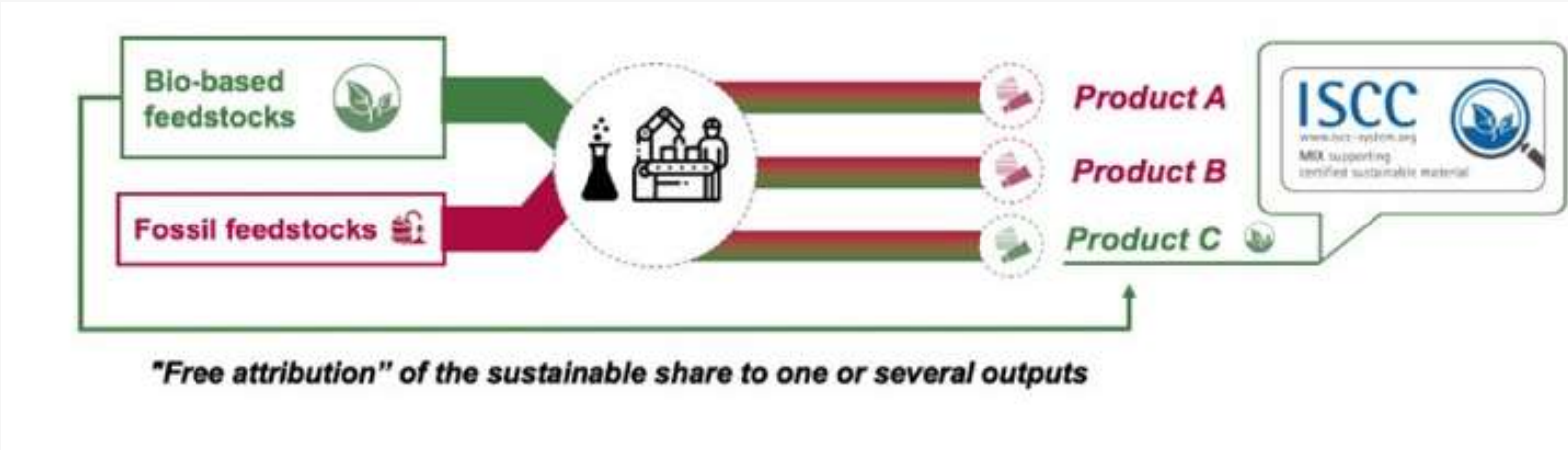
However, it must be noted that already in the second half of 2021 and even more so in the first few months of 2022, it became very difficult to source a significant part of these materials, plastic ones in particular, and sometimes suppliers are unable to provide them at all.

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.

At the end of 2022 Arca Etichette undertook the path towards obtaining **ISCC PLUS certification**.

The ISCC PLUS scheme is a voluntary standard for circular economy certification, enabling companies of the industry to monitor and prove the sustainability of their products through the control of sustainability, traceability and mass balance requirements of the entire system.



Arca Etichette ensures chain of custody traceability with the MASS BALANCE option, and implements a quarterly reporting system (mass balance) of the quantity of inbound sustainable raw material and the quantity of outbound finished certified products for the period of interest.

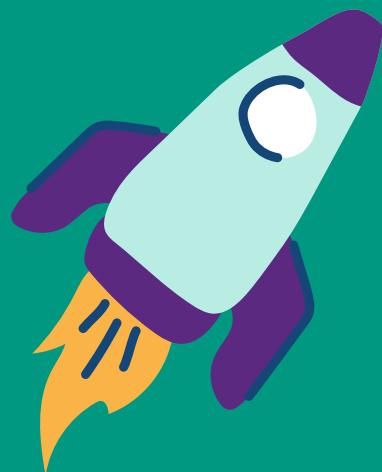
Mass balance ensures the content of inbound circular material of the process is correctly balanced with the circular content of sold products.

Mass balance follows standardised rules, must be updated on a quarterly basis and requires third party certification.

The certification process has been completed: in February 2023 Arca Etichette passed the audit conducted by ICIM SpA, a certification body recognised by ISCC. The certificate is expected to be issued in March 2023, along with publication on the ISCC website.

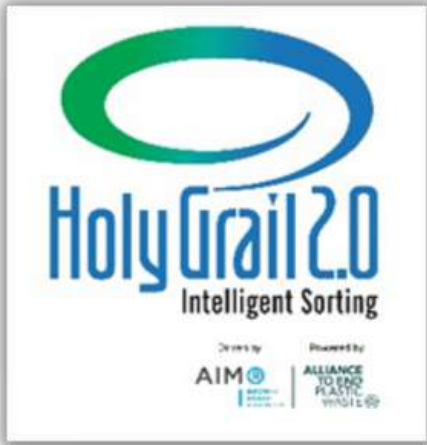


AIM – HolyGrail 2.0 Project



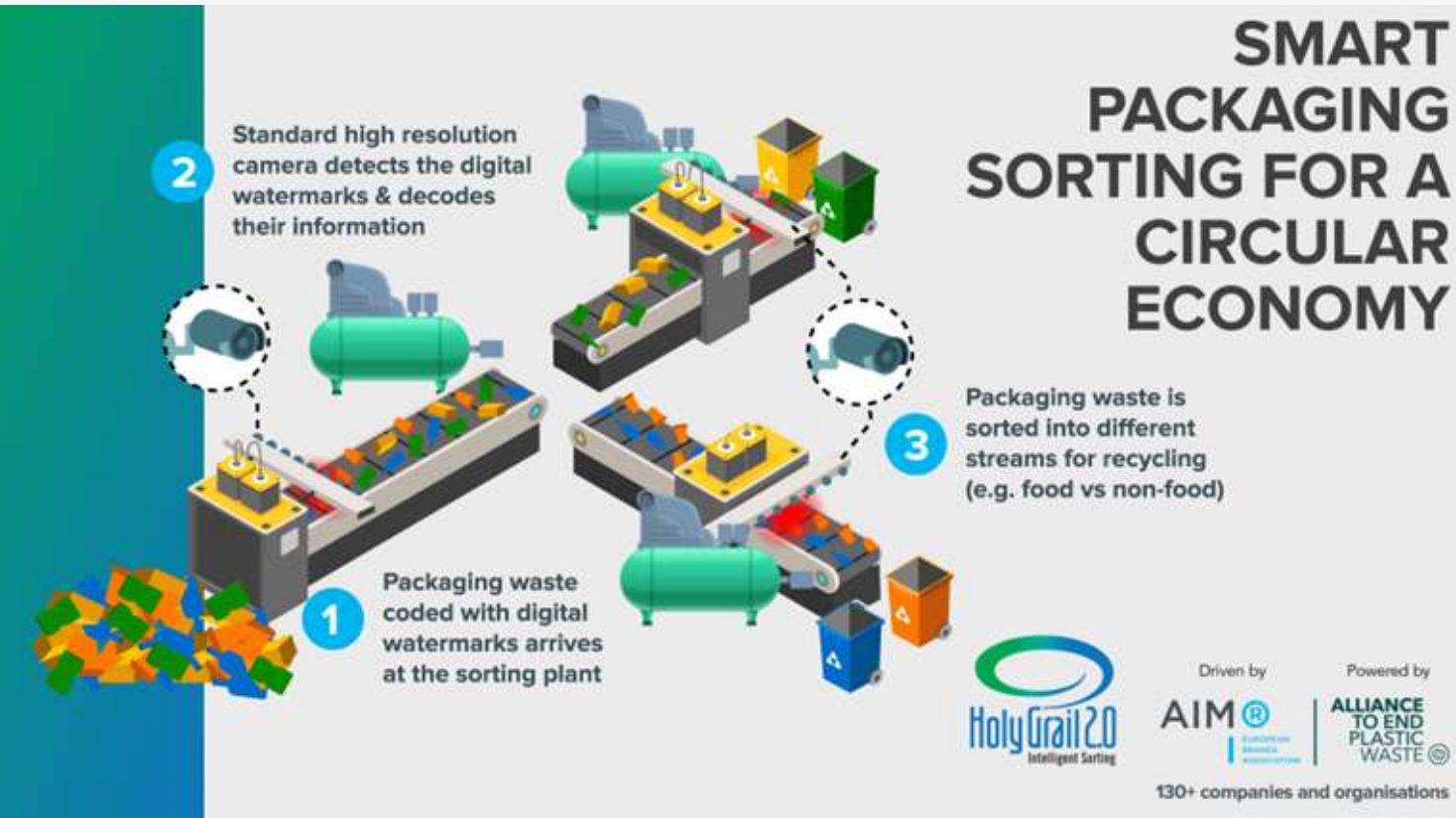
For 2022-23 we are also partners of the European project AIM Holygrail 2.0, an ambitious project that aims to implement an authentic circular economy, revolutionising the way in which packaging is sorted in the waste management system.

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.



The purpose is that when packaging enters a waste sorting plant, the digital watermark can be captured and decoded by a standard high resolution photocamera on the sorting line, so that packaging can then be sorted according to identified characteristics, into various processing flows. Thus sorting lines are more accurate, resulting in higher quality recycled materials, benefiting the entire packaging industry value chain. In addition to the "digital recycling passport", digital watermarks have the potential to be used in other fields, such as consumer involvement, supply chain visibility, and retail activities.

AIM (European Brands Association) works with around 2,500 companies, bringing together all skills from the entire packaging value chain, from brand owners to retailers and manufacturers, EPR programs, waste management systems, recyclers and many other participants. Cooperation represents the pathway towards progress and spearheading EU circular economy goals.



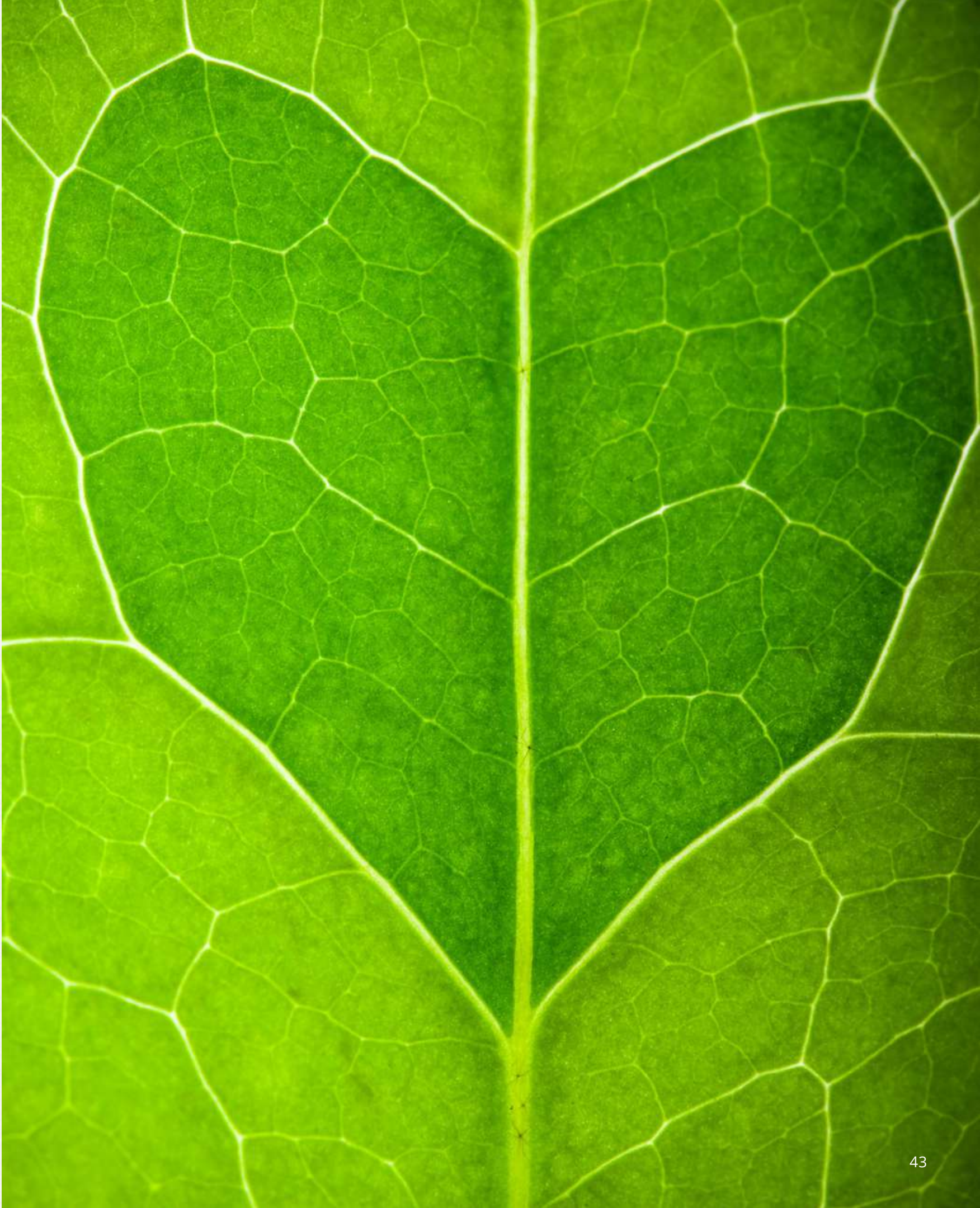
Goals for the year 2022 and achievements

ENVIRONMENTAL AREA

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, 2022 achievements and envisaged actions:

GOAL 2022	KPI	ACHIEVEMENTS 2022	IMPLEMENTED ACTIONS
Reduction of Greenhouse Gas emissions.	8% reduction compared to 2021 of the Energy intensity index (CO2scope1 +CO2scope2)/ revenue*100.	- 24.9 % compared to 2021.	Continue progressive replacement of company fleet with Hybrid and/or Full Electric vehicles. 100% of energy purchased in 2022 is from renewable sources.
Reduce 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).	-28.5 % compared to 2021.	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.	10% increase in AE, 20% in subsidiary companies.	In January 2021 and July 2021, Arca Sleeves and Etifix respectively installed a digital machine for their production.



Goals for 2023

ENVIRONMENTAL AREA

As already reported, the material crisis first began in 2021 and worsened in 2022: the cost of self-adhesive materials (and many other materials too) rose by 30% compared to 2021, 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 continued for nearly 6 months involving all UPM Kymmene plants (paper supply chain), turned the crisis into what was defined as the "perfect storm" for self-adhesive labels, with an increasing risk of production line downtime in key industries, including pharmaceuticals and food.

The war in Ukraine and the economic impact (without mentioning the even more serious social impact, which shows no sign of subsiding), has further exacerbated this crisis, adding to the shortage of raw materials, the unavailability of electronic parts, essential for machinery and equipment and, last but not least, energy price hikes, also speculative in nature.

Arca Etichette has tackled the issue with all necessary organisational and economic efforts, 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. This situation has continued in 2023, despite signs of a slight improvement since the end of 2022.

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 to use 100% Zero Impact Energy, despite costs being higher compared to other alternatives.

Therefore despite the critical issues, we are still able to set ourselves development goals for 2023. The following table contains goals achieved in 2022, with further improvements:



GOAL 2023	KPI	ENVISAGED ACTION
Reduction of Greenhouse Gas emissions.	Consolidation of 2022 of the Energy intensity index (CO2scope 1+CO2scope2)/ revenue*100.	Continue progressive replacement of company fleet with Hybrid and/or Full Electric vehicles. (at least 50% of the fleet with ecosustainable characteristics by the end of 2023). Confirm the purchase of 100% energy from renewable sources.
Reduce electrical power consumption per net sqm of labels.	Consolidate 2022 data on kwh/sqm, assuming that electrical power of printing amounts to 70% of the total (from average data of various previous years).	Use UV lamps instead of UV Arc (Mercury) lamps for ink polymerisation, with new investments for three converting machines, in addition to 4 flexographic printing ones already fitted out. Increased digital production compared to analogical production.
Increased digital printing also in affiliated companies.	10% increase of digital production compared to 2022.	Optimise production cycles and additional transformations from analogical to digital.



Our green packaging

With the aim of protecting the planet and in compliance with Legislative Decree 116/2020, as of 01.01.2023 Arca Etichette Spa has been providing its customers with information on the composition and disposal of supplied products and relative packaging materials.

A project for reducing the ecological impact of packaging materials



We have been using FSC® cardboard boxes for some time now.

FSC® BOXES



From polyurethane bags with bubble adapted to content, today we use PE film fillers (partly recycled), cut to size and with bubble compartments.

PARTIALLY PE RECYCLED FILM



Made of recycled polyethylene.

EXTENSIBLE PE RECYCLED FILM



As a replacement for classic polyester tape, as of 2021 we have been sealing boxes with care using PLA tape (polylactic acid), which is compostable, has a lower disposal impact and production LCA.

COMPOSTABLE PLA TAPES



Composition and disposal information for products supplied by the Labels Division is available by scanning a dynamic QR-code on packaging labels, which refers to the page <https://www.arcaetichette.it/en/environmental-labelling-for-packaging/>. For products supplied by the Systems Division, the same information is available in the disposal section of user's and installation manuals.

We also participated in the Green Packaging project created by the company CD Group, which interpreted the ecological requirements of the cosmetic and pharmaceutical market and developed a veritable green supply chain, providing a range of ecosustainable materials, operating with a lower environmental impact in terms of less energy consumption and processing waste, with generally greener disposal, while still meeting minimum safety and quality requirements.

At Arca we have embraced this wonderful initiative, supplying CD Group with FSC® paper self-adhesive labels, which ensure the environmental, social and economic sustainability of materials sourced from forests protected by international Regulations.



ECO FRIENDLY SELF-ADHESIVE LABELS FOR
the Green Packaging project



Actions 2021 and 2022

PEOPLE/ WORKERS AREA

- **Smart Working:** was successfully activated for the first time ever in March 2020 (Covid19 emergency) for 3-4 days and for all office staff. It has continued as a preventive measure, at least for employee categories in greatest need or at health risk. As of 2022, in agreement with workers and their trade union, a numerous group of day workers have been offered smart work as an option one day a month starting from January 2023, using company hardware and software, irrespective of the purpose. This request emerged from the feedback questionnaire filled out by employees in 2021.
- **Environmental and health well-being:**
 - In 2020 we activated an insurance policy for Covid health complications, yet again for all employees, which has been renewed for 2021 and 2022.
 - All employees were offered free flu vaccination. Twenty-four received the jab.
 - Initiatives for quitting smoking are 100% funded by the company and available to all employees.
 - Renewal of Health and Safety Certification OHSAS 18001/ ISO 45001.
- **Reassurance on the continuity of employment and income:**
 - All our employees with fixed-term contracts have been confirmed.
 - In May all employees received a performance-related bonus, in accordance with second-tier bargaining negotiations agreed with trade unions, amounting to at least an additional month.
 - In December 2022 all employees received tax-free expense bonuses (company welfare) amounting to €400, with the exception of executives and top management.
 - Tailored economic support for employees affected by so-called fragilities, either themselves or family members.
- **Personal and professional development:**
 - Priority to employees in the event of new openings or opportunities.
 - Personal training courses for employees, with 50% expenses covered by Arca Etichette.
 - A Team Building day was held in the Monza Park in September 2022, with the aim of raising participant awareness on the true meaning of sustainability. After challenges and discoveries regarding environmental responsibility, we organised a specific training and discussion event with focus on important green topics. Various activities were used to raise awareness and inspiration, with the identification of actions or concepts for improving the company and planet.

Goals for the year 2022, results and goals for 2023

PEOPLE AREA

GOAL 2022	KPI	ENVISAGED AND IMPLEMENTED ACTIONS	ACHIEVEMENTS
Assess worker satisfaction.	Greater than 70%.	Questionnaire.	Postponed to 2023 with new biennial deadline.
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, for some categories. Extended to all potentially interested workers since 1st January 2023, one day a month.
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. Creation of activities involving employees in training and cooperation meetings and occasions.	In November 2021, agreement with Trade Unions to promote the personal and professional development of staff, with an available spending budget. Team Building day with focus on sustainability. Contribution towards managerial training courses for two staff members who applied. Only one confirmed their participation in courses and received the refund.

For the year 2023 we pledge to consolidate and improve the aforementioned objectives, starting with the renewal of the Employee Feedback Questionnaire and consequent actions.

Actions 2021 and 2022

COMMUNITY, CLIENTS, SUPPLIERS Area

- 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 laboratory.
- In 2021 and 2022 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. Our donation will be used for projects welcoming children and their families to the Magenta paediatrics ward. This contribution is very close to our heart and we hope to make these children smile.
- In 2022 we also made a donation to the socially useful **NPO L'ORO**, Marcallo, an association of parents with disabled children, which first started as a mutual support group of mothers. The socially-useful NPO was founded on 8th May 2009 by 13 families; "L'Oro" aims to be self-sustaining and above all, to support other families and people facing the world of disability. The association's numerous projects are focused on improving the quality of life of disabled people, through play, learning and rehabilitation. Disability is not a limit, it is a new start: <https://loroonlus.wixsite.com/marcalloconcasone>.



- In 2022 Arca Etichette Spa made the decision to support **FAI - Italy's National trust by joining the Corporate Golden Donor** membership program. Close to FAI we aim to implement an important safeguarding project and take on the important cultural challenge of making Italy a better place to live, work and raise our children. The landscape and cultural heritage protected and promoted by FAI is a unique capital in the world and a crucial resource for investments for the rebirth, development and promotion of our wonderful Country. Thanks to the support of its numerous members, including citizens and companies, FAI has been protecting and managing 70 assets throughout the country for nearly 50 years now. Each year the FAI commits to protecting and ensuring the accessibility of artistic, natural and cultural wonders in the countryside, cities and on the coasts of Italy, to educate and raise public awareness, in terms of knowledge, respect and care for art and nature, acting on behalf of civil society through its monitoring activities and active intervention up and down the country.



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 for 2022 which is continuing in 2023.



Bee my Future project



For 2021 and 2022 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.



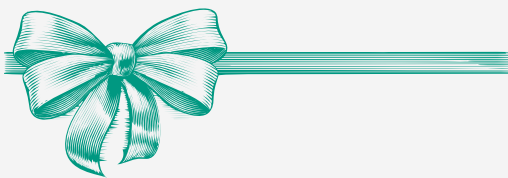
Marine reforestation with ZeroCo2



Arca Etichette extends its environmental commitment by focusing on the sea, together with the company ZeroCo2 and in partnership with Worldrise. The sea is also home to forests populated by special types of plants and in 2022 Arca contributed towards the planting of Mediterranean tapeweed in Sardinia. This is the first project for the regeneration of this species, which is considered to be the most important marine ecosystems.

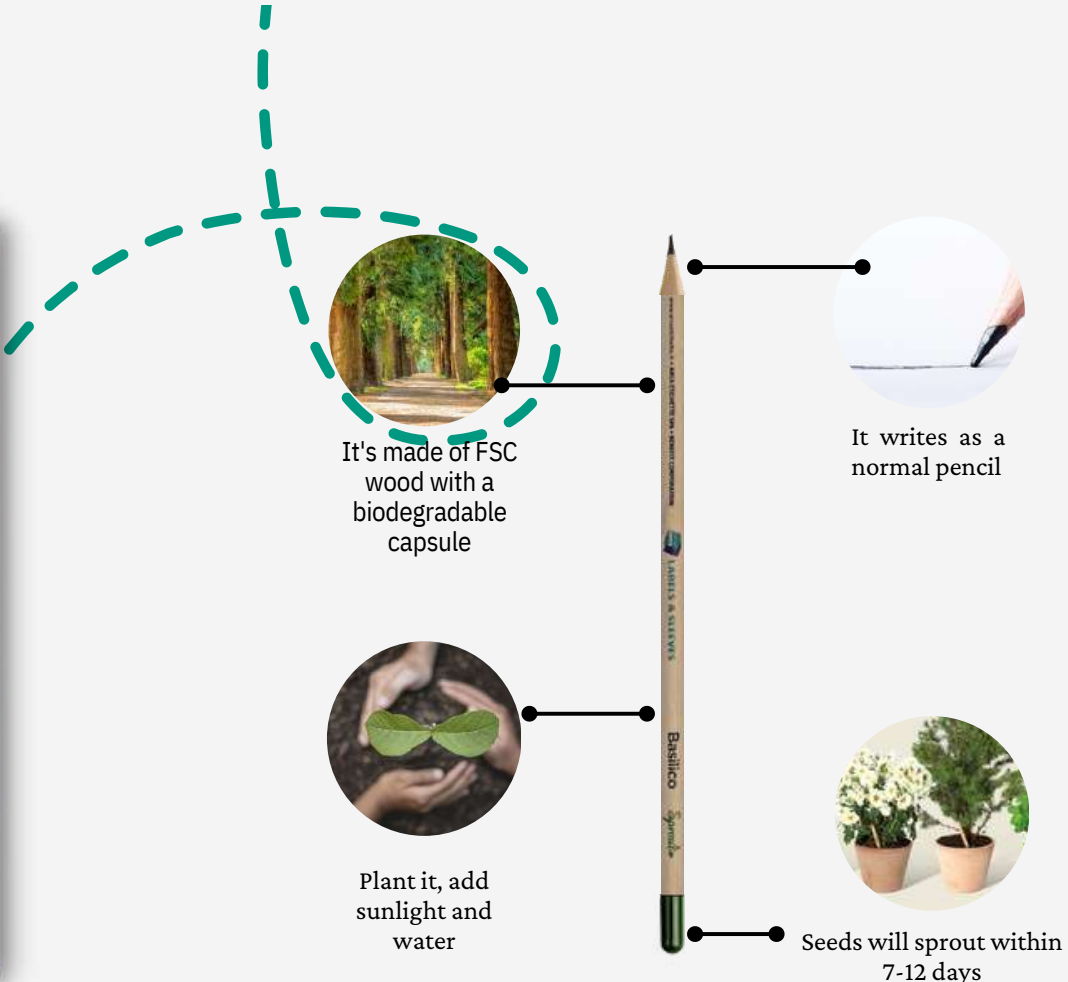
Indeed Mediterranean tapeweed is vital for the environment in many ways:

- Biodiversity centre
- Carbon storage (Blue carbon)
- Biomass production



Sustainable company gadgets

In order to encourage sustainable development, the company is committed to giving environmentally friendly gadgets. In 2022 during events, exhibitions and visits we gave our clients the FSC® wooden pencil made by SproutWorld, a B Corp company. The tip of each pencil is fitted with a biodegradable capsule containing lots of non-GMO seeds. Once the pencil is finished, instead of throwing it away you plant it, so that it can grow into flowers, vegetables or aromatic plants.



Clients

Premise: we work to orders in B2B and manage around 7-8,000 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, from 2020 and throughout the ongoing Covid crisis, which has resulted in lengthy production closures among some of our clients, we have "revolutionised" our approach, shifting from cost efficiency to service efficiency:

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, initially undertaken in response to the Covid crisis in 2020, and which have continued throughout 2021 and 2022, were essential due to increasing shortages of materials. Extensive and coordinated work in material change was necessary in many cases, which we were able to carry out above all thanks to the daily efforts of all our professionals, workers and suppliers, in coordination with clients. Thanks to these joint efforts, we successfully averted the most serious of crises, which could have led to production down time.



Chiesi Vendor 2022: Arca Etichette awarded: “We excel in Innovation and Collaboration”

On 16th November 2022, on occasion of Vendor Day, Arca Etichette Spa received the "Supplier Awards" 2022, entitled “We Excel in Innovation and Collaboration”, from the international biopharmaceuticals group Chiesi, as recognition for being a top partner that has distinguished itself in relations with the company.

“We are honoured to receive such recognition, the result of a partnership for the supply of self-adhesive labels. This partnership has been further reinforced by a common corporate vision, inspired by sustainability. For us Chiesi has been a clear example of this new business model; in this way we became a Benefit Corporation in 2021 and obtained B Corp certification in 2022. Now we are working towards extending this pathway to other partners, so that we evolve into a shared value chain.”, Roberto Sala, Operative Director and Sustainability Manager of Arca Etichette Spa, commented.



Specifically, by "Partnership" we mean the actions implemented with the necessary flexibility to protect from disruptions to production, a high risk for production chains in 2022 faced with the inconsistent availability of materials, self-adhesives in particular.

We worked diligently in order to mitigate the consequences of this unexpected event beyond our control, thanks to our vast base of suppliers and excellent relations with them, reinforced by our equity soundness, which has also enabled us to implement extraordinary operations for extra stock.



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.

From the end of 2021 and throughout 2022 our new partner has been an Italian supplier located in close proximity to us, whose ESG approach is in harmony with ours.

Goals for the year 2022, results and goals for 2023

COMMUNITY AREA

GOAL 2022	KPI	ENVISAGED AND IMPLEMENTED ACTIONS	ACHIEVEMENTS
Donations to Organisations.	+20% compared to 2021.	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 2023, we aim to consolidate and improve aforementioned goals.



Impact Assessment External Standard

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

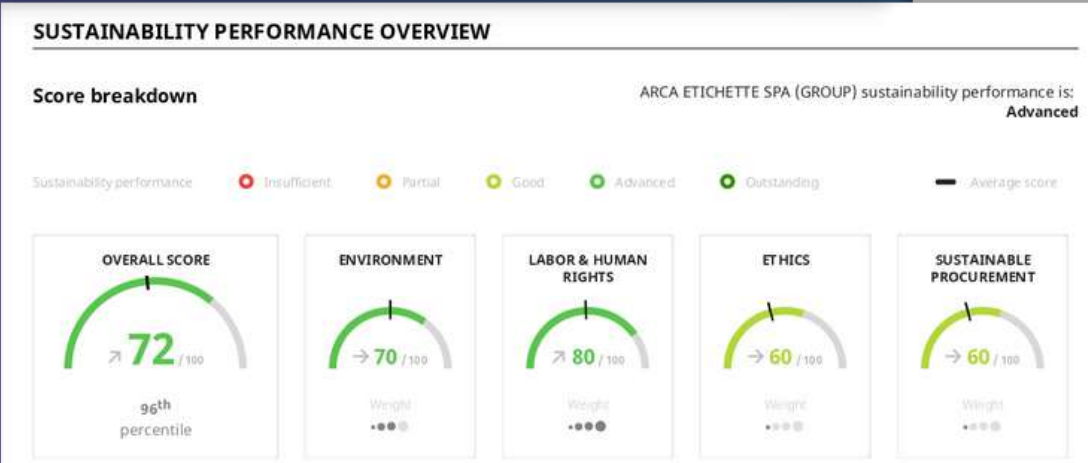
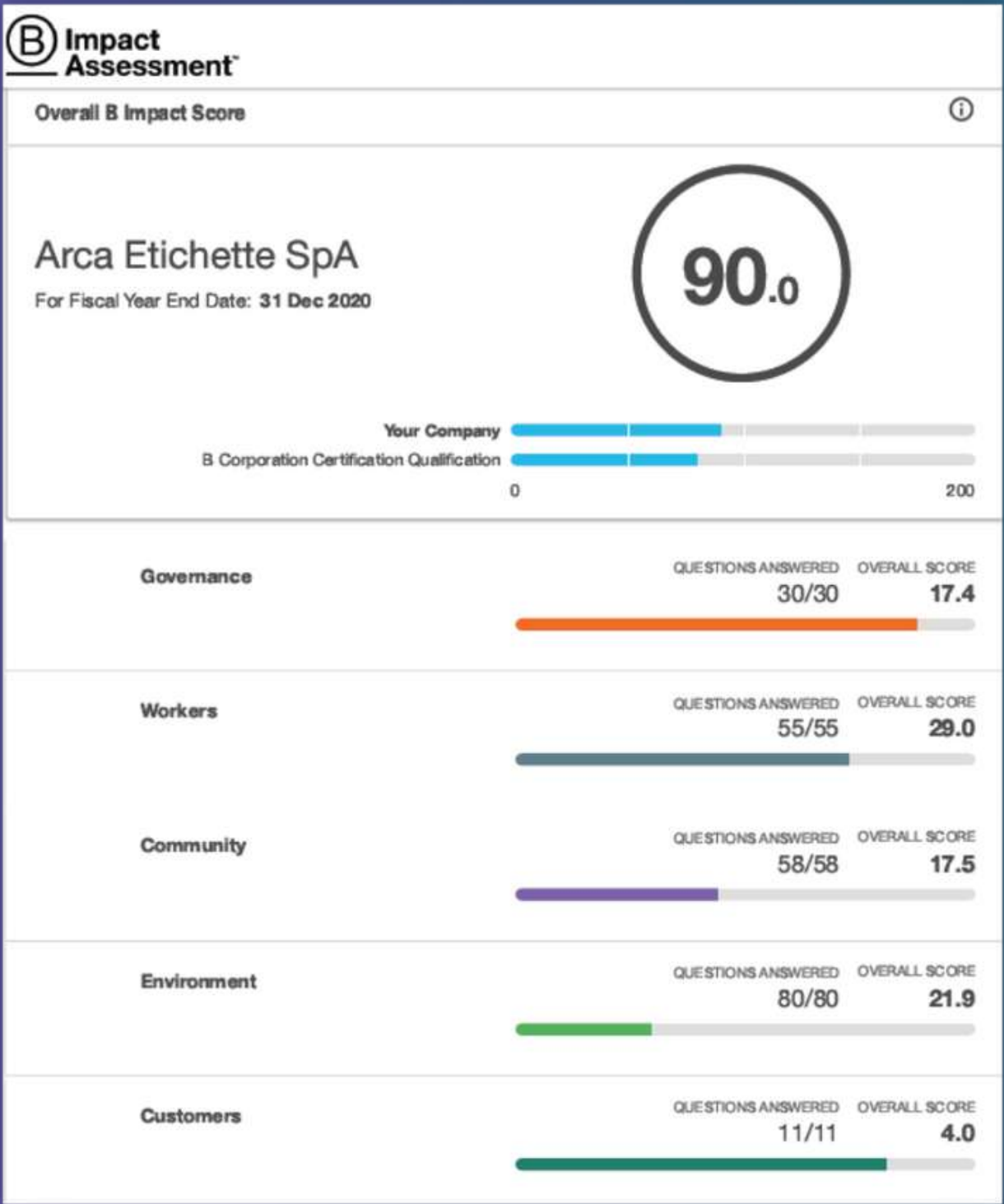
Report requirements in Italy

For an Impact Report to be correctly prepared, it must include:

- 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;
- 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)*;
- 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, has decided to use **BIA, the external standard of B Lab**.

In August 2022, Arca Group (Arca Etichette SpA, together with its two subsidiary companies Arca Sleeves srl and Etifix srl), obtained B Corp certification from B Lab.

Arca Etichette is a B Corp!

We are now officially a part of the B Corp community, as a certified company, using our business as a positive force. This means that people, the planet and our ethical values are on a par with profit; workers, clients, suppliers, the community and the environment are all of equal importance our decision-making process.

Visit the following link for further information:

<https://www.bcorporation.net/en-us/find-a-b-corp/company/arca-etichette-sp-a/>

We obtained a total score of 90 in five assessment areas in the B Lab BIA. The application for certification was submitted to B Lab on 9th April 2021, based on data and documentation at the end of the fiscal year 2020. The auditing process was lengthy, above all due to the availability of resources of B Lab, however certification was issued in August 2022, valid for three years.

It is also important to consider that in December 2021 Arca Etichette submitted its ESG (Environmental, Social, Governance) certification for renewal by **Ecovadis**, improving its score and securing the **Gold Medal** in 2022.



Conclusions



In 2021 we became a Benefit Corporation and this Impact Report formalises our reinforced commitment to all stakeholders involved in Arca Etichette.

We obtained B Corp certification in 2022: an achievement and above all, a new beginning!

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), B Corp certification and the score report of Ecovadis, 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.

A handwritten signature in black ink, appearing to read 'Roberto Sala'.

Roberto Sala – Sustainability Manager

Arca Etichette SpA

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Arca

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