

Sustainability

Report 2022

01\ Design for
the Planet

02\ Design for
People

03\ Design for
Culture

Design
Holding

Sustainability Report 2022

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Letter to Stakeholders ^[2-22]

At Design Holding, sustainability means being environmentally and socially aware: for our brands, it is about building a shared culture able to merge ethics and aesthetics in every product, to make the world a more beautiful place to live in for all.

Ethical behaviour has many dimensions, and we recognize the intrinsic beauty not only in our designs but also in the way we behave. The Entrepreneurial spirit, Customer first, Passion for design and creativity, Stronger together and Sustainable beauty; these are five core values woven into the fabric of the organization, that together with all our brands, give life to our purpose “We design for a beautiful life”.



We have merged decades of experience, shared collective knowledge and created best practices, essential to understand how design can be used to craft beautiful and innovative objects that have both longevity and a reduced environmental footprint across their lifetime.

Last year, after having published the first edition of our Sustainability Report, we have decided to take a bolder step, fortifying our commitment to sustainable practices and aligning our values with the cause.

To provide a common direction to our sustainability strategy, we have defined a Group Sustainability Governance, including a Sustainability Steering Committee of which I am a proud member, advised by the talented and skilled people within our organization. This Committee has the overall responsibility to monitor Design Holding’s performance on the ESG targets declared within our Sustainability Report as well as our sustainability initiatives.

We are constantly monitoring our impacts on the Planet by reporting our annual emissions along the whole supply chain. In 2022, we have further extended the reporting perimeter of our indirect emissions occurring within upstream and downstream activities. Moreover, we constantly strive to include eco-design and circularity practices for new products by using recycled and non-virgin materials, when possible, without compromising on quality.

Quality will always be reflected in our products. We are conscious that a reputation for quality is something earned over time and something that we must always continue to earn. It is both a measure of current excellence and a distinct part of our legacy.

To encourage an inclusive and caring environment that respects and nurtures our People, we improved our employees' wellbeing by promoting a diverse workforce and maintaining a positive work culture, shared by all our brands.

To preserve craftsmanship and design legacies, we have collaborated with museums and foundations globally to safeguard not only our objects, but to nurture design Culture in its entirety, for the benefit of future generations. To give back to local communities that host us, we have partnered with schools, universities, and non-governmental institutions, spreading our message of beauty and innovation to society as a whole.

By publishing this second edition of our Sustainability Report, I am proud to present our milestones achieved in 2022 as well as our next steps, encompassing all the work we have done as passionate and committed ambassadors of positive and beautiful living.

Daniel Lalonde,
CEO Design Holding



Highlights 2022

The Group

867.6 mln €

2022 Group Proforma revenues (including 12 months Audo)

847.9 mln €

2022 Group revenues

2,263

Employees

10

Industrial facilities

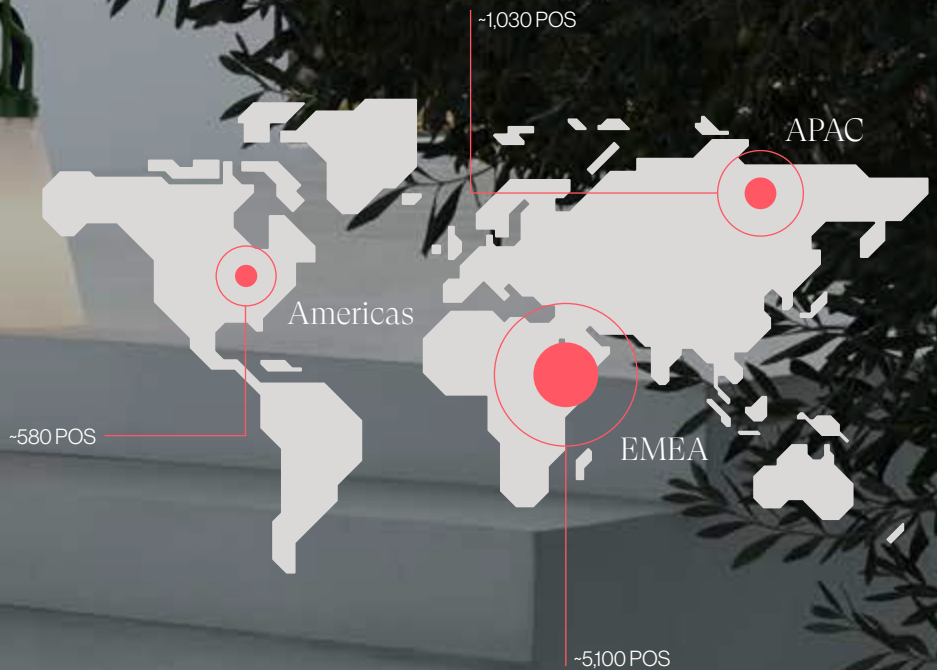
130 countries

Global presence

Audo and Fendi Casa became part of Design Holding

+6,700

Points of sale, of which:
19 Directly Operated Stores
121 Monobrand Stores
750 Shop in Shop



The Group's structure

In a traditionally fragmented sector we have created a unique design hub, curating and bringing together a portfolio of the world's most renowned and iconic design Brands.

Operating across the sectors of lighting and accessories, high-end furniture, kitchens & vanities and omnichannel distribution our Brands each have their own distinct heritage and identity. But together we share a common soul; a dedication to beauty, craftsmanship, quality, and innovation, underpinned by a strong sustainability commitment^[2-6].

» The Group encompasses B&B Italia, Flos, Louis Poulsen, Arclinea, Maxalto, Azucena, Fendi Casa, Audo¹, and Lumens.

Design Holding was formed in November 2018 as a result of the shared vision of Investindustrial and Carlyle. Since bringing our unique design hub to life, a strong central leadership team has been appointed to ensure coordination and commitment across the Group, enabling full alignment between Design Holding business' strategy and direction and our Brands' activities.

INVESTINDUSTRIAL AND CARLYLE'S HISTORY

Design Holding is jointly (and indirectly) controlled by Investindustrial and Carlyle funds who support the Group's business activities, fostering their shared views and commitments.

Investindustrial

Investindustrial is one of Europe's leading independent investment groups, with a focus on quality European mid-market companies, with an active, industrially driven, and transformational ownership approach. It operates across four industry groups - Industrial Manufacturing, Consumer, Healthcare & Services and Technology and has a team of more than 180 professionals across seven

offices internationally in the UK, Switzerland, Spain, France, Luxembourg, the United States and China. Investindustrial was founded in 1990 and today has €13 billion of raised fund capital.

Carlyle

Carlyle is a global investment firm with deep industry expertise that deploys private capital across three business segments: Global Private Equity, Global Credit and Global Investment Solutions. With \$381 billion of assets under management as of March 31, 2023, Carlyle's purpose is to invest wisely and create value on behalf of its investors, portfolio companies and the communities in which we live and invest. Carlyle employs more than 2,200 people in 29 offices across five continents.

¹ The brands Menu, by Lassen and The Audo (Designers Company) merged into "Audo" in June 2023.

Through the union of our Brands' unique design legacies and expertise, combined with our global reach, we have created a Group with a common ethos and shared values. Our strategy is one of reciprocal inspiration, with top-down and bottom-up contributions.

Our Brands contribute by sharing knowledge and best practices across the whole Group, while still preserving their individual identities and heritage, while we use our global insights and knowledge to empower our Brands to maximize their reach, scale, focus and impact.

As a Group we are united in our mission to excel in creative processes and customer experience, to pioneer in sustainable design and to continue to grow so that we can lead the way in bringing beauty to the world with high-end design that brings lasting value. Our Brands, operate in three main segments of the high-end design market: high-end Lighting, including companies devoted to developing lighting solutions for

residential and architectural spaces, both for indoors and outdoors; high-end Furniture & Accessories, comprising companies that went down in history of design thanks to world-renowned and iconic furnishing accessories for homes and public spaces; and high-end Kitchen & Vanities, where our Brands draw innovative kitchen solutions and complementary pieces. The Group is also active in the field of online sales of high-end design products through Lumens' e-commerce. Each Brand promotes and sells its products via different streams of omnichannel distribution: some B2C (by contract, e-commerce, and DOS) and some via wholesale (mono-brand stores, shop-in-shop and multi-brand stores) ^[2-6].



Convivium kitchen by Antonio Citterio, Arclinea

THE GROUP'S BRANDS

EST. 1966

B&B
ITALIA


Camaleonda by Mario Bellini, advertising campaign 2021, B&B Italia

PURPOSE

Inspire people through the most innovative, iconic and contemporary Design furniture.

B&B Italia is an internationally renowned Italian Group leader in the high-end designer furniture sector. The B&B Italia Group operates in the residential and contract sectors (hospitality, retail, offices and nautical) with its four brands, B&B Italia, Maxalto, Arclinea and Azucena. Each brand has its unique identity in which design, research, creativity, and technology develop together, interpreting contemporary lifestyle and trends.

The Group has a total of 600 employees and a presence in more than 80 countries through 70 single-brand stores and 900 specialized stores. Nowadays, foreign markets account for around 80% of the Company's revenues.

The mission of B&B Italia Group is to create the most innovative, iconic, and timeless pieces of design furniture in order to inspire people around the globe through the power of the best creative minds, unparalleled R&D, industrial know-how and made in Italy quality that make the Group one of the world's premier design companies.

Since December 2018, B&B Italia is part of Design Holding, a leading global high-end design group operating a number of legacy brands in the world of luxury furnishings and lighting, with a European cultural heritage.

Founded in 1966 by Piero Ambrogio Busnelli, B&B Italia stands out for its representation of contemporary culture and for its research and innovation, which has allowed the brand to create products with unique style and elegance.

The fruitful partnership between the company's Research & Development Centre, a workshop for ideas and excellence, and the best international design professionals enabled the creation of iconic products which radically mark the history of design: Serie Up, Le Bambole, Charles and Camaleonda are just some of the products originated from the creative union between B&B Italia and the most prestigious design names including Antonio Citterio, Piero Lissoni, Mario Bellini, Gaetano Pesce, Naoto Fukasawa, Patricia Urquiola, Barber & Osgerby, Doshi Levien, Michael Anastassiades, Monica Armani, Vincent Van Duysen, Foster+Partners and many others.

B&B Italia has been honoured numerous awards in its history including the five-time win of the most coveted award in Italian industrial design - the "Compasso d'Oro."

Starting from January 1st, 2021, Italian Architect Piero Lissoni has been appointed Artistic Director of B&B Italia.

MAXALTO

PURPOSE

Excel in timeless lifestyle interiors.

Lucrezia Soft sofa and Febo armchairs by Antonio Citterio, Maxalto

Founded in 1975 by Afra and Tobia Scarpa, Maxalto is the group brand featuring "modern classic" approach in its collections offering a complete range of sophisticated and elegant furnishings, designed in a tradition of artisanship with a contemporary approach. It combines excellent materials, precise manufacturing and exclusive details. Maxalto uses its artisan skills to offer size and finish product customization, with its Maxalto Atelier service. The Maxalto brand has been entirely designed and coordinated by Antonio Citterio since 1995.

AZUCENA

PURPOSE

Interpret modern Italian Design since 1947.

Catilina armchair by Luigi Caccia Dominioni, Azucena

In 2018, the B&B Italia Group acquired the classic Italian brand Azucena founded in 1947 by architects Luigi Caccia Dominioni, Ignazio Gardella and Corrado Corradi Dell'Acqua. The Azucena brand produces and markets a collection that reissues more than 20 iconic products designed by Luigi Caccia Dominioni including the Catilina chair, the ABCD and Toro chairs, the Monachella lamp and the Cavalletto table which can be found in selected stores in Italy and abroad.

EST. 1925

Arclinea

PURPOSE

To inspire everyday connections in extraordinary kitchen spaces.



Thea kitchen by Antonio Citterio, Arclinea

Arclinea Arredamenti S.p.A., founded by Silvio Fortuna in Caldogno in 1925, started as an artisanal laboratory specializing in wood-processing and has grown to become an Italian leader in high-end design kitchens. Arclinea grew thanks to its ability to anticipate social change, combining tradition with innovation and excellence in industrial production. In 1958, the Company launched the first modular kitchen, soon followed by the first kitchen with built-in electrical appliances and a stainless-steel hob. In the '80s, Arclinea started collaborating with famous architects and designers; towards the end of the nineties the relationship with Antonio Citterio

strengthened and he became the company's main designer. Arclinea, through the collaboration with Antonio Citterio, confirmed its desire to produce not only equipment and furnishings, but also new architectures for living.

Today Arclinea is a prestigious international brand, the perfect ambassador of Made in Italy in the world and operates in both retail and contract with the divisions: residential, hospitality, marine. Since 2016 Arclinea has been part of B&B Italia Group, a leading group in high-end design furnishings present in over 40 countries around the world.

EST. 1962

FLOS

PURPOSE

Flos' flame enlightens the world.



Taccia lamp by Achille and Pier Giacomo Castiglioni, Flos

Recognized globally for its iconic design and technological innovation, Flos is a leading high-end Italian lighting Brand, both in the residential and architectural sectors.

Since its establishment in 1962, Flos products have received numerous international awards and many of these products are now featured in the permanent collections of leading international art and design museums such as the MoMA in New York, the Victoria & Albert Museum in London, and Le Centre Pompidou in Paris. A unique feature of Flos is its longstanding exclusive relationships with world-renowned designers and architects such as Achille & Pier Giacomo

Castiglioni, Antonio Citterio, Jasper Morrison, Patricia Urquiola, Vincent Van Duysen, Michael Anastassiades, and many others.

With its two main operational headquarters in Brescia (Italy) and Valencia (Spain), the company is comprised of four different business streams and related R&D departments: Decorative, Architectural, Outdoor and Custom. Flos exports to more than 90 countries worldwide and has a global presence with flagship stores in Milan, Rome, Paris, New York, and Stockholm.

louis poulsen

PURPOSE

Design to shape light.



PH Artichoke by Poul Henningsen, Louis Poulsen

Established in 1874, Louis Poulsen is a luxury lighting Brand with an iconic product portfolio covering both indoor and outdoor lighting. Louis Poulsen is founded on a strong Danish design heritage with iconic designs created by names such as Poul Henningsen, Arne Jacobsen, Vilhelm Lauritzen and Verner Panton, and collaborations with leading modern designers such as Christian Flindt, Shoichi Uchiyama, Louise Campell and Anne Boysen. With headquarters in Copenhagen and production facilities in Vejen (Denmark), the company has dedicated showrooms in Copenhagen, Miami, Oslo, Singapore, Tokyo and Dusseldorf and a global distribution network with more than 50 countries served.

EST. 2001



PURPOSE

Inspire and connect the world with good Design.



IC Lights Suspension 1 by Michael Anastassiades, Flos

Lumens is North America's premier destination for modern lighting, furniture, and décor, serving trade and contract professionals as well as consumers. The Brand travels the world to source from over 350 global Brands, curating a product assortment that features iconic designs as well as the latest from emerging studios, including exclusive and custom pieces. Lumens' vision to inspire and connect the world with good design has driven the company to be a leader in innovation, delivering a best-in-class customer experience through their website, brand partnerships, editorial content, and team of design experts and ALA-certified product specialists. Founded in the San Francisco Bay Area in 2001 and incorporating the heritage of YLighting, Lumens is part of the Group.

EST. 1988

FENDI
CASA

PURPOSE

Combine FENDI extraordinary creativity with excellent craftsmanship.


Five sofa by Marcel Wanders Studio, Fendi Casa

In May 2021 Design Holding and FENDI announced the launch of the joint venture Fashion Furniture Design (FF Design) to develop the FENDI Casa business. The joint venture involves Design Holding as majority shareholder. This new strategic venture enables FENDI to collaborate with a trusted, skilled partner, to jointly manage its home segment, designing, producing, and distributing collections that reflect the most authentic spirit of the Luxury Maison, as well as Design Holding's know-how, in a proud celebration of the Made in Italy craftsmanship.

EST. 1978

Audo
COPENHAGEN

PURPOSE

This is design excellence. This is Audou.


Offset Loose cover by Norm Architects, Audou

Designers Company is the entity behind the former design brands MENU, by Lassen and hybrid design space The Audou, Copenhagen. Designers' Company builds brands, supporting them individually by leveraging the strength of each collectively. By creating strong and lasting relations between designers, manufacturers, and customers, Designer's Company create strong and lasting brands.

MENU was a Danish design brand, selling contemporary furniture, lighting, and accessories in the premium segment to professionals and retail customers in more than 50 countries. The headquarters are located at The Audou, in Copenhagen,

which is a hybrid of a showroom, a concept store and a boutique hotel – developed by the owners of MENU. The company was founded in 1978 and has around 100 employees who collaborate with talented designers to manufacture quality products rooted in the Scandinavian design tradition.

By Lassen's archive of architecture and furniture design represents the finest qualities of the Danish design tradition. By Lassen pursues a more classic design profile to target the luxury segment.

Menu - by Lassen and The Audou have merged into one united brand, Audou, in June 2023.

Global presence

Design Holding is present in more than 130 countries worldwide and, as of December 31, 2022, we employ 2,263 people², mainly located in Italy, Denmark, and the USA³ ^[2-1, 2-7].

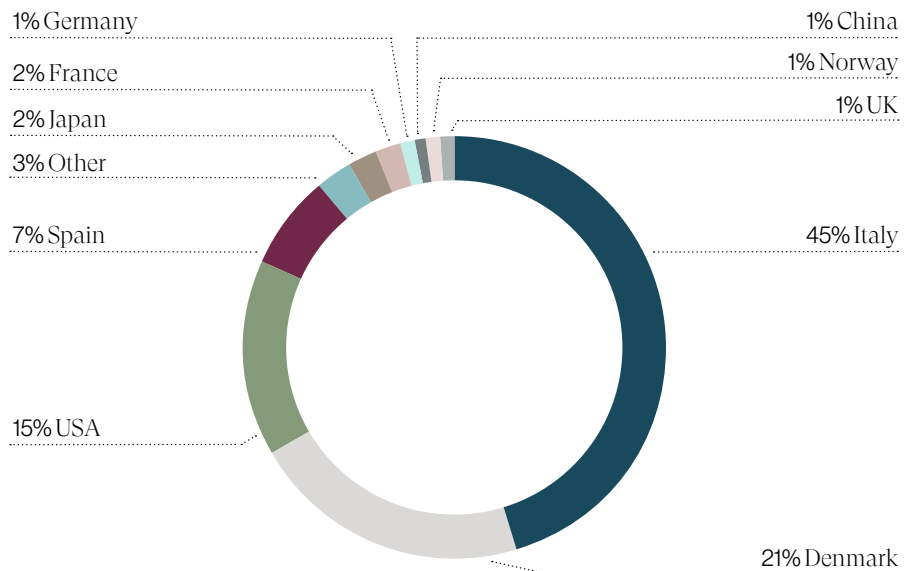
As of December 31st, 2022, our sustainability reporting perimeter comprises:

- International Design Group S.p.A. (including the parent company Design Holding S.p.A., headquartered in Milan, Italy)^[2-1]
- Louis Poulsen Group (headquartered in Copenhagen, Denmark)
- D Studio Copenhagen APS (headquartered in Copenhagen, Denmark)
- Flos Group (headquartered in Bovezzo, Italy)
- Lumens (headquartered in Sacramento, California, USA)
- Fendi Casa Group (headquartered in Milan, Italy)⁴
- B&B Italia Group (headquartered in Novedrate, Italy)
- Designers Company Group (Audo) (headquartered in Copenhagen, Denmark)⁵
- Design Holding (Shanghai) Co., Ltd. (headquartered in Shanghai, China)
- Design Holding Korea LLC (headquartered in Seoul, Korea)^[2-2]

Employees global distribution

2,263

Employees

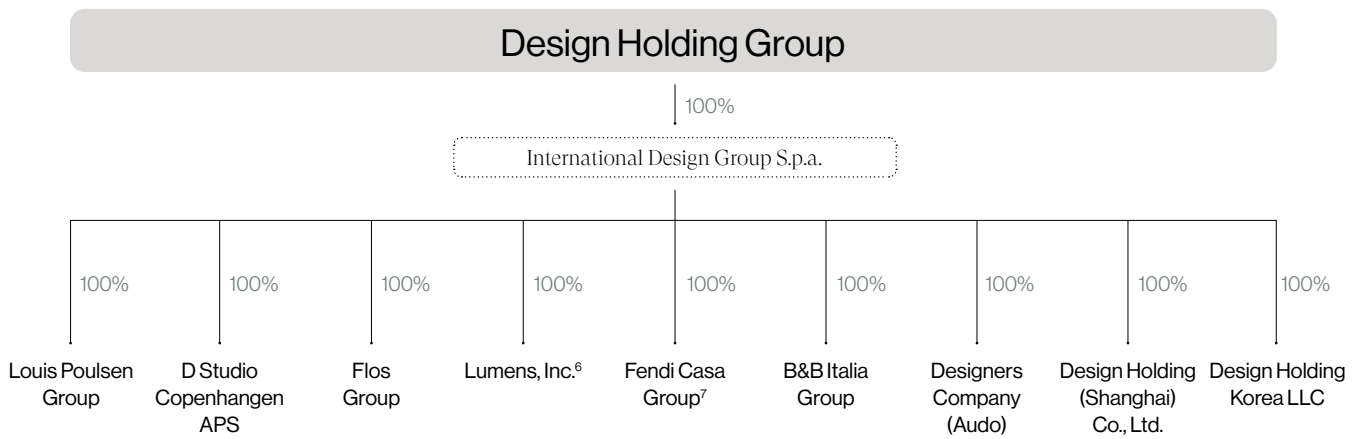


² Employee's data refer to the full Group's perimeter on December 31st, 2022, including productive plants and commercial branches. Data are expressed in FTEs, standing for full-time equivalent (FTE), a unit to measure employed persons in a way that makes them comparable although they may work a different number of hours per week. The Group considers an FTE to be valued at 2,080 hours per year (40 hours per week for 52 weeks per year).

³ Other countries with less weight in terms of number of employees are Singapore, the Netherlands, Hong-Kong, Dubai, India, Belgium, South Korea, Sweden, Switzerland, Finland, Central and South America, Shanghai.

⁴ Included in the Group perimeter starting from 2022. Fendi Casa Group is made up of two separate legal entities, DQM and FFD. International Design Group owns 100% of DQM (the ownership percentage above reported), while DQM owns 80% of FFD.

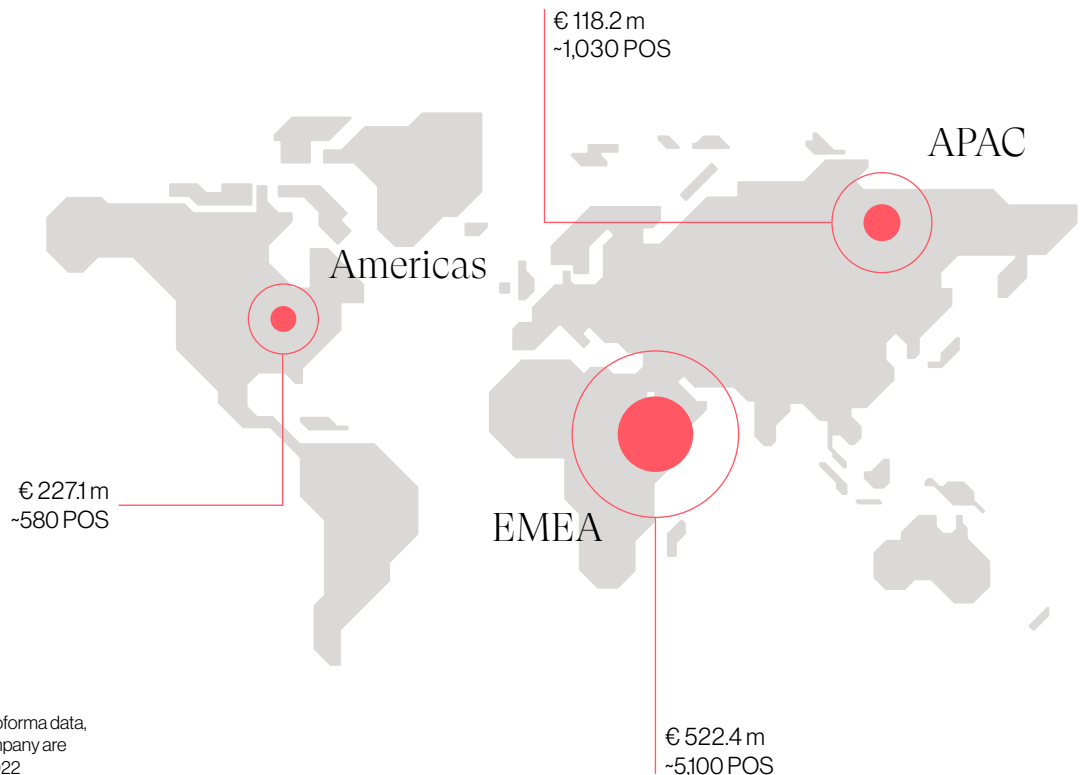
⁵ Included in the Group perimeter starting from 2022.



The success of our growth strategy and social sustainability commitment is also proven by the Group’s economic results of last three years. In particular, our revenues have grown by 25% between 2021 and 2022. These achievements, combined with an efficient management of resources, have resulted in an increase in the economic value retained by the Group, which went from 79,933 million Euros in 2021 to 102,136 million Euros in 2022. The results can also be attributed to our expanding presence at a global level: while our Group’s main market is across Europe, we operate across 130 countries, with rapidly growing sales in America and Asia.

The graph shows an overview of our financial data and global presence^[2-1, 2-6]:

Financial data and global presence

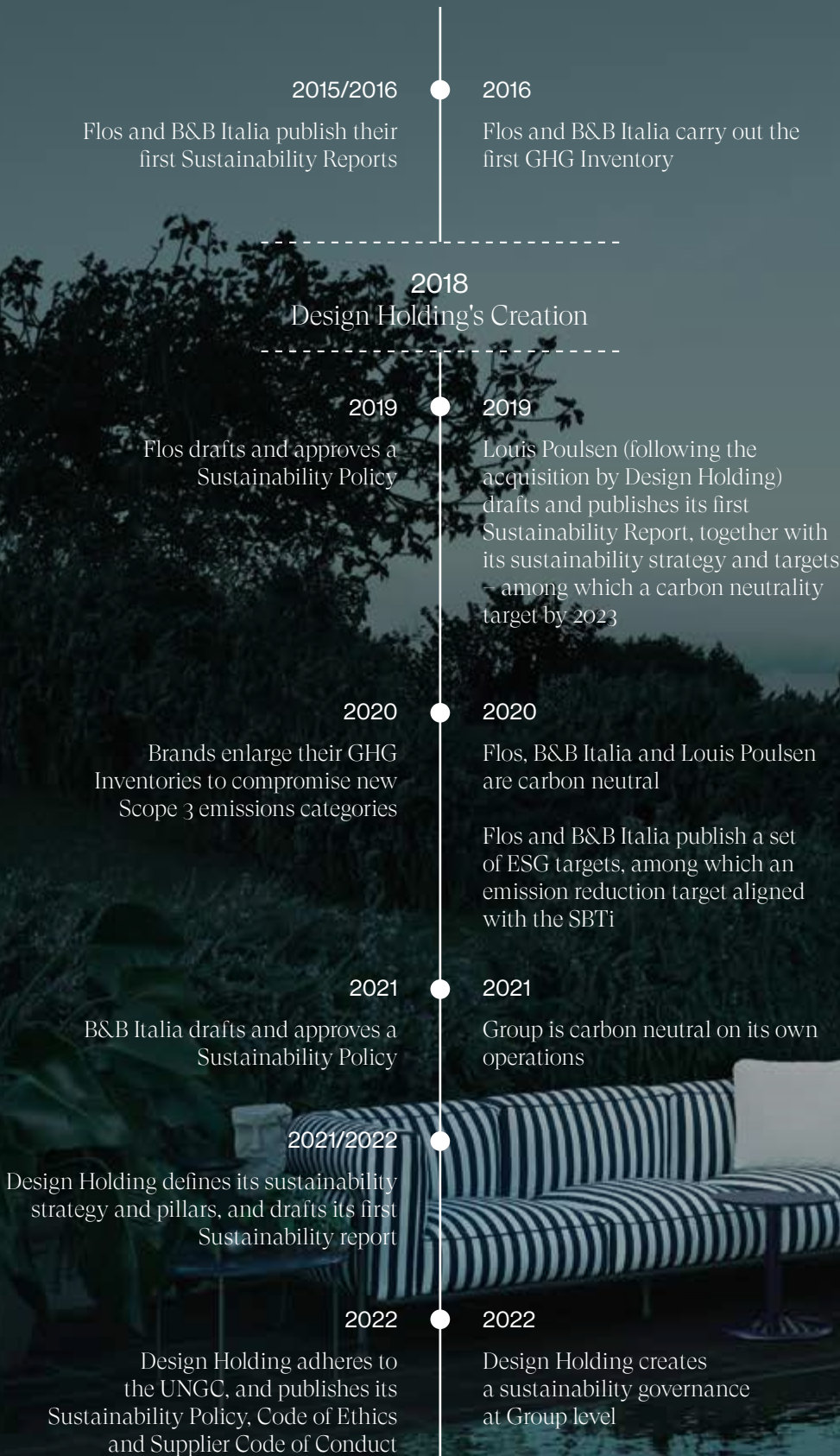


Source: Company information
 Notes: 2022PF Revenues (€m) are proforma data, assuming Lumens and Designers Company are fully consolidated starting from year 2022

⁶ Lumens, Inc.: on Jan 1, 2023 Lumens LLC was merged into YDesign Group which in turn merged into IDG Apollo Parent Inc. and at the same time was renamed in LUMENS Inc.

⁷ Fendi Casa Group is made up of two separate legal entities, DQM and FFD. International Design Group owns 100% of DQM (the ownership percentage above reported), while DQM owns 80% of FFD.

Sustainability Path



Borea sofa by Piero Lissoni, B&B Italia Outdoor

ESG Highlights 2022

Planet

Scope 3

Enlargement of Scope 3
GHG emissions inventory

603,597 tCO_{2e}

GHG emissions: Scope 1,
Scope 2 market-based
and Scope 3

Carbon neutral

Carbon neutral on Design
Holding's own operations for
2020, 2021 and 2022

7 eco-design principles

Creation of a Group-level
Eco-design framework

164 GJ/K€

Energy intensity

78%

Clean electricity: % share of
renewable electricity in 2022

People

2,263

Employees

45%

Women

13,998

Total training hours

97%

Permanent contracts

9.32 hours

Average number of training
hours per employee

Group survey

Group survey rolled out
to all people managers
of the Group

Culture

15

Design awards won by
Design Holding Brands
in 2022 (of which 2
Compasso d'Oro ADI)

3

Brand's Academies

8

Social media where the
Brands of the Group are
present

Innovators Council

Creation of Lumens'
Innovators Council

Design Holding sustainability ethos: the driver behind all that we do

At Design Holding, our design ethos is sustainable. We not only strive to create beautiful objects, but we pursue sustainability as a means of beautification to be reached through creativity and innovation.

We believe our global leadership position comes with great responsibility and we intend to use our platform to model and inspire meaningful change. We are on a journey to pioneer the future of the luxury design industry by creating a new and revolutionary concept of luxury that also drives the sustainability agenda forward.

This year, we are carrying on our sustainable pathway by publishing the second edition of our Sustainability Report, representing a statement of our commitments, enabling us to be held accountable on our performance on the quest to realize a new, sustainable way of making life beautiful.

Our purpose

We design for
a beautiful life

Since the foundation of Design Holding, our mission has been to spread beauty and design culture around the world.

The quest for quality and excellence are key elements of our vision. In an age of throwaway culture, we strive to make products that last a lifetime – that transform spaces into beautiful locations, that bring lasting value to communities, that make people feel good, and that do all these things while mitigating the cost to the nature that provides so much of our design inspiration.

Across our Group we are united in the belief that crafting beauty must be sustainable: our approach to sustainability is driven by mindfulness in manufacturing processes and care in managing the environmental impacts of each operation. We believe in the value of offering consumers products ‘for life’. Products that can be viewed as long-term investments that enshrine both quality and sustainability. And products that respect life, by protecting the world around us.

Every day, at Design Holding, we commit to this aim and pursue this common ethos while preserving each Brand’s strong identity and design DNA. While acting in different domains of high-end design, across different geographies, each Brand in our Group incorporates this mission with dedication in their operations. Beauty, craftsmanship, quality and sustainability are fundamental to our collective creed. Supporting heritage is another shared priority with each member of our Group nurturing design talent, engaging in scientific research and fostering pioneering partnerships to preserve iconic design legacies for the benefit of future generations.

Our design heritage

Design Holding's aspiration has always been to preserve the craftsmanship and design tradition that characterizes our Brands' individual heritages and to enable more people around the world to benefit from the beauty of their iconic designs.

Our Brands continually innovate to respond to the evolving needs and desires of customers. By pushing design boundaries and investing in scientific research and unique creative collaborations they have become global ambassadors of the revered Italian and Scandinavian design cultures.

This commitment has only been possible thanks to the work and continuous engagement of an ecosystem of world-class designers, whose expertise has been blended with the excellence in manufacturing, for which our Brands are celebrated. B&B Italia and Flos, for instance, have maintained long-lasting creative partnerships with iconic designers such as Antonio Citterio, Philippe Starck, Piero Lissoni, Naoto Fukusawa, Gaetano Pesce, Patricia Urquiola, Michael Anastassiades, Barber & Osgerby, Ronan and Erwan Bouroullec, Konstantin Grcic and many others. While Louis Poulsen, has celebrated Scandinavian design through the work of golden-age Danish designers Poul Henningsen, Arne Jacobsen, Verner Panton as well as leading modern designers such as Øivind Slaatto, Alfred Homann, Oki Sato, Olafur Eliasson and Louise Campbell. Audo, on the other hand, can count on heritage designers such as Ib Kofod-Larsen, Alf Svensson and Flemming Lassen, as well as talented professionals carrying on Nordic design heritage, for example Norm Architects and Danielle Siggerud. Finally, Fendi Casa relies on a wide portfolio of talented and world recognized designers contributing to the Brand, such as Marcel Wanders Studio, Atelier Oi, Toan Nguyen, and many others. The high production quality for which our Brands are globally renowned has enabled them to achieve an impressive track-record of awards through the years.

» We are particularly proud of the fact that Design Holding has received 16 Compasso d'Oro prizes, the most prestigious award in the field of Italian industrial design, presented by the Association for Industrial Design (ADI).



Poul Henningsen and the iconic Louis Poulsen lamps

This represents the highest number of wins of this prestigious award in the sector. Moreover, B&B Italia was the first design manufacturing company to be recognized with a Compasso d'Oro award.

The iconic nature of our Brands' designs is not only reflected in the awards they win. It is also reflected in their presence in prestigious museum exhibitions worldwide. For instance, our Brands designs feature in the collections of the world's leading design museums, including MOMA (Museum of Modern Art) in New York, the National Museum of Denmark and the Designmuseum Danmark in Copenhagen, the Triennale in Milan, the Museum of Art Pudong in Shanghai and the Centre National d'Art et de Culture Georges Pompidou in Paris⁸.

⁸ For more detailed information please refer to chapter "Design for Culture".

Design Holding materiality analysis ^[3-1,3-2]

“ We at Design Holding use design to create beauty, to beautify people’s lives, and craft beautiful and innovative objects that – through their design- have both longevity and minimal environmental footprint on our planet across their lifetime. The culture and ethos of sustainability, it is all about designing and crafting beauty – for society, for our own people, and for all the world around us”

Daniel Lalonde, CEO Design Holding

Sustainability is one of the strategic assets to reach Design Holding’s ambitions, underpinning everything we do and helping us reach our primary goal of being a pioneering and responsible global leader in the luxury design market: this document sets out our Group’s sustainability strategy for the coming years, built on a strong analytical process of study.

This year, to strengthen the theoretical basis on which the document is based, we have worked to update the analysis on the pivotal sustainability topics that reflect the most relevant impacts we have through our operations and across our value chain on the economy, the environment and people, including human rights. The impacts the Group generates, or may generate, can be negative, if they produce harm to individuals, society and the environment, or positive if, conversely, they generate a positive contribution to sustainable development. The relevant topics covered in this year’s Sustainability Report were identified using an updated “materiality analysis” process in accordance with the GRI Standards 2021, consisting of the following steps:

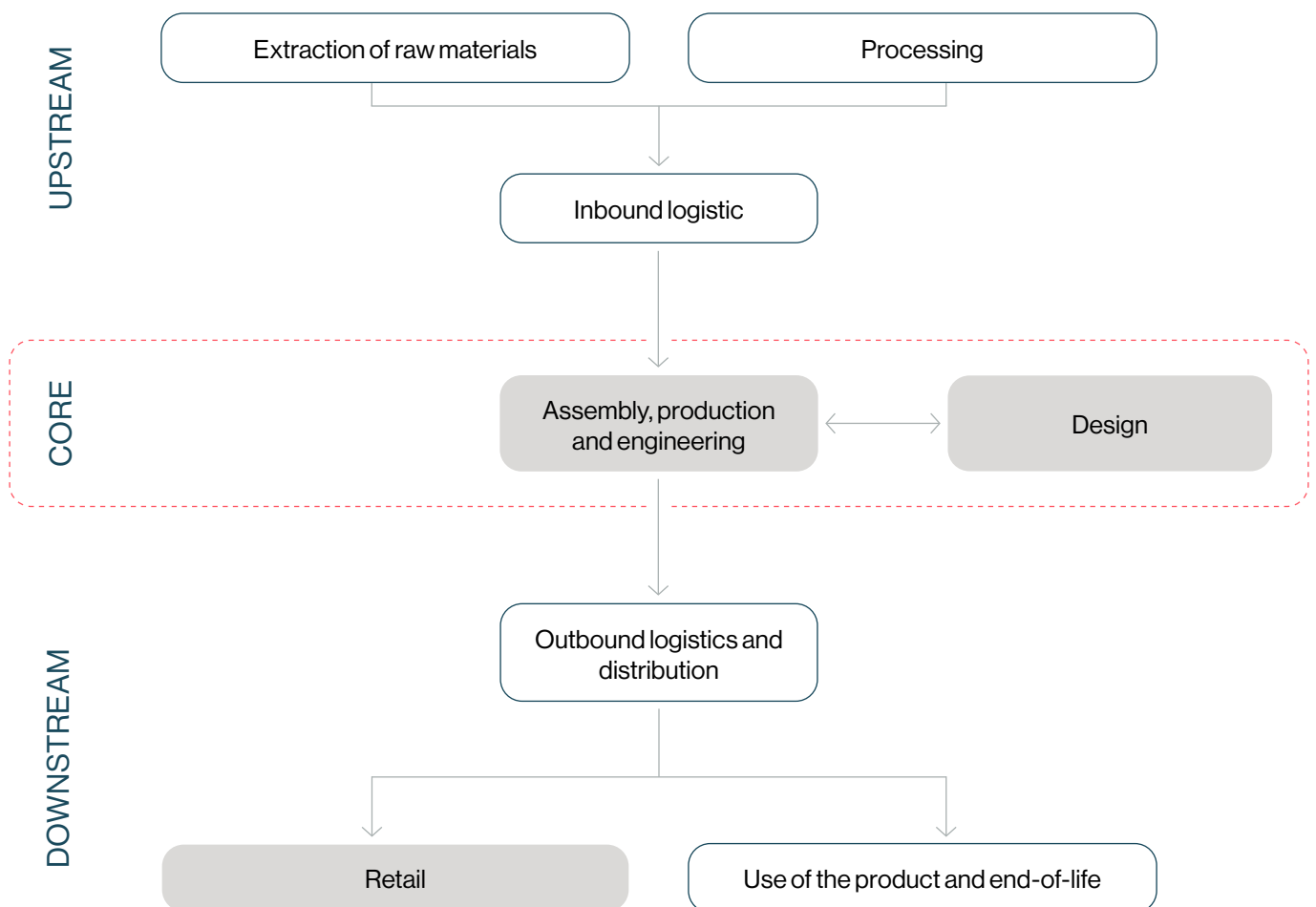
- 01\ an understanding of the context in which Design Holding operates;
- 02\ the identification of the current and potential negative and positive impacts that the Group and its value chain have or may generate;
- 03\ an evaluation of the significance of each impact, based on its severity and likelihood, as well as a prioritization of the impacts;
- 04\ the identification of the material topics associated with the impacts identified as pertinent in the preceding steps;
- 05\ the validation of the impacts identified by Design Holding top management and relevant stakeholders.

The context in which we operate

In order to identify the impacts we generate, all stages of the Group's value chain were mapped, identifying activities managed directly by the Holding and by our Brands (Core) as well as activities carried out by other actors, such as suppliers and other stakeholders, both upstream or downstream.

In particular, our value chain is comprised of different production processes and spaced across multiple geographies. To manage this complexity, supply chain management is devolved to our Brands and individual subsidiaries, in order to ensure the most territorial coverage possible and tailoring to individual production needs⁽²⁻⁶⁾.

» This structure enables each of our Brands to champion local suppliers and support the local communities in which they operate. This in turn improves reliability and delivery times and enables Brands to maintain a close and lasting relationship with suppliers.



Company's operations

Each Brand of our Group can count on a consolidated business model, comprising production facilities and a carefully selected suppliers' network, necessary to maintain and expand production capacity. However, the insourcing and outsourcing mix is structured in a way that keeps the most critical phases in-house, so as to ensure the highest level of quality and service to clients and customers. In particular, our Brands mainly operate in the design; assembly, production and engineering, and retail phases of the value chain (Core).

Mapping our value chain has laid the foundation to identify in which stages we have or could have a greater impact. These impacts were then identified through an analysis focused on the sector we operate in, on the sustainability issues spotted by the media, and on a benchmark of the impacts of the Group's main competitors and comparable companies.

Identification and evaluation of significant impacts

At this stage, the impacts we identified were addressed by an assessment of their significance, based on different attributes:

- severity of the impacts, determined by scale (how grave the impact is), scope (how widespread the impact is on the value chain), and irremediable character (how hard it is to counteract or make good the resulting harm);
- likelihood, namely, the chance of the impact happening.

Thanks to this process, we were able to confirm the following material topics, corresponding to the Groups' sustainability impacts. The whole process was validated by a workshop carried out with the Top Management of the Group.



Aurae sofa by Antonio Citterio, Maxalto

Material topics	Description of material topic	Impacts	Value chain
Inclusion & Empowerment	To foster an inclusive and empowering workplace for everyone, ensuring equal opportunities, growth paths and fairness in our business activities	Discrimination of employees and lack of equal opportunity due to inadequate D&I practices	Core
		Workforce skills development through the promotion of training activities	Core
Business Ethics & Responsibility	To ensure social, ethical and environmental compliance throughout our value chain and operations	Damage caused by violation of legislation on business conduct	Core
Eco-Design & Circular Economy	To integrate eco-design principles and circular economy drivers into our processes, from product design and engineering to end-of-life	Environmental pollution generated by mismanagement of waste	Upstream Core Downstream
		Promotion of Eco-Design and Circular Economy principles	Upstream Core Downstream
Energy & Climate Change	To actively engage in the fight against climate change by reducing emissions across our Group and by encouraging the use of renewable energy	Climate change due to greenhouse gas emissions	Upstream Core Downstream
Responsible Sourcing & Sustainable Supply Chain Management	To strengthen our foothold on our value chain by actively engaging our commercial partners while ensuring the utmost respect of all working conditions	Human and worker rights violations resulting from inappropriate working conditions	Upstream
		Depletion of natural resources caused by raw materials consumption	Upstream
Employees Well-being	To put initiatives in place to enhance our employees' well-being and guarantee the highest standards securing health and safety	Poor working conditions and lack of employees' wellbeing due to an improper protection of workers' safety and mental health	Upstream Core Downstream
Innovation & Product Quality	To secure the highest quality and safety standards for our customers while adopting the best technologies and committing to delivering the highest product experience	Unique and life-lasting products	Downstream
		Loss of brand credibility due to non-reliable marketing and labelling	Downstream
Heritage & Design Culture	To preserve the heritage of design icons and promote and disseminate art and design culture across the global community	Preservation of cultural and design heritage	Downstream

Our sustainability pillars

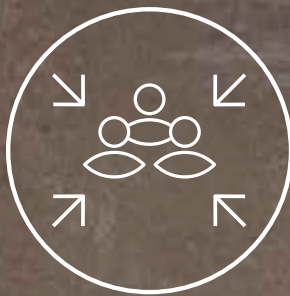
Our sustainability commitment continues to be underpinned by three drivers, forming the backbone of Design Holding's sustainability mindset.

DESIGN FOR THE PLANET



To foster our commitment to sustainability, by blending innovation, eco-design, and circularity principles in our business activities, and throughout our value chain.

DESIGN FOR PEOPLE



To ensure a thriving workplace that guarantees fairness and inclusion as well as generating value to communities around the world.

DESIGN FOR CULTURE



To nurture our Brands' identities by preserving craftsmanship and design heritage, from scientific research to the preservation of design legacies for the benefit of future generations.

Our products are not only beautiful objects. They are the result of a mindful process that considers the environment, the interests of all our stakeholders, our heritage and community: this sustainability strategy sets out how we will design for the Planet, for People, and for Culture:

- By '**Designing for the Planet**', we are stating our pledge to a thorough and environmentally committed approach throughout our operations, from production lines to office activities. This translates into embedding eco-design principles into all our Brands' design and engineering processes and assessing crucial aspects along the value chain by monitoring ESG risks. Working alongside our suppliers, we as a Group are committed to not only improving our own performance, but to being a beacon for the high-end design sector, spreading sustainability consciousness and modelling and driving forward change.
- By '**Designing for People**', Design Holding is demonstrating that, products can be designed and made to last a lifetime and to bring beauty and value to homes and communities. We are actively engaged in creating an inclusive working environment where diversity can thrive, and in developing a powerful mindset that enables our employees to enjoy exciting careers and realize their full potential. Design Holding also intends to be a proactive actor in the communities of which it is a part through the establishment of partnerships that create long-term social value.
- By '**Designing for Culture**', Design Holding seeks to preserve the craftsmanship enshrined in its Brands' products and to promote the historical value encapsulated in their most iconic design pieces by supporting scientific research and rescuing design legacies for the benefit and enjoyment of future generations.



Fun Fendi seating system by atelier oi, Fendi Casa

The three sustainability pillars constituted the basis to develop our Group's Sustainability Policy: the document, approved by the Board of Directors in November 2022 constitutes the beacon to shape our sustainability strategy in future years. The document outlines our commitment to reduce the impacts our activities generate or could potentially generate, as we are conscious of the responsibilities we have towards the environment and the communities where we operate. The Policy marks how we undertake to progressively include practices and standards designed to promote responsible business operations: the consistent embodiment of sustainability principles in processes makes the Group's quest for quality even more concrete, as it ensures the production of long-lasting pieces of art – combining perfection with durability and circularity.

In drafting our Policy, we were inspired by the principles set out in Design Holding's Code of Ethics, approved by the Board of Directors in November 2022: Legality, Transparency, Accountability and Beauty & Sustainability:

- **Legality:** any activity carried out by the Group and its representatives must be based on honesty, good faith and absolute compliance with applicable laws and regulations, International Labor Organization and United Nations Conventions, and any other relevant statutory requirements. Relationships with public authorities and officials shall be handled with utmost diligence and cooperation.
- **Transparency:** anyone working on behalf of the Group undertakes to provide to its stakeholders truthful, material, and accurate information, bearing in mind that it is essential to keep the solid trust that third parties place in our reliability, while preserving business confidentiality. Information shared with the public shall always be based on reliable sources and, to the extent possible, verifiable criteria. Transparency also inspires our everyday operations and the way we approach public authorities, our competitors and our customers.
- **Accountability:** we and each of our representatives strongly believe in the responsibility that comes with our purpose. We investigate and consider both the positive and the adverse effects, internal and external, of our own activity and of those associated with us and stand accountable for them. We also exercise our influence over our partners to help them meet our standards.

Moreover, we identify and respect the proper allocation of tasks and responsibility in accordance with our internal policies and procedures to guarantee due diligence and compliance.

- **Beauty & Sustainability:** we believe in sustainability as a fundamental means to beautification, and as something inherently beautiful itself. We understand and pursue sustainability as pertaining equally to our impact on the planet, on our people, and on culture. Through our timeless products and by our example, we purport to pass on our values and traditions to future generations. As part of this process, we foster a fair and inclusive work environment, and we promote the utmost respect for health, safety, self-expression, dignity, and individuality. We repudiate and condemn all forms of unfair discrimination and undertake the task to ensure that any decision involving a judgement on the person is taken according to neutral and objective criteria.



Convivium kitchen by Antonio Citterio, Arclinea

The progress of our sustainability journey




This year, our Group continued working on a common path to improve our sustainability impacts: the transition from a linear to a circular economy, the commitment towards climate change mitigation, the search for innovative materials in production and the attention towards people, embodied by the Group's sustainability pillars. The shared path to become a sustainability pioneer in our field is therefore built on the diligence and important milestones achieved by our Brands, which are continuing to improve their performance towards their individual ESG targets set in the last few years, as well as the KPIs defined at Group's level.

»» The Group is therefore working in profound synergy: for us, blending the sustainability strategies of our Brands and creating a shared path for the future is key to our success both as a Group and as a pioneer in driving forward the collective sustainability commitment of the luxury design market.


As an additional element in our sustainable progresses in 2022, Design Holding S.p.A. joined the United Nations Global Compact Initiative (UNGC)⁹ to strengthen our commitment even further, having been inspired by the partnership experience of Flos, B&B Italia, Louis Poulsen and Menu (part of Audo) to the UNGC, and blending the sustainable strategy of the Group even further. This global coalition of companies is committed to voluntarily aligning their actions and strategies with 10 universally accepted principles on human rights, employment, environment and anti-corruption. They have also committed to act in support of the UN goals, including the Sustainable Development Goals (SDGs). Signatories to the UNGC are required to report annually on progress against the 10 principles to inform and update their stakeholders: this Report embodies Design Holding's contribution to communicating on its progress.

⁹ [Design Holding | UN Global Compact](#)

DESIGN FOR THE PLANET

	Targets	Target year	Update	
Energy and Climate Change	Climate change mitigation is developed by implementing strategies that limit or prevent greenhouse gas emissions and by enhancing activities that remove these gases from the atmosphere. Our objective is to design a Group-wide decarbonization strategy aligned with the Science-Based Target initiative (SBT), building off the work already done by Flos and B&B Italia. This strategy will include both our own operations and our value chain.			
	Definition and validation of a Science-Based Target	2023	In progress	
Eco-design and Circular Economy	Eco-design, according to the European Environmental Agency, considers environmental aspects at all stages of the product development process, aiming to create products that make the lowest possible environmental impact throughout their life cycle. Our objective is to implement an eco-design framework that can be applied across all our Brands' workflows.			
	Define the eco-design framework	2023	Reached	
Supply Chain Management	Sustainability needs to be a guiding principle across our supply chain. Our objective is to implement an ESG suppliers' rating system that enables us to assess each relevant supplier's (defined according to specific criteria and thresholds) ESG risks, and to treat risky variables by engaging business partners.			
	Define a global framework for the supplier ESG evaluation	2024	In progress	
	100% of relevant suppliers mapped and assessed	2025	In progress	

DESIGN FOR PEOPLE

	Targets	Target year	Update	
Diversity and Inclusion	As a global team, we offer a diverse working environment. We truly believe that a diverse workforce, supported by an inclusive and caring environment that respects and nurtures people, is a way to improve well-being and our business performance.			
	At least 50% employees attending specific training to manage their biases and practice new behaviours.	2024	In progress	
	We are working to increase the proportion of female senior leaders. By the end of 2021, the percentage of women in senior positions was 37%. Our aim is to reach 42% by the end of 2026.	2026	In progress	
People empowerment	Continuous Improvement – Introduce bottom-up committees as well as a structured review process for evaluating and ultimately implementing proposed career development initiatives.			
	Completion of a survey on the entire Group's population to define its current Net Promoter Score (NPS)	2023	In progress	
	20% of Top Performers and High Potential employees involved in career development initiatives.	2023	In progress	

DESIGN FOR CULTURE¹⁰

	Targets	Target year	Update	
Engage communities	Strategic Partnerships – establish a number of partnerships with vocational technical schools, key universities, business schools and other non-governmental institutions to bring value to wider communities.			
	Yearly # of hours dedicated to volunteering programmes	2023	In progress	
	# of projects activated.	2023	In progress	

¹⁰ Due to an ongoing revisiting of the initiative related to "Design for Future", the target has been temporarily moved from the Plan. Design Holding will evaluate future activities to be implemented in the same area.

Governance [2-9, 2-10, 2-11, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20]

To ensure the highest level of integrity while overseeing the management of our impact on the economy, environment and people, and in compliance with applicable laws, Design Holding has implemented a control and governance system based on:

- A shareholders’ meeting;
- A Board of Directors, comprising eight members, which is entrusted with the powers to ensure the ordinary and extraordinary management of the Holding;
- A Board of Statutory Auditors, comprising a Chair, two titular statutory members and two alternate members;
- A Supervisory board, comprising Chair and deputy member, performing controls related to Model 231

The Group has appointed an independent auditing firm.

The Board of Directors¹¹

The Board of Directors is responsible for overseeing the Group’s sustainability strategy, and approving all strategic ESG documents (i.e., Sustainability Report, including Design Holding’s materiality analysis). The Chairman and the CEO have developed high managerial competences within several companies of the luxury sector, while non-executive members have experience in private equity, consultancy or management of retail companies: in order to foster the level of competence and knowledge of the board on specific ESG topics, members were made aware of the contents of the main ethical documents and procedures (Model 231, Code of Ethics, Supplier Code of Conduct and Whistleblowing)¹². The Board is helped by shareholders in its activity through the employ of internal resources of support.

Board members

Gabriele Del Torchio	Chairman of the Board
Daniel Lalonde	CEO
Marco De Benedetti	Board member
Dante Razzano	Board member
Roberto Maestroni	Board member
Massimiliano Caraffa	Board member
Chiara Palmieri	Board member
Alessandro Varisco	Board member

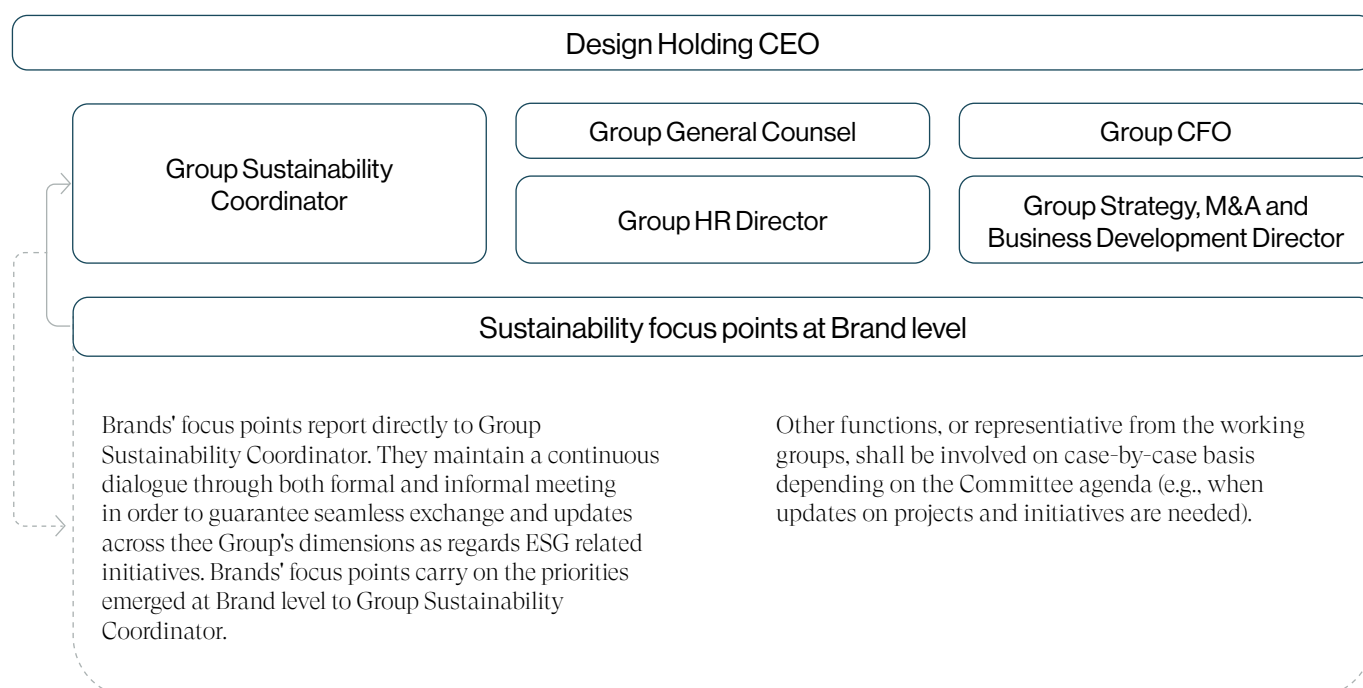
¹¹ The remuneration package for the members of the Board of Directors is approved by the Shareholders’ Meeting. As for the time being, no ESG related incentives and targets are included within the remuneration package.

¹² The tenure of the members of the board is three years, as outlined by the Italian law. Moreover, the board is made up of two male executive members and of six non-executive members (five male and one female), with no independent members. Five board members are more than 50 years old, whilst three members are between 30 and 50 years old. No board member belongs to under-represented social groups. Board members are appointed by Design Holding’s shareholders, while no other stakeholder is involved in the election process. The Chairman of the board is not a senior executive in the organization and there are no board evaluation processes in place at the present time.

Governing sustainability^[2-12, 2-13, 2-14]

To give a common direction to the Group sustainability strategy and to monitor our performance on the ESG targets declared within our Sustainability Report,

we have defined a Group Sustainability Governance, complementing the work of the board and the senior management of the Group. As a result, a **Sustainability Steering Committee** has been formed, meeting periodically to discuss the progression of Design Holding's sustainable strategy.



» The CEO is entrusted with the management of ESG issues, advised by the Sustainability Steering Committee, of which he is a part of together with Group key level personnel both at Group and Brands level, with Brands' focus points reporting directly to Design Holding' Sustainability Coordinator.

The Brands' focus points and the Group Sustainability Coordinator meet regularly, to ensure exchange and updates across the Group's dimensions as regards ESG-related initiatives, as well as pursuing the priorities emerged at Brand level¹³.

The goal of the Committee is to identify and manage the organization's impacts on the economy, environment, and people. The responsibilities attributed to the Committee, which meets on a quarterly basis, relate to the definition of the objectives inherent to Design Holding' sustainable development path and the coordination and the management of the Sustainability Plan, monitoring its implementation and its updating.

The Sustainable Governance of Design Holding has then been completed by the setting up of several cross-brand working groups, whose components address the different ESG themes and streams relevant to our Sustainability Strategy. The members are referents of the Brands and possess a high level of competence and technical knowledge on specific ESG topic, such as product eco-design, supply chain management and diversity, equity and inclusion.

¹³ At the present time, no formal procedures are in place in which the Board of Directors formally reviews the work of the Sustainability Steering Committee.

Design for the Planet

“ To foster our commitment to sustainability, blending innovation, eco-design, and circularity principles in our business activities, and throughout our value chain.”



Inspiring the future of eco-design

By ‘Designing for the Planet’, we state our embracement of an ecologically conscious mindset throughout our operations, from production lines to office activities. We do this by incorporating eco-design and circularity concepts within our design and engineering processes, being alert to ESG risks in all our operations and by actively implementing climate change mitigation strategies throughout our value chain.

All the Brands of our Group continue to embrace the use of innovative materials, design methodologies and collaborative partnerships, implementing all required steps to reduce their environmental impact, always staying abreast of regulatory changes and scientific advancements.

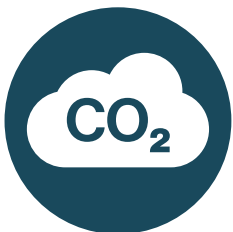
The first Group-wide eco-design framework developed this year provides evidence of our commitment to minimize our environmental impacts in manufacturing processes, becoming a beacon to guide our Brands in implementing circularity principles, enabling them to share knowledge and best practices. In addition, we have revisited our design process and some existing collections in order to enhance their environmental performance, incorporating new, efficient materials.

A drive for leading climate and environmental consciousness

We intend to play our part in tackling climate change by progressively reducing our direct and indirect greenhouse gas (GHG) emissions. We will do this by setting transparent, ambitious, and measurable targets in accordance with the Science Based Target initiative (SBTi), a globally recognized standard driving ambitious climate action in the private sector. In order to honour this pledge, we are working in synergy with our Brands, learning from the efforts they are putting in reaching their individual targets for emissions reduction.

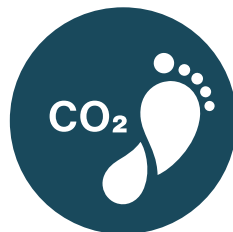
Finally, we are committed to engage our suppliers in embracing sustainable practices to reduce their own environmental impact, spreading climate consciousness, and encouraging the adoption of disruptive solutions to limit the usage of raw materials and to improve packaging processes.

603,597 tCO_{2e}
Total GHG Emissions



Total Scope 1, Scope 2 market-based and Scope 3

7.7 emission intensity



7.7 emission intensity Scope 1 + Scope 2 Market-based in 2022 (vs 13.2 in 2021)

Carbon Neutral



Design Holding is carbon neutral since 2020

78% Clean Electricity



Share of renewable electricity in 2022

Our Group's global production

As a thriving Group, our global presence has increased during the last few years, spreading into new regions and markets with the acquisition of new Brands. This means that we have to be responsible for our environmental impacts in different territories around the globe and be able to implement differentiated strategies according to local contexts, whilst also recognizing climate change as a global issue.

A part of our Group's environmental impacts is related to production activities carried out by our Brands, mainly based in Europe.

B&B ITALIA

B&B Italia's corporate facilities comprise three manufacturing sites:

- **Novedrate** Italy site houses the head office, the upholstered furniture production section, the R&D Centre, and the showroom.
- **Misinto** Italy plant produces Maxalto collections, with particular focus on wooden products. The plant features the most up-to-date technological equipment, ranging from machinery to cut panels to paintbrushes and assembly lines.
- **Caldogno** Italy plant is where Arclinea production activities takes place. The factory is situated on the site of the original wood workshop where the company started its activities in 1925.

FLOS

Flos production activities are also located across three main sites:

- **Bovezzo** Italy site houses production of the decorative segment of Flos S.p.A., including production of several product categories such as table lamps, floor lamps, pendant lamps, and wall & ceiling solutions
- **Bernareggio** Italy site produces pieces of design for Flos Outdoor collection, created to illuminate public spaces.

- Products of the architectural segment are developed at the facilities of Antares Iluminacion in **Valencia**, Spain. The line focuses on professional and residential lighting systems, custom-made solutions, and soft architecture products.
- The bespoke segment operates in the **Collebeato** Italy facility.
- The Group's custom product manufacturing division of its US subsidiary, Flos Inc., operates in **Long Island City**, NY-USA.

LOUIS POULSEN

- Louis Poulsen production activities takes primarily place at the **Vejen** factory in Denmark. Louis Poulsen HQs are located in Copenhagen, Denmark.

FENDI CASA

- Production activities take place at the Italian **Misinto** plant.

AUDO

- Production activities take place in **Holstebro**, Denmark.

Our eco-design and circularity principles in action

» At Design Holding, we aim to make sustainability an undeniable part of the beauty we express through our products: we do this by designing 'for life', prioritizing longevity and quality in every step of our creative process, being guided by eco-design principles: by choosing durable materials and searching timeless designs, we ensure that our products not only withstand the test of time but also contribute to a more sustainable future.

As a tangible expression of this undertaking, we have recently defined a Group eco-design framework, as provided according to the ESG targets included in our Sustainability Plan. Each and every of our Brands has all begun contributing to the evolving framework, starting to include its principles in their manufacturing activities, blending them within their own sustainability – and business – strategies.

Our commitment to sustainability is deeply ingrained in our core values and drives our approach to innovation: for instance Louis Poulsen, a leading light of the Nordic design school, has a rich history of introducing long-lasting high-quality products by manufacturing products that fit seamlessly into a natural context without harnessing any aspects of the surrounding environment. In fact, many of our Brands took their first steps in countryside areas, where respect for nature is a pre-condition for human activities. Among others, this is the story of B&B Italia, based near Lake Como, Northern Italy, where the crafting and furniture industry has deep roots.

Even its facilities, such as its R&D building, designed by Antonio Citterio and Patricia Viel, were conceived to be in complete harmony with the surrounding environment. Additionally, Maxalto and Fendi Casa share the Misinto plant, which is located inside Parco delle Groane, a protected area of 7,700 hectares in the north of Milan. Flos is a source of inspiration for incorporating eco-design and circularity principles as well, having embraced environmentally friendly materials in its designs and revamped product engineering and processes to reduce their impact on the environment.



Production plant, Audio

THE GROUP'S FIRST ECO-DESIGN FRAMEWORK

This year, a product eco-design cross-brand working group was set up, with the objective of defining a common checklist of eco-design KPIs and criteria that each Brand of the Group can follow for developing future products with more environmentally sustainable features.

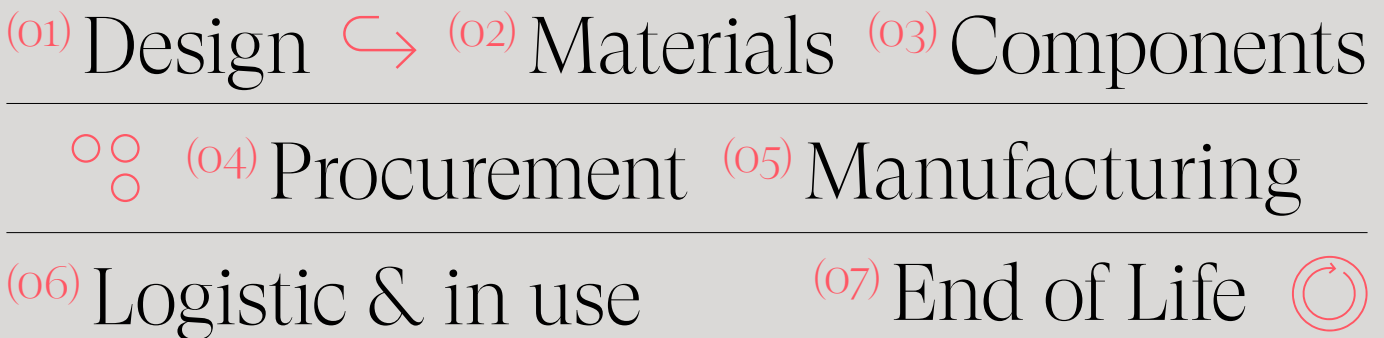
The Seven Eco-Design Principles

DESIGN PRINCIPLES

- ⁽⁰¹⁾ **Design:** to create design pieces that are timeless and long lasting, durable, and able to be disassembled, minimizing the use of raw materials.
- ⁽⁰²⁾ **Materials:** to employ recycled and non-virgin materials when possible, providing transparency on the environmental impact of our products and decreasing the overall toxic emission linked to products and processes.
- ⁽⁰³⁾ **Components:** to utilize high-quality components compliant with international standards, easy to maintain and efficient, resulting in a longer life cycle between replacements.

PRODUCT LIFECYCLE PRINCIPLES

- ⁽⁰⁴⁾ **Procurement:** to select local vendors when possible, ensuring they work to reduce their environmental impact and secure proper working conditions.
- ⁽⁰⁵⁾ **Manufacturing:** to reduce energy consumption, securing a high degree of process control to reduce waste and scrap and ensuring the wellbeing of employees.
- ⁽⁰⁶⁾ **Logistic & in-use:** to use recyclable and certified raw materials to develop packaging to minimize volume, develop energy efficient products and offer availability of spare parts.
- ⁽⁰⁷⁾ **End of life:** to maximize the use of raw materials which can be recycled and use certified partners to secure handling of disposal and waste and explore how to extend the life of our products beyond the end of their use.



Our efforts to reduce products' impact throughout their lifecycle

» This year, our Brands have continued encapsulating circularity and eco-design principles at different stages of their manufacturing processing: importantly, this practice does not only involve the creation of new products but is also focused on enriching some of their existing collections with the goal of improving environmental performance, reducing impacts, and using new, efficient materials.



PH5 Retake by Poul Henningsen, Louis Poulsen

For instance, [Louis Poulsen](#) has implemented an innovative Take-Back Scheme with the aim of extending the lifespan of worn-out, damaged, or returned products and being accountable for the entire life cycle. The program was launched last year, with a scope of a hundred products and only selling products in Denmark. In 2022, the take back scheme was developed further. The most notable example of the project is the PH 5 pendant by Poul Henningsen, one of Louis Poulsen most iconic and best-selling products: the Brand's own production facilities manage the upcycling process where existing materials get reused, and the recycled product are sold with same guarantee as new ones.

Furthermore, Louis Poulsen has developed an electronic platform for portable lamps, to ensure new developments utilize shared components and have common electrical interfaces. The goal is to make sure that all electronic components can easily be replaced at the end of their life, contributing to an extension of the lifespan of the product: this is done by making sure that batteries and LED arrays can fit various product designs. A notable example of these efforts is the Panthella Portable Opal V2, equipped with a replaceable battery which can be charged with a Qi charger.

Since 2018, **B&B Italia has sought to incorporate circular economy principles** across its design and production processes to improve the recyclability of some of its iconic collection. Working with a third-party laboratory, B&B Italia has been amongst the first in the furniture sector to evaluate products' circularity with a rigorous process, measured in accordance with the Italian guidelines set by the Ministry of Environment, Land and Sea Protection in collaboration with the Ministry of Economic Development: the metrics include a comprehensive set of indicators developed internally, including the recyclability of the input materials and overall product. The scope of the study has been expanding over the years by including a wide range of product collections, both indoor and outdoor. In 2022, the Brand has analysed the Nooch collection, whose table, flat insert, and corner element were rated 74%, 97% and 73%, respectively. Moreover, the Flair O' Outdoor chair was rated 70%, while the Cordoba chair obtained a score of 95% for its indoor version and 90% for the outdoor one.

Moreover, the most poignant example of our Brand's eco-design principles in action is Le Bambole, a revisitation of an iconic sofa of 1972 that was awarded the Compasso d'Oro in 1979.

LE BAMBOLE: RENOVATING A CLASSIC THROUGH SUSTAINABILITY LENSES

Designed by B&B Italia in collaboration with Stella McCartney, 'Le Bambole' perfectly succeeds in re-imagining an iconic classic through eco-design and circularity lenses. Internally, the sofa's frame and structure are made with a 98% recycled polyethylene (compared to an average for second-hand

polyethylene of 30-50%), which is also fully recyclable. Furthermore, the thermoplastic material used in the under-seat compartment can be easily separated from the sofa, in order to optimize its disposal at the end of the lifetime. To prevent the excessive use of plastic, the polyurethane foam elements used are reduced by 65% in volume compared to earlier models. Finally, the padding is recycled and recyclable, while its removable cover is made of 100% natural jute.



Le Bambole armchair by Mario Bellini, B&B Italia

THE PROTECTION OF THE SURROUNDING ENVIRONMENT IN OUR BRANDS' PROJECTS: LUMMUS PARK

Our Brands not only care for reducing their impacts through the introduction of circularity and eco-design principles in their products but are also attentive to respecting the natural environment in which they operate. It is the case, for instance, of Louis Poulsen's illumination at Lummus Park, in Miami Beach: the selection and implementation of the Brand's Albertslund Post Tops in the project included considerations about wildlife preservation and the reduction of light pollution.

Miami Beach is home to a large marine turtle population that relies on moonlight for wayfinding during the nesting season, so selecting illumination that did not disturb this was an important consideration

when planning the lighting at Lummus Park.

To support this, Louis Poulsen's Albertslund Post Tops are retrofitted with amber light to reduce the impact of the illumination on the nesting season and serve as a long-term strategy for better protecting the native sea turtles of Miami Beach.

Additionally, the Lummus Park project is equipped with motion sensors on a mesh network, which allows for 100% controllability optimized for both humans and wildlife. As such, during the turtle nesting period, the park's illumination is dimmed to 40% output between midnight and sunrise, however the motion sensors allow the park to reilluminate up to 50%.



Lummus Park, Miami, Louis Poulsen

Flos is also fast becoming a source of inspiration in how to embrace eco-design and circularity principles in high-end design: over the past few years, the Brand has been investing in developing a structured eco-design strategy, of which Almendra by Patricia Urquiola, the Brand's flagship product of 2022, Arco K, designed by Achille e Pier Giacomo Castiglioni and Skynest, developed by Marcel Wanders Studio are the overarching representations. In particular, Almendra has been designed to be easily dismantled, which is reflected in snap-in connections between pieces without using any screws or glues. Moreover, its petals are made of a special polycarbonate deriving from a by-product of paper production, facilitating the recycling process, and reducing impacts. On the other hand, the heart of Arco K idea is the use of a material that is recyclable, heavy, and refined at the same time: a lead-free crystal, commonly used for optical prisms in labs, laser generators, and small gadgets that require 3D laser engraving. Finally, Skynest is characterized by fabric coming from fully recyclable polyester. No glue is used to assemble the different parts, with each element held in place thanks to special micro connectors, so that each light element can be easily dismantled in view of any repairs and replacements.



Arco K at Invisible House, California, Flos

Lastly, Audo has committed to implement eco-design in the R&D phase by developing a set of responsible design and manufacturing criteria. Audo places high value on its products' durability, timelessness, and tactility, being fully aware that the actual lifetime of any given product is a vital factor in influencing its environmental impacts. Therefore, the Brand has established criteria that must be met throughout the design and manufacturing processes: for a product to be considered 'responsible' within the Brand's collection, it must fulfil at least seven out of the following nine criteria:

- Made Well for Longevity - Products must be designed with materials, production processes, and warranty policies that help increase their quality and prolong their lifespan.
- Solutions for Repair and Revitalization - The design should encourage repair or updates to the product to extend its useful life.
- Design for Disassembly - Products should be designed with materials and components that can be taken apart at the end of use.
- Declaration of Materials - Full transparency on the type of materials and substances used is required.
- Safe Substances - All substances contained in the product must be investigated, and any chemicals that are classified as CMR (carcinogenic, mutagenic, or toxic to reproduction), indoor air pollutants or known allergens must be excluded.
- Material Life Cycle Screening - Products should be designed with consideration for their entire lifecycle.
- Near-market Production - Opportunities for near-market production should be investigated, and when possible, products should be produced close to the location where they will be sold.
- The Code of Conduct - The product's suppliers must comply with a code of conduct that prioritizes responsible and sustainable production practices.
- Certifications - The product must obtain approvals from verified, third-party environmental and legal labelling schemes such as FSC®, Oeko-Tex (one of the world's best-known labels for textiles tested for harmful substances) and Declare (a product transparency disclosure that lists all products' materials).

In order to have a more specific understanding of their impacts, some of our Brands have performed Life Cycle Assessments (LCAs)¹⁴ on a number of their products in 2022. The calculation ranges from the extraction of raw materials to production, distribution, use and final disposal, returning the environmental impact values associated with the product lifecycle. Armed with this knowledge, our Brands will be able to identify opportunities for improvement, employ more sustainable alternatives in their choice of materials and make well-informed decisions to effect positive change.

LIFE CYCLE ASSESSMENTS: A TANGIBLE WAY TO MEASURE OUR PRINT

B&B Italia

Having the desire to move in the direction of increasingly responsible design, B&B Italia has performed a thorough life cycle assessment on its Cordoba armchair. Developed by the Foster and Partners design studio, the chair is mainly composed of wood, while its back and seat are made of easily removable, thick leather.

Louis Poulsen

Louis Poulsen has carried out a series of Life Cycle Assessments on several of the products in its range in 2021: the result was the development of 17 new environmental product specifications for building a new product each with sustainability principles embedded. In 2022, the Brand continued documenting its environmental impacts, developing Environmental Product Specifications for all B2B, architectural, and outdoor products.

Arclinea

Arclinea has conducted a Life Cycle Assessment to analyse, quantify, understand, and verify the impact on the environment generated by the manufacturing processes of some pieces belonging to its Thea kitchen: the base unit's deep drawers and shelves, as well as the column and the wall unit. In particular, the life cycle of the product manufactured and sold by the Brand was analysed using a "cradle to gate"¹⁵ approach.



Thea kitchen by Antonio Citterio, Arclinea

¹⁴ Life Cycle Analysis, or Life Cycle Assessment (LCA), is an analytical methodology to quantify the environmental impacts associated with all stages of the life cycle of a product.

¹⁵ Cradle-to-gate refers to the carbon impact of a product from the moment it's produced to the moment it enters the store.

Responsible Purchasing

» As we constantly work on minimizing our Group-wide environmental impact, we are fully committed on reducing the use of chemicals and non-recyclable materials while maintaining high quality standards for our design pieces.

By closely monitoring materials and components, our Brands are everyday shifting their purchasing decisions towards more efficient and more sustainable choices, from the very outset of their production process, as well as by avoiding hazardous materials and, where feasible, using natural and recyclable components.



Eave Modular Sofa by Norm Architects, Audo

The table shows the quantities of purchased raw materials and semi-finished products across 2020, 2021 and 2022, for which the general increase is mainly attributable to the enlargement of our reporting perimeter, to a general increase in production volumes and to changes in the calculation methodology¹⁶.

Materials used by weight (ton)¹⁷ [301-1]

Materials	2020	2021	2022
Wood	2,441	2,756	5,395
Iron/Steel	1,490	1,760	2,865
Aluminium	1,767	2,439	2,502
Plastic	312	438	706
Glass	254	281	693
Marble	656	808	646
Fabrics	262	293	542
Polyurethane	-	-	355
Chemicals	294	338	160
Appliances	65	81	92
Leather	33	78	68
Brass	38	42	53
Paints	424	558	45
Silicone	-	-	45
Gypsum	37	58	29
Ceramic	0.4	0.5	18
Glue	10	8	12
Zinc	-	-	11
Copper	-	-	9
Rubber	7	8	7
Cotton	-	-	2
Concrete	-	-	2
Other metals	-	-	2
Paper	0.1	0.3	1
Total materials	8,089	9,948	14,260

¹⁶ The increase in usage for some categories is mainly due to the inclusion of Louis Poulsen with respect to 2021, since the Brand has implemented a data collection process on materials consumption for the reporting year 2022. This, in turn, results in the input of new materials categories applicable to 2022 only such as "Other metals", which is entirely attributable to Louis Poulsen. Moreover, the calculation methodology for B&B Italia has been refined with respect to 2021, resulting in sharp decreases or increases in certain categories of materials, such as "Wood".

¹⁷ 2022 reporting perimeter includes Flos, B&B and Louis Poulsen.

Due to the different mix of materials in our Brands' design pieces, data shows a high heterogeneity in purchasing choices: as an example, the entire amount of wood purchased for 2022 comes from Arclinea, which produces high-end wooden kitchen solutions, as well as from B&B Italia, which uses it to produce its furniture design pieces. The same applies for leather, purchased for sofa and chair production by B&B Italia and its branches only. Wood constitutes the highest share in materials purchased, making up for 38% of the total. Among metals, aluminium contributes for a significant portion, accounting for 18% of the total, with Flos as the main purchaser, making up for 83% of the total amount of the material.

In addition to the figures reported on raw materials, semi-finished goods purchased and packaging, Flos monitors semi-finished purchases per unit. The Brand successfully substituted conventional lamps in 2022: this result is related to the application of Regulation 2015/1428/EU, which requires companies not to sell lamps together with traditional light bulbs, thus allowing the customer to choose between LED and traditional sources¹⁸.

Electronic components¹⁹	UoM	2020	2021	2022
Electrical components	Units	4,230,000	5,918,879	7,538,872
LED and LED components	Units	7,680,660	6,477,826	5,874,335
Transformers & power supply	Units	623,824	708,179	310,015
Traditional lamps	Units	4,245	3,312	-

Regarding packaging materials, the table below presents the quantities purchased in 2020, 2021 and 2022²⁰.

Packaging by weight^[301-1]	UoM	2020	2021	2022
Paper	Ton	1,670	2,029	1,917
Wood	Ton	320	469	443
Polyethylene / Plastic	Ton	92	123	122
Polystyrene	Ton	79	103	54
Total packaging		2,161	2,724	2,536

» By investing in innovative materials solutions and exploring new packaging strategies, our Brands aim is that of minimizing their environmental impact, while ensuring the highest level of robustness and protection during transportation of their products.

¹⁸ As of July 2023, the sale of incandescent light sources will no longer be permitted inside the EU market. In compliance with EU regulation 2019/2020, Audo is undertaking the process of converting such lights to LED bulbs.

¹⁹ Data is related to Flos

²⁰ 2022 reporting perimeter includes Flos, B&B Italia and Louis Poulsen.

SHINING A LIGHT ON THE IMPORTANCE OF HIGH QUALITY, SUSTAINABLE PACKAGING

Louis Poulsen

Louis Poulsen is working towards the standardization of its packaging processes by:

- progressively increasing the recyclability of its packaging;
- increasing the use of recycled materials such as recycled cardboard in its packaging solutions;
- implementing bulk packaging for larger projects to reduce the overall volume of packaging required;
- collaborating with suppliers to investigate the use of new packaging solutions to reduce carbon footprint, for example by replacing glossy white printed packaging with high quality brown boxes.

In fact, in 2022 the Danish Brand pushed the use of recycled packaging materials from 60% to 70%, while covering the remaining cardboards packaging materials with FSC® certified ones.

Furthermore, since 2021, Louis Poulsen standardized the requirements for its new packaging solutions, only employing brown, standard packaging, completely eliminating the use of glossy and coloured elements, so that it was able to perform repeatable drop tests, with the goal of reducing the number of damaged products and minimize the use of additional materials and resources needed.

Flos

Flos has been working to progressively replace non-recyclable polyurethane foams with cardboard boxes, specifically designed and developed to deliver the same packaging protection during transportation with a much lower environmental impact. This project allowed Flos to record a significant 64% decrease in the use of polyurethane foams in 2022 since the project was launched in 2013.

In 2022 the packaging of most of the newly launched products is characterized by an additional label “Flos for Planet”, where the sustainability features of the product are summarized. Thanks to the contribution of the R&D team and its insights on product realization, the information provided is tailored for each individual packaging and has a dedicated QR code that lands to Flos’ website.

In addition, another pivotal change in Flos communication strategies regards the replacement of most of the printed catalogues with digital versions and other narrative materials.

Arclinea

Arclinea is carrying out a feasibility study to substitute the packaging currently in use, made of expanded polystyrene (EPS) protection and nylon film, with recyclable and recycled materials such as cardboard packaging.

B&B Italia

With the aim of reducing the volumes of materials used for packaging and shipping, B&B Italia has started rationalizing and reducing the number of packages used for the transportation of its products.

Audo

MENU, part of Audo, adopts a comprehensive approach to product design to ensure efficient packaging with minimal use of materials. To achieve this, the Brand uses compact packaging and carefully selects shock-absorbing materials that provide adequate protection for their products while minimizing waste and maximizing transportation space.

Mitigating Climate Change impacts

As companies around the world are collectively mobilizing to find ways to reduce their actions that might have an effect on climate change, we are taking steps on the same path.

We feel a profound sense of responsibility to help driving change in our sector and ensuring a shared commitment on climate-related issues throughout our value chain: our goal is to design a comprehensive Carbon Strategy, to shape both our own actions and those of our suppliers, business partners and clients in coming years.

» Since 2020, as a first step towards decarbonization, we started to act concretely in fighting climate change. As a result, our first Group-wide action was to purchase carbon credits to compensate for our overall GHG Scope 1 and Scope 2 market-based emissions. This initiative allowed our Group to become carbon neutral on our own activities for 2020, 2021 and 2022 and was implemented as a transition tool to mitigate our impact while working to effectively reduce our Group-wide carbon emissions.

Several of our Brands have already structured their own strategies to reduce their impact on climate; within the series of ESG targets they have adopted for future years, Flos, B&B Italia and Louis Poulsen have all addressed the fight against climate change.

Flos and B&B Italia have committed to reducing their Scope 1 and 2 GHG emissions by 27.5% by 2030, already adopting an emission reduction strategy in line with the SBT initiative, being currently on track to reach the target.

In 2022, both companies also achieved the goal of having 100% of electricity from renewable sources. Louis Poulsen has also pledged to reduce their Scope 1, 2 emissions by 2022 and Scope 3 emissions by 2023. Finally, Menu aims at reducing its Scope 3 emissions relative to turnover by 7% per year by 2030.



Painting process, Flos architectural

CARBON OFFSETTING PROJECTS

As a complement to Design Holding's initiatives to manage and reduce its absolute greenhouse gas ("GHG") emissions, the Company has since 2020 purchased carbon credits to compensate for ("offset") its [residual] Scopes 1 and 2 operational emissions. The Company's primary climate mitigation approach is to reduce its absolute carbon emissions over time. Through the purchase of carbon credits, Design Holding also provides carbon financing to climate mitigation projects beyond its value chain. As each credit corresponds to the reduction (or removal) of one ton of CO₂ equivalent (CO_{2e}), the Company can – under voluntary carbon market standards and guidance – claim it has reached carbon neutrality (Scope 1 and 2) in a given year by purchasing credits to offset its [residual] emissions. From the outset, the two projects from which Design Holding has purchased carbon credits are the "Great Bear Forest Carbon" and the "Guatemalan Conservation Coast" projects. These two projects were chosen because of their strong credentials on environmental and biodiversity issues as well as their social initiatives.

Great Bear Forest Carbon project,²¹

Canada

The Great Bear Forest covers c. 6.4 million hectares of north and central coast in British Columbia in Canada and is home to the First Nations people who have inhabited this land for up to 10,000 years. This rare and rich ecosystem is also home to rare species of plants and animals (including the

Kermode Bear). The aim of this project is to improve forest management in the region, generating emission reductions through the protection of forest areas that were previously designated, sanctioned or approved for commercial logging. The project activities include changes in land-use legislation and regulation that result in the protection of forest areas and reduction of harvest levels.

Guatemalan Conservation Coast project,²² Central America

The Guatemalan Conservation Coast programme works to address the drivers of deforestation through effective law enforcement, land-use planning, education, economic opportunities, and sustainable agroforestry initiatives. Some of the most important project achievements to date are the protection of 30 threatened tree species including the Baird's tapir and West Indian manatee, the protection of 54,157 hectares of threatened forest in the Mesoamerican Biological Corridor and the the creation or support of 1,141 jobs for indigenous and local communities (41% held by women).

²¹ The Great Bear Forest Carbon project is registered on the British Columbia Registry under three different projects: Great Bear (South Central Coast) 104000000011319, Great Bear (Haida Gwaii) 104000000011559 and Great Bear (North and Central-Mid Coast) 104000000012798 aims to generate Improved Forest Management and reforestation-based carbon credits.

²² The Guatemalan Conservation Coast project is registered on the Verra registry, REDD+ Project for Caribbean Guatemala: The Conservation Coast 1622, applies Verra's Verified Carbon Standard (VCS Standard v4.3 VM0015) and the Climate, Community and Biodiversity Standards v.3.1, and will generate carbon credits from avoided unplanned deforestation representing c. 22 million tonnes of CO_{2e}.

Reduce GHG emissions and energy consumption

At Design Holding, we are committed to monitoring and reducing our energy consumption and related GHG emissions as a first step to accurately plan future reduction initiatives. Our Brands have been actively streamlining and minimizing their energy consumption to achieve our Energy and Climate Change ESG objective. At Group level, our aim is that of establishing, by 2023, a decarbonization strategy by laying out a dedicated action plan, timeframe, and emission reduction activities.

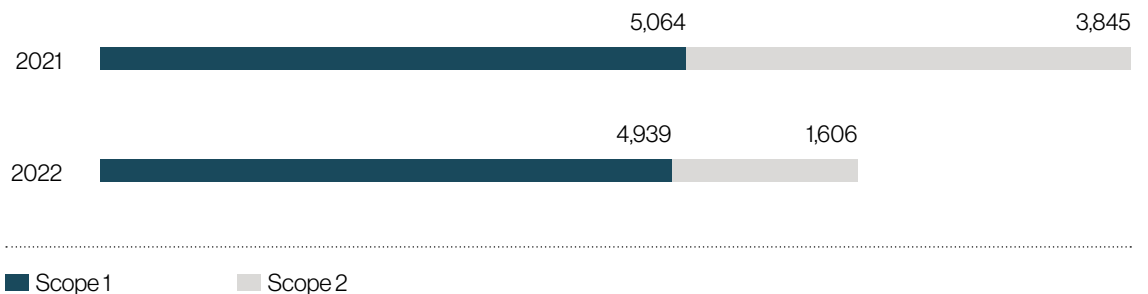
In 2022, and in line with last year, we monitored all direct GHG emissions (Scope 1), as well as the indirect emissions resulting from energy purchased (Scope 2) in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

As per Scope 1, the overall number of direct emissions decreased by 2%, showing a comparable trend with respect to 2021 levels despite the enlargement of the reporting perimeter, consistent with the overall energy consumption reduction.

In line with the previous year, Scope 2 emissions resulting from electricity purchased from the national grid and from the purchase of heat and steam have been calculated by adopting both location-based and market-based methods. The first reflects the average emission intensity of grids, considering both renewable and non-renewable production, whilst the latter reflects emissions from the electricity source that the Group has specifically chosen.

While Scope 2 location-based emissions increased by 7% compared to 2021, Scope 2 market-based have decreased by 58% as a result of the purchasing strategies of some of our Brands, with Flos and B&B Italia²³ covering 100% of the electricity needs for their productive plants with Guarantees of Origin (GOs), and Louis Poulsen covering 75% of its electricity from certified renewable sources.

Scope 1 + Scope 2 (Market-based) emissions (tCO_{2e})



²³ Flos and B&B Italia commercial branches' electricity consumptions are not covered by Guarantees of Origin.

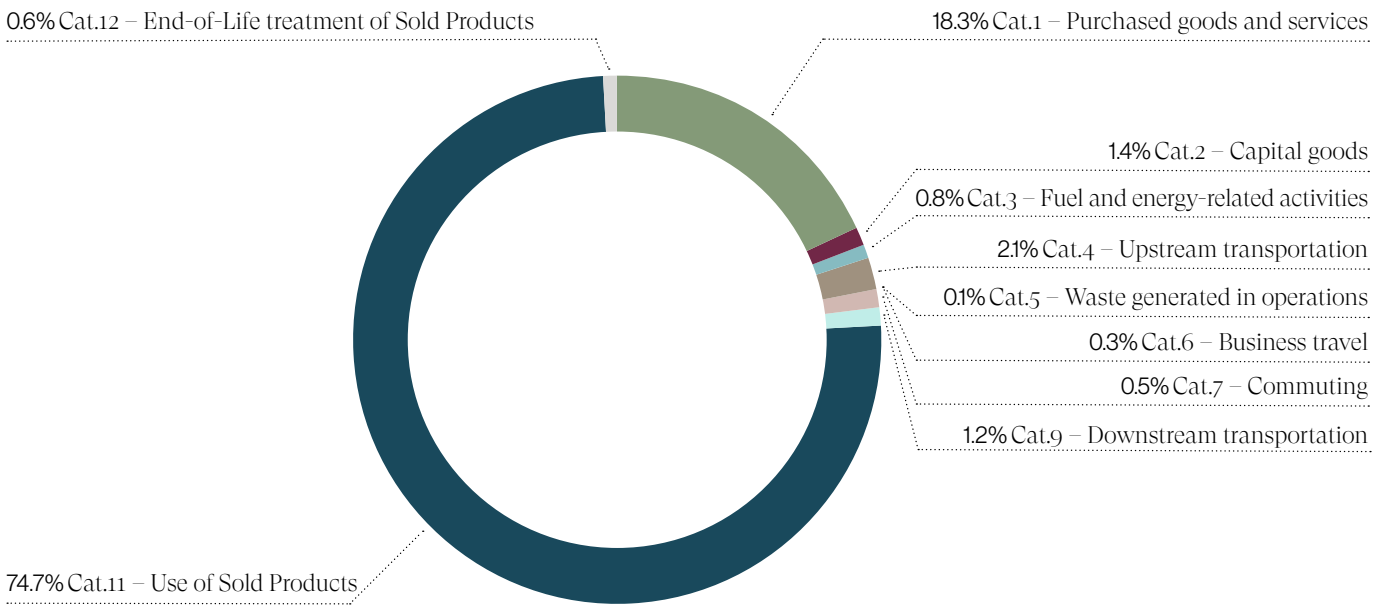
Furthermore, this year we enlarged our Scope 3 downstream emissions perimeter, now including all our Brands and Milan HQ, and comprising emissions deriving from the 10 most relevant categories out of the 15 identified by the GHG Protocol:

Scope 3 Categories

Category 1 Purchased goods and services	Category 1 includes all upstream (i.e., cradle-to-gate) emissions from the production of products purchased or acquired by the reporting company in the reporting year. Products include both goods (tangible products) and services (intangible products).
Category 2 Capital goods	Category 2 includes all upstream (i.e., cradle-to-gate) emissions from the production of capital goods purchased or acquired by the reporting company in the reporting year.
Category 3 Fuel-and-energy-related activities not included in Scope 1 or Scope 2	Category 3 includes emissions related to the production of fuels and energy purchased and consumed by the reporting company in the reporting year that are not included in scope 1 or scope 2.
Category 4 Upstream transportation and distribution	Category 4 includes emissions related to the transportation and distribution of products purchased by the reporting company in the reporting year between a company's tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by the reporting company). It also includes transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics, and transportation and distribution between a company's own facilities (in vehicles and facilities not owned or controlled by the reporting company).
Category 5 Waste generated in operations	Category 5 includes emissions from third-party disposal and treatment of waste generated in the reporting company's owned or controlled operations in the reporting year. This category includes emissions from disposal of both solid waste and wastewater.
Category 6 Business travels	Category 6 includes emissions from the transportation of employees for business related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars.
Category 7 Employee commuting	Category 7 includes emissions from the transportation of employees between their homes and their worksites.
Category 9 Downstream transportation and distribution	Category 9 includes emissions that occur in the reporting year from transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting company.
Category 11 Use of sold products	Category 11 includes emissions from the use of goods and services sold by the reporting company in the reporting year. A reporting company's scope 3 emissions from use of sold products include the scope 1 and scope 2 emissions of end users. End users include both consumers and business customers that use final products.
Category 12 End-of-life treatment of sold products	Category 12 includes emissions from the waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life. This category includes the total expected end-of-life emissions from all products sold in the reporting year.

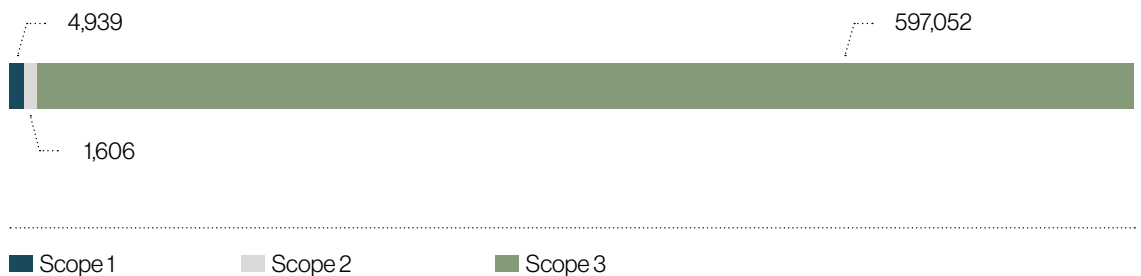
As the pie-chart shows, Category 1 constitute almost 18% of the total scope 3 emissions, including all upstream emissions from the production of products purchased or acquired by the Brands. Similarly, category 11, comprising the use of sold products, represents a significant portion of the overall Scope 3 emissions, accounting for 75% out of the total. This category encompasses all emissions arising from the use of goods and services sold by our Brands during the reporting year ^[305-3].

2022 Scope 3 GHG emissions (%)



As the graph shows, the vast majority of our emissions derive from Scope 3, accounting for 99% of our overall emissions (Scope 1, Scope 2 market-based and Scope 3).

Total 2022 GHG emissions by Scope (tCO_{2e})



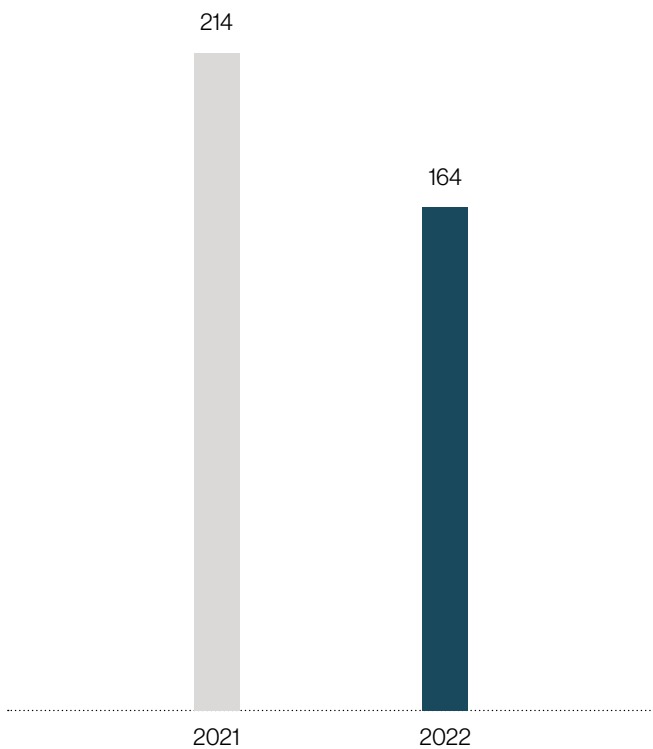
Energy consumption

In 2022, despite the acquisition of Fendi Casa and Audo, there was an overall 4% reduction in energy consumption: this result is mainly achieved thanks to the measures implemented by Flos and Arlinea (B&B Italia).

» Flos replaced 80% of their office lighting sources with LED bulbs, while B&B Italia has recently completed the start-up of a new, more efficient heating system at its Misinto site.

Moreover, the initiatives implemented by the Brands lead to an overall decrease of the Group's energy intensity²⁴, from 214 GJ/k€ in 2021 to 164 GJ/k€ in 2022^[302-3].

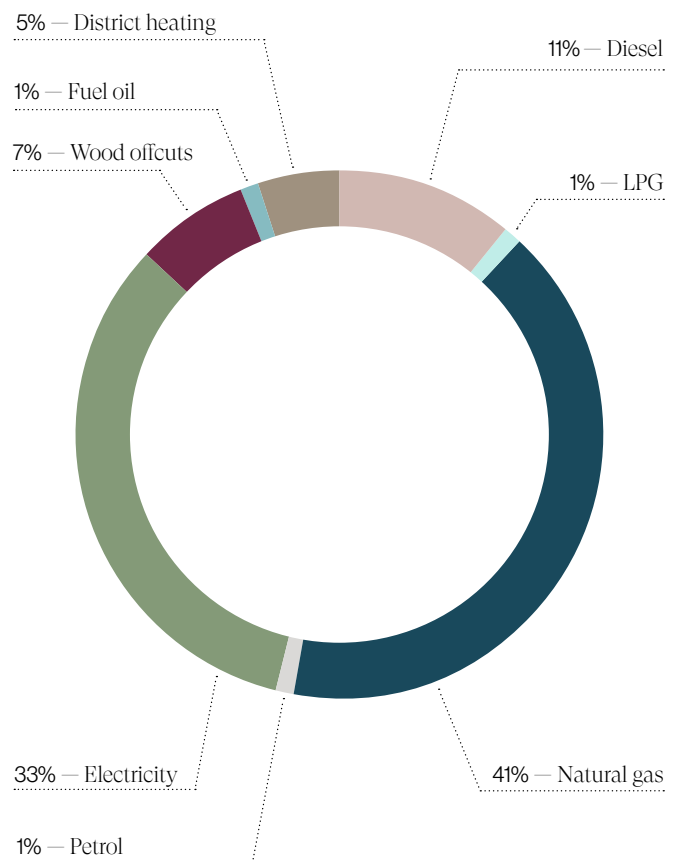
Energy intensity (GJ/K)



The chart illustrates the leading factors contributing to the energy consumption and their significance. Notably, electricity for lighting and industrial machinery functioning, and natural gas for heating purposes.

The furniture segment of the Group²⁵, is more energy-intensive (60% of total), a characteristic that can be explained by the production processes required to create these design pieces

Energy consumption (2022) (GJ)



²⁴ The Group's Energy Intensity Index is measured as the ratio between energy consumption and revenues multiplied by a factor of 1,000.

²⁵ Starting from 2022, Audo and DQM-Fendi Casa are included in the furniture sector. In particular, Audo is considered as part of the furniture sector, despite selling a portion of lighting products.

Waste management

» In 2022, we continued in our efforts to improve our waste management and recycling activities, trying not only to instil a more mindful approach at an operational level, but also to engage our employees in their daily activities.

Moreover, our Brands are also working towards the implementation of efficient schemes to produce long-lasting new high-end piece of design using materials from worn, damaged or returned products. For instance, Flos has implemented an innovative repair, substitution and replacement service for its customers that helps reduce waste. Finally, we are also working with our Brands to monitor the percentage of defective components coming from suppliers, not only to reduce associated cost and delays, but also to identify and minimize unnecessary waste.

INNOVATIVE WASTE MANAGEMENT THINKING IN ACTION

Louis Poulsen

Louis Poulsen has established a waste management strategy that seeks to reduce waste through its production processes and through contributing to fostering circular economy principles by:

- ensuring that all scrap metals collected from production sites are recycled through a certified partner;
- implementing a scheme for recyclable materials (mainly metals) left over from productive processes to be sold as scrap;
- re-thinking work processes to reduce waste. For instance, the Danish Brand improved its painting process by implementing a new ventilation system and building walls to protect pieces under production from dust to significantly reduce product waste.



Panthella 320 Table lamp designed by Verner Panton, Louis Poulsen

In every country we operate in, we monitor and manage our waste production and disposal, in full compliance with all the requirements of applicable national laws. The table shows a slight increase in the total amount of waste produced, which can be attributed to an overall increase in production volumes, as well as to the reporting perimeter enlargement²⁶.

Waste generated (ton) ^[306-3]

	Waste typology ^{27, 28, 29}	2020	2021	2022
	Wood	568	784	647
	Construction materials	27	115	441 ³⁰
	Other	44	150	335 ³¹
	Aqueous solutions	228	193	229
	Metal materials	344	291	204
	Paper	0	48	126
	Non-municipal waste	51	82	52
	Sludge	45	33	23
	Paintings	15	22	22
	Bottom ashes	13	18	18
	Glass	6	18	14
	Plastic	0	48	14
	Mixed materials	358	461	391
	Paper/Paperboard	326	369	219
PACKAGING	Wood	157	221	203
	Plastics	23	20	31
	Glass	8	0	4
	Metal	9	2	-
	Total waste	2,223	2,874	2,973

²⁶ Starting from 2022, Audo (Designers Company) and Fendi Casa were included in the furniture sector. In particular, Audo (Designers Company) was included in the furniture sector as it is the main business of the company, despite also selling a portion of lighting products

²⁷ In 2022, Louis Poulsen's data collection process improved with respect to 2021, as the Brand was able to breakdown the total amount of waste in detail. For this reason, while the total amount of waste remained comparable between 2021 and 2022, some categories showed a sharp increase in the quantity produced.

²⁸ Waste data for Audo have been estimated for years 2021 and 2022.

²⁹ Audo (Designers Company)'s figures on waste produced in 2022 are not included due to a lack of data. The Brand is committed to improve their monitoring for future reporting periods, aligning with all the other Brands of the Group.

³⁰ The category "Construction materials" includes waste deriving from restructuring works that occurred at Flos BV in 2022, hence explaining the increase in the quantity of construction waste produced compared to 2021.

³¹ The category "Other" includes 240 tons of waste generated by Flos Japan in 2022 resulting from an office relocation that caused in a large amount of mixed general waste being produced.

Sharing our environmentally conscious approach with our suppliers

Making environmentally conscious choices in sourcing and purchasing activities is pivotal to our overall Sustainability Strategy. As a result, we have made it a priority to work closely with our suppliers to ensure full alignment to our core environmental responsibility values. We expect them to assess and establish adequate management systems to avoid or mitigate any foreseeable environmental impact associated with their activities.

Our suppliers are required to comply with internationally recognized standards and conventions on sustainable performance and traceability such as the International Bill of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and the applicable ILO Conventions and Recommendations. Moreover, we expect our suppliers to commit to the social and ethical values we stand for, such as principles of anti-corruption, legality, and anti-competitive behaviour..

» To ensure that business partners adhere to our ethical standards, in 2022 Design Holding's Board of Directors approved our Suppliers Code of Conduct, that requires the full alignment to the commitments outlined in the document before engaging in any business activities with our Group. The Supplier Code of Conduct upholds human, labour, and environmental rights, prohibiting child and forced labour, and discrimination, as well as promoting fair working conditions, dignity, and equal pay.

In addition, it requires suppliers to mitigate health and safety risks and maintain product traceability. Suppliers must also comply with data protection, intellectual property, public statements, insider trading, corruption, and conflict of interest applicable laws. Lastly, they must comply with antitrust, anti-money laundering, sanctions, and customs legislations, cascading the requirements to their business partners.



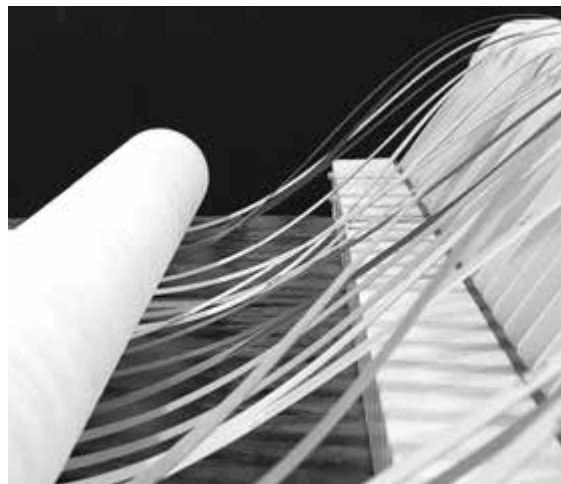
Tearoom Lounge chair by Nick Ross, Audo

Among our Brands, B&B Italia currently assesses its suppliers of wooden products on sourcing, processing, and material management, in compliance with the FSC® standard^{[308-1][414-1]}.

B&B ITALIA, ARCLINEA AND THE FSC® STANDARD

The Forest Stewardship Council® (FSC®) is a non-profit NGO, offering a forest certification system recognized internationally. The certification aims to ensure correct forest management and traceability of related products.

Since 2013, Arclinea³² has put in place a management system to evaluate its suppliers in accordance with FSC® principles. Today, 80% of Arclinea's wood supply and products are FSC® Mix certified – accounting for 70% of the entirety of B&B Italia's wood purchased.



An essential step in the industrial process of manufacturing Arclinea kitchens

As proof of B&B Italia's environmentally conscious choices, in 2018 it started to design unique pieces exclusively made with FSC® Mix certified³³ wooden components. During 2019, it moved from one to four fully certified products and is constantly integrating new certified pieces into its collection.

Moreover, Audo used the Declare label to certify a number of its collections, to provide transparency and accountability.

AUDO'S QUEST FOR TRANSPARENCY AND ACCOUNTABILITY

Audo recently committed to use Declare, an internationally accredited transparency label that details precise product information: its materials and their origins; life expectancy and end-of-life options, as well as compliance with the Living Building Challenge

(LBC) red list criteria³⁴. Declare's approach is cradle-to-grave, allowing product manufacturers to disclose the materials used in products, while consumers and design professionals are enabled to make more informed decisions about the products they select.

³² Licence Code FSC-C118694

³³ Licence Code FSC-C142045

³⁴ The Living Building Challenge (LBC) Red List represents materials, chemicals and elements known to pose serious risks to human health and the greater ecosystem that are prevalent in the building products industry.

ESG and Risk Management Assessment across our supply chain

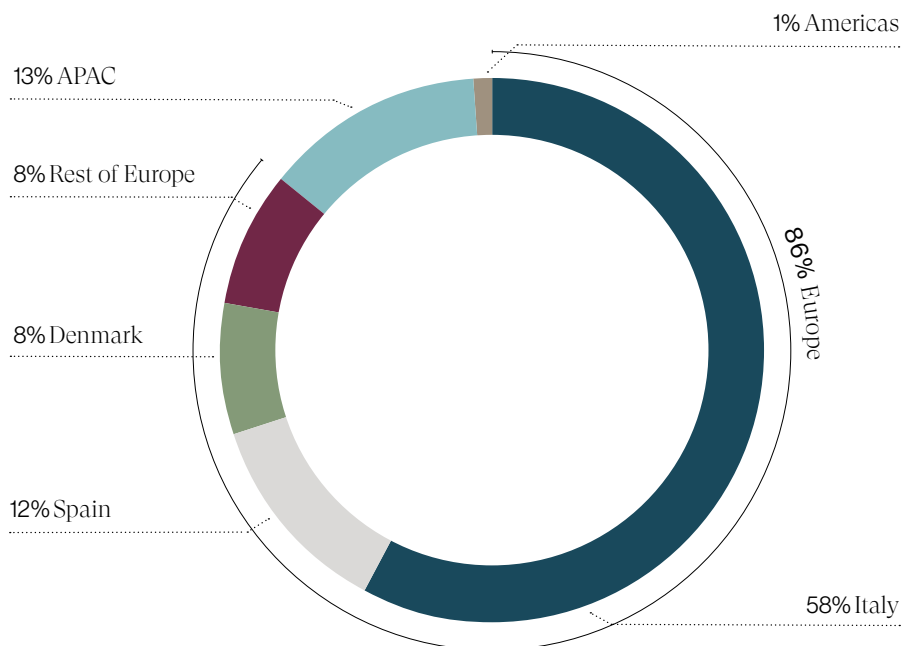
As one of the major players in the high-end design industry, our Group is comprised of Brands operating across different business segments and geographies, each with their own production processes and suppliers' procedures. Supply chain management issues are devolved to our Brands, in order to suit any specific production need, guaranteeing the highest product quality and craftsmanship during each step, from the design phase to sourcing, assembly and production³⁵.

» Thanks to how our Brands supply chains are structured, they can champion local suppliers and support the communities in which they operate.

This, in turn, improves reliability and delivery times, enabling Brands to maintain close, lasting relationships with their business partners. As shown in the graph, many of our Brands' trusted suppliers come from Italy and Spain – where Flos and B&B Italia's activities are headquartered – and from Denmark, in the proximity of Louis Poulsen's production facilities.

1,715

Suppliers³⁵



³⁵ The perimeter of analysis only includes Flos, B&B Italia Group and Louis Poulsen

Our Brands all understand the importance of lowering the environmental and social impacts they indirectly cause through their supply chains: for this reason, they are working to put in place structured supply chain management frameworks.

Audo, for instance, has committed to assess its top ten suppliers on environmental and human rights issues by 2025; by the end of 2022, the top six suppliers in Asia have been audited. In 2023, the Brand is committed to having all suppliers to sign the Group Supplier Code of Conduct, as well as its top five suppliers in Europe audited. Moreover, Louis Poulsen has defined and implemented a systematic risk-based approach to responsible supply chain management, implement cascading ESG requirements in the supply chain. One of the key activities has been to identify new strategic suppliers in EU to promote local sourcing and secure less dependency on suppliers from APAC.

By taking a proactive approach to ESG management across our supply chain, we want to create a more sustainable and resilient future for our business. At Group level, and pursuing the objectives outlined in

our Sustainability Plan, we are engaged in strengthening the continuous collaboration we cultivate with our suppliers on a daily basis. The formalization of a structured ESG assessment for new suppliers, that will be approved and implemented in the coming years, will allow us to identify and manage ESG-related risks as well as actively engage our business partners in implementing responsible behaviours throughout our supply chain.

Specifically, by 2024 our targets include the establishment of a global framework for the evaluation of supplier ESG performance and, by 2025, to map and assess 100% of our relevant suppliers. To give an example of how our Brands are already implementing such commitments, in 2022 Audo carried out audits on its top six Asian suppliers.



Production plant, Vejle, Denmark, Louis Poulsen

Design for People

A photograph of a group of people sitting around a table in a cafe. In the foreground, a young man with short brown hair, wearing a brown button-down shirt, is smiling and looking towards the right. He has his hand near his chin. To his right, a man with long blonde hair and a beard, wearing a white shirt, is also smiling and looking towards the young man. In the foreground, the back of a woman's head with long brown hair is visible. On the table in front of them are several dark-colored mugs and a small glass bottle. In the background, another person is seated at a table, and the setting appears to be a modern, well-lit cafe or office break area.

To ensure a thriving workplace that guarantees fairness and inclusion as well as generating value to communities around the world.”

As our mission is to enhance the aesthetic appeal of homes and public spaces, we take great pride in the recognition our Brands' design pieces have been receiving for decades for their significant contribution to the quality of people's lives.

»» **We believe that our employees are the driving force behind our history of innovation, skilled craftsmanship, and iconic design, characteristics that have collectively established our position as an industry leader in high-end design through the years.**

The presence of employees possessing a broad array of skills, experiences, and backgrounds is fundamental to every aspect of our operations and the success we have achieved; therefore, these individuals should have access to the necessary resources and opportunities to express their authentic selves in the workplace and reach their utmost potential.

By collaborating as a team, we construct a passionate and accountable Group committed to catalysing for constructive transformation, providing our employees with the tools and training to express their talents,

ranging from technical and creative skills to managerial and interpersonal abilities. We want our people to believe they are in the best position to achieve their goals by encouraging internal mobility so they constantly strive for improvement and perform at their highest level. To do this as effectively and empathetically as possible, as an example, the Group HR function has started to define a corporate structured feedback process to be rolled out in the future by all the managers of the Group.

To build a common culture in people's management, we organized a workshop in 2022 to identify the Group values with the top management of each Brand, and they have participated in a number of committees to delve into specific people management topics and design centralized initiatives.

Creating a thriving, inclusive and fair working environment is essential and among our key priorities: within the framework of our Sustainability Plan, we set and monitor specific ESG targets on diversity and inclusion and people empowerment, to ensure that these principles and rights can be upheld at every level of our operations. As a result, we intend to hire new employees with different nationalities or backgrounds to increase both the diversity within our Brands as well as a true feeling of inclusion and belonging.

We want to achieve our targets by creating a concerted vision shared by our Brands and employees, so that everyone can experience the very meaning of being part of Design Holding at its fullest.

97% permanent contracts



% of our workforce permanent contracts

+20% training hours



Increase in training hours delivered compared to 2021

45% women



% women in our workforce

74% additional bargain agreements



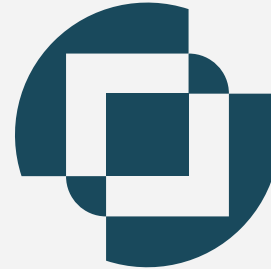
% of our workforce benefitting from additional best-favor bargaining agreements

DESIGN HOLDING VALUES

Entrepreneurial Spirit - Acting as if the company were yours, with passion and courage, continuously energizing and inspiring people.



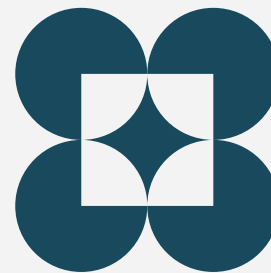
Sustainable Beauty - Merging ethics and aesthetics across all our products, in a nutshell our ethos of beauty.



Customer First - Delight our customers, placing them at the heart of whatever we do, being so close to them as to anticipate their needs.



Stronger Together - Collaborate without boundaries, leveraging on the principle that unites each of us as a "We".



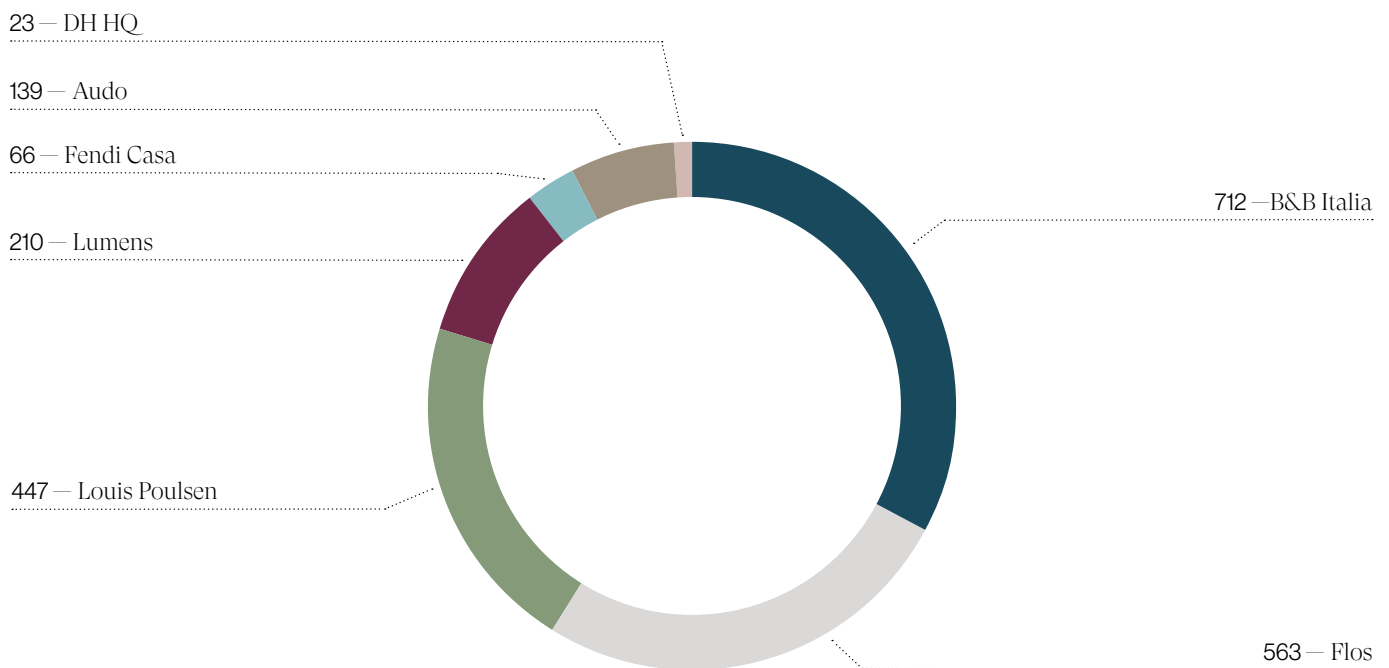
Passion for Design & Creativity - Make every day extraordinary, by challenging the status quo with unlimited curiosity and the excellence of our craftsmanship, to realize an avant-garde design.



Our People

Since Design Holding’s foundation in 2018, our employees have consistently increased in numbers, also thanks to the welcoming of new Brands such as Audo and Fendi Casa.

» In 2022, our workforce amounted to a total of 2,160³⁶ FTEs, spread over more than 20 countries worldwide, representing a 17% increase with respect to 2021, also in view of the of the perimeter enlargement.



³⁶ Employees' data refer to the Group's reporting perimeter as of December 31st, 2022: the full Group's perimeter does not coincide with the reporting perimeter. Data are expressed in FTEs, standing for full-time equivalent (FTE), a unit to measure employed persons in a way that makes them comparable although they may work a different number of hours per week. The Group considers an FTE to be valued at 2,080 hours per year (40 hours per week for 52 weeks per year).

Due to the size of Flos and B&B Italia, Italy hosts 45% of our Group’s workforce, with headquarters and productive plants distributed throughout Northern Italy. Denmark follows with 21% of our global population, thanks to Louis Poulsen’s employees, spread between Copenhagen headquarters and Vejen productive plant, as well as Audo, mainly located in the Copenhagen metropolitan area. With the American branches of B&B Italia and Audo, and the presence of Lumens, USA-based employees stand as the third personnel hotspot, accounting for 15% out of the total. Finally, Spain hosts around 7% of our people as per the Antares facilities (Flos).

Other countries in which our employees are based include China, France, Germany, Norway, Japan, and the United Kingdom, which, taken together, account for 8% of our global workforce.

» At Design Holding, we want our people to work in a context of fairness and mutual trust. In full alignment with this principle, achieving gender balance is an ongoing priority. In 2022, female employees accounted for 976 FTEs, 45% of the global population,

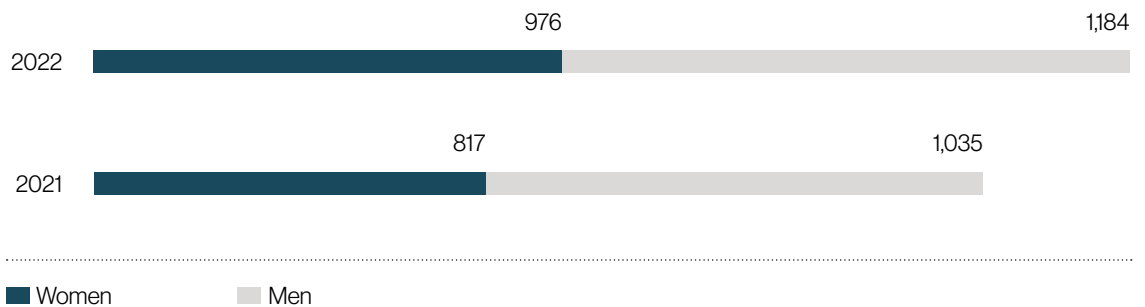
while male employees accounted for 55% of total employees, 1,184 FTEs⁴⁰⁵⁻⁴¹, showing a stable trend against 2021.

We also believe that we have a responsibility towards the communities in which we operate and to the people who contribute to building our success. Our high percentage of permanent contracts (97%) reflects the importance we place on valuing our employees and on providing meaningful, rewarding employment opportunities.

Most of our employees are full-time workers (2,092), with 65 employees working part-time and 3 as non-guaranteed hours employees³⁷, with respect to 2021 figures of 1,819 full-time employees and 32 part-time workers²⁻⁷¹. All Group companies apply local national contracts and 74% of our workforce³⁸ benefits from additional best-favour bargaining agreements²⁻³⁰¹.

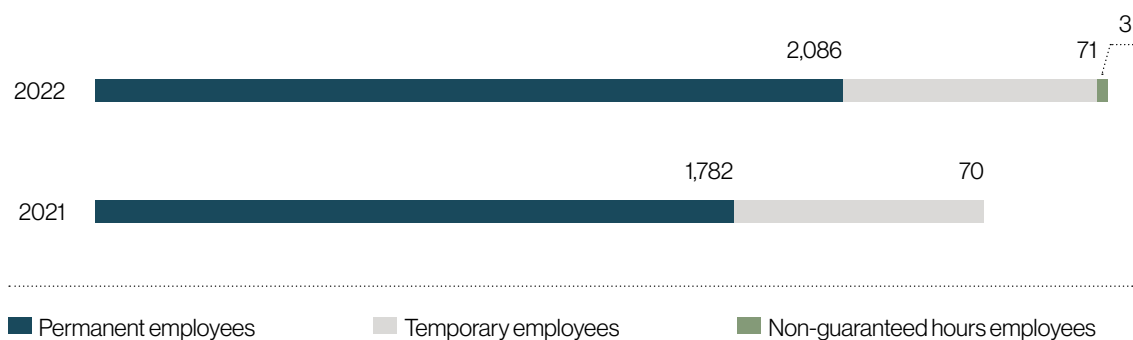
Thanks to the growth of the business and to Fendi Casa’s hiring plan for 2022, last year we hired 433 new employees, of which 206 women and 227 men³⁹.⁴⁰¹⁻⁴¹

Total workforce 2021 vs 2022



³⁷ Employee who is not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may need to make themselves available for work as required.
³⁸ The employees that are not covered by collective bargain agreements are those located in countries where such contracts are not of common use or provided by law, such as the USA. The decrease in the percentage of employees who are not covered by collective bargain agreements with respect to 2021 (90%) is therefore due to the inclusion of Audo and Flos’ perimeter enlargement, whose employees are only partially covered by collective bargaining agreements. As 2021, Lumens’ employees are not covered by collective bargaining agreements.
³⁹ Louis Poulsen’s new hires for 2020 are not included in these figures due to a lack of data, while the new hires for 2021 and 2022 only include employees located in Denmark. The company is committed to improve their monitoring for future reporting periods, aligning with all the other Brands of the Group.

Type of contract 2021 vs 2022



ATTRACTING TALENTS: THE PARTNERSHIP BETWEEN FENDI CASA AND B&B ITALIA IN THE FURNITURE SECTOR OF BRIANZA

Handing down craftsmanship and tradition from one generation to another has always been the strength of the furniture sector of the Italian province of Brianza, globally recognized as the finest producers of high-quality furniture. Aiming at attracting new talents from the technical institutes of this area, in 2022 Fendi Casa and B&B Italia invited students from the Centro di Formazione Professionale (professional training center) “Giuseppe Terragni” of Meda, involving students in dedicated days to teach them about their daily activities at the Maxalto plant, where both Brands perform their productive operations: the program resulted in two students joining B&B Italia as new employees. In 2023, the Brands will continue to collaborate with the institute by putting in place another broader project that will involve students.



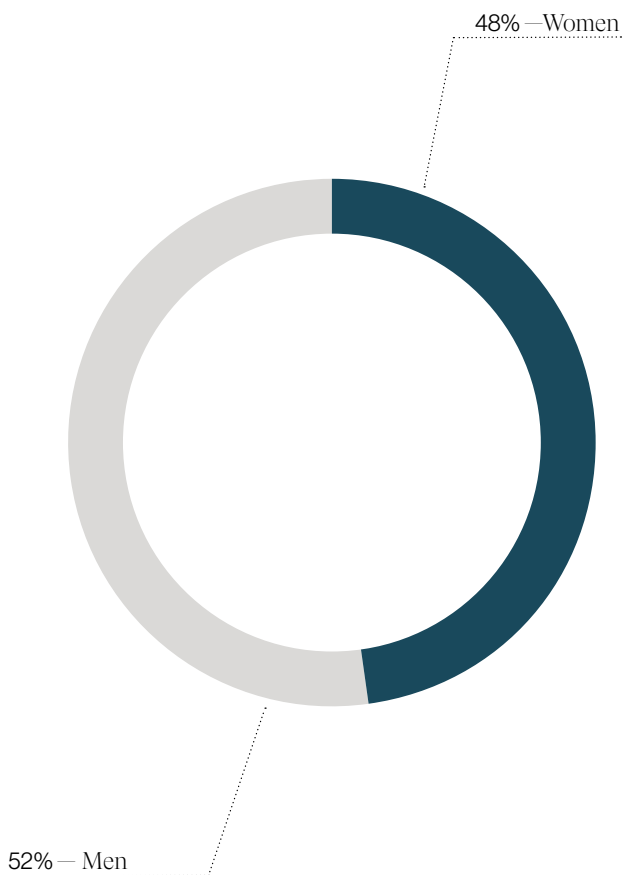
Misinto plant, Fendi Casa

In line with our intention to improve inclusion within the Group, we are looking to enhance diversity across our teams over the coming years, working synergistically with our Brands during their hiring processes. At a Group level, we are working to ensure diversity and equal opportunities in employment and avoid any discriminatory practices by committing to promote gender parity and equal pay.

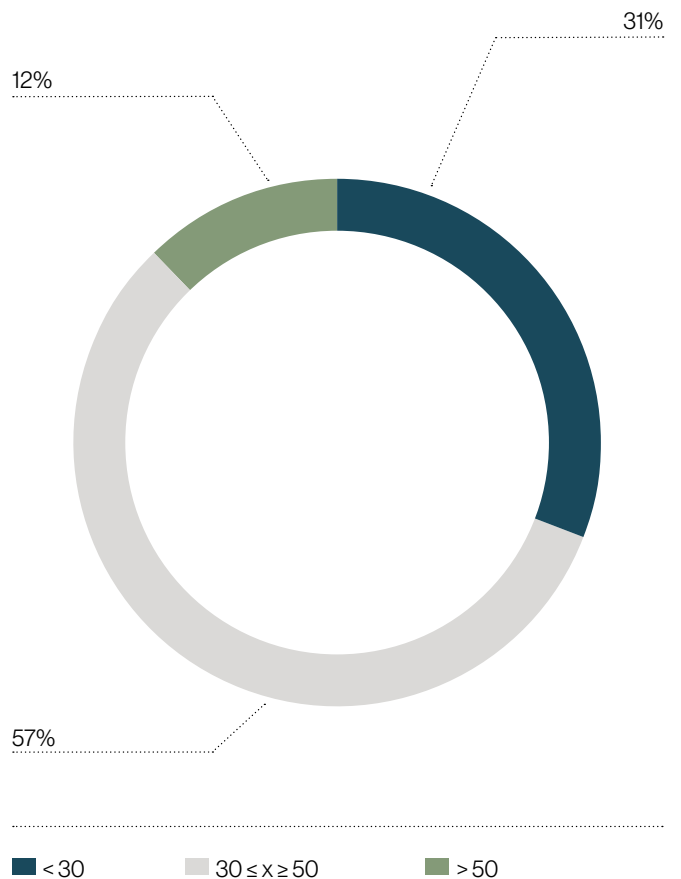
Lumens has developed a Diversity and Inclusion Programme, with the aim of identifying a wider range of channels through which to engage candidates from diverse backgrounds into the employee recruitment process: creating a diverse and inclusive workplace where diversity, equity and inclusion are prioritized is a key pillar for the Brand.

Moreover, in 2022 **Louis Poulsen successfully continued to implement its Diversity Policy** and recruitment guidelines, to ensure that diversity and equal opportunities are respected and enhanced in its hiring processes and talent retention efforts. The Brand has also continued to work to meet the target of at least 40% of its managers to be women by 2030, set in 2021 – in alignment with the recommendations of the Danish Business Authorities.

Total new hires by gender



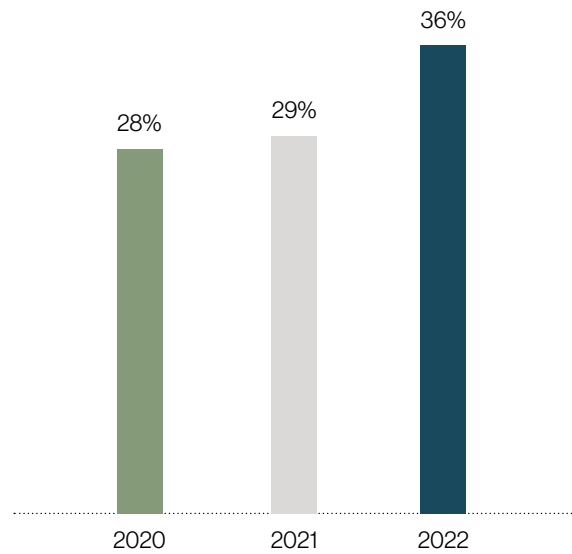
New hires by age group



AUDO: THE VALUE OF FEMALE LEADERSHIP

This year, great focus was placed by our Brands on working to increase the proportion of female senior leaders, in line with the target of reaching 42% female senior leaders by the end of 2026, as envisaged within our Group's targets on Diversity & Inclusion: to pursue this goal, in 2022 Audo has conducted an unbiased recruitment and development training on diversity for all managers. In 2022, the Brand has recorded a rise in the share of women in management positions to 36% with respect to 2020 figures (28%).

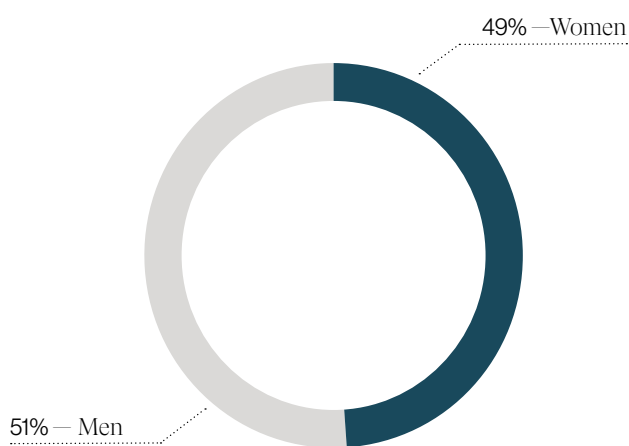
Audo women in management (%)



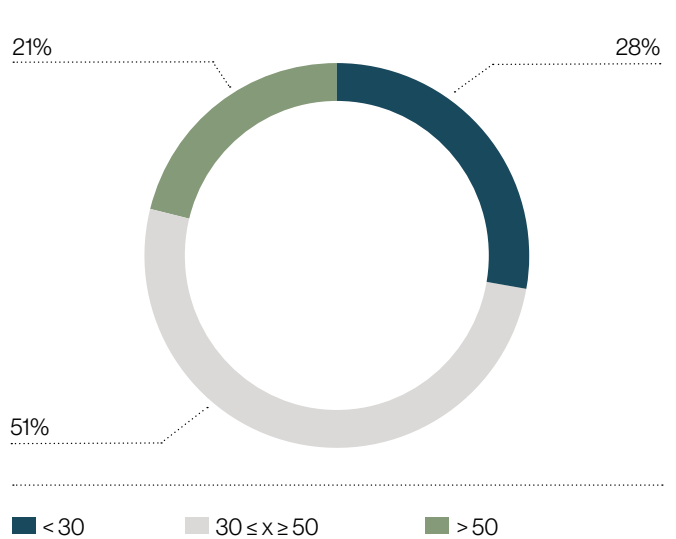
Regarding terminations, in 2022 we reported 372 jobs roles departures, compared to 290 of 2021⁴⁰ [401-1], mainly influenced by the perimeter enlargement following the inclusion of Audo, Fendi Casa and Flos' commercial branches.^[401]

By type of contract, 32% of our employee population is workers across our production facilities, while the majority – 55% of our employees – works in the offices and headquarters of our Brands^[2-7, 405-1].

Terminations by gender



Terminations by age group



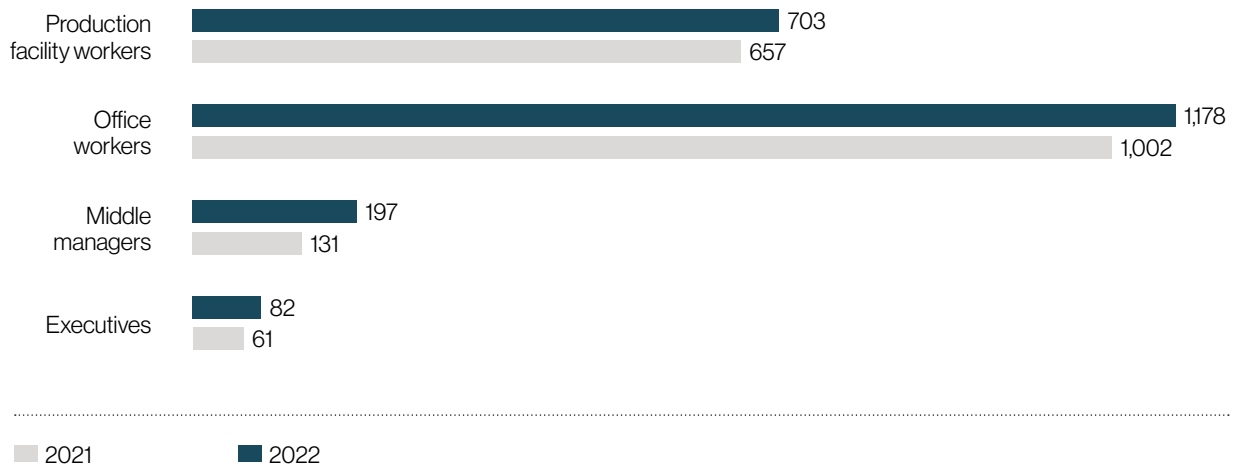
⁴⁰ Louis Poulsen's terminations for 2020 are not included in these figures due to a lack of data, while the terminations for 2021 and 2022 only include employees located in Denmark. The company is committed to improve their monitoring for future reporting periods, aligning with all the other Brands of the Group.

Nurturing Our People

In 2022 we kept holding the happiness of our employees as a key priority, with the intention of making them and our surrounding communities feel part of and proud of the Group they belong to.

To do this, we are defining new methods for taking care of our people's well-being, ensuring a proper work-life balance for all Group employees, respecting their cultural differences in the process. While the management of these areas is delegated on a day-to-day basis to our Brands, as they maintain a full awareness of the specific needs of their local realities, dedicated personnel is also present at Design Holding level to keep paving a shared path in people's management, implementing a plethora of new and enhanced welfare and wellbeing initiatives.

Employees' category trends 2021 vs 2022



As part of our strategy to implement a shared vision, in 2021 we undertook a survey to gain structured feedbacks on our Brands' ways of working. In 2022, a dedicated survey was rolled out to all the people managers of the Group.

Inclusive People Programmes

As part of its people management programs, Audo conducts employee satisfaction surveys on a yearly basis, to monitor emerging needs and plan new strategies. In 2022, the Brand has carried out its first ever NPS survey, obtaining a score of 9 out of 10. In particular, because of the policies implemented over the past years, the survey has shown that 66.3% of the workforce is overall satisfied of being employed at Audo, and that 79.2% feel it has a strong influence on daily work's management.

Lumens has made its employees' wellbeing and the building up of a strong sense of belonging part of its top priorities: the Brand conducts an employee survey twice a year, obtaining its highest score ever in the last, with a 97% participation rate among employees. In particular, 95% of the respondents felt that their personal performance impacted the success of the Company.

Louis Poulsen has kept implementing its employee feedback platform that measures and responds to real-time employee feedbacks to different aspects of the workplace, making it easier for managers across all

departments to gain meaningful insights and continually enhance the working environment. In 2022, the Louis Poulsen has also introduced quarterly pulse surveys, with the aim of continuously follow up on employees' engagement and wellbeing.

B&B Italia will conduct a satisfaction survey among employees in May 2023, touching upon sustainability topics among other questions: dedicated meetings will be held with each department depending on the responses, to define action plans.

In 2022 Flos has held exit interviews with all resigned employees: to develop ad-hoc initiatives and work on the points raised by resignees, the results were shared both with the CEO and the managers of the employee. While employee satisfaction is monitored informally, the Brand intends to implement a more structured system in the future, to get a more precise view of the improvement points.

B&B ITALIA'S TOTAL REWARDS APPROACH

In 2022, B&B Italia has strengthened its efforts with respect to people's management by adopting a new approach called "Total Rewards", defining the combination of benefits, compensation and rewards employees receive during their experience; this can include wages and bonuses as well as recognition, workplace flexibility and career opportunities and it is made up of four main pillars: Compensation (pay and monetary bonuses), Benefit (pension and health plans and insurance), Development (career paths, performance management, training) and Work Environment (organizational culture and leadership).



Tobi-Ishi table by Edward Barber & Jay Osgerby, B&B Italia

Preserving our people's talent through upskilling initiatives

»» We believe that our people's development and upskilling is key to our success as a Group: therefore, we have set the target of having 20% of Top Performers and High Potential employees involved in career development initiatives by 2023.

To achieve this, we are focusing our efforts to make sure our employees can achieve professional fulfilment, driving their ambitions forward.

How our brands nurture their talents

In 2022, Flos has consistently increased the number of training hours delivered: on top of ad hoc courses (e.g., e-commerce, product design) as well as non-technical programmes such as training on the latest legislative requirements (e.g. Eco-design, import and export), public speaking and English, French and German lessons, the Brand has also put great focus on cybersecurity training. Moreover, Flos can count on a Digital Academy platform which includes thirteen training paths, made up of self-evaluation tests, reports and training certificates, giving employees the possibility of attending training activities through a more flexible and effective way.

B&B Italia's yearly training plan is structured around a combination of technical courses (such as technical applications, familiarization with new design software and regulatory updates on national and international commercial practices), as well as soft skills promotion, such as courses to develop foreign language or public speaking. This year, B&B Italia has particularly focused its training efforts on on-the-job learning, coaching and mentoring upskilling.

Lumens has addressed its training activities towards the goal of developing an in-depth knowledge of the lighting, furniture & Home decor sector by employees in customer care (Sales and Service). Through the "Lighting Associate Program", developed by the American Lighting Association Certification, the Brand's employees have the possibility of following and completing the series of courses and exam provided by the Association, covering advanced notions of lighting and lighting design.



Our global efforts to realize a Group-wide training strategy

As a Group, we are not content with implementing traditional training initiatives. In the coming years, we are committed to offering a rich and diversified scope of courses that enables our people to be fully immersed in our Group's culture so that they can become powerful ambassadors of our shared values.

» We want our people to gain a structured and inspiring education in sustainability and design culture, while tackling discrimination issues at their roots: this is the reason why we are committed to rolling out Group-wide courses on unconscious bias, making sure at least 50% of the employees of the Group attend them by 2024, as outlined in our Sustainability Plan.

Finally, we are keen to spread a managerial culture across our Brands, by designing dedicated training programmes for high-level personnel and top performers in future years.

Some of our Brands are already moving towards this goal. For instance, Lumens has launched its "Leading at Lumens" manager training in 2022, with the aim of improving people management skills. The training was divided in various sessions and touched upon different crucial topics for developing managerial skills, such as communication (via the module "Knowing your communication style"), delegating tasks (via the module "delegating effectively and setting clear expectations") and giving and receiving feedback to colleagues (via the module "giving and receiving feedback and having difficult conversations").

Flos embarked on the "People Leader Journey" project, focused on improving and developing team management skills: the project is dedicated to high-level management figures and is designed to create a new generation of true 'People Leaders' who have an understanding that being a leader means taking on full-circle responsibility for assigned people and teams. The program focuses on training around role dynamics, positive conflict, building

trust to create "no-blame" cultures, as well as strategies for enhancing people engagement and development. In 2022, the project has been involving all managers, and the contents covered will be streamed to all employees in 2023.



Production plant, Vejen, Denmark, Louis Poulsen

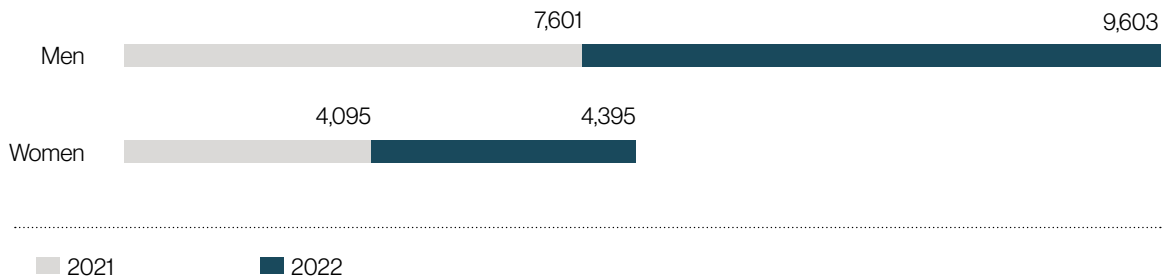
Finally, Louis Poulsen developed the innovative "EXPECT" program, with the aim of supporting people in developing the skills necessary to achieve success in their job functions. The program embeds training into the DNA of Louis Poulsen's culture, by creating a series of structured guidelines for managers, enabling them to build an ongoing dialogue with employees and other teams to discuss ambitions, potential development opportunities and collaborations. This ensures that skills development is always at the forefront of employees' and managers' minds. It is no longer an ad hoc requirement assessed only within the annual development review, but an expected and core component of the Danish Brands' culture.

» Moving to a more analytical aspect of our Brands' performance, total training hours ^[404-1] raised by 20% compared to 2021,

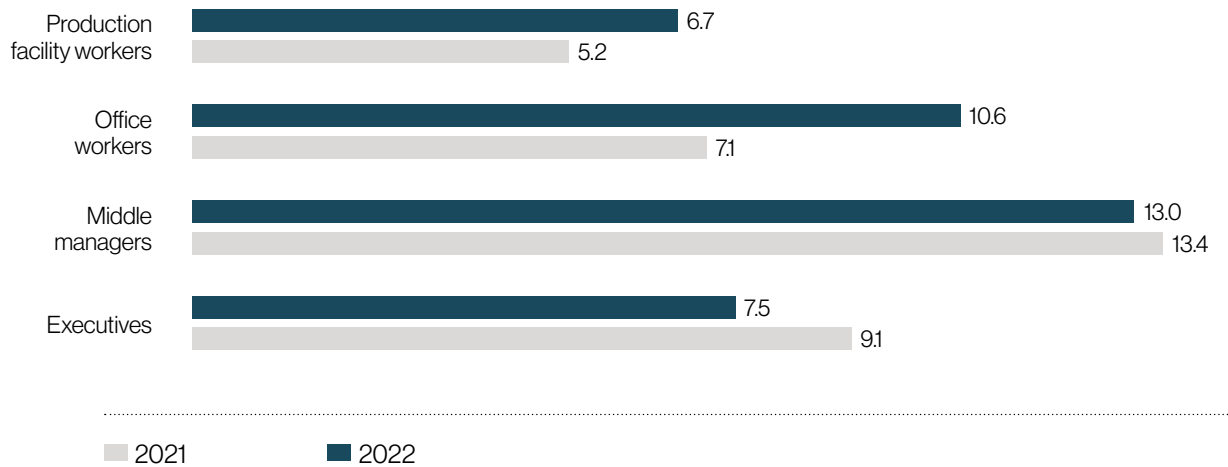
this increase is mostly attributable to Flos' significant increase in hours of training provided, as well as to the perimeter enlargement of 2022 and the training activities rolled out by the new Brands⁴¹. Average training hours have also increased for office workers and workers since 2021, while the average training hours delivered to managers and executives remained stable. As part of our Group strategy for the coming years, we intend to increase our roll-out of dedicated upskilling development programmes for managers and top performers to nurture and retain our top talent.

Average training hours for both female and male employees increased over this period: even if the increase has been sharper for men, this trend is mostly attributable to Flos' in technical courses targeted at categories of workers mainly constituted by men.^[404-1]

Training (hours) 2021 vs 2022



Training (hours per employee) by category 2021 vs 2022



⁴¹ Lumens is not included in these figures since, for the time being, the Brand does not monitor training hours. Louis Poulsen is not included in 2022 figures, as training hours were not tracked during the year. Both Brands are committed to improve their monitoring for future reporting periods, aligning with all the other Brands of the Group.

An inclusive and safe working environment ^[403-1-7]

Ensuring a healthy and safe work environment where employees are not subject to risks and can experience the highest levels of wellbeing remains a crucial part of caring for our people.

» Health and safety management is handled at Brand level by implementing comprehensive specific management systems. On a general level, health and safety is constantly monitored and oversight and risk assessment procedures are managed by H&S managers or their equivalent, in compliance with applicable local regulations, periodically carried out to identify the major risks for the Brands' employees and to prevent the incurring of work-related injuries.

To further strengthen their commitments, some of our Brands have committed to different certification systems: Ares (part of Flos Group) is working to extend its certifications to include UNI ISO 45001:2018 standard in 2023, an occupational health and safety management system, which has already been obtained by Arclinea (part of B&B Italia Group) in 2019. While Louis Poulsen, on the other hand, continuously works to identify potential hazards and ensure a culture that supports safe conduct in the workplace, focusing on preventative measures to avoid employees being exposed to repetitive strain.

As a result of each Brands' efforts and despite the perimeter's enlargement, the total number of injuries has remained stable at 18 cases for 2022, entirely due to non-severe incidents at the workplace (e.g. slips). During the three-year period, from 2020 to 2022, no high-consequence work-related injuries or fatalities resulting from work-related injuries were recorded and the number of worked hours has remained consistent.^{[403-9] 42}

Health and safety ⁴³	UoM	2020	2021	2022
Total number of worked hours	h.	2,467,623	2,766,009	2,634,392
Total number of recordable work-related injuries	n.	17	18	18
Rate of recordable work-related injuries ⁴⁴	Rate	6.9	6.5	6.8

⁴² Moreover, Flos, B&B Italia, Louis Poulsen and Design Holding HQ also monitor health and safety performances of their subcontractors and agency workers: they aggregately reported an overall of 155,570 hours worked, with no injuries occurred.

⁴³ Data for 2022 Lumens' working hours are not available, as the Brand did not monitor them; however, the Brand reports of not having injuries in 2022. Louis Poulsen's working hours are only available for blue collars located in Denmark for 2022, due to a lack of tracking. The two Brands commit to improve monitoring in future reporting periods.

⁴⁴ Calculated as the total number of injuries divided by the overall number of hours worked in the reporting period and multiplied by 1,000,000.

Our social footprint

Our efforts in promoting well-being do not stop at our own people but are extended to our entire value chain and surrounding communities: due to the complicated nature of our lengthy supply chain, it is fundamental for us to ensure all workers who collaborate to the realization of our products are treated with dignity and equality by their employers. To do so, we make sure to establish long lasting relationship with key suppliers, as well as determining the ethical requirements related to human and labour rights that are fundamental to our Group, monitored through the implementation of the principles of the Supplier Code of Conduct and Code of Ethics.

In addition, we strive to contributing to the wellbeing of all the communities we daily influence with our operations. With this goal, we actively donate to charitable causes and are committed to promoting partnerships with local associations and schools. Each of our Brands is an active actor in the objective of shaping a better world.



Production plant, Novedrate, B&B Italia



Assembly of the Arcolamp, Bovezzo, Flos

Design for Culture



“ To nurture our Brands’ identities by preserving craftsmanship and design heritage, from scientific research to the preservation of design legacies for the benefit of future generations.”



Our Brands all originate from different, unique design traditions, in areas where craftsmanship is deeply rooted in the identity of the local communities. Design Holding wants to cherish this legacy, while helping our Brands to expand their platforms and ensure a true global reach, inspiring young designers to innovate and envisage new design masterpieces.

Through these actions, our missions is that of preserving irreplaceable and iconic art and design pieces, to spread their precious design heritage.

»» Our ideal pivots on the principle that design can act as a vessel for handing over cultural heritage from one generation to the other and, as such, deserves to be sheltered and fostered.

As our Brands hold deep local knowledge, we prefer to act directly through them when relating to local communities, as their close link enable them to better interpret the unique needs of the territory and put in place initiatives and collaborations that help preserve local know-how and foster new ideas.

At a global level we aim to translate our commitment to preserving design into a holistic approach expressed via centralized initiatives to support young talent and encourage greater inclusivity across the design community. We do this by engaging the external community through partnerships with vocational technical schools, universities, business schools and other non-governmental institutions.

We support the local communities in which our Brands operate by promoting cultural events, exhibitions, and fairs to promote design culture and artistic movements.

3 Brands' Academies



Three Brands' Academies to foster Design culture & heritage

15 Design Awards



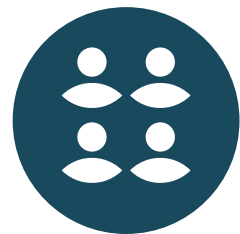
Fifteen world-recognized design awards won by Design Holding Brands in 2022

Partnership in exhibitions



Anchor lighting partners in major design and art exhibitions across the world

Communities involvement



Involvement with local communities from our Brands

Promoting Design Culture

In common with all major forms of art, iconic design is nurtured through passing down valuable know-how from generation to generation. Whilst innovation and creativity play a crucial role in fostering design culture, technical expertise and hard skills still represent the pivotal enabler of the whole process. Ever conscious of this essential synergy our Brands have always been committed to nurturing both innovation and heritage via a wide range of initiatives over the years.

Along this shared path, our Brands have each developed their own concepts of “Academy” as an instrument for accelerating hard skills development, craftsmanship and design mindset. In 2022, they once again proved themselves to be leading actors within the international

design community by developing a wide range of training initiatives delivered both in person and via their virtual academies and training platforms.

Many of these initiatives are designed to pass on the value embedded in our design pieces, by ensuring our stakeholders and workers have the proper level of technical knowledge necessary to preserve the unicity of our design objects.

DIFFERENT NUANCES OF ACADEMIES: FLOS AND B&B ITALIA

The Light Academy – Flos

To this end, Flos has developed its ‘Light Academy’, an internal training platform created to help commercial figures across the Flos ecosystem develop a deep understanding of Flos’ design ethos, product aesthetics and technical processes. By educating and training its internal sales force together with retailers, professionals, and key accounts before launching new products, Flos not only builds deep knowledge around its breakthrough designs, but it also fosters the spread of lighting design culture. The Academy has been designed to follow a customer-oriented approach, addressing different topics, giving the most detailed view possible when meeting the customers’ needs.

B&B Italia Academy – B&B Italia

The same “Academy” concept has been launched by B&B Italia in 2021 and, in 2022, has been translated in 6 different languages. The “B&B Italia Academy”

consists of a series of e-learning sessions delivered on a dedicated virtual platform primarily dedicated to sales force with the aim of empowering and training of B&B sellers on the key aesthetic and technical features of its design ranges. Over the last year, the Academy registered 800 participants, compared to 373 of 2021, giving part of them the possibility of attending lessons in presence⁴⁵.



“Yo soy Arco” performance at World Design Capital 2022 Valencia, Flos

⁴⁵ In 2021, due to the Covid 19 outbreak, the activity of the Academy has been entirely arranged virtually

A CASE STUDY: LUMENS' INNOVATORS COUNCIL

Lumens, aiming at inspiring and educating trade and consumers audiences, launched the "Innovators Council" in 2022, featuring prominent figures in the design industry, selected for their unique perspective and experiences. Lumens' aim is to leverage its trade and consumer platforms to elevate the Innovators Council and develop a community around their industry perspectives, while the Council will share their expertise on topics such as interior design trends, products inspiration, and business. Through behind-the-scenes videos, in-depth editorials, and other educational programs, the initiative offers indispensable knowledge and promotes innovative thinking.

The first event launched by the Council has been the Round Table: Meet the Innovators Council that took place in Los Angeles in September 2022, in which the members covered a wide range of topics related to the current state of the interior design business. The group then proceed on launching a series of campaigns focusing on each different member of the Council: one notable example is Alvin Wayne: a Day in the Life, in which the New York interior designer discussed topics such as the importance of personal brand and the sourcing of organic materials for his new line of custom-designed tables.

In 2023, the Council will focus on developing dedicated training courses, as well as a unique digital campaign to develop custom CGI scenes for design spaces on Lumens' website, reflecting each Innovators' style.

Core to our strategic focus on design culture, is the belief that future generations can be a boundless source of new, disruptive ideas. Over the years this insight has led our **Brands to establish a series of long-term partnerships with local schools and universities**, with the aim of attracting new talent, facilitating younger generations' access to the working world, and engaging them with the challenges and opportunities of entering the design sector.

As an example, in 2022 Arlinea funded a 3-year scholarship with IUAV (University of Venice, Italy) for a PhD research program within the department of Design. The aim is that of investigating the role of products and services' accountability to environmental, economic and social sustainability, while exploring social behaviours and technologies shaping the domestic space and, in particular, how the kitchen space will evolve according to globalization and digitalization, as well as nutrition trends such as the rise of agri-food value chains and the use of alternative proteins. The PhD is set along four main phases – research, synthesis of results, experimentation phase and conclusion – and a 6-month training period within the Brand to gain full insight on Arlinea industrial processes.

Flos signed a three-years partnership with the École des beaux-arts, among the finest art schools in Paris. The collaboration involves not only the organization of exhibitions that will be held in the school's building, but also interactive workshops focused on design principles and, specifically, on designing lamps. The partnership aims at having emerging designers to meet the world of Flos, building brand awareness, supporting education

and community engagement, while creating a bridge of communication for future collaborations with students and alumni.

Antares (part of Flos) has also established a new partnership with the "Fundación Universitat Jaume I", offering extracurricular training programs to students of the university. Following this partnership, the company has also opened two internship positions in the fields of project management and lighting consulting activities.



SEAM Design Studio

Disseminating design consciousness around the world

We believe that our global footprint gives us a unique platform and we are committed to using this to spread design consciousness, to inspire future talent and to share our belief that beauty can, and should always, be sustainable.

We seek to do this through an integrated communication approach as well as via our Brands' well established virtual channels, each of which has a loyal following.

For instance, in 2022 Louis Poulsen has worked with the South Korean popular messaging app KakaoTalk to rework the Panthella Portable, a portable table lamp designed by Verner Panton, one of the biggest Danish designers of the mid-20th century. The collaboration resulted in the launch of the lamp "Panthella Portable Ryan Edition" featuring Kakao Friends, a character series belonging to the Korean app. The mobile application is extremely popular in South Korea, and the 1,000-piece limited edition became an instant collector's favourite for both Kakao Friends and Louis Poulsen costumers.

LOUIS POULSEN'S NEW CORPORATE VISUAL IDENTITY

With the aim of improving the brand expression, Louis Poulsen has also worked on its Corporate Visual Identity, featuring a modern and playful take with a new logo, brand colours, and imagery, while still maintaining



Corporate visual identity of Louis Poulsen

its strong Brand heritage. The new Corporate Visual Identity will be implemented starting from January 2023 and will be consistently included in all aspects of the Brands' communication strategies.

LUMENS' REBRANDING

Upon joining Design Holding in 2021, YDesign Group embarked on a project to re-envision the Lumens Brand to align with the Design Holding portfolio of world-renowned design Brands, laying the foundation for Lumens to become a premier online retailer of design products. The comprehensive Brand update included a renewed visual experience on the website, a new Design navigation section dedicated to design products and stories, and a new content hub, The Edit, an editorialized display of design knowledge and interviews with the designers, studios and makers.



Le Bambole featuring Liu Wen by Wallpaper China

Keeping the focus on social media activities, **in 2022 our Brands expanded their online reach thanks to major collaboration with influencers, designers, and publishers.** In particular, B&B Italia especially focused on the APAC region: as of 2022, its social media accounts host more than 600 thousand followers on Instagram also building up its presence on the main Chinese social media, such as Weibo, Baidu and WeChat. Flos, on the other hand, had a 55% growth in Instagram followers with respect to the beginning of 2022, partly due to a merge with its US account. Similarly to B&B Italia, the Brand is also expanding its reach on the Chinese social media WeChat, Weibo and Little Red Book. Moreover, Lumens' website hit the impressive number of 23 million visits in 2022.

Audo is another example of solid engagement on social media, with an overall growth of 16% from 2021 to 2022 in total followers on all the social media in which Menu is present (Instagram, LinkedIn, Pinterest, and Facebook/META), and a growth of 35% if including by Lassen' followers into account. The Brand's communication strategy was also enhanced through the collaboration with young, talented content stylists such as Colin King: the designer and dancer, who styled for major publications such as Architectural Digest and T Magazine, was able to bring new light to Audo' collections, creating the award-winning candleholder Interconnect for the Brand.

When commitment means participation

As a Group we believe active participation in the international contemporary art and design scenes is crucial to preserving and nurturing design culture for the benefit of future generations.

Our unparalleled portfolio of design Brands have a long history of participation in the most recognized design fairs and exhibitions worldwide. These include the annual Salone del Mobile held in Milan, which is widely revered as the international stage for showcasing disruptive design pieces and innovative projects.

2022 MILANO DESIGN WEEK AND FLOS' 60TH ANNIVERSARY

As part of the celebration of its 60 years of activity, Flos organized a series of dedicated events at the 2022 Milano Design Week. The interactive exhibition, titled "See The Stars Again", offered the opportunity to explore and embrace Flos' history, including the unveiling of new collections and the launch of the Arco K Limited Edition, a revisitation of the iconic Arco lamp designed by Achille and Pier Giacomo Castiglioni. Attendees had the opportunity to also take part in complementary activities, including the "Flos Hosting" talk cycles: held over four days, the sessions involved Flos designers and contributors on open discussions on the lighting sector and design. Educational workshops have been also streamed, giving schools and universities the opportunity to engage in various activities.



Arco K Limited Edition 2022, Flos

As per **Louis Poulsen**, in 2022 the Brand collaborated with the designer Lise Vester on the neon chandelier “Idea Generator” for The Cabinetmakers’ Autumn Exhibition: the exhibition was held in Copenhagen and focused on innovative solutions for the Scandinavian design sector with a high level of technical, functional, and artistic quality. Lise Vester’s design pays tribute to creative ideas and challenges the typical neon sign aesthetic, creating a three-dimensional work that offers a spatial experience of blue, atmospheric light, in line with Louis Poulsen’s philosophy, which aims at improving the quality of life through design.



The Cabinetmakers’ Autumn Exhibition 2022, Copenhagen

Fendi Casa has been actively engaged in exhibitions and collaborations throughout 2022 as well: among others, the Brand collaborated with the French Academy (French Ministry of arts and culture) for the campaign “Restituir l’incanto a Villa Medici” (“Return the enchantment to Villa Medici”) held in Rome at Villa Medici at the end of the year. The Renaissance-built palazzo and its sprawling landscaped gardens has been joined by Fendi Casa’s contemporary furniture pieces, carefully curated by Silvia Venturini Fendi, Fendi Casa artistic director and FENDI’s artistic director of accessories and menswear, alongside FENDI’s artistic director of couture and womenswear Kim Jones, to harmonize with the historic architecture. The exhibition included pieces from Fendi Casa homeware collection and displayed works of other contemporary

designers.

Flos took part in a plethora of events during last year, showcasing its iconic and new pieces between Europe and Asia. If on the one hand the Brand participated at the exhibition Italia Geniale, the event that took place at Palazzo Piacentini in Rome, on the other, it joined the Design for Fun exhibition in Shanghai, part of the 2022 Italy-China Year of Culture and Tourism, a celebrative display gathering iconic pieces of the Italian industrial design scene. Some classic and contemporary icons from Flos’ decorative catalogue have been selected by the curators as part of this show of Italian creativity.

Moreover, Flos has been involved in the World Design Capital 2022 for Valencia Design Week. The event hosted exhibitions, publications, and workshops aimed at demonstrating the positive benefits of design on people’s daily lives. During the event a lecture, “I AM ARCO. A Heritage of Good Design from the Past to the Future”, has been held by Giovanna Castiglioni, daughter of design master Achille Castiglioni, giving a tribute to the iconic lamp, Arco.

In 2022, **B&B Italia** kept sponsoring the exhibition “Nobody’s Perfect” of the Italian architect, designer, and artist Gaetano Pesce. The exhibition, conceived to be an itinerant event through different cities in China, in 2022 was held at the Today Art Museum of Beijing. The exhibition, that displays more than 100 iconic works by Gaetano Pesce, perfectly embodies his belief that art should not be standardized, uniform and repetitive, but should communicate deep emotions. One of the highlights of the exhibition is the original wooden model of the UP5_6 armchair, designed for B&B Italia in 1969, that became the symbol of this exposition: to welcome visitors, an XL version sculpture of the legendary “Big Mama” was installed outside the museum.

Our Brands do not only support events, exhibitions and design festivals by showcasing their masterpieces: they also contribute through donations, light installations, furniture lending and, more importantly, through partnerships and collaborations with the most prestigious art, architecture, and design museums worldwide. In fact, with the aim of immortalizing design pieces that went down in history for their iconic design, many of our Brands gifted or temporarily entrusted pieces of their collections to global institutions to become part of permanent collections of iconic museums, such as the MOMA (Museum of Modern Art) in New York, the Triennale in Milan, and the Centre National d’Art et de Culture Georges Pompidou in Paris.

Groundbreaking design recognized with International Awards

As evidence of the impact of our Brands' activities on the global design scene, over the years they have been awarded numerous prestigious national and international design prizes and honours. At a Group level, Design Holding is proud to hold the record number of 16 Compasso d'Oro awards in the Design industry.

In 2022, our Brands won a series of world-recognized awards across the high-end lighting and furniture sectors:

B&B ITALIA

In 2022, B&B Italia received numerous awards for their innovative and renowned designs, having received its fifth Compasso D'Oro for Gaetano Pesce's famous UP Series, becoming the company to have won the most in its sector. Moreover, Mario Bellini's Le Bambole collection won the Interior Design Best of Awards 2022 in the "Reissue" category, while Monica Armani's Allure O' table won the EDIDA 2022 in the "Furniture" category. Camaleonda by Mario Bellini and Borea by Piero Lissoni received the Green GOOD DESIGN® Award, while Allure O' and Flair O' won the Wallpaper* Design Award 2022 in the 'Best Dining Experience' category. Borea has also won the IDEAT Design Award 2022. Finally, Monica Armani's Allure O' table and Mario Bellini's Le Bambole collection received the prestigious GOOD DESIGN® Award 2022.

FLOS

In 2021, Flos was also awarded with several international prizes. In particular, the light system Belt by Ronan and Erwan Bouroullec has won the prestigious Compasso D'Oro, that rewarded its original fluid structure upholstered in custom-stitched fine leather complementing all elements of the composition. Moreover, the famous Oplight by Jasper Morrison was granted the Green GOOD DESIGN® Award for the "Green Product" 2022, which underlines its disassemblability traits. Almendra by Patricia

Urquiola has won two prizes: the Interior Design 2022 Best of Year Awards in the chandelier category and the Stylepark Selected Award for Design and Architecture 2022. Finally, Bellhop Matte Black by Barber & Osgerby was awarded the Architectural Digest 2022 Cleverest Awards.

LOUIS POULSEN

In 2022, Louis Poulsen was awarded two prestigious prizes for Moonsetter. The lamp, designed by the Danish architect Anne Boysen, obtained new successes after its 2021 wins. In particular, the lamp won the Wallpaper Design Award 2022 for the second time in a row for the "Best Celestial Glow" category, as well as the Interior Design's BOY (Best of Year) 2022 prize for "Best Lighting Floor".

AUDO

The Danish Brand also had a very successful year, winning prizes in both its furniture and candlelight collections: the Interconnect Candle Holder by Colin King, a source of cozy candlelight characterized by a deceptively simple geometric form was awarded the Wallpaper award - Best Line Work Award, while the Ingeborg sofa by Flemming Lassen was recognized with the German Design Award - Excellent Product Design.



Belt by Ronan & Erwan Bouroullec for Flos Architectural, winner of a Compasso d'Oro ADI

Preserving design authenticity

In order to preserve our Brands' iconic craftsmanship in a competitive sector we, as a Group, are putting effort to create a common platform that enables them to share best practices to preserve quality, beauty and sustainability. At the same time, the Brands are continuing to register patents to safeguard their unique creations.

» During 2022, some of our Brands decided to join forces on the shared objective of safeguarding their original design concept and thwarting counterfeiting activities: in particular, Louis Poulsen, Lumens and Flos collaborated with the association "Be Original Americas", a non-profit creative advocacy committed to informing, educating, and influencing manufacturers, artisans, design professionals, and consumers about the economic, ethical, and environmental value of authentic design.

Moreover, to safeguard its know-how, B&B Italia collaborates with the Altgamma Foundation⁴⁶ and since 2011 the Company has filed over 280 design model registrations in Italy, Europe, USA, Australia, China and Korea.

Flos can be considered a pioneer as well in protecting its pieces and intellectual properties. Starting from 2021, the company decided to deposit its products' renderings to safeguard the light effects generated. The main objective of this strategy is to preserve R&D while ensuring protection against potential imitations, also in terms of the technical aspects concerning the spread of lighting.

Another crucial aspect of fighting products' rights infringements and prevent frauds is the monitoring of irregular use of our Brand's products on websites and social medias. The Group is actively persecuting online violations, such as the use of images and texts covered by copyright, as well as by preventing the sale of counterfeit pieces, which represents the most widespread offence due to the rapid growth of online shopping.

Moreover, Flos moved from a widespread to a selective distribution system, aimed at improving the performance of its distribution chain, by starting to select its distributors according to a set of chosen standards, including adherence to contractual terms. The strict chain of controls, aimed at limiting and preventing frauds, makes it possible to increase protection towards its products. In 2022, the process was perfected, allowing the Brand to start monitoring the identified set of qualitative criteria among its distributors.



"Originality Deconstructed" exhibition by Be Original Americas, Flos

⁴⁶ The Altgamma Foundation is the Italian luxury brands committee composed of companies in the fields of design, fashion, food, jewelry, automobiles, and hospitality. The Foundation commissions global research studies on behalf of its members, with the goal to protect their luxury reputation.

Making a difference through donations and involvement

We firmly believe in our responsibility to give back to the communities where we operate. By recognizing that everyone has a role to play in shaping a better world, we are committed to generate a positive change in society.

Among our Brands' volunteering activities, **Audo** each year donates textile offcuts to two design companies which repurpose the gifted fabrics: "In Line with the World" and "Liva Creation". The companies not only contribute to the increase in the circularity of materials, but also benefit individuals with disadvantaged backgrounds by offering employment opportunities.

In 2022, Audo specifically directed its textile donations to two companies that conduct sewing workshops in vulnerable residential areas.

Louis Poulsen keeps supporting charitable causes by donating some of its products for auctions and fundraising events. Moreover, in 2022 the Brand has financially contributed to the activities of associations such as the Red Cross, Save the Children, and the Multiple Sclerosis Association of America.

Lumens constantly encourages its employees' involvement in charitable works by creating corporate volunteering

programs. Among the organizations the Brand has collaborated with "Habitat for Humanity", which offers volunteering programs focused on building and repairing low-income housing for economically disadvantaged individuals.

In 2021, **Flos** decided to adhere to a project developed by Amref, an international non-governmental organization that aims to improve health in Africa through the active involvement of local communities. According to this activity involving the Ethiopian local community, Flos donated a share of the revenues from the Guns Collection, designed by Philippe Starck, to this foundation in order to foster young local people's education in the country: the project aims at incentivizing and creating local jobs in the sphere of waste management and disposal, improving the socio-economic situation of young potential migrants, developing specific technical skills that can be used on the job market in Addis Ababa. The project successfully ended in 2022, but the collaboration with Amref will continue in 2023.



Habitat for Humanity Restore in Greater Sacramento, US

Methodological note

Reporting principles and criteria

Design Holding's 2022 Sustainability Report has been prepared in accordance with the GRI Standards 2021. Contents of this Report reflect the results of the materiality analysis as defined by the Standards, as well as the disclosure practices on Design Holding's material topics. Furthermore, the Sustainability Report has been also drafted in line with the Sustainability Accounting Standards Board (SASB), with reference to the Building Products & Furnishings industry guidelines.

Scope of reporting

The present Sustainability Report details objectives, actions, and key performance metrics relating to the period between January 1st, 2022, through December 31st, 2022 [2-3]. Moreover, as of this Report's publishing date, no noteworthy event occurred in 2023 that necessitates reporting beyond what has already been described. Through this Report, the Group aims to not only comply with social expectations and strengthen communication with stakeholders regarding achieved results but also increase internal awareness on sustainable development.

Design Holdings sustainability reporting scope includes the following⁴⁷:

- Design Holding SpA – Corso Europa 22 (Milan, Italy)

- Flos:
 - Flos S.p.A. – Via Angelo Faini, 2 (Bovezzo, Italy)
 - Antares Iluminación S.A.U. – Carrer Mallorca, Polígono Industrial Reva, Calle Turia, Ribarroja de Turia (Valencia, Spain)
 - Ares S.r.l. – Viale dell'Artigianato, 24 (Bernareggio, Italy)
 - Flos Bespoke S.r.l. – Via A. De Gasperi, 2 (Collebeato, Italy)
 - Flos GmbH – Obermünsterstraße, 18 (Regensburg, Germany)
 - Flos Benelux NV – Romeinsesteenweg, 1000 (Wemmel, Belgium)
 - Flos BV – Cruquiusweg, 109-Q (Amsterdam, The Netherlands)
 - Flos Scandinavia A/S - Kuglegårdsvej 13-17, 1434 Copenhagen, Denmark
 - Flos Japan Co. Ltd - 1-23-5, Higashi-azabu, Minato-Ku (Tokyo, Japan)
 - Flos France S.a.s - 20 Pas Dauphine 20-22 (Paris, France)
- B&B Italia:
 - B&B Italia S.p.A. – Strada Provinciale 32, 15 (Novedrate, Italy)
 - B&B Italia S.p.A. – Via S. Andrea 1-3 (Misinto, Italy)
 - B&B Italia S.p.A. – Via Dante Alighieri (Arosio, Italy)

⁴⁷ The reporting perimeter has been extended with respect to 2021 Sustainability Report, now including Flos' commercial branches (Flos GmbH, Flos Benelux NV, Flos BV, Flos Sverige AB, Flos Japan Co. Ltd, Flos France S.a.s), as well as the newly acquired Designers Company and the Joint Venture DQM-Fendi Casa.

- B&B Italia S.p.A. – Via Dante Alighieri 6 (Carugo, Italy)
 - B&B Italia USA Inc. - 150 East 58th Street (New York, USA)
 - B&B Italia London Ltd. - 250 Brompton Road (London, United Kingdom)
 - B&B Italia München – Maximiliansplatz, 21 (Munich, Germany)
 - B&B Italia Paris SARL - 35 Rue du Bac (Paris, France)
 - B&B Asia Pacific Ltd. - 979 King's Road, Quarry Bay (Hong Kong, Hong Kong)
 - B&B Furniture (Shanghai) Co., Ltd – Shatou Industrial Area (Foshan, China)
- Lumens:
 - Lumens - 2020 L Street (Sacramento, USA)
 - Louis Poulsen:
 - Louis Poulsen Lighting A/S - Kuglegårdsvej 19 - 23 (Copenhagen, Denmark)
 - Louis Poulsen Lighting A/S - Industrivej Vest, 41 (Vejen, Denmark)
 - Louis Poulsen Sweden AB – Hudiksvallsgatan 8 (Stockholm, Sweden)
 - Louis Poulsen Norge AS - Lysaker Brygge 37/39 (Lysaker, Norway)
 - Louis Poulsen Finland OY - Kyllikinportti 2 (Helsinki, Finland)
 - Louis Poulsen UK Ltd - c/o Goodwille Ltd.St. James House 13 Kensington Square (London, United Kingdom)
 - Louis Poulsen Germany GmbH - Liesegangstraße 17 (Düsseldorf, Germany)
 - Louis Poulsen USA Inc. - 3260 Meridian Parkway (Fort Lauderdale, Florida)
 - Louis Poulsen Holland BV - J.A. van Seumerenlaan 5-7 (Uithoorn, The Netherlands)
 - Louis Poulsen Japan Ltd. - 〒106-0032, Minato City, Roppongi (Tokyo, Japan)
 - Louis Poulsen Switzerland AG. - Töpferstrasse 5 (Luzern, Switzerland)
 - Louis Poulsen Asia Pte Ltd. – 5 Purvis Street #01-02 (Singapore, Singapore)
 - Designers Company Group (Audo)⁴⁸:
 - Menu – Århusgade, 130 (Copenhagen, Denmark)
 - Menu – Priorpaken, 435 (Brøndby, Denmark)
 - Menu - Nybo Bakke, 4 (Holstebro, Denmark)
 - Menu US - Lionshead Av., 3176 (Carlsbad, USA)
 - Fendi Casa Group (DQM-Fendi Casa):
 - Design Quality Manufacturing S.p.A. - Via S. Andrea 1-3 (Misinto, Italy)
 - Fashion Furniture Design S.p.A. – Via Verdi 2 (Milan, Italy)²⁻²¹

Quality reporting principles

In accordance with the reporting principles defined by the GRI Standards 2021, Design Holding's Sustainability Report adheres to the criteria of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability. By applying these principles Design Holding ensures the quality and a proper presentation of the reported information, allowing users to make aware assessments and decisions about our organization's impacts and contribution to sustainable development: in fact, the document identifies the Group's strengths, issues, as well as areas of improvement. This Sustainability Report of Design Holding is not subject to external assurance ⁽²⁻⁵⁾.

⁴⁸ The reporting perimeter only includes Menu and by Lassen, excluding The Audo, residence and showroom in Copenhagen.

Material topics and GRI disclosures

The following table depicts the relationship between Design Holding's material topics (as outlined in the introductory chapter of the Report) and their corresponding GRI Standards topics (Topic-specific Disclosures).

Design Holding material topics	GRI topics
Inclusion & Empowerment	Diversity and Equal opportunities (GRI 405)
	Training & Education (GRI 404)
	Employment (GRI 401)
	Non-discrimination (GRI 406)
Business Ethics & Responsibility	Anti-corruption (GRI 205)
	Economic performance (GRI 201)
Eco-design & Circular Economy	Materials (GRI 301)
	Waste (GRI 306)
Energy & Climate Change	Emissions (GRI 305)
	Energy (GRI 302)
Responsible Sourcing & Sustainable Supply Chain Management	Supplier social assessment (GRI 414)
	Supplier environmental assessment (GRI 308)
Employee's wellbeing	Occupational Health & Safety (GRI 403)
Innovation & Product Quality	Customer Health & Safety (GRI 416)
	Marketing & Labelling (GRI 417)
Heritage & Design culture	Non GRI

Stakeholder engagement [2-29]

As part of our commitment to implement sustainability matters along our operations and value chain, we aim at constantly improving the relationships with our key stakeholders. The table below presents an overview of the results of the stakeholder identification process: these are mapped and matched with a list of the current engagement activities carried out by the Group for each stakeholder group.

List of stakeholders

Employees	Continuous dialogue between HR department and employees, specific initiatives
Board of Directors	Formal meetings
Suppliers	Continuous dialogue and periodic meetings
Clients	Website, fairs, catalogues, social networks, communication campaigns, fairs and meetings
Media	Press releases
Architects and interior designers	Continuous cooperation on research and development of new products
Providers of financial capital	Formal meetings and periodic management reports
Local communities	Website, press releases, social media, exhibitions, fairs, cultural events
Public Administration	Formal, continuous dialogue
Regulatory bodies	Membership of working groups

Moreover, in 2022, Design Holding did not make any contributions to and spending for political campaigns, political organizations, lobbyists or lobbying organizations, trade associations and other tax-exempt groups, or other groups whose role is to influence political campaigns or public policy and legislation.

Sustainability risk assessment

As part of assessing the most relevant sustainability topics for Design Holding, sustainability risks related to human rights, environment, social aspects and anti-corruption were identified. As a result, sustainability risks are managed and mitigated across the whole organization both internally (through the principles of Model 231, the Sustainability Policy and the Code of Ethics and externally (through the Group’s Supplier Code of Conduct) The most material risks identified can be found in the table below:

Aspects	Potential risk	Mitigation activities
Human rights	<ul style="list-style-type: none"> ○ Potential exposure to human rights risks along the supply chain (e.g. child labour, bonded labour or living wage). 	<ul style="list-style-type: none"> ○ Long lasting relationship with key suppliers, also through ESG risk assessment and oversight; ○ Ethical requirements related to human and labor rights for suppliers; ○ Implementation of the principles of the Supplier Code of Conduct and Code of Ethics..
Environment	<ul style="list-style-type: none"> ○ Physical risks correlated with climate change on owned assets and facilities; ○ Physical risks correlated with raw material depletion and waste related impacts in the supply chain and direct operations; ○ Transitional risks correlated with climate change and energy transition; ○ Potential interruption of procurement and distribution channels due to direct and indirect effects of climate change; ○ Reputational risks coming from noncompliance with environmental legislation both in own operations and across the value chain; ○ Risk of limited energy supply and rising energy costs following the outbreak of the Russian-Ukrainian conflict; ○ Inability to respond to market and legislative trends concerning the environmental impacts and performance of products. 	<ul style="list-style-type: none"> ○ Producing long-lasting solutions and investing in R&D to further expand products lifecycle and progressively reduce carbon footprint by using more sustainable materials and ensuring energy efficiency in use phase; ○ Supply chain ESG risk assessment and oversight; ○ Implementation of dedicated internal policies and law-compliance activities; ○ Compliance with the principles of the European Eco-design Framework Directive; ○ Diversification of energy supply sources to ensure reliability in procurement; ○ Implementation of the principles of the Supplier Code of Conduct and Sustainability Policy.
Social	<ul style="list-style-type: none"> ○ Inability to attract and retain talents with adequate skills and backgrounds; ○ Potential nonconformity or reputational impact related to cases of discrimination; ○ Inability to ensure high Health and safety standards and performance both within own operations and across the supply chain. 	<ul style="list-style-type: none"> ○ Employer branding initiatives and employee engagement; ○ Implementation of adequate training and development programs; ○ Implementation of a whistleblowing system and a Code of Ethics; ○ H&S management systems along with clear guidelines and procedures for mitigating health and safety-related risks and accidents; ○ Implementation of the principles of the Supplier Code of Conduct; ○ Monitoring of H&S performance of key suppliers.
Anti-corruption	<ul style="list-style-type: none"> ○ Potential non-conformity and reputational risks related to cases of corruption, unfair competition or unethical business practices. 	<ul style="list-style-type: none"> ○ MOG 231 and related procedures and instruments; ○ Implementation of the Code of Ethics and Whistleblowing Policy; ○ Full alignment with applicable national legislations.

Calculation methodologies and assumptions

Described below are the methodology and assumptions used to compute the performance indicators provided in the Report:

- Data related to injuries refer to the Group's employees and contractors. Commuting injuries where the employee/contractor used their own means of transportation, and first aid cases are not included;
- Hiring and turnover rates have been calculated using the total number of employees at the beginning of the reporting period as a denominator;
- The rate of recordable work-related injuries has been calculated as the total number of injuries divided by the overall number of hours worked in the reporting period and multiplied by 1,000,000;

- Some 2022 data regarding the number of training hours delivered have been estimated;
- Data on waste produced by Design Holding HQ have been estimated by using average data on waste production per office square meter provided by the Municipality of Milan.
- Emissions related to Employee Commuting (Scope 3, Category 7) were calculated by retrieving data from a questionnaire on commuting habits that was sent to the employees of the Group

Whether and how the consolidation process of information differs across the disclosures, it has been appropriately highlighted through footnotes in the text^[2-2].

The following table shows the conversion factors that have been used to perform energy consumption calculations and distance estimates:

Typology	UoM	Source
Fuel density	l/t	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2020, 2021, 2022
LCV (Lower Calorific Value)	GJ/t	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2020, 2021, 2022

Scope 1 emissions were calculated as follow:

GHG emissions – Scope 1

Source	Activity data	Emission factor	GWP
Car fleet	Fuel consumption (petrol and diesel)	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2020, 2021, 2022	CO ₂ equivalent.
Fuels for boilers, heating, and air conditioning	Fuel consumption (natural gas, fuel oil, biomass)	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2020, 2021, 2022	CO ₂ equivalent.
Leakages from air-conditioning systems of refrigerant gases	Leakages (kg)	-	Global Warming Potentials (GWPs) are taken from IPCC Fifth Assessment Report (AR5) and Sixth Assessment Report (AR6).

Regarding Scope 2 emissions caused by the consumption of purchased electricity from the national grid, two calculating methodologies have been followed: location-based and market-based approaches. The first metric shows the average emissions intensity of grids, considering both renewable and non-renewable generation, whereas the second metric indicates emissions from electrical sources that the Group has purposefully selected. Scope 2 emissions are calculated as follow:

GHG emissions – Scope 2

Source	Activity data	Emission factor	GWP
Electricity purchased from the national grid (location-based approach)	Electricity consumption	Terna international comparisons on Enerdata figures, 2019, 2020	Only CO ₂ .
Electricity purchased from the national grid (market-based approach)	Electricity consumption	AIB, European Residual Mixes, 2019, 2020, 2021 USA - Green-e Energy Residual Mix Emissions Rates, 2019, 2020, 2021	CO ₂ equivalent.
District-heating purchased from the waste-to-energy plant	Heat consumption	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2020, 2021, 2022	CO ₂ equivalent.

This year, as described in chapter “Design for the Planet”, a comprehensive analysis has been performed to broaden the set of Scope 3 emissions calculated and to include the impacts generated by both upstream and downstream activities in the value chain: the calculations now comprise a selection of categories chosen according to criteria of relevance. The reporting perimeter was therefore broadened with respect to 2021 emissions, with the inclusion of Flos’ commercial branches, DQM-Fendi Casa, Audo, Design Holding HQ and Lumens. Moreover, Category 9, 11 and 12 (respectively, Downstream transportation and distribution, Use of sold products and End-of-life treatment of sold products) were included to give a deeper overview of the impacts deriving from the downstream part of the Group’s value chain and products.

The calculations carried out relied on the following assumptions:

- Cat. 1 – Purchased goods and services: part of the weights of the materials purchased are estimated due to data unavailability. This Category is not applicable to Design Holding HQ.
- Cat. 2 - the Category is not applicable to DQM-Fendi Casa, Design Holding HQ, Lumens and Audo, as the Brands did not report significant investments in 2022.
- Cat. 4 - Upstream transportation: as the means of transportation was not available in some instances, it was assumed based on the departure and arrival points of sold products. Part of the emissions have been estimated due to data unavailability. The Category is not applicable to Design Holding HQ.
- Cat. 5 - Waste generated in operations: part of the emissions has been estimated due to data unavailability
- Cat. 6 - Business travel: part of the emissions has been estimated due to data unavailability.
- Cat. 9 - Downstream transportation and distribution: part of the emissions has been estimated due to data unavailability. The Category is not applicable to Design Holding HQ.
- Cat. 11 - Use of sold products: part of the emissions has been estimated due to data unavailability. The Category only refers to the Brands of the Group belonging to the lighting sector and to those belonging to the furniture sector that sell home appliances together

with their core products (for e.g. kitchens), as the products sold need to consume energy to function.

- Cat. 12 - End-of-life treatment of sold products: part of the emissions was calculated from the total quantity of materials purchased in the year, assuming that the total input quantity of materials equals to the output quantity and reportioning data on materials based on products sold by geography. Part of the emissions have been estimated due to data unavailability. The Category is not applicable to Design Holding HQ.

Due to the peculiarity of Lumens’ e-commerce business, emissions for Categories 1, 4, 9, 11 and 12 only refer to the share of products that are directly managed by the Brand and do not belong to the other Brands of the Group: emissions for these Categories were estimated.

Scope 3 emissions were calculated as follows:

GHG emissions – Scope 3

Source	Activity data	Emission factor	GWP
Materials and services procured (Cat.1)	Weight of raw, process and packaging materials, and finished products procured; cost of services purchased	EcolInvent v.3.9.1 (2022) UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021, 2022	CO ₂ equivalent.
	Cost of purchased raw, processed and packaging materials	UK Department for Environment, Food & Rural Affairs (DEFRA), Table 13 – Indirect emissions from the supply chain	CO ₂ equivalent.
Capital goods (Cat. 2)	Purchased production machinery, stamps and tools	UK Department for Environment, Food & Rural Affairs (DEFRA), Table 13 – Indirect emissions from the supply chain	CO ₂ equivalent.
Fuel and energy related activities (Cat. 3)	Fuel and electricity consumption	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021, 2022	CO ₂ equivalent.
Upstream logistics (Cat. 4)	Kilometres covered by airplane, truck, ship or rail and kilometres covered by airplane, truck, ship or rail multiplied by shipped weight	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021, 2022	CO ₂ equivalent.
Waste disposal (Cat. 5)	Weight of waste disposed	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021, 2022	CO ₂ equivalent.
Business travel by air, train, ship and car (Cat. 6)	Kilometres travelled by car, train or air	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021, 2022	CO ₂ equivalent.
		Ferrovie dello Stato Italiane, "Rapporto di Sostenibilità 2021"	
Employee commuting (Cat. 7)	Kilometres travelled	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021, 2022	CO ₂ equivalent.
		Ferrovie dello Stato Italiane, "Rapporto di Sostenibilità 2021"	
Downstream logistics (Cat. 9)	Kilometres covered by airplane, truck, ship or rail and kilometres covered by airplane, truck, ship or rail multiplied by shipped weight	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2022	CO ₂ equivalent.
Energy consumed directly by sold products (Cat. 11)	Electricity consumed directly by the products sold during their entire lifetime	Terna international comparisons on Enerdata figures, 2020	Only CO ₂ .
Waste disposal of sold products (Cat. 12)	Weight of products and packaging sold in the reporting year	EcolInvent v.3.9.1 (2022) UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2022	CO ₂ equivalent.

Our compliance system [2-23, 2-24, 2-25, 2-26]

We ensure to embed our policy commitments for responsible business conduct in our activities and business relationships through a compliance system implemented within the Brands of the Group, to ensure full compliance with applicable laws and identify values and principles we must aspire to in reaching our business objectives.

Our Sustainability Policy outlines the commitment to practices and standards designed to promote environmentally and socially responsible activities and to report our sustainability performance in a transparent manner. Moreover, the Supplier Code of Conduct formalizes the values and principles that we expect each of our business partners to comply with as regards ethics, particularly in terms of respecting human rights, labour, freedoms as well as environmental protection. The Organizational, Management and Control Model pursuant to Legislative Decree 231/2001 is a voluntary system via which the company's procedures are aligned with current regulations concerning administrative and criminal responsibilities for certain types of offences, such as those committed in the conduct of relations with Public Administration bodies, corporate crimes, market abuse, environmental and health and safety-related offences. The document identifies the risks associated with the aspects covered by the Legislative Decree, as well as the measures applied to manage them. The correct application of Model 231 includes the obligation to provide for adequate information channels, enabling whistleblowers to submit eventual reports of unlawful conduct based on precise and concordant factual elements.

In fact, our Whistleblowing Policy complements the Model and policies in place, providing a dedicated reporting channel and a guidance for workers, suppliers, customers and stakeholders in general on the practices for reporting violations of any policy and procedure (including our Code of Ethics and Suppliers Code of Conduct) and/or the 231 Model.

The contents of the reports might span from internal policies or procedures to violations of law, including those related to extortion and bribery, competition law, fraud, financial crimes, product safety and quality, harassment and discrimination, international trade controls, personal data protection, human rights and protection, serious environmental harm, and conflicts of interest. Ethics Committees have been established across the Group's brands to address whistleblowing reports, as well as to provide response to any requests for clarification

related to the interpretation of the applicable codes and policies. They also have the role to supervise and control over the implementation and compliance with the policy documents and to oversee and investigate eventual cases of misconduct and non-compliance according to the principles and procedures set out within the policies.

Reports to the whistleblowing system can be submitted via three main channels:

- via an online whistleblowing platform adopted by all the Brands (except for B&B Italia and Arclinea, which will be moving to the Group platform in the next year), offering multiple channels to be used depending on the companies involved. The management of each whistleblowing channel is entrusted to the respective Ethics Committee;
- via e-mail to one or more members of the Ethics Committee;
- in person to one or more members of the Ethics Committee.

Anti-retaliation principles apply to safeguard the whistleblower and specific disciplinary measures may be applied to employees in case of violation of the adopted codes and policies, without prejudice to any possible civil, criminal or administrative consequences, and according to the principles of proportionality and with a confrontational approach.

The Code of Ethics is a key feature of the Model and establishes the principles that the Brand must aspire to in reaching its business objectives. It is designed to reflect our core values and principles and to guide us as an ethical and practical compass in the achievement of our daily goals, including the communication with investors and stakeholders, environmental and social responsibility, adherence to human and workers' rights, work's health and safety, anti-corruption, and taxation and accounting. It applies to all employees, temporary workers, consultants, business partners, suppliers, and wholesale resellers of all the Group Brands and regulates the implementation of due diligence, audit, and verification measures across our supply chain to ascertain our own and business partners' compliance with principles and provisions, and to identify, assess, and anticipate risks and opportunities for improvement. The document is publicly available on our website.

The two documents have been approved by the Board of Directors in November 2022. In particular, the Code of Ethics serves the function of channelling the Group's policy commitments through four principles:

- **Legality:** any activity carried out by the Group and its representatives must be based on honesty, good faith and absolute compliance with applicable laws and regulations, International Labor Organization and United Nations Conventions, and any other relevant statutory requirements. Relationships with public authorities and officials shall be handled with utmost diligence and cooperation.
- **Transparency:** anyone working on behalf of the Group undertakes to provide to its stakeholders truthful, material, and accurate information, bearing in mind that it is essential to keep the solid trust that third parties place in our reliability, while preserving business confidentiality. Information shared with the public shall always be based on reliable sources and, to the extent possible, verifiable criteria. Transparency also inspires our everyday operations and the way we approach public authorities, our competitors and our customers.
- **Accountability:** we and each of our representatives strongly believe in the responsibility that comes with our purpose. We investigate and take into account both the positive and the adverse effects, internal and external, of our own activity and of those associated with us and stand accountable for them. We also exercise our influence over our partners to help them meet our standards. Moreover, we identify and respect the proper allocation of tasks and responsibility in accordance with our internal policies and procedures as a way to guarantee due diligence and compliance.
- **Beauty & Sustainability:** we believe in sustainability as a fundamental means to beautification, and as something inherently beautiful itself. We understand and pursue sustainability as pertaining equally to our impact on the planet, on our people, and on culture. Through our timeless products and by our example, we purport to pass on our values and traditions to future generations. As part of this process, we foster a fair and inclusive work environment, and we promote the utmost respect for health, safety, self-expression, dignity, and

individuality. We repudiate and condemn all forms of unfair discrimination and undertake the task to ensure that any decision involving a judgement on the person is taken according to neutral and objective criteria.

Finally, in order to embed ethical principles across the Group, Design Holding employees conducted specific training on the contents of Model 231, Code of Ethics, Supplier Code of Conduct and Whistleblowing Policy, and we are committed to extend the training to all the employees of the Group in coming reporting periods.



Borea sofa by Piero Lissoni, B&B Italia Outdoor

Appendix

General disclosures

GRI 2-7 | Employees (FTEs)

	2020	2021	2022
Employees	1,522.5	1,851.6	2,159.6
EMEA	1,437.0	1,561.7	1,812.5
Women	560.3	647.1	760.8
Men	876.7	914.6	1,051.7
AMERICA	24.0	218.0	270.0
Women	16.0	131.0	168.0
Men	8.0	87.0	102.0
APAC	61.5	71.9	77.1
Women	26.7	38.9	47.5
Men	34.8	33.0	29.6

	2020	2021	2022
Full-Time employees	1,488.5	1,819.2	2,091.5
Women	576.0	791.6	918.9
Men	912.5	1,027.6	1,172.6
EMEA	1,406.9	1,534.4	1,751.5
Women	535.1	623.9	708.9
Men	871.8	910.5	1,042.7
AMERICA	24.0	217.0	267.0
Women	16.0	131.0	166.0
Men	8.0	86.0	101.0
APAC	57.6	67.8	73.0
Women	24.9	36.7	44.0
Men	32.7	31.1	29.0
Part-Time employees	33.0	32.4	64.8
Women	26.0	25.4	55.4
Men	7.0	7.0	9.4
EMEA	29.1	27.6	57.7
Women	23.6	23.1	49.9
Men	5.5	4.5	7.8
AMERICA	-	1.0	3.0
Women	-	-	2.0
Men	-	1.0	1.0
APAC	3.8	3.8	4.1
Women	2.4	2.4	3.5
Men	1.4	1.4	0.6
Non-guaranteed hours employees	-	-	3.3
Women	-	-	2.0
Men	-	-	1.3
EMEA	-	-	3.3
Women	-	-	2.0
Men	-	-	1.3
AMERICA	-	-	-
Women	-	-	-
Men	-	-	-
APAC	-	-	-
Women	-	-	-
Men	-	-	-

	2020	2021	2022
Permanent employees	1,486.5	1,781.6	2,085.7
Women	595.0	792.1	944.6
Men	891.5	999.5	1,141.0
EMEA	1,403.8	1,495.7	1,745.6
Women	553.4	624.3	733.2
Men	850.4	871.4	1,012.4
AMERICA	24.0	218.0	269.0
Women	16.0	131.0	167.0
Men	8.0	87.0	102.0
APAC	58.6	67.9	71.1
Women	25.5	36.8	44.5
Men	33.1	31.1	26.6
Temporary employees	36.0	70.0	70.6
Women	8.0	25.0	29.6
Men	28.0	45.0	41.0
EMEA	36.0	66.0	63.6
Women	8.0	23.0	25.6
Men	28.0	43.0	38.0
AMERICA	-	-	1.0
Women	-	-	1.0
Men	-	-	-
APAC	-	4.0	6.0
Women	-	2.0	3.0
Men	-	2.0	3.0
Non-guaranteed hours employees	-	-	3.3
Women	-	-	2.0
Men	-	-	1.3
EMEA	-	-	3.3
Women	-	-	2.0
Men	-	-	1.3
AMERICA	-	-	-
Women	-	-	-
Men	-	-	-
APAC	-	-	-
Women	-	-	-
Men	-	-	-

GRI 2-8 | Workers who are not employees (FTEs)

	2020	2021	2022
Workers who are not employees	40.0	48.8	74.8
Agency workers	34.0	39.8	53.8
Women	13.5	14.8	13.8
Men	20.5	25.0	40.0
Other subcontractors	-	-	5.0
Women	-	-	-
Men	-	-	5.0
Internships	6.0	9.0	16.0
Women	4.5	5.0	8.0
Men	1.5	4.0	8.0

Economic performance

GRI 201-1 | Direct economic value generated, distributed, and retained (€/000)

	2020	2021	2022
Direct economic value generated	525,927	676,242	847,981
Direct economic value distributed	470,115	596,309	744,622
Operating costs	285,831	375,243	495,059
Employees' wages and benefits	114,454	137,435	169,131
Payments to providers of capital	-	2,313	-
Payments to the government	13,576	14,545	18,129
Community investment	337	642	1,143
Economic value retained	55,812	79,933	103,359

Materials

GRI 301-1 | Materials used by weight or volume (ton)

	2020	2021	2022
Iron/Steel	1,490.5	1,760.4	2,864.7
Fabrics	261.7	293.3	541.9
Wood	2,440.6	2,755.	5,395.2
Chemicals	294.0	338.1	160.0
Marble	656.1	807.6	646.3
Ceramic	0.4	0.5	18.4
Appliances	65.0	81.2	92.6
Aluminum	1,767.0	2,438.9	2,501.9
Leather	32.9	78.0	67.9
Paints	423.7	558.2	44.8
Paper	0.1	0.3	1.2
Polyurethane	-	-	355.1
Plastic	311.7	437.5	706.0
Glue	9.7	8.2	12.1
Glass	254.0	281.5	692.6
Gypsum	37.0	58.0	29.0
Brass	38.0	42.0	52.9
Rubber	7.2	8.2	6.9
Concrete	-	-	2.0
Copper	-	-	9.4
Cotton	-	-	2.1
Zinc	-	-	10.5
Silicone	-	-	44.5
Other metals	-	-	1.8
Total raw materials	8,089.3	9,947.6	14,259.8
Paper	1,669.7	2,029.0	1,917.6
Polystyrene	78.9	103.0	53.7
Polyethylene / Plastic	92.4	122.9	121.8
Wood	319.9	469.5	442.8
Total packaging	2,160.9	2,724.4	2,535.9
Total	10,250.2	12,672.0	16,795.7

Energy

GRI 302-1 | Total fuel consumption within the organization from non-renewable sources

	U.M.	2020	2021	2022
Natural gas for heating and production processes	m ³	1,448,716.4	1,889,064.6	1,608,429.6
Diesel consumed by vehicles owned and leased	L	290,644.7	312,977.7	441,451.6
LPG for heating	L	-	12.0	67,023.0
Petrol consumed by vehicles owned and leased	L	7,445.4	10,970.3	34,421.1
Fuel oil for heating and production processes	Kg	95,540.0	77,320.0	16,000.0
Biomass for heating	T	532.9	736.2	580.0

GRI 302-1 | Indirect energy consumption (kWh)

	2020	2021	2022
Electricity (purchased)	10,756,663.0	12,292,476.3	12,691,136.6
of which sourced from energy provider with Guarantee of Origin	3,033,329.0	4,585,174.5	9,841,987.0
District Heating	1,658,000.0	1,968,055.0	2,021,754.0

GRI 302-1 | Total energy consumed (GJ)

	2020	2021	2022
Fuel oil for heating	3,918.0	3,173.2	681.1
Natural gas for heating and production processes	51,368.9	67,051.9	57,718.0
Electricity purchased from national grid	38,724.0	44,252.9	45,688.1
Diesel consumed by vehicles owned and leased	10,750.0	11,505.2	15,921.2
District heating purchased from external waste-to-energy plant	5,968.8	7,085.0	7,278.3
LPG for heating	-	0.3	1,631.1
Petrol consumed by vehicles owned and leased	243.1	357.0	1,118.0
Biomass for heating	6,188.0	11,404.6	9,057.7
Total	117,160.8	144,830.0	139,093.5

Emissions

GRI 305-1 | Direct (Scope 1) GHG emissions (tCO_{2e})

	2020	2021	2022
Natural gas for heating and production processes	2,844.7	3,694.5	3,242.2
Diesel consumed by vehicles owned and leased	815.0	887.7	1,240.1
Fuel oil for heating	300.4	243.0	51.7
Refrigerant gas leaks	9.3	148.1	147.9
Petrol consumed by vehicles owned and leased	33.9	48.2	129.7
Wood combustion for heating	31.1	42.1	23.1
LPG for heating	-	-	104.4
Total	4,034.4	5,063.6	4,939.0

GRI 305-2 | Energy indirect (Scope 2) GHG emissions (tCO_{2e})

	2020	2021	2022
Electricity consumption (Location – Based)	3,121.3	3,597.6	3,868.4
Electricity consumption (Market – Based)	3,464.9	3,520.6	1,260.5
District Heating	270.9	324.8	345.3
Total Location Based	3,392.2	3,922.4	4,213.5
Total Market Based	3,735.8	3,845.4	1,605.7

GRI 305-3 | Other indirect (Scope 3) GHG emissions (tCO_{2e})

	2020	2021	2022
Cat. 1 - Purchased Goods and Services	37,647.6	111,508.8	109,073.3
Cat. 2 - Capital Goods	832.6	4,204.4	8,113.6
Cat. 3 - Fuel and Energy-Related Activities	1,192.4	1,726.2	4,715.7
Cat. 4 - Upstream Transportation and Distribution	8,876.6	19,954.3	12,506.6
Cat. 5 - Waste Generated in Operations	103.5	114.8	540.6
Cat. 6 - Business Travel	280.3	705.1	1,534.6
Cat. 7 - Employees Commuting	971.6	1,307.2	3,639.1
Cat. 9 - Downstream Transportation and Distribution	-	-	6,889.6
Cat. 11 - Use of Sold Products	-	-	446,276.1
Cat. 12 - End-of-Life Treatment of Sold Products	-	-	3,762.3
Total	49,904.6	139,520.8	597,051.5

Waste

GRI 306-3 | Waste generated (t)

	2020	2021	2022	
Aqueous solutions	2279	192.5	228.5	
Bottom ashes	13.4	17.8	18.2	
Construction materials	26.6	114.8	440.5	
Glass	5.7	17.6	14.4	
Metal materials	344.3	291.3	204.3	
Non-municipal waste	50.9	82.4	52.1	
Other	43.9	150.4	335.6	
PACKAGING	Glass	8.5	-	3.9
	Mixed materials	358.5	460.7	390.9
	Metal	9.1	2.1	-
	Paper/Paperboard	326.1	369.1	219.2
	Plastics	22.6	20.3	30.9
	Wood	157.5	220.6	202.6
	Paintings	14.8	21.6	21.7
	Paper	-	47.9	126.5
	Plastic	0.3	47.9	14.0
	Sludge	45.5	32.9	23.1
Wood	567.6	783.8	646.6	
Total waste	2,223.1	2,873.7	2,972.8	

Employment

GRI 401-1 | Employee hires (FTEs)

	2020	2021	2022
Total hires	109.0	413.0	432.6
Gender			
Women	31.0	222.0	205.6
Men	78.0	191.0	227.0
Age brackets			
<30	30.0	147.0	134.0
$30 \leq x \leq 50$	60.0	213.0	247.0
>50	19.0	56.0	51.6

GRI 401-1 | Turnover (FTEs)

	2020	2021	2022
Total terminations	98.0	290.0	372.0
Gender			
Women	29.0	130.0	184.0
Men	69.0	160.0	188.0
Age brackets			
<30	21.0	83.0	105.0
$30 \leq x \leq 50$	44.0	140.0	190.0
>50	33.0	67.0	77.0

Health and safety

GRI 403-9 | Work-related injuries

	U.M.	2020	2021	2022
Employees				
Total number of hours worked	n.	2,467,622.9	2,766,008.7	2,634,392.5
Total number of recordable work-related injuries	n.	170	180	180
Rate of recordable work-related injuries	Rate	6.9	6.5	6.8
Agency workers				
Total number of hours worked	n.	64,690.5	160,003.0	155,570.0
Total number of recordable work-related injuries	n.	-	70	-
Rate of recordable work-related injuries	Rate	-	43.7	0

Training and education

GRI 404-1 | Average hours of training per year per employee (h)

	2020	2021	2022
Gender	7,650.0	11,696.5	13,998.0
Women	3,661.3	4,095.3	4,395.1
Men	3,988.7	7,601.2	9,602.9
Employee category			
Executives	21.6	9.1	7.5
Middle managers	7.2	13.4	13.0
Office workers	4.5	7.1	10.6
Workers	0.7	5.2	6.7

Diversity and equal opportunity

GRI 405-1 | Diversity of employees (FTEs and %)

	2020		2021		2022	
Gender	FTEs	%	FTEs	%	FTEs	%
Women	603.0	39.6	817.1	44.1	976.3	45.2
Men	918.5	60.4	1,034.5	55.9	1,183.3	54.8
Age brackets	FTEs	%	FTEs	%	FTEs	%
<30	179.5	11.8	256.8	13.9	271.0	12.5
30 ≤ x ≤ 50	816.5	53.6	1,004.7	54.3	1,248.1	57.8
>50	526.5	34.6	590.1	31.8	640.5	29.7

GRI 405-1 | Diversity of employees (FTEs and %)⁴⁹

	2020		2021		2022	
	FTEs	%	FTEs	%	FTEs	%
Executives	45.0	3.0	62.0	3.3	82.0	3.8
Women					20.0	24.4
Men					62.0	75.6
Middle managers	88.5	5.8	130.0	7.1	196.9	9.1
Women					86.5	43.9
Men					110.4	56.1
Office workers	773.5	50.8	1,002.4	54.1	1,178.2	42.4
Women					652.9	55.4
Men					525.3	44.6
Workers	615.5	40.4	657.2	35.5	702.5	32.5
Women					216.9	30.9
Men					485.6	69.1

⁴⁹ Data on the subdivision of employee categories by gender were disclosed from 2022.

GRI Content Index

Statement of use	Design Holding Sp.A. has reported in accordance with the GRI Standards for the period 01.01.2022 – 31.12.2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not currently available.

Disclosure	Page	Notes	Omission		
			Requirements omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	14			
	2-2 Entities included in the organization's sustainability reporting	14, 86			
	2-3 Reporting period, frequency and contact point	86			
	2-4 Restatements of information		There have been no restatements in the reporting period.		
	2-5 External assurance	86			
	2-6 Activities, value chain and other business relationships	7, 14, 20, 56			
	2-7 Employees	14, 61, 98			
	2-8 Workers who are not employees	98			
	2-9 Governance structure and composition	30			
	2-10 Nomination and selection of the highest governance body	30			
	2-11 Chair of the highest governance body	30			
	2-12 Role of the highest governance body in overseeing the management of impacts	31			
	2-13 Delegation of responsibility for managing impacts	31			
	2-14 Role of the highest governance body in sustainability reporting	31			
	2-15 Conflicts of interest	30			
	2-16 Communication of critical concerns	30			
	2-17 Collective knowledge of the highest governance body	30			

Disclosure	Page	Notes	Omission		
			Requirements omitted	Reason	Explanation
2-18 Evaluation of the performance of the highest governance body	30				
2-19 Remuneration policies	30				
2-20 Process to determine remuneration	30				
2-21 Annual total compensation ratio			a, b and c	Omission due to Confidentiality constraints	
2-22 Statement on sustainable development strategy	4				
2-23 Policy commitments	86				
2-24 Embedding policy commitments	86				
2-25 Processes to remediate negative impacts	86				
2-26 Mechanisms for seeking advice and raising concerns	86				
2-27 Compliance with laws and regulations		During the reporting period, no cases of non-compliance with laws and regulations have been detected.			
2-28 Membership associations		For more information, please consult Design Holding's Brands sustainability reports publicly available on their websites.			
2-29 Approach to stakeholder engagement	86				
2-30 Collective bargaining agreements	61				

Material topics	Disclosure	Page	Notes
GRI 3: Material Topics 2021	3-1 Process to determine material topics	20	
	3-2 List of material topics	20	
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	14	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	98	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	86	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken		During the reporting period, no cases of corruption have been detected.
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	42	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	42, 98	
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	48	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	48, 98	
	302-3 Energy intensity	48, 98	
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	48	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	48, 98	
	305-2 Energy indirect (Scope 2) GHG emissions	48, 98	
	305-3 Other indirect (Scope 3) GHG emissions	48	
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	52	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	52	
	306-2 Management of significant waste-related impacts	52	
	306-3 Waste generated	52, 98	
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	54	
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	54	For the time being there are no structured processes and/or procedures to screen suppliers according to environmental criteria.

Material topics	Disclosure	Page	Notes
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	61	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	61, 98	
Occupational Health And Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	71	
	403-1 Occupational Health and safety management system	71	
	403-2 Hazard identification, risk assessment, and incident investigation	71	
	403-3 Occupational health services	71	
	403-4 Worker participation, consultation, and communication on occupational health and safety	71	
GRI 403: Occupational health and safety 2018	403-5 Worker training on occupational health and safety	71	
	403-6 Promotion of worker health	71	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	71	
	403-8 Workers covered by an occupational health and safety management system	71	
	403-9 Work-related injuries	71, 98	
Training and Education			
GRI 3: Material Topics 2021	3-3 Management of material topics	68	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	68, 98	
Diversity & Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	61, 67	
GRI 405: Diversity & Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	61, 98	
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	61, 67	
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		During the reporting period, no episodes of discrimination have emerged.
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	54	
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	54	For the time being there are no structured processes and/or procedures to screen suppliers according to social criteria.

Material topics	Disclosure	Page	Notes
Customer Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	42	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		During the reporting period, no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services have emerged.
Marketing and Labelling			
GRI 3: Material Topics 2021	3-3 Management of material topics	84	
GRI 417: Marketing and Labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labelling		During the reporting period, no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling have emerged.

Sasb disclosure index

Design Holding has produced its first Sustainability Accounting Standards Board (SASB) index to illustrate how its reporting aligns with the Building Products & Furnishings industry guidelines.

Building Products & Furnishings | Sustainability Disclosure Topics

Topic	Category	SASB Code	Accounting Metric	Page	Notes
Business Ethics & Responsibility	Management of chemicals in products	CG-BF-250a.1	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	116	No relevant risks and hazards associated with chemicals are involved in Design Holding Brands' productive processes. The Group is fully compliant with local laws. For more information, please consult Design Holding's Brands sustainability reports publicly available on their websites.
		CG-BF-250a.2	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	116	Given the peculiarities of the Brands' productive processes, no relevant impacts on volatile organic compound are recorded. Nonetheless, Design Holding is fully compliant with local environmental laws. For more information, please consult Design Holding's Brands sustainability reports publicly available on their websites.

Topic	Category	SASB Code	Accounting Metric	Page	Notes
Eco-design & Circular Economy	Product Lifecycle Environmental Impacts	CG-BF-410a.1	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	116	For more information, please consult Design Holding's Brands sustainability reports publicly available on their websites.
		CG-BF-410a.2	(1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled	116	Currently, Design Holding does not recover end-of-life materials at a Group level. In 2022, Louis Poulsen implemented a take-back scheme for its PH5 lamp, for which 100% of the materials used for the 3.5 kg lamp were recovered. Moreover, cardboard is made from minimum 75% recycled fibre mass, while additional cardboard material comes from an FSC approved sources. Finally, the aluminum shades are 100% recycled from pre-used PH5 lamps.
Energy & Climate change	Energy Management in Manufacturing	CG-BF-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	48, 98	
Responsible Sourcing & Sustainable Supply Chain Management	Wood Supply Chain Management	CG-BF-430a.1	(1) Total weight of wood fibre materials purchased, (2) percentage from third-party certified forestlands, (3) percentage by standard, and (4) percentage certified to other wood fibre standards, (5) percentage by standard	42, 86, 98	

Building Products & Furnishings | Accounting Metrics

Activity Metric	Code	Page	Note
Annual Production (Production shall be disclosed in typical units tracked by the entity such as number of units, weight, and/or square feet).	CG-BF-000.A	116	Number of units: 3,079,866
Area of manufacturing facilities The scope shall be limited to total area under roof, including manufacturing and administrative functions).	CG-BF-000.B	116	Square meters: 192,257

Credits

p. 05 Credits: Mattia Zoppellaro/Contrasto

p. 06 Credits: Tommaso Sartori

p. 08 Credits: Courtesy of Arclinea

p. 09 Credits: Rich Stapleton

p. 10 Credits: Fabrizio Bergamo

p. 10 Credits: Jessica Soffiati - Francesca Iovene

p. 11 Credits: Federico Cedrone

p. 11 Credits: Zoe Ghertner

p. 13 Credits: Andrea Ferrari

p. 13 Credits: Jonas Bjerre Poulsen

p. 16 Credits: Tommaso Sartori

p. 19 Credits: Courtesy of Louis Poulsen

p. 22 Credits: Fabrizio Bergamo

p. 25 Credits: Andrea Ferrari

p. 27 Credits: Federico Cedrone

p. 32 Credits: Tommaso Sartori

p. 35 Credits: Mario Depicolzuane

p. 38 Credits: Tommaso Sartori

p. 40 Credits: Ambra Crociani

p. 41 Credits: Courtesy of Arclinea

p. 42 Credits: Christian Moeller Andersen

p. 46 Credits: Ramak Fazel

p. 54 Credits: Jonas Bjerre Poulsen

p. 55 Credits: Courtesy of Arclinea

p. 63 Credits: Simona Pesarini

p. 67 Credits: Tommaso Sartori

p. 72 Credits: Niccolò Biddau

p. 73 Credits: Ramak Fazel

p. 74 Credits: Jean-Baptiste Mondino

p. 76 Credits: Zina

p. 77 Credits: Carlo Banfi

p. 79 Credits: Liu Song

p. 80 Credits: Mattia Balsamini

p. 81 Credits: Kristian Holm

p. 83 Credits: Courtesy Studio Bouroullec

p. 84 Credits: Little Comb Productions

p. 97 Credits: Tommaso Sartori

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Design
|
Holding

We design
for a beautiful
life