

# Sustainability

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## Report 2021



Design  
Holding



# Sustainability Report 2021

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# Letter to our Stakeholders <sup>[102-14]</sup>

This is Design Holding's first sustainability report, but the sustainability journey of our brands started a very long time ago. Across our brands, wherever I look, the concept or rather the culture of sustainability can be traced back for years, even decades. Sustainability is a term that is often misunderstood and curtailed in its true meaning. Yes, sustainability is about being environmentally aware, reducing a company's footprint on the planet, and working with partners to achieve the United Nation's net zero targets for greenhouse gas emissions. However, to achieve true sustainability requires us to go deeper. I believe that sustainability is about creating a world that is beautiful to live in; at its heart, sustainability is an ethos, a cultural mindset.

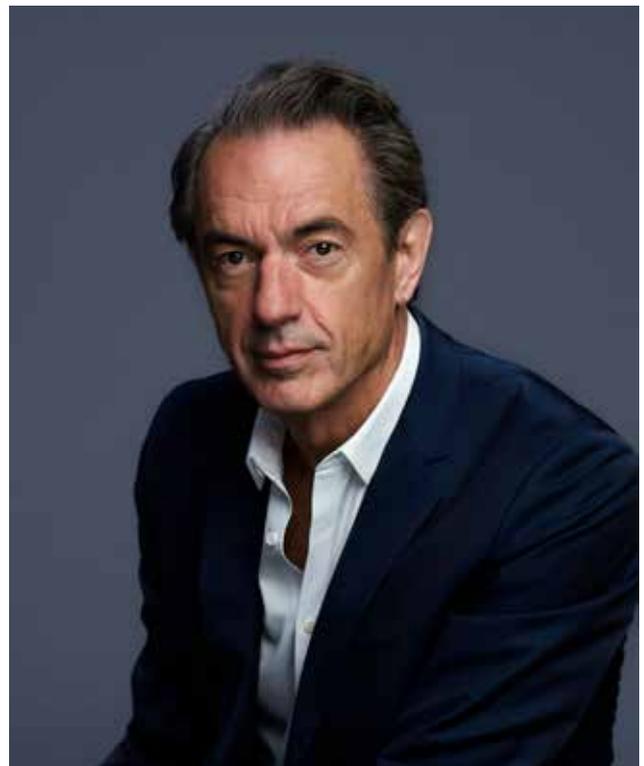
We at Design Holding use design to create beauty, to beautify people's lives, and craft beautiful and innovative objects that – through their design – have both longevity and a minimal environmental footprint on our planet across their lifetime. Through our design work we are also taking a clear stand, sending social messages of diversity and inclusion. It's something we have always done; just look back at the launch of Mario Bellini's Le Bambole for B&B Italia in 1972, with its strong message of female independence and empowerment. As it happens, we just relaunched the Le Bambole series, dramatically reducing its environmental footprint as well.

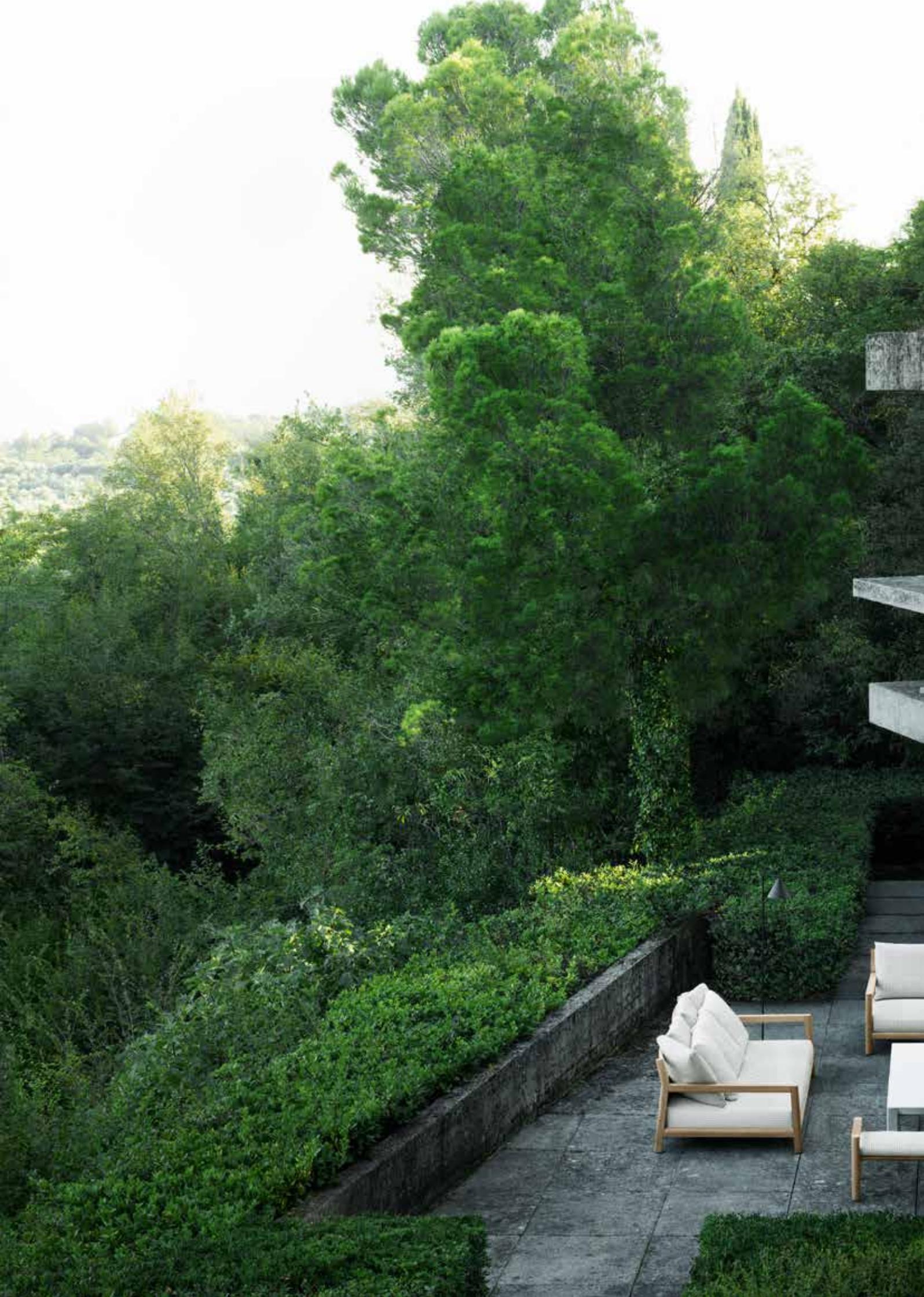
With this Sustainability Report, we are bringing together all the decades of experience from across our group – to share knowledge, to learn from each other, and to agree best practices. Through the beautiful objects that our designers, engineers and craftspeople create, we are promoting sustainability as a succession of cultural moments. Through our work, we all are passionate ambassadors for positive and beautiful living.

And we keep seeding this culture of sustainability, by supporting young designers – inviting them to share their ideas for sustainable living, and giving them the tools and technologies they need to bring these ideas to life.

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







# Highlights 2021



Captain Flint Outdoor by Michael Anastassiades, Flos

In this section, we highlight some of the crucial figures of Design Holding 2021 Sustainability Report, a glimpse on a selection of the key themes that will be touched upon later on in the following pages. 2021 has been characterized by strong economic and environmental results: the acquisition of two new Brands, YDesign Group and FENDI Casa; new bold initiatives, together with the definition of a sound sustainability strategy at Group level; the confirmation of Design Holding being at the forefront of the high-end design scene thanks to the winning of several design awards.

**The group**2021 Group Proforma  
Revenues\*

700,3 mln€

\*including 12 months of YDesign Group

2021 Group  
Revenues

676,2 mln€

Global presence

130 countries

YDesign Group (Lumens) became  
part of Design Holding

Design awards won by Design Holding brands in 2021

12

**People**

Employees worldwide

2,054

Total training hours

11,590

**Value Chain**Suppliers  
in Europe

86%

Arlinea's wood supply  
chain products FSC®  
Mix certified

100%

**Environment**

GHG emissions

148,506.8 tCO<sub>2</sub>etotal Scope 1, Scope 2  
and Scope 3  
location-based emissionsCarbon neutral on own operations  
for both 2020 and 2021

Energy intensity

equal to 214 GJ/K€

Clean electricity\*

37%

\*share of renewable electricity in 2021

# The Group's Structure

We are a global market leader in the luxury design market. 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 <sup>[102-2]</sup>.

The Group encompasses Flos, B&B Italia, Louis Poulsen, Maxalto, Arclinea, Azucena, FENDI Casa, Designers Company (Menu, by Lassen), and YDesign Group (Lumens).

Our history is relatively recent. The Group was formed in September 2018, the 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 lead our brands by inspiring them, recognizing their achievements, providing them with direction, sharing best practice, enabling full alignment between the Design Holding business' strategy and our Brands' activities.

## Investindustrial and Carlyle's history

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

### Investindustrial

Founded in 1990 and with €9 billion of active raised fund capital, Investindustrial is one of Europe's leading independent investment groups, with a focus on medium-sized companies across Southern Europe that are leaders in their fields. It operates across four industry groups: Consumer, Industrial Manufacturing, Healthcare & Services and Technology. The Group has a team of more than 150 professionals across seven offices in the United Kingdom, Switzerland, Spain,

France, Luxembourg, the United States and China. Further information is available at [www.investindustrial.com](http://www.investindustrial.com).

### 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 \$376 billion of assets under management as of June 30, 2022, 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 1,900 people across five continents. Further information is available at [www.carlyle.com](http://www.carlyle.com).

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, and 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 lead the way 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: Lighting, in which are included companies devoted to developing lighting solutions for residential and commercial spaces, both for indoors and outdoors; High-End Furniture, comprising companies that went down in history of design thanks to world-renowned and iconic furnishing accessories for homes and public spaces; and Kitchens & Vanities, where our Brands draw innovative kitchen solutions and complementary pieces. Each Brand promote and sell 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) <sup>[102-5]</sup>.



Convivium kitchen by Antonio Citterio, Arclinea

## The Group's Brands



Camaleonda sofa by Mario Bellini, B&B Italia

**B&B**  
ITALIA

**B&B Italia Group** operates in the residential and contract furniture market with the brands B&B Italia, Maxalto, Arclinea and Azucena. The brands maintain their own individual identity and original collections, but all share the same philosophy: to create distinctive and elegant products, blending together the three unique elements of tradition, design and innovation. B&B Italia Group has a presence in more than 80 countries worldwide and built an exclusive network of over 900 highly professional dealers and over 70 mono-brand stores, consolidating its international presence with the opening of wholly owned flag-ship stores in leading capital cities around the world. B&B Italia Group is headquartered in Como (Italy).

**B&B Italia** is a leading Italian high-end furniture design brand, established in 1966 through the inspired vision of Piero Ambrogio Busnelli. B&B Italia has built its success on the ability to reflect contemporary culture through design and to anticipate trends, constantly seeking to respond to the evolution of people's tastes and living needs. B&B Italia has developed longstanding partnerships with world-renowned designers and architects such as Antonio Citterio, Piero Lissoni, Patricia Urquiola, Naoto Fukasawa, Gaetano Pesce, and many others whose contribution has positioned the company at the forefront of technological innovation and design.

## **MAXALTO**

Launched in 1975 by Afra and Tobia Scarpa, Maxalto has become one of the Group's most prominent brands. Since 1993, Maxalto collections have been overseen by the architect Antonio Citterio, who has continuously extended the product series so that it now incorporates whole living room and bedroom ranges. Maxalto is recognised worldwide for its unique way of balancing tradition and innovation, as well as its distinctive and beautiful use of high-quality materials, especially wood.

## **Arclinea**

Arclinea Arredamenti S.p.A., founded by Silvio Fortuna in Caldogno in 1925, started as an artisanal laboratory specialising 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: Antonio Citterio was the one to

introduce the characteristics of a professional restaurant kitchen into home kitchens. Since then, several models have been produced consolidating the brand's innovative traits and reputation.

Arclinea became part of the B&B Italia Group in September 2016, when B&B Italia became its major shareholder.

## **AZUCENA**

At the end of 2017, Design Holding acquired the Italian brand Azucena, with the intention of preserving its legacy and restyling a series of its iconic products.

Azucena was founded in 1947 by Luigi Caccia Dominioni, Ignazio Gardella and Corrado Corradi Dell'Acqua, three visionary Italian architects of the post-war period. Azucena has been a highly regarded Italian brand from its creation, with its collections renowned for their elegance, luxury and aesthetical purity. Luigi Caccia Dominioni's iconic products include some of the most symbolic examples of Italian design history, including the Catilina chair, the ABCD armchairs, the Toro sofa and pouf, the Cavalletto table and the Poltrona and Imbuto lamps.

# FLOS

Recognised 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.



In Vitro by Philippe Starck, Flos

## **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 Vejle (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.

## **LUMENS** Enlightened by Design

Lumens (YDesign Group) is North America's premier destination for modern lighting, furniture and décor, serving trade and contract professionals as well as consumers. We travel 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 our 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 international group Design Holding.



In May 2022, with the aim of consolidating its market position in the Northern regions of the European market and the US, Design Holding acquired Designers Company, a Danish group that includes brands such as MENU and by Lassen.

Designers Company incorporates a wide collection including furniture, lighting, and interior accessories. The iconic portfolio brings together heritage and contemporary Nordic designs and serves a broad customer base, including many younger customers.

**FENDI**  
CASA

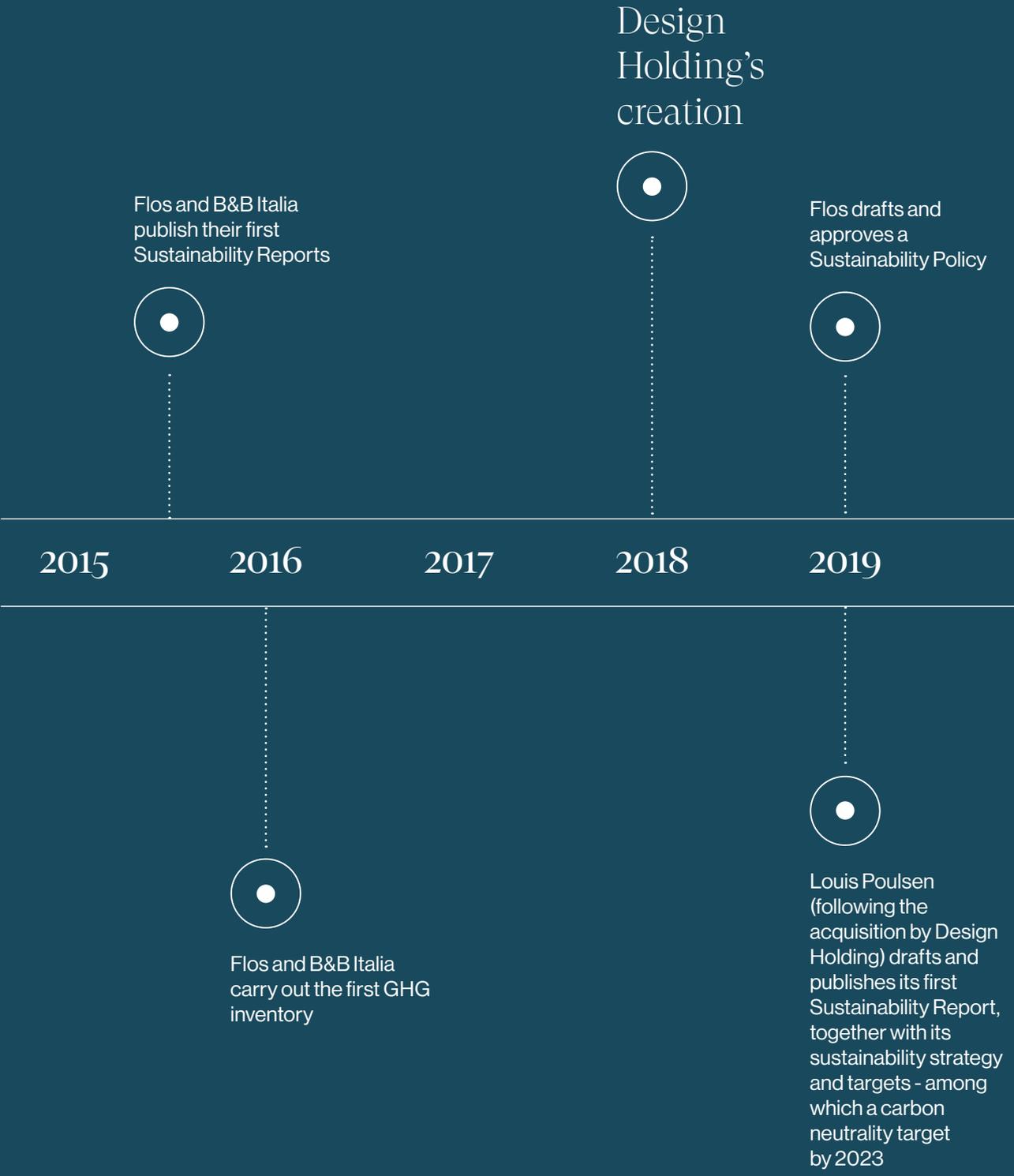
In May 2021 Design Holding and FENDI announced the launch of the joint venture Fashion Furniture Design (FF Design) to develop the FENDI Casa business. The joint venture involves Design Holding as majority shareholder. This new strategic

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.



FunFendi sofa by Atelier oi, FENDI Casa

# Sustainability History



Flos & B&B Italia are carbon neutral

Flos & B&B Italia publish a set of ESG targets, among which an emission reduction target aligned with the SBTi



B&B Italia drafts and approves a Sustainability Policy



Borea, B&B Italia sustainable product >89% circular



PH take-back scheme Louis Poulsen



2020

2021



Brands enlarge their GHG inventories to comprise new Scope 3 emissions categories



Camaleonda is the first B&B Italia product redesigned according to eco-design principles



Design Holding defines its sustainability strategy and pillars, and drafts its first Sustainability Report



Oplight, Flos sustainable products



Almendra, Flos sustainable products



# Our Sustainability Ethos: The Driver Behind All We Do

At Design Holding <sup>[102-1]</sup> our design ethos is a sustainability ethos.  
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 report sets out our purpose, our sustainability commitments, our dedication to supporting our Brands' individual sustainability drives and our strategy for realizing a new, sustainable way of making life beautiful.

# Our Purpose

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We design  
for a beautiful  
life

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Borea by Piero Lissoni, B&B Italia Outdoor and Captain Flint Outdoor by Michael Anastassiades, Flos Outdoor



Camaleonda by Mario Bellini, B&amp;B Italia

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 of these things without any cost to the nature that provides so much of our design inspiration.

Across our Group we are united in the belief that crafting beauty has to be sustainable: our approach to sustainability is driven by mindfulness in product design and 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.

“We exist to make homes, public spaces and life itself more beautiful.

For us, sustainability is intrinsic to that mission and is a value woven into the DNA of our Brands.

As a Group we are committed to being recognised as pioneers and leaders in adopting sustainable policies and practices and in developing a new concept of luxury high-end design that has sustainability at its core.”

Daniel Lalonde,  
CEO Design Holding

# Sustainability Strategy

Sustainability doesn't only underpin everything we do, it is also undoubtedly one of the key strategic assets that will enable us to realize our long-term ambition of being a pioneering and responsible global leader in high-end design. This year (the fiscal year 2021) <sup>[102-50]</sup>, we decided to take a crucial step towards sustainability transparency and accountability by drafting our first ever Sustainability Report <sup>[102-49] [102-51]</sup>.

This document sets out our Group's sustainability strategy for the coming years, built on strong initiatives and measurable targets. As further evidence of the profound synergy that exists within our Group, our ESG targets complement and take direct inspiration from those already developed by our Brands. Our sustainability strategy is thus underpinned by the hard work undertaken, and important milestones achieved, by our Brands over the past few years.

## **Our Brands' Strong Sustainability Heritage**

Our Brands share many of the focus areas pertaining to their own sustainability strategies: 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 their people - proof of the profound thread connecting operations across our Group.

As evidence of their commitment to sustainability, Flos, B&B Italia and Louis Poulsen have joined the United Nations Global Compact Initiative (UNGC). 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 take action in support of 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.

## Our journey to Sustainability

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.

Defining the key drivers that will underpin our sustainability commitment has been a strategic priority for The Group over the past year. In a reflection of how pivotal sustainability will be to the future strategic direction of The Group defining these drivers has involved senior management from all our Brands collectively shaping our ambition.

Emerging out of this work are three sustainability pillars. Together these form the backbone of Design Holding's sustainability mindset as well as the basis for our ESG pledges in the future.



Le Bambole by Mario Bellini, B&B Italia

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## Design for Planet

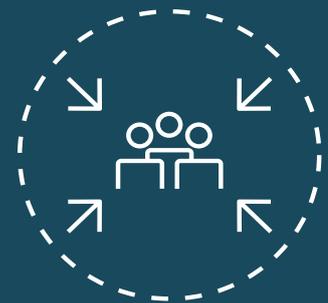
To foster our commitment to sustainability, by blending innovation, eco-design, and circularity principles in our business activities, and throughout our value chain.



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## Design for People

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



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## 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 takes into account the environment, the interests of all of 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.



Pablo Outdoor by Vincent Van Duysen, B&B Italia Outdoor



The Audo, Copenhagen, Designers Company

By designing for People, Design Holding is demonstrating that in an age of disposable products, these 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 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.



PH Artichoke by Poul Henningsen, Louis Poulsen

These three sustainability pillars are formalized within our Group's Sustainability Policy. This document will be approved by the Board of Directors during 2022 and will provide the framework for our sustainability strategy in future years.

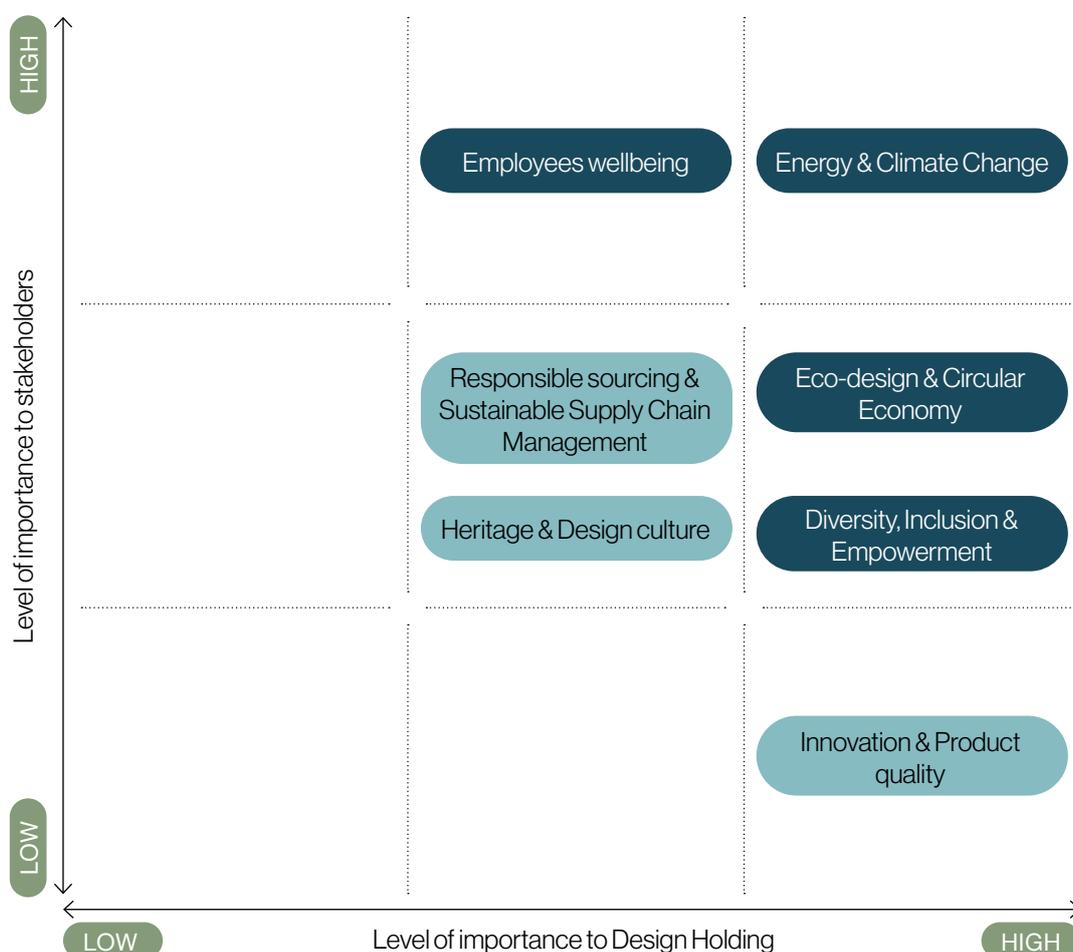
As well as defining our key areas of commitment we have also identified the pivotal sustainability topics that best reflect the impacts we have through our operations and across our value chain. The Group's materiality matrix reflects these sustainability themes as relevant to both our company and stakeholders <sup>[102-47]</sup>:

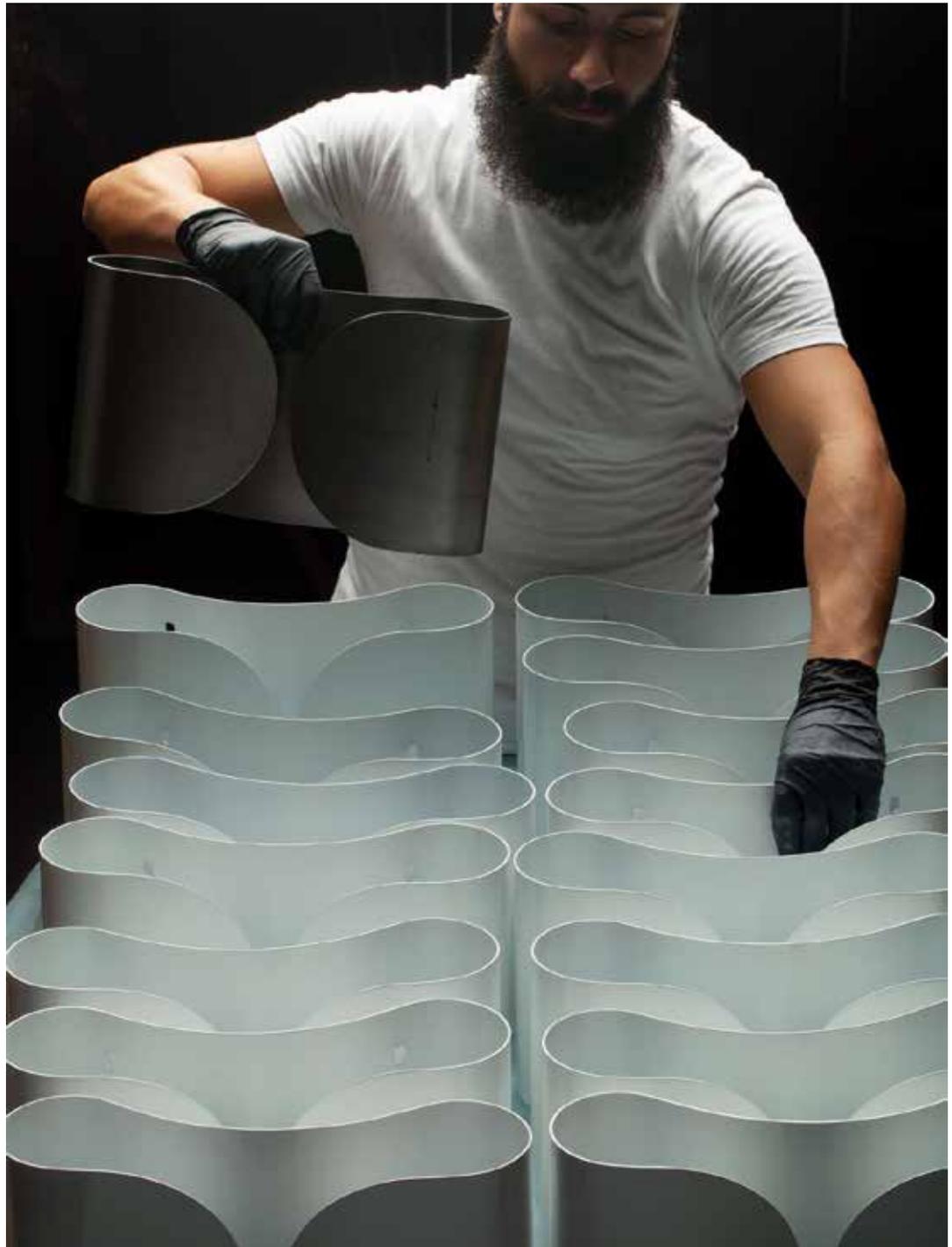
- **Diversity, Inclusion & Empowerment:** to foster an inclusive and empowering workplace for everyone, ensuring equal opportunities, growth paths and fairness in our business activities.
- **Business Ethics & Responsibility:** to ensure social, ethical and environmental compliance throughout our value chain.
- **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.
- **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.
- **Responsible Sourcing & Sustainable Supply Chain Management:** to strengthen our foothold on our value chain by actively engaging our commercial partners.
- **Employee's Wellbeing:** to put initiatives in place to enhance our employees' well-being and guarantee the highest standards securing health and safety.
- **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.
- **Heritage & Design culture:** to preserve the heritage of design icons and promote and disseminate art and design culture across the global community.

Each pillar, combined with what has emerged through the materiality matrix, has been used to define our Sustainability Plan. To track progress and performance, each pillar lays out a set of KPIs and targets associated with each goal.

While defining the Group’s materiality matrix, we determined that the **Business Ethics & Responsibility theme** – which includes topics such as **Socio-Economic Compliance, Environmental Compliance, Anti-Corruption, and Economic Performance topics** – has always been viewed as a precondition to operate by Design Holding and its stakeholders. For this reason, it underpins all other topics in the matrix.

Even if not being graphically represented in the matrix, this aspect is broadly addressed within this Sustainability Report, and could be reported upon as transversal to the other topics included in the matrix.





Painting department, Flos

An integral part of our sustainability strategy and plan will be the introduction of a Sustainability Governance: **Sustainability Steering Committee** that will comprise both Brands and Group level key personnel, the Brand's Sustainability committees and cross-Brand thematic working groups that will be responsible for coordinating, monitoring, and carrying forward the targets and projects set out.

In addition, as we proceed along our sustainability journey, all Brands will continue to set their own sustainability targets and consider sustainability as a source of inspiration and innovation.

## Design for the Planet

GOAL	SDG	DESCRIPTION	TARGETS	TARGET YEAR
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
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
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 - 100% of relevant suppliers mapped and assessed	- 2024 - 2025

## Design for People

GOAL	SDG	DESCRIPTION	TARGETS	TARGET YEAR
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 behaviors	- 2024
			- 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
People Empowerment		<u>Continuous improvement</u> – 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
			- 20% of Top Performers and High Potential employees involved in career development initiatives	- 2023

## Design for Culture

GOAL	SDG	DESCRIPTION	TARGETS	TARGET YEAR
Design for Future		<u>Design Holding Prize for Emerging Designers</u> to support younger generations and gender inclusivity.	- # of talents involved	- 2024
Engage Communities		<u>Strategic partnerships</u> – 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 - # of projects activated	- 2023

# Our Structure and Global Presence

Design Holding is present in more than 130 countries worldwide and, as of December 31, 2021, we employ 2,054 people<sup>1</sup>, mainly located in Italy<sup>2</sup><sup>[102-7]</sup>.

We continued to grow in 2021, acquiring YDesign Group LLC (“YDG”) and signing a license agreement with Fashion Furniture Design (FF Design), the joint venture created between Design Holding and Fendi, to develop the FENDI Casa business. The joint venture involves Design Holding as indirect majority shareholder <sup>[102-10]</sup>.

The FF Design and YDG acquisitions are part of our Group’s strategy to expand our geographic reach, strengthen our digital presence and provide more services. Following these two additions, as of December 31, 2021, our reporting perimeter comprises:

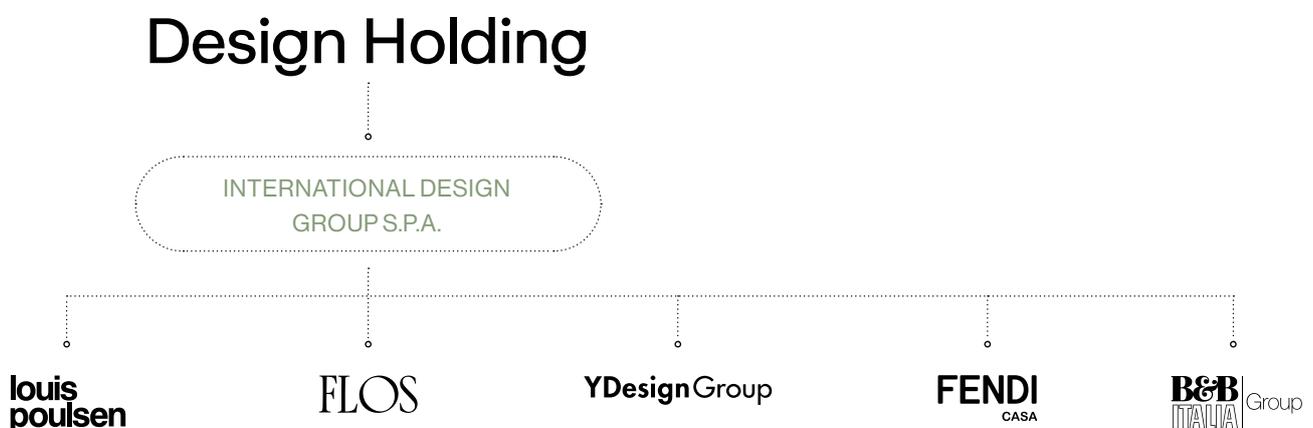
- International Design Group S.p.A. (including the parent company Design Holding S.p.A., headquartered in Milan, Italy <sup>[102-3, 102-4]</sup>)
- Louis Poulsen Group (headquartered in Copenhagen, Denmark)

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<sup>1</sup>Employee’s data refer to the full Group’s perimeter on December 31st, 2021, including productive plants and commercial branches: the Group’s perimeter does not coincide with the reporting perimeter, which does not include FENDI Casa and Designers Company’s workforce as their acquisitions occurred between end of 2021 and 2022, respectively. 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).

<sup>2</sup>Other countries with less weight in terms of number of employees are Singapore, China, the Netherlands, Hong-Kong, Dubai, India, Belgium, South Korea, Switzerland, Finland, Central and South America, Shanghai.

- D Studio Copenhagen APS (headquartered in Copenhagen, Denmark)
- Flos Group (headquartered in Bovezzo, Italy)
- YDesign Group (headquartered in Sacramento, California, United States of America)
- FENDI Casa (headquartered in Milan, Italy)
- B&B Italia Group (headquartered in Novedrate, Italy) <sup>[102-45]</sup>.

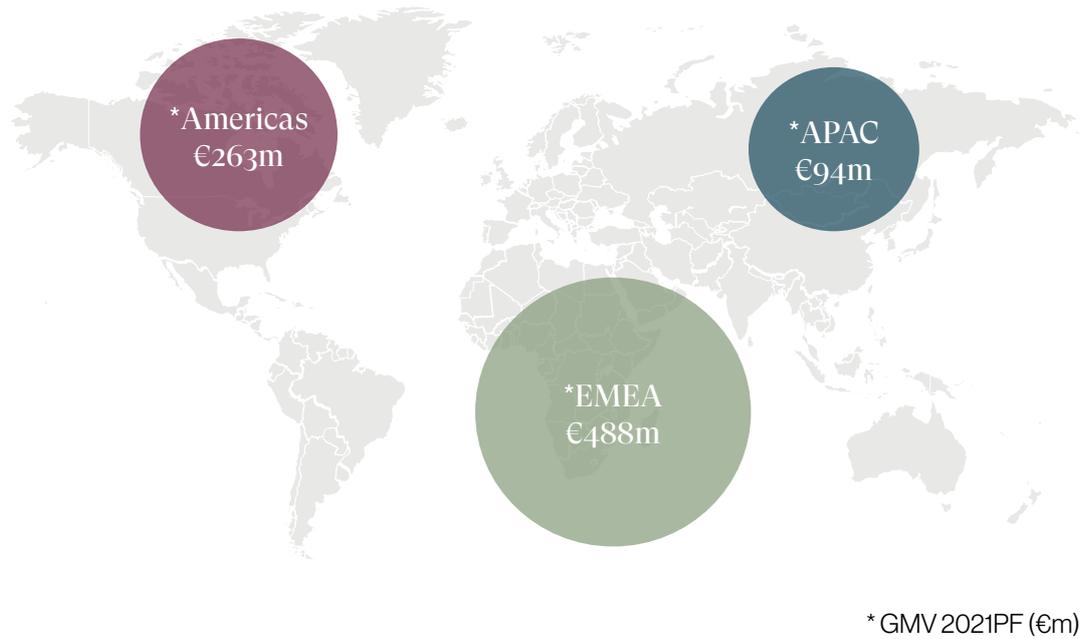


Simplified chart for illustrative purpose

The success of our growth strategy and social sustainability commitment is also proven by the Group's economic results of last two years, in which we have pledged to overcome the difficult pandemic situation. In particular, our revenues have grown by 29% between 2020 and 2021. These achievements, combined with an efficient management of resources, has resulted in an increase in the economic value retained by the Group, which went from 55,812 million Euros in 2020 to 79,933 million Euros in 2021. The results has also been due 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. In particular, the acquisition of the US based YDesign Group (Lumens), has been pivotal in expanding the geographic reach of the Group in the North American market, which only constituted 14% of total revenues in 2020, but went up significantly to 20% in 2021.

The graph shows an overview of the data <sup>[102-6]</sup>:

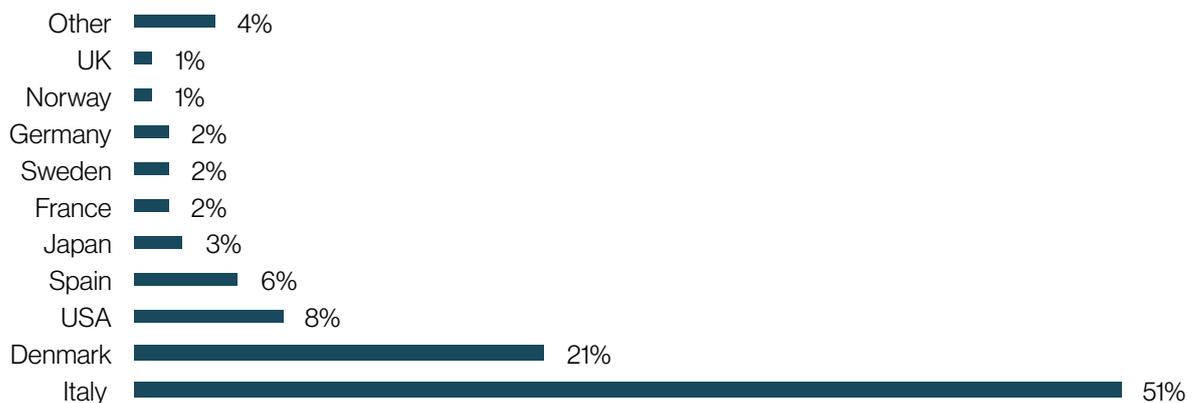
## Global footprint with presence in 130+ countries



Source: Company information

Notes: 2021PF numbers are pro-forma assuming Lumens and Designers Company are fully consolidated starting from year 2021

## Employees global distribution





Headquarters of B&B Italia designed by Renzo Piano and Richard Rogers, Novedrate, Italy

# Our Value Chain

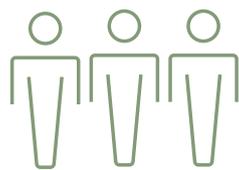
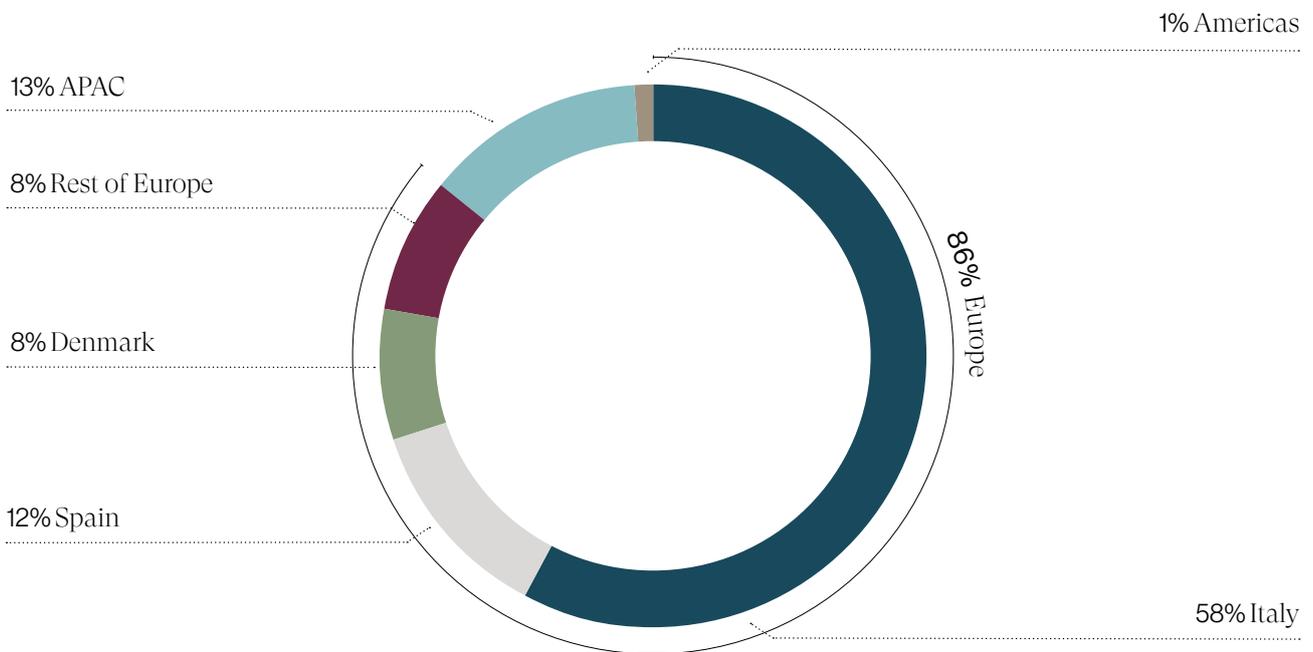
In order to create our iconic design pieces, it is vital to properly manage our complex value chain, comprised of different production processes and spaced across multiple geographies. To manage this complexity, supply chain management issues are devolved to our Brands and individual subsidiaries, in order to ensure the most territorial coverage possible and tailoring to individual production needs. Our Brands put great focus on product quality and craftsmanship during each step, from the design phase, to sourcing, to assembly and production <sup>[102-9]</sup>.

Members 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.

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. Moreover, this model ensures a proper level of quality control processes, essential when our Brands' pieces are predominantly made to order (73% of the total).

As indicated by the graph, many of our Brands' trusted suppliers comes from Italy and Spain (where Flos and B&B Italia's activities are located) and from Denmark, in the proximity of Louis Poulsen's production facilities<sup>3</sup>.

## Suppliers by geography



1,715  
Suppliers

<sup>3</sup> More detailed information on the supply chain is included in the chapter "Design for the Planet".

# Our Design Heritage

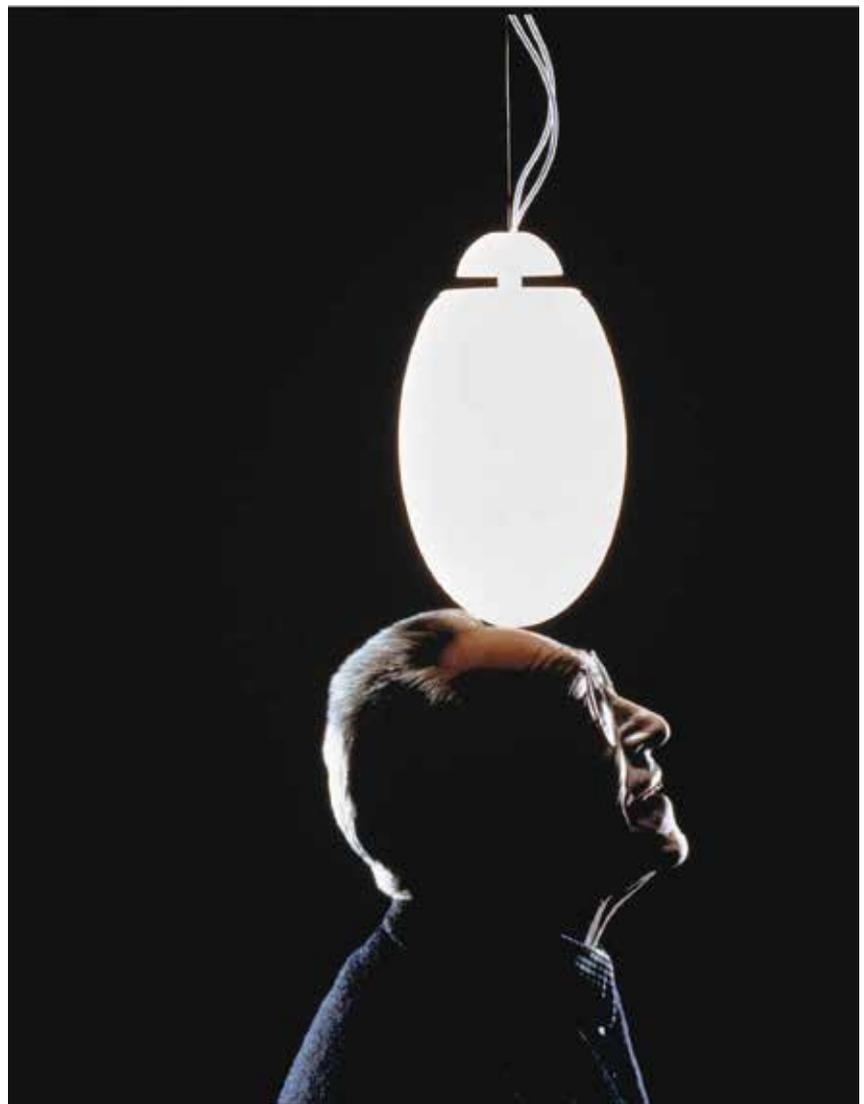
Since our foundation, Design Holding's mission has been to preserve the craftmanship and design tradition that characterises our Brands' individual heritages and to enable many more millions around the world to benefit from the beauty of their iconic designs.

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, and Louise Campbell.

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 13 Compasso d'Oro prizes, the most prestigious award in the field of Italian industrial design, presented by the Association for Industrial Design (ADI). 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, Flos' designs feature in the collections of the world's leading design museums, including 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<sup>4</sup>.



Achille Castiglioni with the lamp Brera, FLOS

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<sup>4</sup> More detailed information on the topics is included in the chapter "Design for Culture".



# 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.”

## A Group-wide commitment to inspire the future of eco-design

By ‘Designing for the Planet’, we state our pledge to adopt an environmentally committed approach across our operations, from production lines to office activities. We do this by embedding eco-design and circularity principles across 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.

In addition to this Group-wide commitment, each Brand will also continue to individually embrace innovative materials, design methods and design partnerships in their work and they will do it by taking all necessary measures to minimize the environmental impact of their operations, monitoring and embracing regulatory developments and scientific progresses. The Group-wide eco-design approach will provide evidence of each individual Brand’s commitment in this domain.

Our approach ramifies in two key ways:

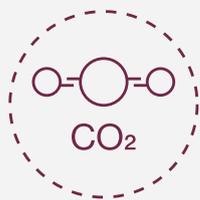
- By crafting iconic products, driven by a quest for quality at all stages. Doing this we guarantee longevity and durability in an age of fast fashion to enshrine the true meaning of sustainability
- By spotlighting and embracing R&D activities in the field of circularity to enable us to continue to bring beautifully designed products to market with the least environmental impact

## A drive to model sector leading climate consciousness

As outlined in our Climate Strategy, 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, aligned to the highest global standards such as the SBT initiative and the GHG Protocol.

In addition to acting as a Group at a global level, our Brands have also set their own individual strategies and targets for emissions reduction, contributing to the circular economy, and ensuring mindful waste management.

Finally, by working alongside our suppliers, we are committed to not only improving our own performances in materials procurement, packaging and waste management, but to also spreading climate consciousness and encouraging the adoption of disruptive solutions to limit the usage of raw materials and to improve packaging processes.



148,506.8tCO<sub>2</sub>eq The total Scope 1, Scope 2 and Scope 3 location-based emissions (2021)



144,830 The total energy consumption in GJ (2021)



Flos, B&B Italia and Louis Poulsen have been carbon neutral since 2020

# Our Group's Global Production

As a fast-growing Group, our global presence has increased dramatically during the last few years, spreading into new regions and markets with the welcoming of new Brands and companies. 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.

Most of our Group's environmental impacts are related to production activities carried out by Flos, B&B Italia and Louis Poulsen across Europe.



Production plant, Vejen, Louis Poulsen

## B&B Italia Group

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

- The Novedrate Italy site houses the head office, the upholstered furniture production section, the R&D Centre and the showroom.
- The Misinto Italy plant produces the 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.
- The Caldogno Italy plant is where Arclinea production activities take place. The factory is situated on the site of the original wood workshop in which the company started its activities in 1925.

## Louis Poulsen

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

## Flos

Flos production activities are also located across three main sites:

- The 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.
- The Bernareggio Italy site produces pieces of design for the Flos Outdoor collection, created to illuminate public spaces.
- Products of the architectural segment are developed at the facilities of Antares Iluminación 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.

# We Design for Life: 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’:

- By making products that last a lifetime
- By encouraging the adoption of eco-design principles at all stages of the design process
- By striving to lower the impacts of our products throughout their entire life cycle
- And by adopting circularity principles to breathe new life into end-of-life products

Long before sustainability came under the spotlight, many of our Brands independently began their journeys towards embracing a more thorough and mindful approach to sourcing and production processes.

Brands such as Louis Poulsen, one of the key Scandinavia Design companies, has a long history of introducing long lasting high quality products delivering a natural light and creates an atmosphere that makes people feel good, both indoor and outdoors. The shape of light creates space and products should live harmoniously within the space they define - indirect, soft and inviting. 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 – Novedrate - designed by Antonio Citterio and Patricia Viel, was conceived to be in complete harmony with its surrounding environment.

Welcoming such environmentally aware and driven Brands to our Group has been a fundamental plus: and, as further proof of the synergy between our Group and our Brands, Flos, B&B and Louis Poulsen have all included circularity and eco-design principles within their 2021 sustainability strategies, by refreshing, or setting, new ambitious targets.

Circularity and eco-design principles have been encapsulated at different stages of our Brands' manufacturing processing, allowing them to achieve significant waste and materials reduction and implement new circularity schemes that will blossom in the coming years. Importantly, this is a process not only built around the creation of new products but also by revisiting our design soul and enriching some of our existing collections by improving their environmental performances, reducing their impacts, and using new, efficient materials.

For instance, Louis Poulsen reduce the use of raw materials by improving internal production processes and by working with suppliers on quality and use of raw materials. It also carried out a series of Life Cycle Assessments<sup>5</sup> on several of the products in its range. In 2021, the result was the development of 17 new product specifications for building a new product each with sustainability principles embedded.

In line with the Group's value of product durability, Louis Poulsen has also instigated 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 of products. By taking back its products and investigating the use of replaceable batteries, Louis Poulsen is giving products a second life, helping re-use and save scarce resources and reducing direct and indirect greenhouse gas emissions.

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<sup>5</sup>Life Cycle Analysis, or Life Cycle Assessment (LCA), is an analytical methodology to quantify the potential environmental impacts associated with a product from raw materials to end-of-life management.

The calculation ranges from the extraction phases of the raw materials constituting the product, to its production, distribution, use and final disposal, returning the environmental impact values associated with its life cycle.



Camaleonda, advertising campaign 2021, B&B Italia

Whilst iconic, the Camaleonda sofa isn't an isolated example of our Brands' eco-design principles in action. B&B Italia has embedded circularity principles across many of its collections with its Borea collection a shining light in its circular strategy. All products across the Borea collection are made of recycled, recyclable and, above all, modulable materials that can be separated at the end of their lifecycle for optimal disposal. For instance, the padding of the 2020 outdoor armchair is made with polyester fibre filling coming from recycled PET plastic bottles, while the 2021 Borea outdoor loungers are based around a tubular aluminium structure - an extremely resistant and durable material that it is entirely recyclable.

Flos is also fast becoming a source of inspiration in how to embrace eco-design and circularity principles in high-end design. It has embraced innovative environmentally friendly materials in its designs, revamped product engineering and production processes to reduce impact on the environment and put a new focus on creating modular pieces that can be easily disassembled to be re-imagined or recycled.

To further strengthen the Group's commitment to circularity principles, we have included eco-design within the ESG targets we have set across our Group. Our objective is to implement a Group-wide Eco-Design Framework to be applied by the Brands directly within their own workflows. A representative working group comprising area managers from each Brand has already been set up, to define the guidelines that all Brands will work to by the end of the year.

### Re-thinking sustainability: Camaleonda

Designed by Mario Bellini in 1970, the 'Camaleonda' sofa perfectly embodies the process of re-imagining iconic classics through an eco-design and circularity lens.

After a process involving the designer and B&B Italia's R&D Centre, the composition of the Camaleonda's interior has been completely reconfigured. The sofa now rests

on the floor on a series of spherical feet made of FSC certified beech wood<sup>6</sup>, while its removable cover is made of 100% recycled Polyester Fiber, a synthetic fabric made of entirely recycled PET.

The redesign also pays great attention to circularity issues, with the seat, backrest and armrest bases made of wooden panels allowing all Camaleonda components to be easily disassembled and recycled.

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<sup>6</sup>Forest Stewardship Council – License Code FSC-C142045

# Embedding circularity and eco-design principles across our ranges

## B&B Italia

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 Minister of Economic Development.

The Brand started assessing products' circularity by analyzing Ribes and Erica '19, both designed by Antonio Citterio. The process continued with Hybrid, also designed by Antonio Citterio, Ayana, designed by Naoto Fukasawa and finally, in 2020, with Borea, designed by Piero Lissoni and Camaleonda by Mario Bellini. Using a comprehensive set of indicators developed internally, including the recyclability of the input materials

and overall product, B&B Italia assessed the Camaleonda sofa to have a circularity rating of 70%, while the Borea collection had a rating\* of 89%. Measuring circularity in this way has not only ensured that B&B Italia's future design processes meet the highest sustainability standards, but that the luxury design sector has a tangible new way of measuring and embedding circularity as a 'must have' principle within high-end design.

## Flos

Over the past few years, Flos has been investing in developing a structured eco-design strategy with Almendra designed by Patricia Urquiola, a decorative luminaire that Flos developed in 2021 and launched in 2022, and with the lamp Oplight, designed by Jasper Morrison. Both products embed circularity and eco-design principles, having been made with recycled and recyclable components and materials.

\* Product circularity measured in accordance with the Italian guidelines set by the Ministry of Environment in collaboration with the Minister of Economic Development

In particular, Almendra has been engineered with a view to disassembly, as the finishes are made with water-based varnish and the connections between pieces are snap-in with no screws or glues present. Oplight's LED source, on the other hand, is highly efficient with a lifetime of more than 50,000 hours and can be replaced without having to discard the rest of the lamp, with significant savings in terms of resources. This is made possible because the LED card is not glued to the heat sink as in normal lamps, and as a result its replacement does not require bringing the lamp to the shop for upgrading.

## Louis Poulsen

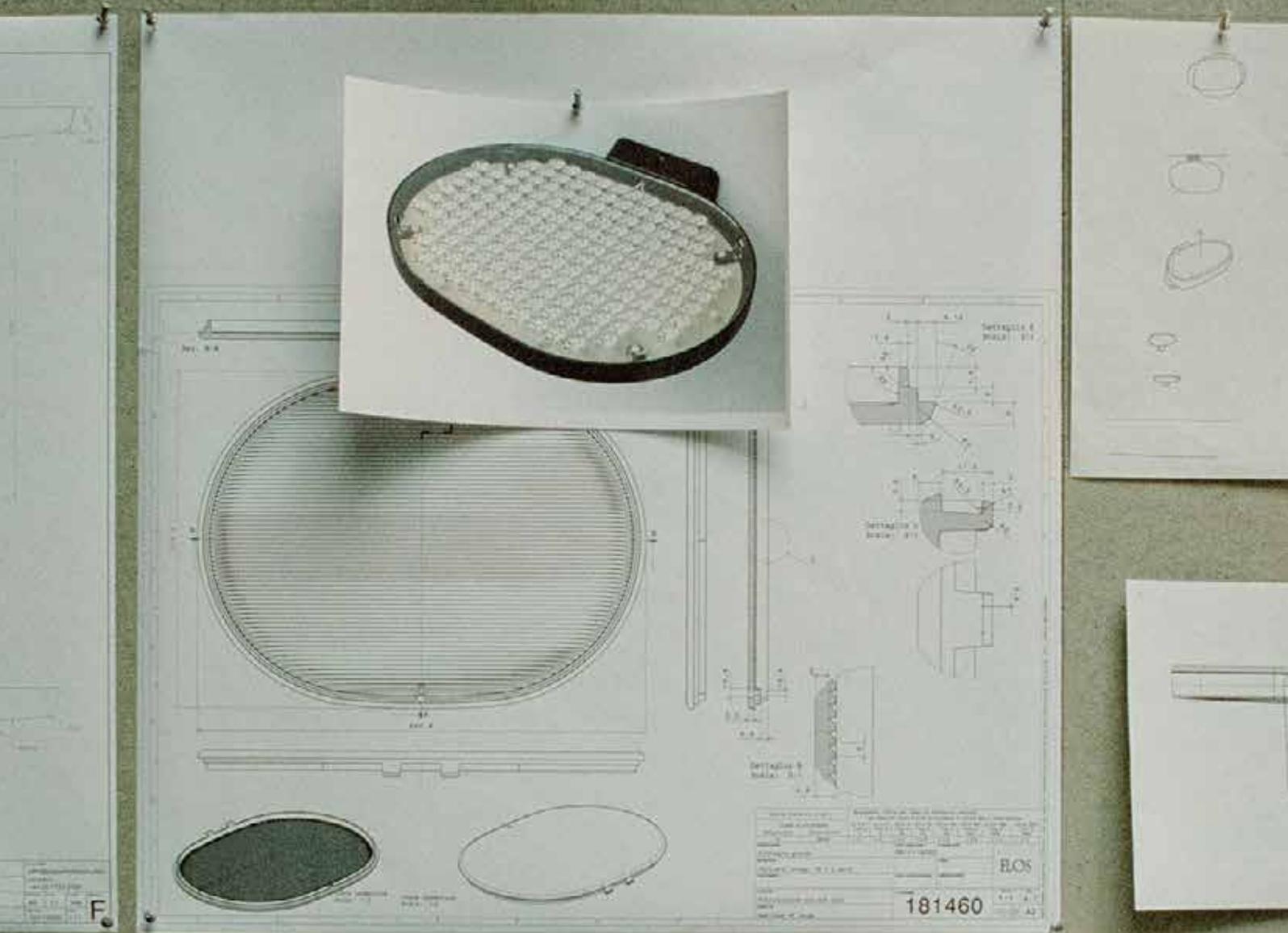
This year, the Brand has embraced "Retake", a new operating model based on circularity principles. With Retake, the Brand aims to increase the longevity of its products and the use of recyclable materials in the product designs, while also actively taking responsibility for facilitating and encouraging circular consumption. In 2021, Louis Poulsen has launched the PH5 Retake, the first product made according to these principles and the product components are primarily based on returned items from the market.



PH5 Retake by Poul Henningsen, Louis Poulsen

Over the past few years, we have enjoyed seeing our Brands consistently improving their environmental performances whilst retaining their commitment to product quality, craftsmanship and beauty. We see this as a proof of the Group-wide alignment around our sustainability values as well as evidence of the profound and positive collective impact we can have.

Across our Group we believe that declaring a commitment to sustainability is not enough. We believe that a meaningful commitment that brings about true change requires taking practical steps and demonstrating our engagement for all to see. For this reason, during the past years, our Brands have decided to certify their management of materials through the highest standards available in the international landscape: the Brands undertake to comply with all regulations on product safety and quality characteristics, adapting product specifics to sales geographies.



Oplight by Jasper Morrison, Flos

# Our Mindful and Responsible Use of Materials and Packaging

As we work on reducing the use of chemicals and non-recyclable materials to minimize our Group-wide environmental impact, the monitoring of purchased materials and components across the productive processes of each of our Brands allows us to have a clear overview of what can be improved and made more efficient in our purchasing decisions.

The data below presents the quantities of purchased raw materials or semi-finished products processed by the Group's companies across 2020 and 2021. 2021 saw a significant 23% increase in the total amount of purchased materials - 9,948 tons up from 8,091 tons in 2020<sup>7,8</sup>. This is the result of 2021 being the first year of recovery following the pandemic that impacted business operations.

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<sup>7</sup>Louis Poulsen has not a structured collection framework for materials, data displayed does not comprehend Louis Poulsen's quota. The Brand is working to implementing a data gathering process starting with the next reporting period.

<sup>8</sup>Bespoke's data on components and packaging materials is not available and is thus not included in Flos' quota.

## Materials used by weight or volume (ton) <sup>[301-1]</sup>

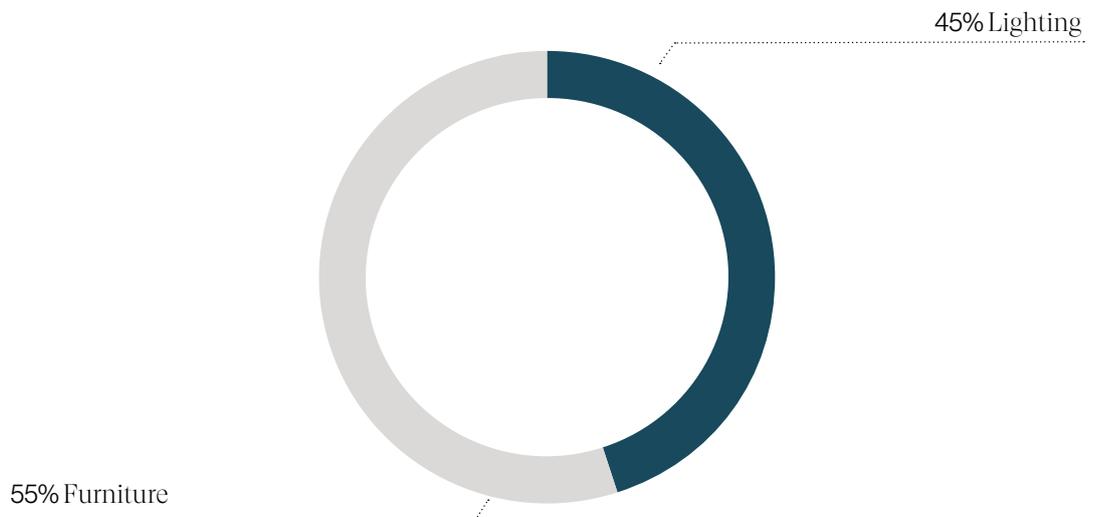
Materials	2020	2021
Wood	2,440.6	2,755.6
Aluminium	1,767.0	2,438.9
Iron/steel	1,490.5	1,760.4
Marble	656.1	807.6
Paints	423.7	558.2
Plastic	311.7	437.5
Chemicals	294.0	338.1
Fabrics	261.7	293.3
Glass	254.0	281.5
Appliances	65.0	81.2
Leather	32.9	78.0
Gypsum	37.0	58.0
Brass	38.0	42.0
Rubber	7.2	8.2
Glue	9.7	8.2
Ceramic	0.4	0.5
Paper	0.1	0.3
<b>TOTAL MATERIALS</b>	<b>8,089</b>	<b>9,948</b>

All data needs to be read bearing in mind the heterogeneity of our Brands' business segments and the different use of materials in their designs. For example, the entire amount of wood purchased for 2021 (2,756 tons) comes from B&B Italia and its brand Arclinea, which produces high-end wooden kitchen solutions. The same applies for leather and fabric – 78 tons and 293 tons, respectively – purchased for sofa and chair production by B&B Italia and its branches.

Aluminium is largely purchased and processed by Flos – 87% of the total, 2,131 tons out of 2,439.

## Materials – 2021 (ton)

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Other crucial aspects linked to materials consumption are their sourcing and safety. We translate these principles by adopting the most sustainable solutions from the outset of the production process, as well as by avoiding hazardous materials and, where feasible, using natural, non-toxic, and recyclable components.

In addition to the figures reported above, Flos monitors semi-finished purchases per unit with the Brand currently in the process of substituting conventional lamps (in 2021, the value is set to 3,312 units compared to 4,245 in 2020). This downward trend is also attributable to Regulation 2015/1428/EU, which requires companies to cease selling lamps together with traditional light bulbs, thus allowing the customer to choose between LED and traditional sources.

Electronic components <sup>9</sup>	UoM	2020	2021
LED and LED components	Units	7,680,660	6,477,826
Electrical components	Units	4,230,000	5,918,879
Transformers & power supply	Units	623,824	708,179
Traditional lamps	Units	4,245	3,312

## Packaging by weight or volume (ton)

In line with sustainability optimisation across all our processes, we are seeking to **significantly limit packaging volumes** across our Group's operations.

As well as reducing the total amount of packaging used our companies are continually investing in finding new solutions to improve the **recyclability of packaging materials** while ensuring robustness and adequate protection, especially during transportation.

<sup>9</sup>Data is related to the Flos, Ares and Antares plants.

## Louis Poulsen: Shining a Light on the Importance of High Quality, Sustainable Packaging

Louis Poulsen is working tirelessly behind the scenes to set new sector standards in sustainable packaging:

- Progressively increasing the recyclability of its packaging by developing strategies to decrease the use of fossil-based plastics
- Increasing the use of recycled materials such as recycled cardboard in its packaging solutions
- Collaborating with suppliers to investigate the use of new packaging solutions to reduce carbon footprint eg. by replacing glossy white printed packaging with high quality brown boxes.

Currently, across its Danish production sites, around 60% of cardboard materials are made from recycled materials, while the rest comes from renewable and sustainable sources, which are FSC certified.

All the time Louis Poulsen is reducing packaging excess and waste the Brand is also considering how to do this without compromising the quality of protection offered, and is constantly mindful of damaged products posing a waste and sustainability risk in their own right.

With this in mind, in 2021, Louis Poulsen standardized the requirements for its packaging solutions, so that it can perform a repeatable drop test, with the goal of reducing the number of damaged products that reach customers.

## Total amount of packaging used by weight or volume (ton) <sup>[301-1]</sup>

The Group's objectives with respect to packaging optimization require the Brands to be engaged in the quest of less impactful packaging solutions. Flos, for instance, 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 62% decrease in the use of polyurethane foams in 2021 compared to 2013, the year the project was launched. Moreover, Arclinea is carrying out a feasibility study to substitute the packaging currently in use, made of expanded polystyren (EPS) protection and nylon film, with recyclable and recycled materials such as cardboard packaging.

Packaging	2020	2021
Paper	1,669.7	2,029.0
Wood	319.9	469.5
Polyethylen / Plastic	92.4	122.9
Polystyren	78.9	103.0
<b>TOTAL PACKAGING</b>	<b>2,161</b>	<b>2,724</b>

# Transparent and Effective Climate Change Mitigation

With companies worldwide increasingly being held accountable for the impacts their actions might have in accelerating climate change outcomes, we are committed to mitigating the effects that our operations have and to openly reporting on how we are intending to do this.

Our objective is to design a comprehensive Decarbonization Strategy, that targets both our own operations and external value chain. As a leader in the high-end design sector we believe we have a responsibility beyond the gates of our facilities, and will aim to positively influence our suppliers, partners, and clients, ensuring they are similarly committed on climate-related issues.

Last year, as a first step towards decarbonization we started to take positive climate change mitigation action. Our first Group commitment, was the purchase of carbon credits to compensate for our overall GHG Scope 1 and Scope 2 market based emissions. This initiative allowed our Group and Brands to become carbon neutral on the activities falling within the reporting perimeter and was designed as a transition tool to mitigate our impact while we work to effectively reduce our Group-wide carbon emissions.

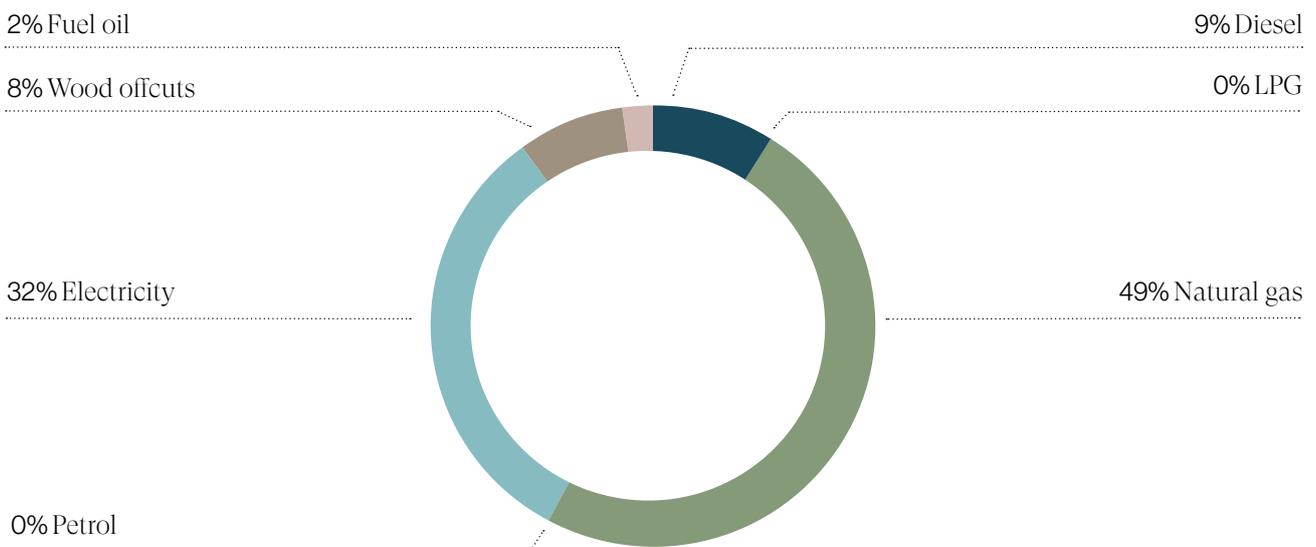


As an additional commitment to reduce our carbon footprint, we will define a Group Science-Based Target in line with the SBT<sup>10</sup> initiative methodology by 2023.

The aim will be to limit our overall GHG emissions by setting greenhouse gas emissions reduction targets consistent with the most ambitious aim of the Paris Agreement (to limit average global warming to 1.5°C by the end of the century compared to pre-industrial temperatures). While submitting the target to the SBT for validation and approval, we will develop an action plan, laying out the precise scope and timeframe of our emission reduction efforts.

## Energy consumption – 2021 (Gj)

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<sup>10</sup>The Science Based Targets initiative was created by the collaboration between the CDP, the UN Global Compact (UNGC), the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). It is acknowledged as one of the We Mean Business Coalition's commitments. The initiative supports companies in defining emission reduction targets that enable to us to cap global warming within +1.5°C compared to pre-industrial temperatures, in line with what is the limit envisaged by the Paris Agreement.

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, for instance, 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. They have also both undertaken to having 100% of electricity from renewable sources by 2022, and are currently on track for both targets. Louis Poulsen has also pledged to reducing their Scope 1, 2 emissions by 2022 and Scope 3 emissions by 2023.



Infra-Structure by Vincent Van Duysen, Flos

# Our Drive to Reduce GHG Emissions and Energy Consumption

At Design Holding, we are committed to monitoring our energy consumption and related GHG emissions, mostly coming from our Brands' production facilities.

The Brands of our Group are already rationalising and reducing their energy consumption: since last year, in order to keep up with the ESG targets set, most companies across the Group have started to carry out energy efficiency initiatives. For instance, B&B Italia has completed the start-up of a more efficient heating plant at its Misinto site, and has revamped the air intake system at its Caldogno and Novedrate sites - implementing a system that avoids energy spills.

Louis Poulsen has succeeded in reducing energy consumption in its own operation per produced finished goods by having a strong focus on process control and quality management. Finally, at Flos a real-time energy consumption level monitoring system at the Bovezzo plant has allowed the tracking of the energy demands of various production processes within the plant over the last few years, identifying both potential inefficiencies and the most energy-intensive processes.

In spite of these measures, the total energy consumption of the Group has gone up by 24% since 2020. This is because of the resumption of regular business activities following the most severe phase of the pandemic in 2020. To a lesser extent, the increase is also due to the enlargement of the Group's reporting perimeter, following the acquisition of YDG in 2021 <sup>[302-1]</sup>.

The energy efficiency initiatives implemented by the companies have served the purpose of making the energy intensity<sup>11</sup> of the Group slightly decrease, from 223 GJ/k€ in 2020 to 214 GJ/k€ in 2021<sup>[302-3]</sup>.

In addition to the initiatives related to energy efficiency, several companies across our Group are proactively moving to increase the share of renewable electricity out of the total electricity purchased.

In 2021, 100% of electricity purchased by Flos was covered by Guarantees of Origin (GOs) across its Bovezzo, Bernareggio and Collebeato plants, while Antares' Valencia plant started to cover 75% of its plant's consumption in Q3. B&B Italia, also completed the purchase of Guarantees of Origin<sup>12</sup> for its productive plants (Misinto, Novedrate and Caldogno), with contracts entering service from the beginning of 2022. Thanks to these purchases, both companies are on track for having 100% of electricity from renewable sources by 2022. Finally, Louis Poulsen has 84% of its total electricity consumption coming from renewable sources.

Thanks to this drive to increase the share of energy coming from renewable sources, **the total Group share of renewable electricity used has risen from 28% in 2020 to 37% in 2021.** The share is expected to further increase in 2022, when B&B's Guarantees of Origin will start being effective, and in the coming years as YDG, FENDI Casa and all the other newly acquired Brands join us in our Group-wide renewable energy drive.

As shown in the graph in the following page, the furniture segment of the Group is more energy-intensive, which can be explained by the higher intensity production processes required to create these design pieces.

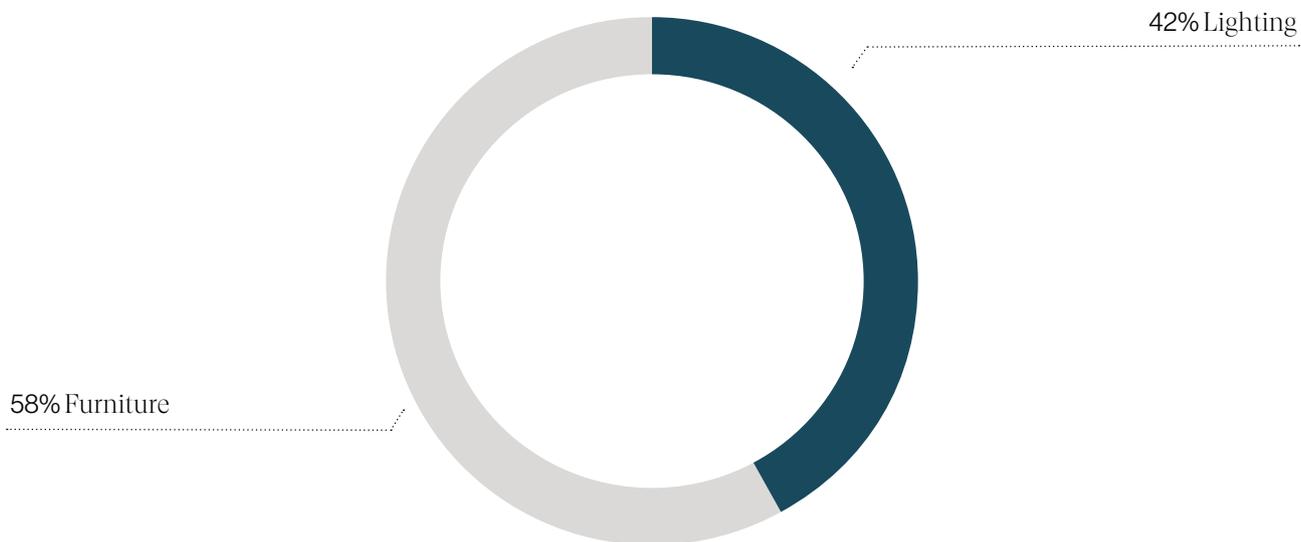
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<sup>11</sup>The Group's Energy Intensity Index is measured as the ratio between energy consumption and revenues multiplied by a factor of 1,000.

<sup>12</sup>These certificates are issued within the European Union energy market as proof of electricity produced by renewable source.

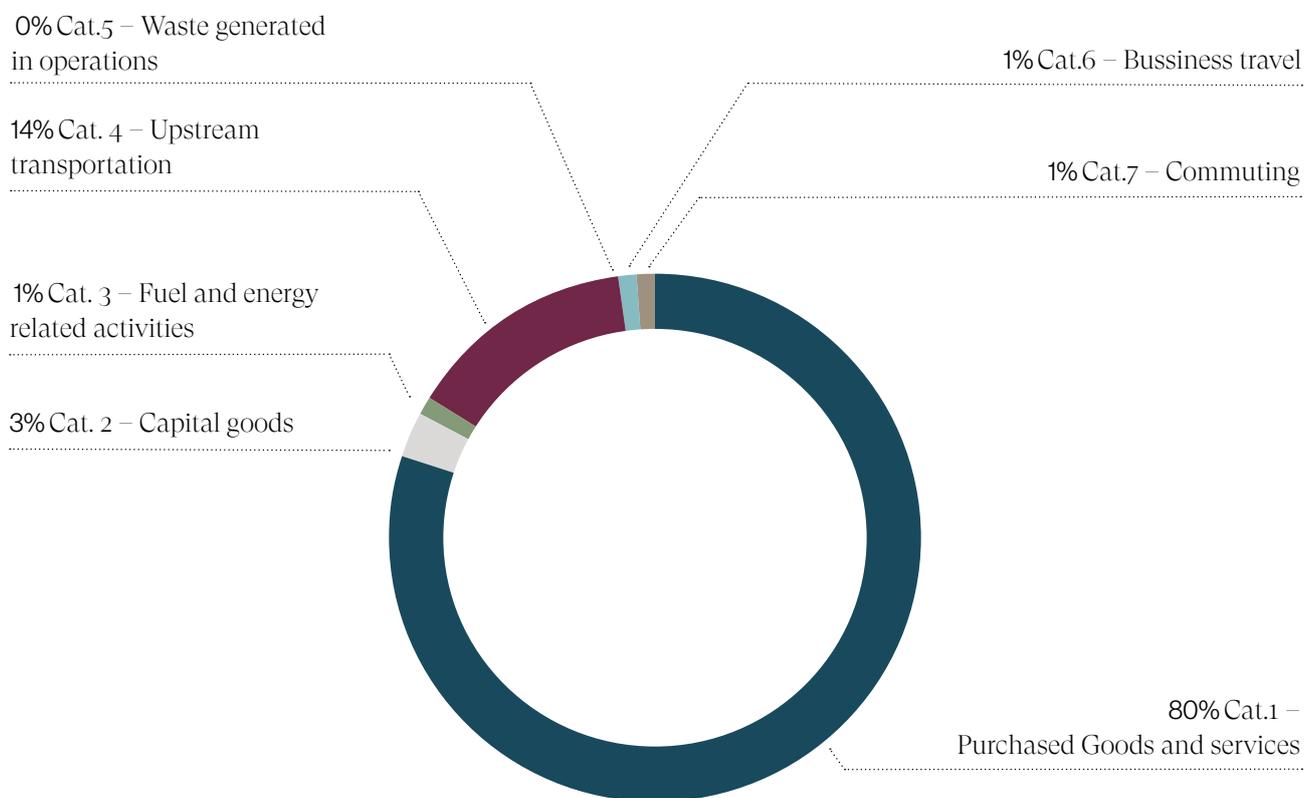
## Energy consumption – 2021 (Gj)

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## GHG emissions – 2021 Scope 3 (tCO<sub>2</sub>eq)

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## GHG emissions – 2021 (tCO<sub>2</sub>eq)



Our commitment to tackling climate change also comprises the tracking of GHG emissions along our value chain, in order to provide transparency for all our stakeholders, as well as to accurately plan future reduction targets. We are now identifying and monitoring all relevant 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. Furthermore, we have estimated our other indirect emissions occurring outside of the companies (Scope 3).

Scope 1 emissions amounted to 5,063.63 tCO<sub>2</sub>eq<sup>[305-1]</sup> in 2021, showing a 26% increase on 2020 levels when emissions amounted to 4,034.34 tCO<sub>2</sub>eq. Mirroring the upward trend related to energy consumption, the reason behind this increase lies in the increase in production across the Group in 2021 following the disruption of business activities in 2020, as well as the acquisition of YDG.

Scope 2 GHG 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, taking into account both renewable and non-renewable production, whilst the latter reflects emissions from the electricity source that the Group has specifically chosen.

Moving to Scope 3 emissions, as reported in the graphs below, purchased goods and services constitute almost 80% of the total of this category: this figure underlines the centrality of production for our Brands. Overall, the total amount of Scope 3 emissions<sup>[305-3]</sup>, showed an increase in 2021 in relation to the previous year, mainly attributable to Category 1 (“Purchased goods and services”). This increase can be largely attributed to Louis Poulsen deciding to expand its Scope 3 monitoring. The categories added are purchased goods and services and capital goods.

# Our Continued Drive to Promote Recycling and Reduce Waste

In 2021 we continued to improve our waste management and recycling activities, trying to not only instill a more mindful approach at an operational level but to also engage our employees in their daily activities, such as promoting recycling processes in coffee break areas. We are also delighted to report that our Group is demonstrating a solid commitment towards product and materials circularity through our Brands' design activities and the implementation of initiatives at a Group level.



Production plant, Vejen, Louis Poulsen



Production plant, Vejen, Louis Poulsen

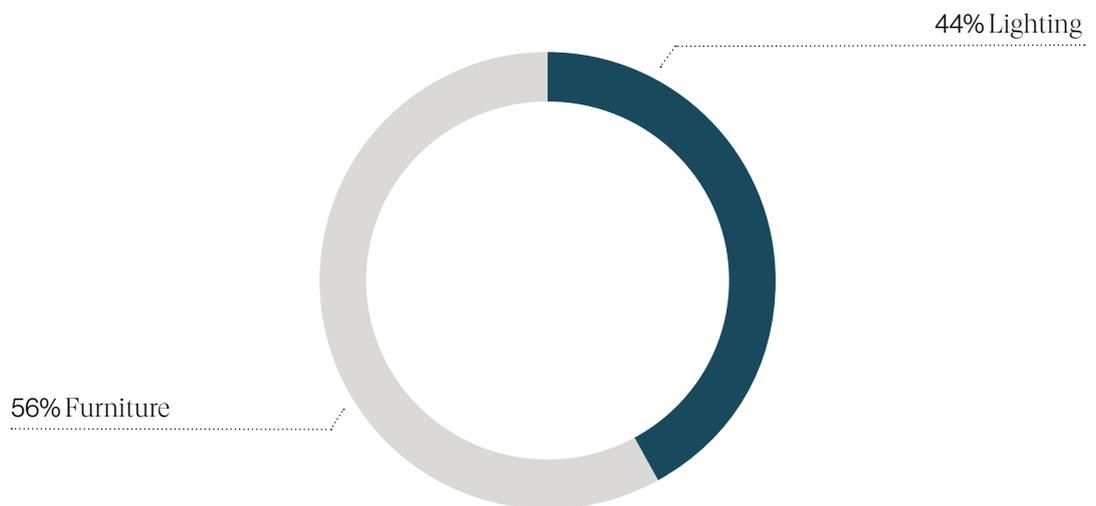
## Louis Poulsen: Innovative Waste Management Thinking in Action

In 2020, Louis Poulsen put into place a sector leading waste management strategy that seeks to reduce waste through its production processes and through contributing to the growing circular economy. It is doing this by:

- Ensuring that all scrap metals collected from its 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. In 2021, 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

## Waste – 2021 (ton)

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Moreover, as already highlighted in our Louis Poulsen case study on page 53, our Brands are also working towards the implementation of efficient schemes to produce beautiful new high-end designs using materials from worn, damaged or returned products to increase their life cycle. For instance, Flos has implemented a innovative repair, substitution and replacement service for its customers that has significantly reduced waste. We are also working with our Brands to monitor the percentage of defective components coming from their suppliers and the reason for their return, to identify and combat unnecessary waste.

Apart from our offices and headquarters, where most waste derives from stationery, across our productive plants most waste is related to production processes, faulty components that do not meet aesthetic and quality requirements and are sent back to suppliers and to packaging materials.

In every country we operate in, we monitor and manage our waste production and disposal, in full compliance with all the requirements of the applicable national law. The rise in total waste production indicated in the graphs below is a sign of recovery from the effects of the 2020 pandemic and the consequent resumption of normal levels of business activity in 2021.

The biggest share of waste produced is attributable to furniture.

## Waste generated (ton)<sup>13</sup> | 306-3 | (ton)

Waste typology		2020	2021
	Wood	567.6	783.8
	Metal materials	344.3	291.3
	Aqueous solutions	227.9	192.5
	Other	43.9	150.4
	Construction materials	26.6	114.8
	Non-municipal waste	50.9	82.4
	Paper	-	47.9
	Plastics	0.3	47.9
	Sludge	45.5	32.9
	Paintings	14.8	21.6
	Bottom ashes	13.4	17.8
	Glass	5.7	17.6
	Mixed materials	358.5	460.7
	Paper/Paperboard	326.1	369.1
Packaging	Wood	157.5	220.6
	Plastics	22.6	20.3
	Metal	9.1	2.1
	Glass	8.5	-
	<b>TOTAL</b>	<b>2,223.1</b>	<b>2,873.7</b>

<sup>13</sup> Waste data for Design Holding have been estimated, as they were not available.

# Sharing Our Environmentally Consciousness 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 value of environmental responsibility. We expect all our suppliers to assess and establish adequate management systems to avoid or mitigate any foreseeable environmental impacts associated with their processes, goods and services over their full life cycle.

As a pre-requisite, our suppliers are required to comply with internationally recognized standards and conventions on environmental performance, traceability, raw materials and chemicals, waste production and management, and biodiversity protection<sup>14</sup>. Moreover, we expect our suppliers to pledge to follow the social and ethical values we stand for, such as principles of anti-corruption, legality and anti-competitive behavior.

Although several companies of the Group have already adopted their own Suppliers Code of Conduct, these commitments are clearly outlined and harmonized at a consolidated level within our Suppliers Code of Conduct, which will be approved in 2022 by our Board of Directors. We will expect full alignment on the views presented in this document before starting any business activities with new suppliers.

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<sup>14</sup>For example the International Bill of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, and the applicable ILO Conventions and Recommendations.

With our Brands priding themselves on the long-lasting relations they build with their suppliers every branch of our Group is working towards the implementation of a structured environmental assessment for new suppliers, which will be formalised in future years.

In past years, B&B Italia has been the only Brand to formally evaluate some of its suppliers for wood products, in compliance with the FSC standard for wood sourcing, processing and management <sup>[308-1][414-1]</sup>.

## B&B Italia and the FSC® Standard

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

Since 2013, Arlinea\* has put in place a management system to evaluate its suppliers in accordance with FSC® principles. Today, 100% of Arlinea's wood supply

and products are FSC® Mix certified – accounting for 43% of the entirety of B&B Italia's wood purchased – guaranteeing that wood is supplied from FSC®-certified forests, recycled material, or controlled wood.

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

\* Licence Code FSC-C118694, \*\* Licence Code FSC-C142045

# Our Rigorous 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. This creates marked variety in supply chain and procurement practices, which are designed by each of our Brands to meet their own unique needs.



Production plant, Vejen, Louis Poulsen



Outdoor production department, Flos

Our Brands each rely on carefully selected suppliers' networks that enable them to retain critical phases in-house and ensure the highest level of quality. To manage this complexity, supply chains are managed directly by Brands. This enables each of our Brands to promote local suppliers, support local communities, ensure the optimal territorial coverage, shorten supply chains and guarantee reliability.

Despite 2021 being a busy year due to Covid related disruptions and increasing sales, our Group decided to step up its Group-wide sustainability commitment to include our supply chain. Among our targets is the implementation of a Group-wide ESG suppliers' assessment and risk management system. This will enable us to identify suppliers' ESG risks, manage critical issues and share sustainability commitments and actions with all business partners.

Our end goal is to collaborate more with all key suppliers to model responsible supply chain management across environmental and social sustainability criteria.



# Design for People

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

We exist to make homes, public spaces and life itself more beautiful and pride ourselves on the fact that our Brands' design pieces have been recognized for the value they bring to people's lives for decades.

We believe that it is our people who have enabled our long track record of innovation, craftsmanship and iconic design - all of which have contributed to our standing as a leading force in the high-end design sector.

At Design Holding we view our people as vital to every small step of our operations and to every success achieved by our Group and Brands.

Our success depends on having employees with a wide range of skills, experiences, and backgrounds, who have the resources and opportunities to bring their full selves to work and to realize their full potential. We work as a team and together we are building a passionate and responsible Group that strives to be a force for positive change.



R&D department, B&B Italia



96% permanent contracts and 4% temporary employment (2021)



Net 27% increase in hiring in 2021 from 2020



53% increase in training hours delivered in 2021 vs 2020

We want each and every one of our employees to reach their full potential and achieve inspiring career journeys within our Group. To do this we seek to provide our employees with the essential tools and training to express their talents, from technical and creative abilities to managerial and interpersonal skills. We want our people to consider themselves as being in the optimal place to achieve their aspirations, by promoting internal mobility so that they constantly strive for better and perform at their best. To do this as effectively and empathetically as possible we intend to introduce bottom-up committees and structured review process for all projects related to people empowerment and continuous improvement.

Creating a thriving and inclusive working environment is another key priority, so we have set targets at a Group level to ensure diversity and equity can be experienced at every level of our operations. We now have a dedicated project aimed at hiring new employees with different nationalities or backgrounds among our ESG goals, to increase both the diversity within our Brands as well as the feeling of inclusion and belonging that comes through increased internal representation and mobility.

Lastly, we want to achieve all these initiatives through a concerted vision, shared by our Brands, so that all our people feel part of a true Group. That is why, this year, we decided to concentrate our efforts on creating a centralized structure to coordinate the Human Resources Departments across our Brands allowing us to create shared policies and a joint vision that embodies all we stand for.

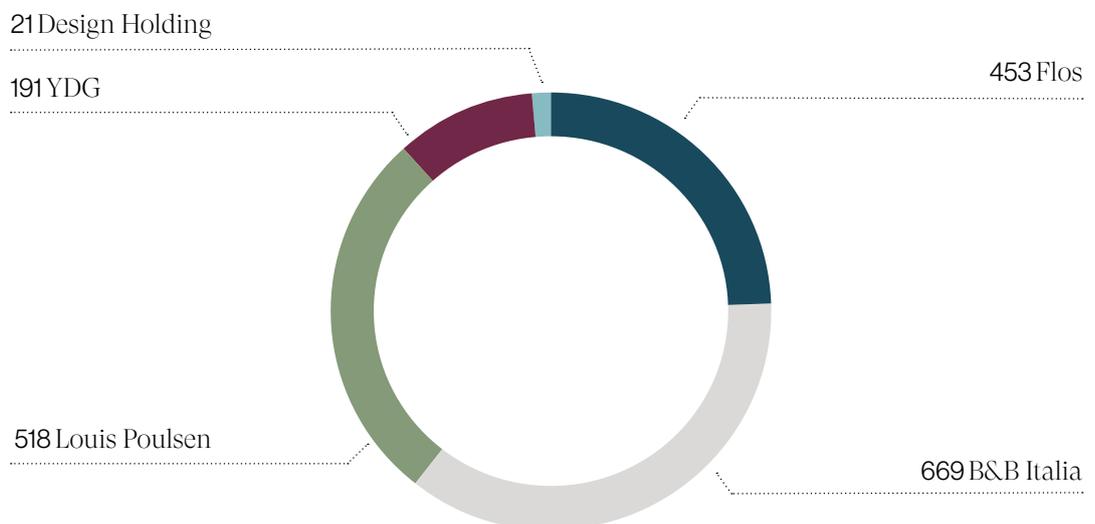
# Our People

Since Design Holding's foundation in 2018, our total number of employees has been consistently increasing thanks to significant acquisitions. In 2021, we had a total of 1,852<sup>15</sup> FTEs Design spread over more than 20 countries worldwide.

Overview of the distribution of employees by Brand:

## Employees - 2021 - (FTEs)

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<sup>15</sup>Employee's data refer to the Group's reporting perimeter as of December 31st, 2021: 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 relative size of Flos and B&B Italia within the Group, Italy accounts for 49% of our Group's total number of employees, with headquarters and productive plants being distributed throughout Northern Italy. Denmark follows with 28% of our global population, thanks to Louis Poulsen's employees, divided between the Copenhagen headquarters and the Vejen productive plant.

With the American branch of B&B Italia and the acquisition of YDesign Group in 2021, USA-based employees now stand as the third workforce hotspot, accounting for 12% of our total. The Valencia metropolitan area in Spain hosts around 9% of our people in the Antares facilities (Flos).

Other countries in which our employees are based include China, France, Germany, and the United Kingdom, which, taken together, account for 2% of our global workforce.

At Design Holding, we want our people to work in a context of fairness and mutual trust, both at Brand and Group level. In full alignment with this principle, **achieving gender balance has been an ongoing priority**. In 2021, female employees accounted for 817 FTEs - 44% of the global population – while male employees accounted for 56% of the global population - 1,035 FTEs <sup>[405-1]</sup>.

We also believe that as a Group we have a responsibility to the communities in which we operate and to the people who contribute to building our success. **Our high percentage of permanent contracts (96%) reflects the importance we place on valuing our employees** and on providing meaningful, rewarding employment opportunities in the communities of which we're a part.

Most of our employees are full-time workers (1,819), with only 32 employees working part-time, consolidating on 2020 figures (1,489 full-time vs 33 part-time) <sup>[102-8]</sup>. All Group companies apply local national contracts and 90% of our workforce<sup>16</sup> benefits from additional best-favour bargaining agreements <sup>[102-41]</sup>.

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<sup>16</sup> In 2021, only YDG employees are not covered by collective bargain agreements.

Total workforce 2020 vs 2021

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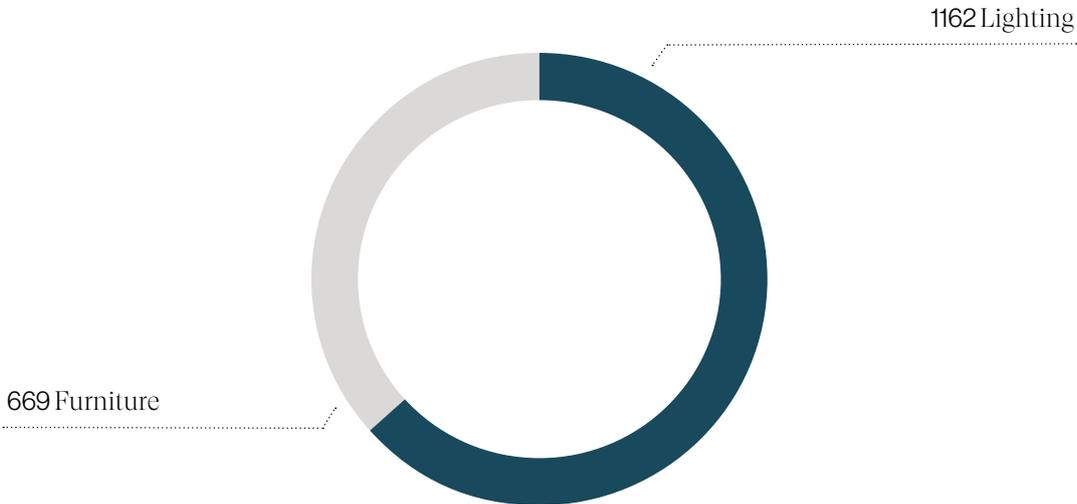
Type of contract 2020 vs 2021

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Employees by sector (2021 - FTEs)

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As shown in the graph, the furniture segment of our Group employs less people than our lighting segment<sup>17</sup>.

The Covid-19 outbreak impacted on our Group not only in terms of business operations but also in hiring processes. During 2020, recruitment of new workers was partially halted by the volatile context in which we operated. However in 2021, thanks to the growth of the business we hired 413 new individuals – 222 women and 191 men<sup>18 [401-1]</sup>.



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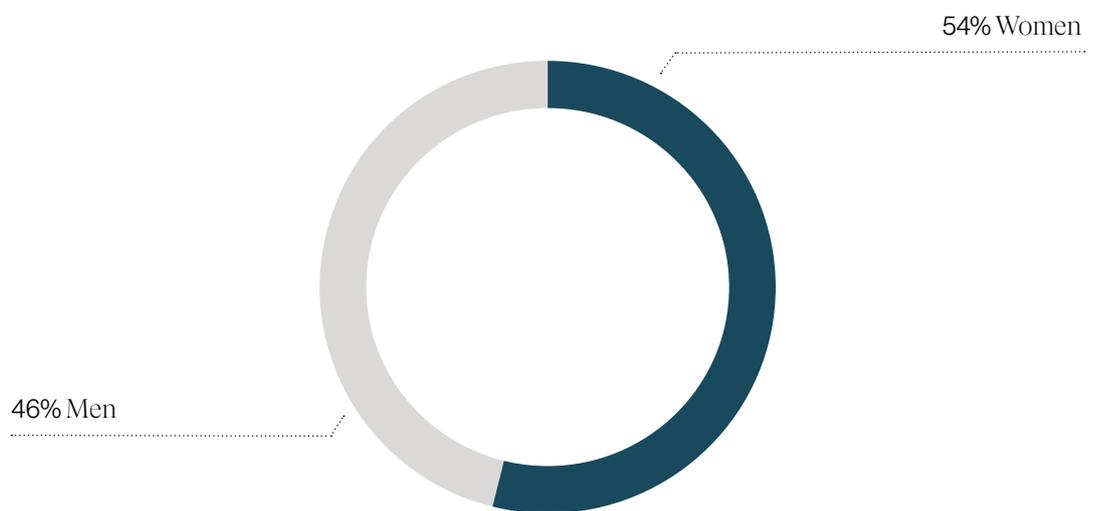
<sup>17</sup> Design Holding HQ employees are excluded from this breakout as they do not specifically belong to any of the two categories.

<sup>18</sup> 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 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.

In line with our intention to improve inclusion within the Group, we are looking to enhance diversity across our teams over the coming years. Some of our Brands are already making positive, proactive strides in this direction: YDG, for instance, 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.

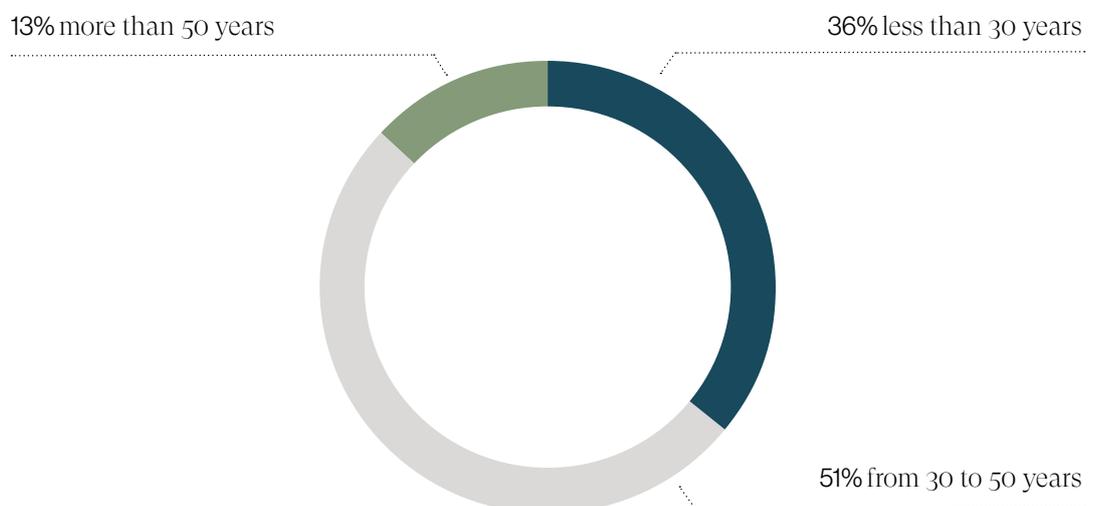
## Total new hires by gender

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## New hires by age group

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## Louis Poulsen: A New Diversity Policy and Recruitment Guidelines

In 2021, in line with the Group strategy of encouraging greater gender balance, Louis Poulsen implemented a new Diversity Policy and recruitment guidelines to ensure that diversity and equal opportunities are taken

into consideration in its hiring processes and talent retention efforts. In 2021, Louis Poulsen also set a new target for gender diversity – stipulating that it wants at least 40% of its managers to be women by 2030, in alignment with the recommendations of the Danish Business Authorities.

In 2021 we reported 290 job role departures growing from 98 in 2020 <sup>19[401-1]</sup>. On one hand, this was due to the global reactivation of the job market, which had been immobilized during the two years of the pandemic, and also to the contingency social safeguard measures adopted by Italian national government during 2020 and partially 2021 to preserve occupations and protect laborers, freezing job terminations <sup>[401-1]</sup>.

As shown in the graphs in the following page, the lighting segment of the Group experienced more hires and terminations than the furniture segment. This is attributable to the fact that B&B Italia is the only furniture company in the reporting perimeter <sup>20,21</sup>.

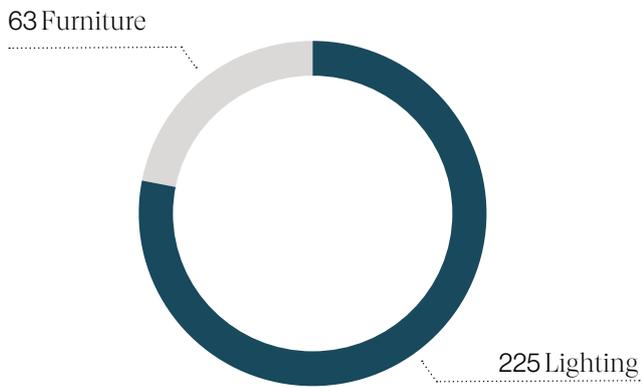
<sup>19</sup> Louis Poulsen's terminations for 2020 are not included in these figures due to a lack of data, while the terminations for 2021 only include employees located in Denmark. The company is committed to improve their monitoring for future reporting periods, aligning with all the other Brands of the Group.

<sup>20</sup> Design Holding HQ employees are excluded from this breakout because they do not belong to any of the two categories.

<sup>21</sup> Due to a lack of data, some 2020 data on employee diversity have been estimated starting from 2021 data.

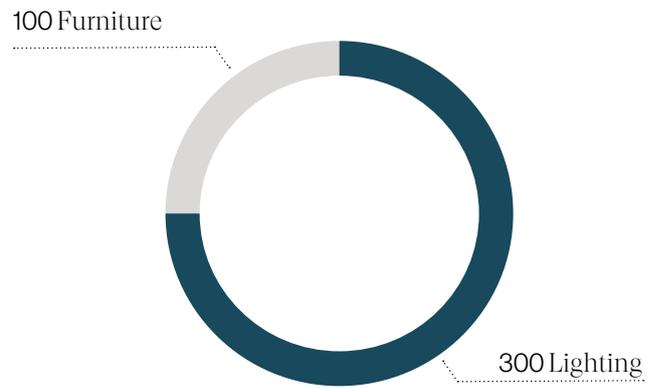
Terminations - 2021 - (FTEs)

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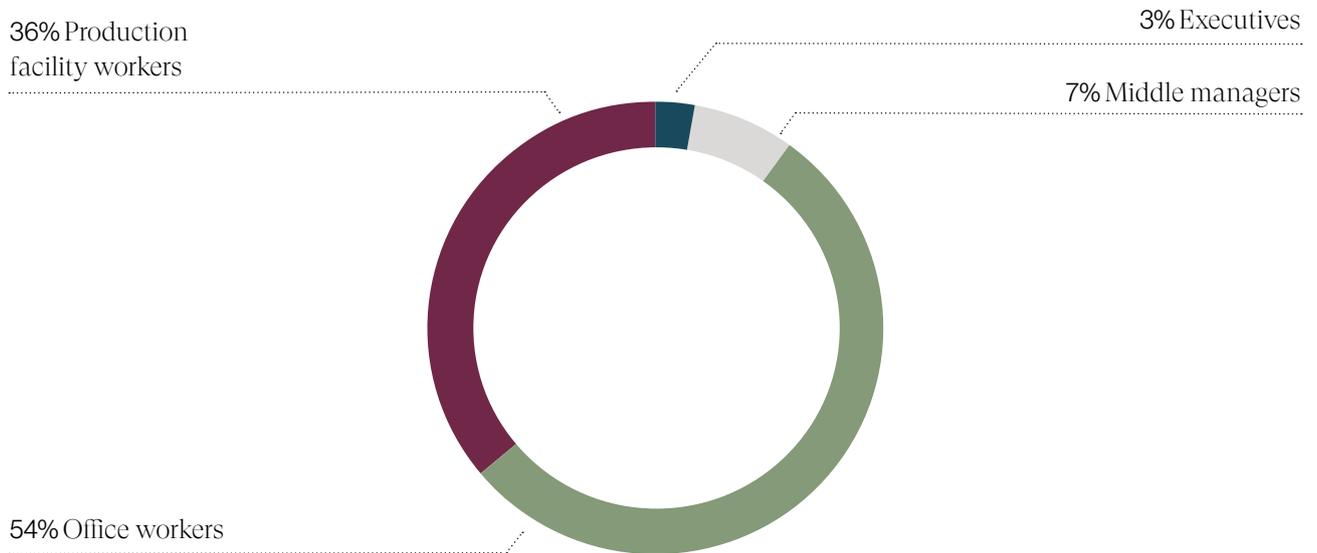
Hires - 2021 - (FTEs)

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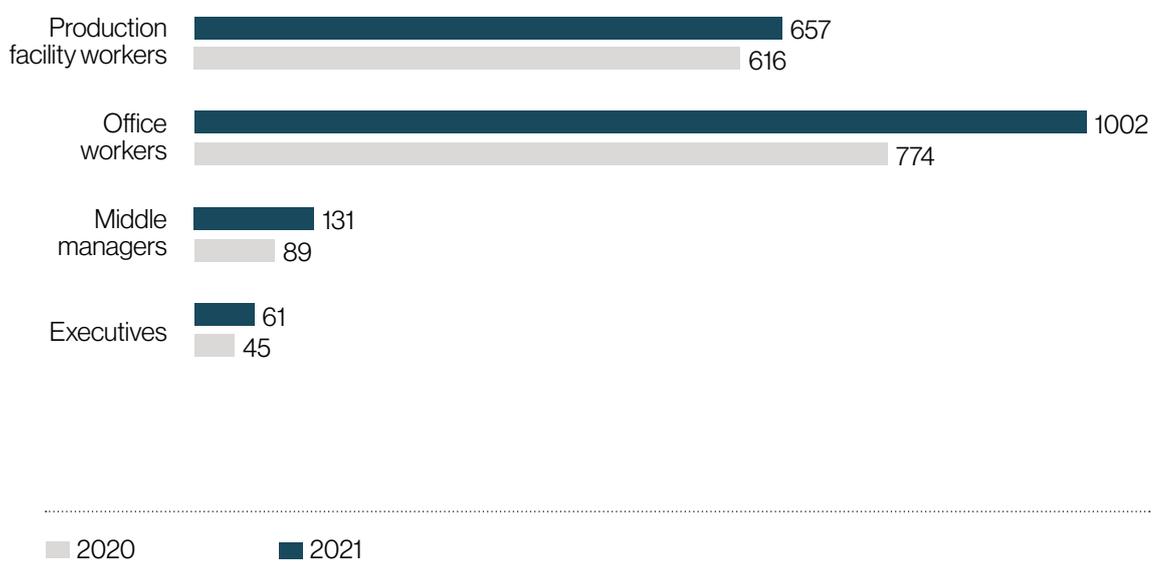
Employees by category

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## Employees' category trends 2020 vs 2021

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By type of contract, 36% of our employee population are workers across our production facilities, while the majority – 64% of our employees - work in the offices and headquarters of our Brands <sup>[102-8, 405-1]</sup>.

### The Commitment We Make to Nurturing Our People

Our people and their happiness is a priority for our Group. We believe our responsibility doesn't stop at compliance. We want our employees and our surrounding communities to feel part of and proud of the Group we have created and we want to build environments in which people feel that they matter.

To do this we take great care of both their physical and mental wellbeing, and we are also attentive to guaranteeing a fair work-life balance to all employees of the Group, respecting the cultural differences specific to the different geographies in which we operate.

Management of these areas is delegated on a day-to-day basis to our Brands, so that they can adapt their strategies and actions to local realities and meet emerging needs. However, with the desire to share best practices and create a shared approach on these issues, dedicated figures have been brought in at both Design Holding and Brand level over the past year. This has enabled our Brands to implement a plethora of new and enhanced welfare and wellbeing initiatives.

As part of our strategy to implement a shared vision, in 2021 we undertook a survey to gain structured feedback on our Brands' ways of working. From 2022, this survey will be rolled out at a Group level on a yearly basis.

## **Our Brands' Imaginative and Inclusive People Programmes**

Louis Poulsen has adopted an employee feedback platform that measures and responds to real-time employee feedback to different aspects of the work environment, making it easier for managers across all departments to gain meaningful insights and continually enhance the working environment.

B&B Italia has been offering a transport and assistance service for employees' disabled relatives and for Group members for a number of years, in partnership with an Italian non-profit palliative care association. Furthermore, the Brand has put in place an agreement with a private medical centre, to offer medical diagnosis and treatments at favorable rates to B&B Italia's staff to promote physical and mental wellbeing.

At Flos an online platform has been developed to manage employees' benefits and performance bonuses, to simplify the process of discovering and accessing benefits. To help its employees familiarize themselves with the platform, Flos has offered dedicated training and support sessions to everyone across the Brand.

Finally, YDG has committed to not only look after its employees' wellbeing, but to also grow its positive impact in the community. It does this by continuously promoting team and individual community volunteering activities and by encouraging participation through an associated KPI, with the Brand logging 250 team and individual volunteer hours in 2022 alone.



# Upskilling and Development to Nurture Talent and Realise Potential

A commitment to our people's continual upskilling and development is one of the fundamental aspects of our business conduct.

By investing our time and financial resources in developing our personnel, we create a win-win scenario. We help drive forward our employees' ambitions and enable them to realise rewarding careers within our Group, and we continue to provide our customers with the finest quality as a result of this Group-wide commitment to upskilling.

## **How Our Brands Unlock their Employees' Potential**

Flos has developed a training programme that is customized to the needs of different business functions and updated on a yearly basis. The comprehensive programme includes 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.

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), and soft skills promotion, such as courses to develop foreign language or public speaking skills.

## Our Group-Wide Commitment to Sector Leading Training Initiatives

As a Group we are not content with implementing traditional training initiatives. We are committed to offering a rich and varied scope of courses in the coming years that enables our people to be fully immersed in our Group's culture so that they can become powerful ambassadors for our shared values. With this in mind we want our people to gain a structured and inspiring education in sustainability and design culture. In line with our drive to tackle discrimination issues at their roots we are also committed to rolling out Group-wide courses on unconscious bias.

Finally, we are keen to develop a managerial culture across our Brands, by designing dedicated training programmes for managers and top performers in future years. Some of our Brands are already moving towards this goal: in 2021 Flos embarked on a new project called "People Leader Journey", focused on improving and developing team management skills.

### Flos' People Leader Journey

Flos' 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 360° responsibility for assigned people and teams. To do this the programme has introduced training around role dynamics, positive

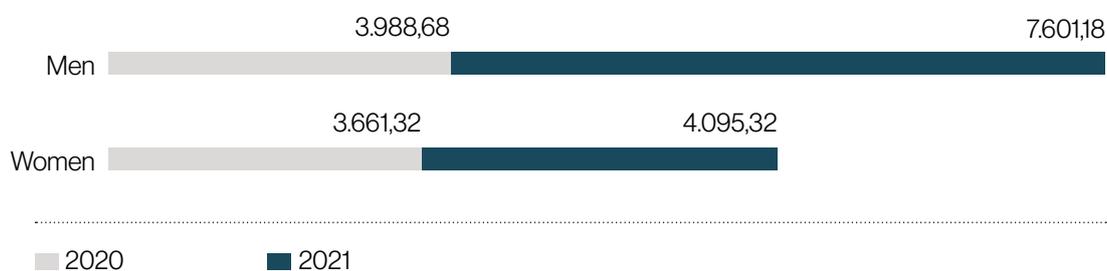
conflict, building trust to create "no-blame" cultures; and strategies for enhancing people engagement and development.

In Flos' view, the growth of a management team that is equipped to truly lead will be critical to its ability to attract and retain talent and to continue its trajectory of positive growth.

Moving to a more analytical aspect of training of our Brands' performance, 2021 has seen the resumption of training activities carried out at a regular pace, following the hindering caused by the Covid-19's pandemic outbreak. For all the emergency period and afterwards, to minimize the possibilities of contagion, our Brands kept part of their training courses through remote online modules in several instances. As mentioned, the training activities conducted by the Brands concern both legally required matters as well as strategic and soft-skills courses.

As indicated by the graph below, total training hours <sup>[40+1]</sup> have more than doubled since 2020, this increase is attributable to a renewed focus on training (both online and in person) following the pandemic and to Flos and B&B Italia's performances, with both brands focused on reprising their training offering during this reporting period<sup>22,23</sup>.

## Training (hours) 2020 vs 2021

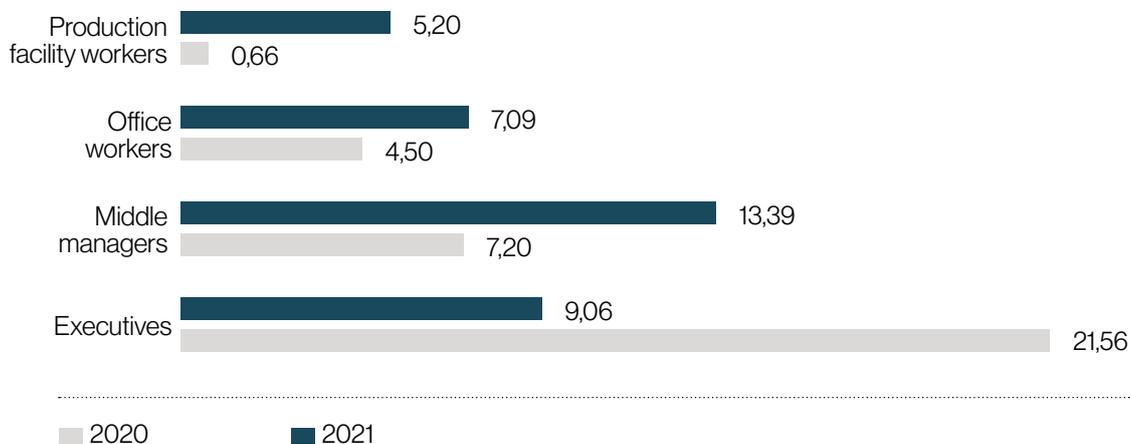


<sup>22</sup>YDG is not included in these figures since, for the time being, they do not monitor training hours.

The company is committed to improve their monitoring for future reporting periods, aligning with all the other Brands of the Group.

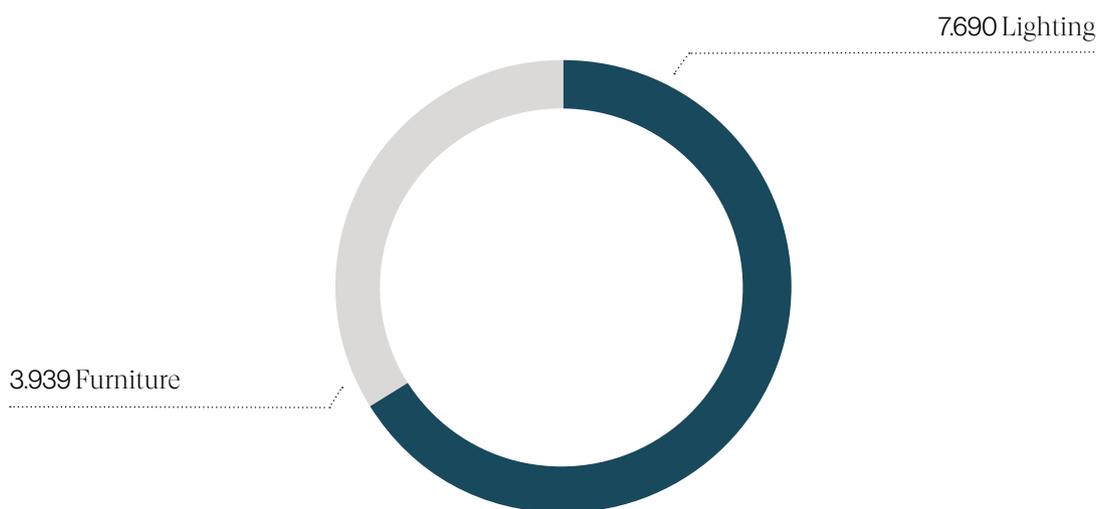
<sup>23</sup>Due to a lack of data, some 2020 and 2021 data regarding the distribution of training hours by gender and category was estimated.

## Training (hours per employee) by category 2020 vs 2021



As shown in the graph, the lighting segment of our Group has provided more training hours than the furniture segment, which is mainly attributable to Flos' performance<sup>24</sup>.

## Training (hours) by sector (2021 - FTEs)



<sup>24</sup>Design Holding HQ employees are excluded from this breakout as they do not specifically belong to any of the two categories.

Average training hours have also increased since 2020, with middle managers, office workers and workers a particular focus, with training related to safety and security, technical training and managerial skills training.

### Embedding Ambition and Opportunity: The Louis Poulsen ‘EXPECT’ Programme

In line with our Group-wide effort to support our people in developing the skills necessary to achieve success in their job functions, Louis Poulsen developed its innovative ‘EXPECT’ programme.

The programme 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; it is an expected and core component of the Danish company’s culture.

In particular, middle-management training hours have seen a marked increase thanks to the number of hours dedicated to upskilling team leaders on their path to becoming trusted point of contacts within our Brands’ workforce. As part of our Group strategy for the coming years, we intend to continue our rollout of dedicated development programmes for managers and top performers to nurture and retain our top talent.

The only employee category that has seen a decrease in average training hours is executives. This is partially due to executive focus being diverted to building our Group-wide vision. A number of exciting executive level training initiatives (including Leadership, Behaviors, Public Speaking, Coaching) will be implemented in 2022.

Average training hours for male employees has increased over this period. This trend is mainly attributable to Flos' investing heavily in technical courses targeted at the category of workers mainly composed of men <sup>[40+1]</sup>.

Average training hours per employee	2020	2021
By employee category		
Executives	216	91
Middle managers	7.2	13.4
Office workers	4.5	7.1
Workers	0.7	5.2
By gender		
Female	6.1	5.8
Male	4.3	8.0

# Ensuring a Safe Working Environment <sup>[403-1-7]</sup>

A crucial part of caring for our people is ensuring a healthy and safe work environment, where employees are not subject to risk and can experience the highest levels of wellbeing.

This commitment has been particularly important over the past couple of years. Throughout the pandemic all our Brands have played a role in containing the spread of the virus by putting in place dedicated protocols, encouraging agile working wherever possible and ensuring the enforcement of regulations surrounding hygiene. Flos, for instance, implemented and later renewed a Covid insurance offer to all employees in the event of infection and hospitalisation, while YDG initiated return to office health & safety protocols related to Covid-19.

Away from the Covid-19 pandemic, health and safety management is handled at Brand level, and all Brands protect employees' wellbeing by implementing comprehensive Health and Safety Management systems. On a general level, our Brands' health and safety monitoring and oversight involve functions at different levels of the organizational chart, with specific responsibilities for the application of safety procedures. 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 health and safety of the Brands' employees and to prevent the incurring of work-related injuries.

To further strengthen their commitments some of the companies 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, an occupational health and safety management system, which has already been obtained by Arlinea (part of B&B Italia Group) in 2019.

While Louis Poulsen has set the goal of zero work related accidents. To achieve this ambitious goal the Brand has developed a new training programme and a new collaboration platform to capture risk and implement risk mitigation activities.

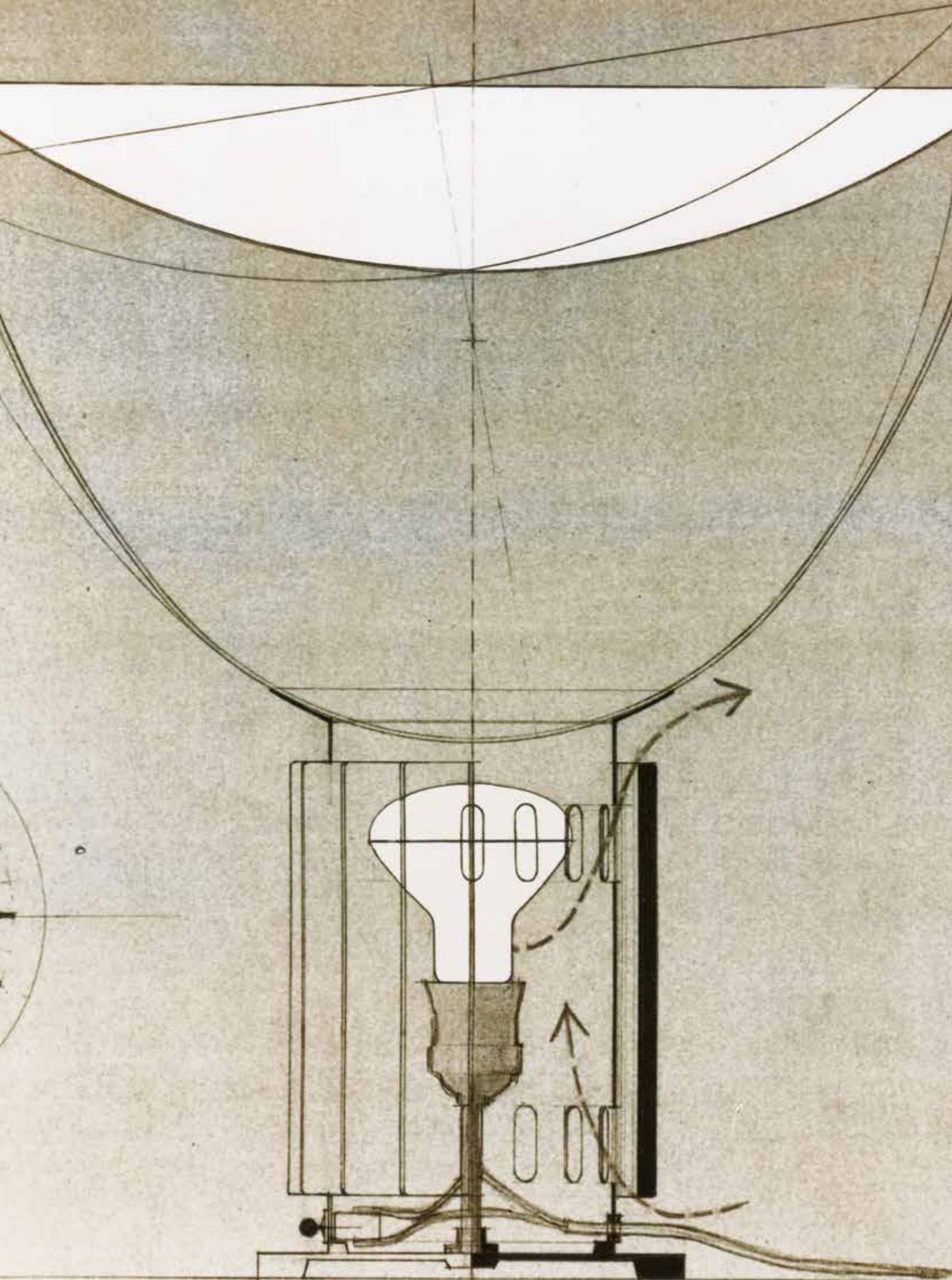
As a result of each Brands' efforts and despite the perimeter's enlargement, the total number of injuries have slightly increased from 17 to 18 between 2020 and 2021, with the rate of recordable work-related injuries slightly decreasing. During the two-year period, no high-consequence work-related injuries or fatalities resulting from work-related injuries were recorded. The number of worked hours has increased slightly, due to the resumption of regular business activities following the 2020 lockdowns, and as a result of the Group's increase in production <sup>[403-9]</sup> <sup>25</sup>.

Health and safety <sup>26</sup>	UoM	2020	2021
Total number of worked hours	h.	2,467,623	2,766,009
Total number of recordable work-related injuries	n.	17	18
Rate of recordable work-related injuries <sup>27</sup>	Rate	6.9	6.5

<sup>25</sup> Moreover, Flos, B&B Italia and Louis Poulsen also monitor health and safety performances of their subcontractors and agency workers: they aggregately reported an overall 160.003 hours worked, with 7 injuries all occurred in Denmark.

<sup>26</sup> Data for YDG and Design Holding's working hours are not available, as they did not monitor them in 2021. The two Brands did not have any injuries occurring in 2021 and commit to improve their monitoring in future reporting periods.

<sup>27</sup> 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.



Taccia by Achille and Pier Giacomo Castiglioni, Flos

# Design for Culture

“To nurture our brands’ identities by preserving craftsmanship and design heritage, from scientific research to the preservation of design legacies.”

The history of our Brands is rooted in areas world renowned for their craftsmanship and design talent. By nurturing and valuing our Brands' identities and the deep roots they have in their local communities we seek to honour and contribute to this local legacy while giving each of the Brands within our Group significantly enhanced global reach.

By preserving irreplaceable art and design heritage we hope to benefit not only our Brand's operations, but the wider design world by safeguarding historically recognized design icons to spread their inherent benefits to millions more around the world. Through unique collaborations we seek to also inspire, and provide a platform for future generations of design talent.

As our Brands hold deep local knowledge, we prefer to act directly through them when relating to local communities, as their close links 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.



Two Brands' Academies to foster Design and Lighting culture & heritage

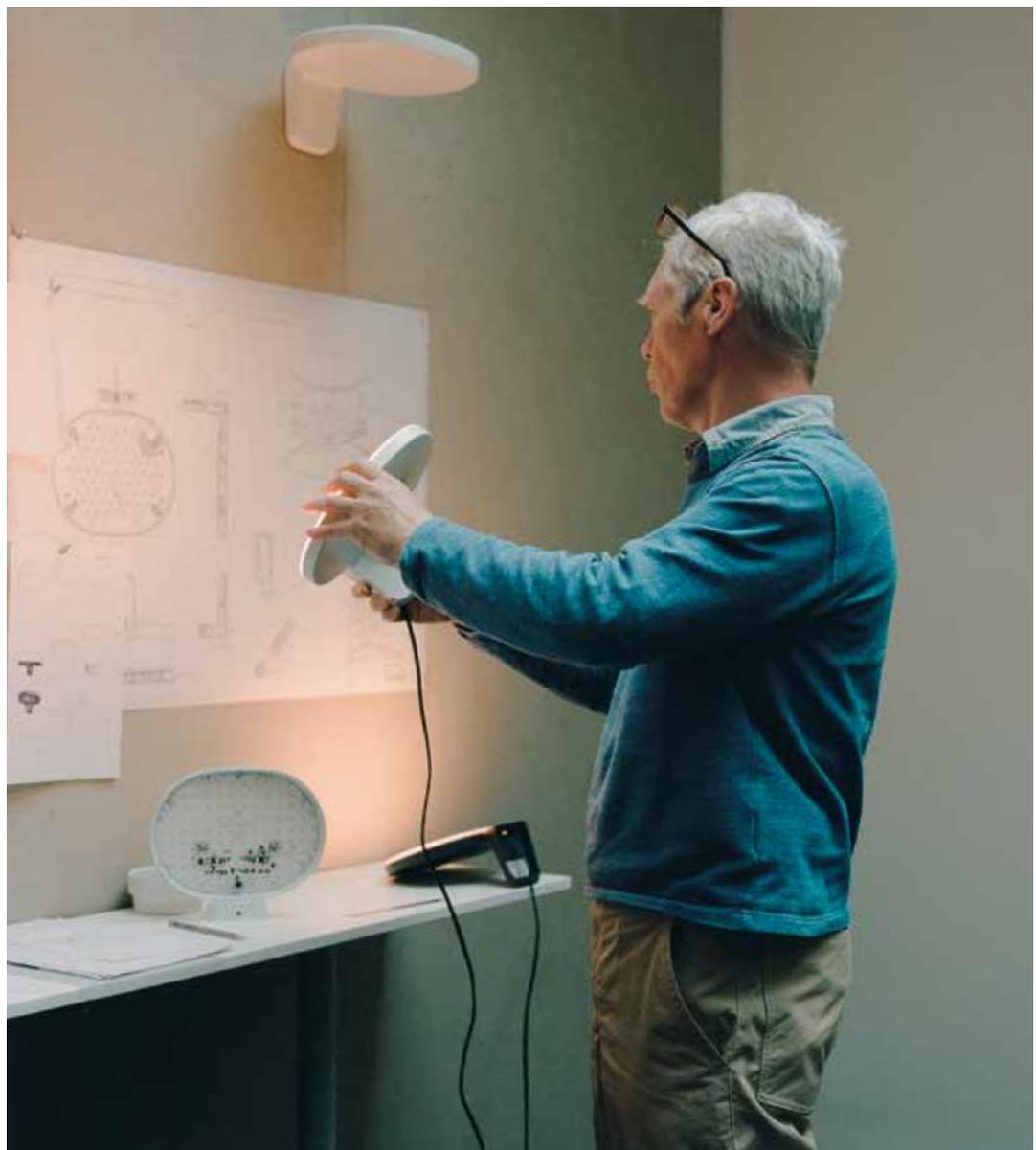


Six world-recognized design awards won by Design Holding Brands in 2021



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

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



Jasper Morrison, Oplight lamp, Flos

# Promoting Design Culture

In common with all major forms of art, iconic design is nurtured through the passing down of irreplaceable 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 2021, Flos and B&B Italia 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<sup>28</sup>.

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 pedigree and unicity of our design objects. To this end, Flos has developed its ‘Light Academy’, an internal training platform and series of training programmes created to help all across the Flos ecosystem develop a deep understanding of Flos’ design ethos, product aesthetics and technical processes.

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<sup>28</sup> In 2021, due to the Covid-19 outbreak, training and vocational courses have been arranged virtually. As per other kind of initiatives, our Brands are committed to re-arrange live events in compliance with national law provisions and the related sanitary contexts.

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, it also fosters the spread of lighting design culture.

The Academy has been designed to follow a customer-oriented approach, addressing different topics based on the customer target, giving the most detailed view possible when meeting the customers' needs.

The same 'Academy' concept was launched by B&B Italia in October 2021. The 'B&B Italia Academy' consists of a series of e-learning sessions delivered on a dedicated virtual platform. In line with Flos' Academy, B&B Italia's training sessions are primarily designed for its sales force with the aim of empowering and training B&B sellers on the key aesthetic and technical features of its design ranges. Over the last year 373 people have participated in B&B Italia's Academy of which 191 were dealers, 94 were internal staff and 88 were members of the salesforce.

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 world. As an example of this commitment, since 2003, B&B Italia has collaborated with the Jean Monnet Technical & Commercial Institute of Mariano Comense, Italy, to offer internship programmes that support final-year students in securing their first work experience in the design world<sup>29</sup>.

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<sup>29</sup> As many external initiatives were affected by the Covid-19 outbreak in 2020, the activity was resumed in 2021 as soon as national restrictions imposed to prevent a surge in Covid-19 cases were lifted.

# Preserving

## Design Authenticity

Today's competitive environment makes it vital for our iconic Brands to protect their unique heritage and ensure that beauty can last a lifetime: this is why, as a Group, we have created a unique ecosystem that enables brands to share a common focus on beauty, craftsmanship, quality and sustainability, while retaining their own unique brand identities and design DNA. At the same time, the Brands are continuously working to find the best solutions for registering patents for significant design pieces and new creations.

For instance, in order to safeguard its know-how, B&B Italia collaborates with the Altgamma Foundation<sup>30</sup> and has, since 2011 filed over 280 design model registrations in Italy, several of which have also been filed in Europe, USA, Australia, China and Korea.

Flos is also considered to be a pioneer in protecting its creations and intellectual properties. From 2021, the company decided to also deposit the products' renderings to protect the light effects generated. This strategy has enabled Flos to safeguard the work of its R&D department by maximizing protection against imitation products, in terms not only of the design but also of the technical aspects concerning the spread of light itself. As an example of the Brands' commitment to protecting design authenticity the launch of the modular lighting solution designed by Michael Anastassiades, required more than 40 different design registrations to cover not only the single piece, but all the possible product combinations in terms of axis intersections.

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<sup>30</sup> The Altgamma Foundation is the Italian luxury brands committee composed of companies in the fields of design, fashion, food, jewellery, automobiles, and hospitality. The Foundation commissions global research studies on behalf of its members, with the goal to protect their luxury reputation.

Another crucial aspect of fighting products' rights infringements and preventing design fraud is that of monitoring all website and social media usage of our Brands' products. For this reason, we are actively engaged in fighting online violations in the use of images and texts covered by copyright, as well as by preventing the sale of counterfeit pieces, which represents the most widespread threat to design authenticity due to the rapid growth of online shopping.



Biagio's manufacturing, Italy

# Spreading Design Consciousness around the World

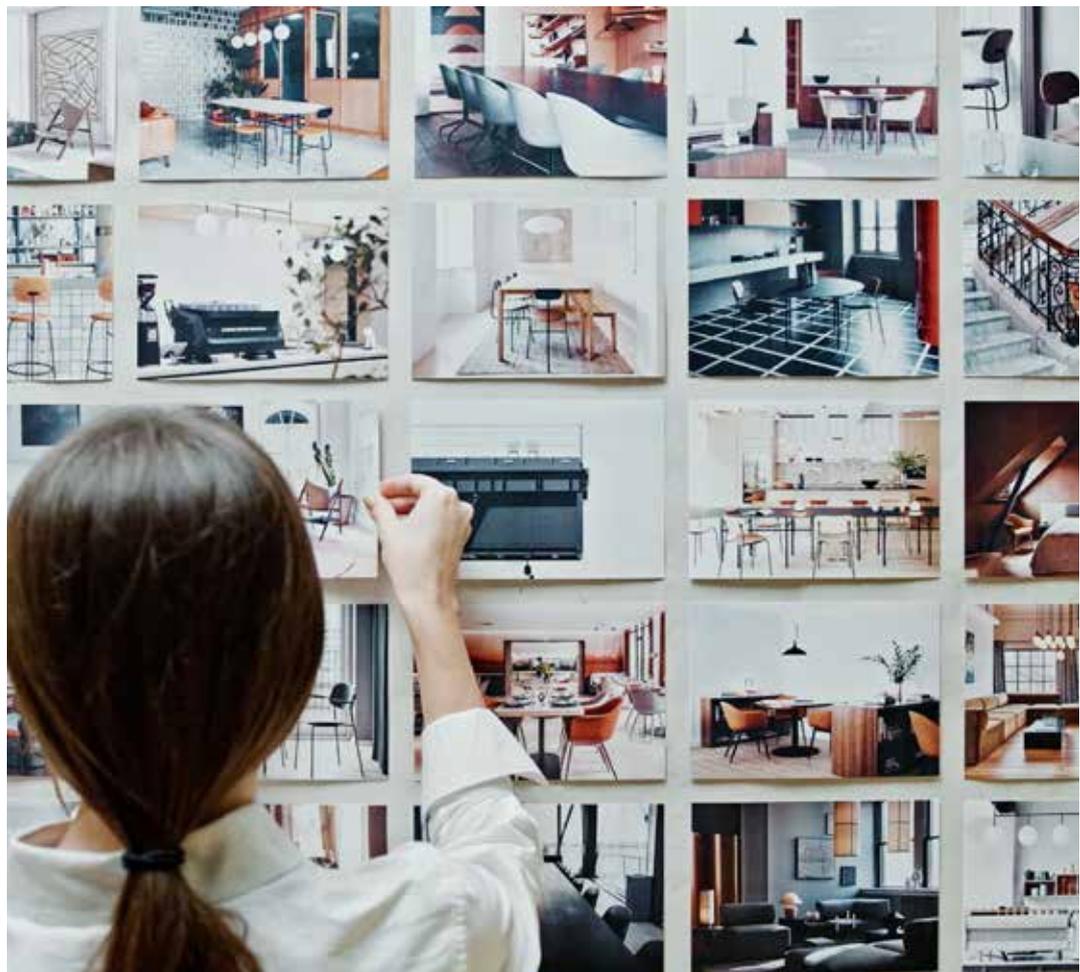
Across Design Holding our mission is to beautify the world. We believe that our global footprint gives us a unique platform and we are committed to using this to spread design consciousness, to inspire future talent and to share our belief that beauty can, and should always be, sustainable.

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

In 2021 Louis Poulsen published its "Reflections" series - monthly video episodes made available to the public via a dedicated section on its website. Throughout the series, key figures and designers from across the international contemporary art scene described their passions, motivations and sources of creative inspiration to educate anyone wanting to learn more about light and the mixed use of classic and modern solutions. Each episode emphasises the major role light plays in our lives and how it can be used to create different narratives. The series does this by exploring different themes such as the use of external lighting solutions, the use of colours and the Scandinavian way of using light to create 'hygge', the notorious Danish word that stands for a mood of cosiness and comfortable conviviality with feelings of contentment given by the surrounding environment.

Another example of our Brands' commitment to disseminating design know-how is the "Flos Digital Conversations", series. In common with Louis Poulsen "Reflections" series, Flos' series is based around live conversations with celebrated designers, giving the public and design students unparalleled access to the thoughts, inspiration and processes behind some of the world's most iconic designs.

Finally, B&B Italia is helping redefine marketing rules for the interior design sector with globally significant digital campaigns. It celebrated the fiftieth anniversary of its masterpiece Camaleonda sofa in 2020 with a digital marketing campaign featuring 40 celebrities and influencers. The campaign reached over 250 million Instagram followers, with Camaleonda images collecting over 210,200 likes and the hashtag #Camaleonda shared more than 20,000 times on Instagram driving engagement with high-end, sustainable design amongst a new generation.



# Our Belief: Commitment Necessitates Participation



Milan Design Week 2021, Flos Store (Parentesi 50th anniversary)

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.

As a result, 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.

## Flos: Milan Design Week 2021

Every year Flos is one of the key brands choosing to showcase its new designs in Milan Design Week. In 2021 Flos held events in its flagship store of Corso Monforte, Milan to launch its new collections. “Coordinates” by Michael Anastassiades drew much attention with its fine lines and geometrical proportions, while “Oplight”, a brand new

wall lamp designed by Jasper Morrison, embodied the Brand’s eco-design principles. Flos also used the show to present its new take on “Parentesi”, a cult piece of Italian industrial design born from the pencil of Pio Manzù and Achille Castiglioni more than half a century ago. The piece which celebrated its 50th birthday in 2021, was revisited especially for the occasion, having been tinged in two new shades.

Our Brands don’t only support cultural events, exhibitions and design festivals through participation as exhibitors. 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.

During 2021, **Flos was appointed lighting partner for numerous artistic and photographic exhibitions across Italy and Europe.** Among others, Flos was technical sponsor for the Antwerp Photo Festival, illuminating the internal spaces of the exhibition, using decorative and architectural lighting solutions from Michael Anastassiades’ ‘Arrangements’ and Mario Bellini’s ‘Chiara’ collections.

The international photography exhibition attracts a wide audience - from established photographers to emerging talents and photography enthusiasts - making it a powerful platform for engaging the public with the art and design worlds.

In November 2021, Flos was also chosen by Vogue Italia as its lighting partner for the sixth edition of the Photo Vogue Festival, the first fashion photography festival dedicated to championing talent and promoting visual literacy in specific regions to foster a more just, ethical,

and inclusive world. The exhibition, held at BASE Milano, was powered by a selection of Flos' most iconic pieces from its architectural and decorative collections such as the unmistakable Aim pendant lamps by the Bouroullec brothers.

Finally, Flos was lead lighting partner in the Magic Realism exhibition held in the majestic setting of the Royal Palace in Milan. Curated by Gabriella Belli and Valerio Terraroli the exhibition featured over 80 masterpieces lit by Camera, an innovative collection of track-mounted projectors by Flos Architectural.

And Flos isn't the only brand to be a chosen partner for major design exhibitions and festivals. Louis Poulsen was a key partner in the 2021 annual Copenhagen Light Festival, teaming up with Jakob Kvist and Vanpee to realise the 'Mangfoldighedens Porte', the 'Gates of Diversity', a spectacular lighting installation around Kuglegården building in Copenhagen.

In Italy, as part of the Year of Culture and Turismo Italy-China, B&B Italia sponsored the exhibition 'Nobody's Perfect' by the Italian architect, designer, and artist Gaetano Pesce. The exhibition displayed more than 100 iconic works by Gaetano Pesce, each embodying his belief that art should not be uniform but should communicate deep emotions. Among the objects presented in the exhibition was the original wooden model of the UP5\_6 armchair, designed for B&B Italia in 1969, whilst welcoming visitors to the exhibition was an XL sculpture of the legendary B&B Italia "Big Mama" chair, installed directly outside the museum. When iconic creations become part of international design culture, we believe it is our duty to preserve them and to amplify the appreciation for design they inspire.

With this aim in mind, in 2021, B&B Italia marked the re-edition of 1970 Mario Bellini's Camaleonda sofa by opening a dedicated pop-up store in Beijing, China. For an entire month, the store showcased the beautiful simplicity and infinite modularity of the sofa system. To emulate the unique eco-design features of the new Camaleonda, Piero Lissoni used a natural oak wood structure throughout the store echoing the sustainable materials of the sofa feet. An olive tree in the centre of the space brought to life the sofa's connection with nature and the intrinsic role B&B Italia believes sustainability must play in furniture design. Suspended from the platform were two extended mirror panels that interacted with the black reflective flooring to mirror the infinite modularity of Camaleonda.

Design can also be expressed in more unusual ways than those commonly associated with artistic creations. This notion is the inspiration behind Arclinea kitchen solutions, now considered a leading actor in professional design for cookery schools and restaurants.

With the aim of celebrating the blend between Italian design culture and Italian food heritage Arclinea developed the “Design Cooking School” – a series of cooking courses enabling participants to cook with internationally celebrated chefs using Arclinea’s iconic cooking appliances.

To date, the Design Cooking School has partnered with over 18 chefs and cooking schools including Gianluca Aresu and Giuseppe Falanga’s Italian Chef Cooking School and Marion Muzi Falcon’s “L’apprentie Pâtissière” in Paris.

Finally, with the aim of sharing and immortalising some of the world’s most iconic furniture and lighting designs, many of our Brands have donated or lent pieces from their collections to global institutions 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.



Chef Luca Marchini at Arclinea

# Groundbreaking Design Recognised with International Awards



Ayana by Naoto Fukasawa, B&B Italia Outdoor

As evidence of the impact of our Brands' activities on the global design scene, over the years our Brands have been awarded numerous prestigious national and international design prizes and honors. At a Group level, Design Holding is proud to hold the record number of Compasso d'Oro<sup>31</sup> awards in the Design industry.

In 2021, our Brands won an impressive series of world-recognized awards across the high-end lighting and furniture sectors:

## **B&B Italia**

In 2021, B&B Italia was awarded four prestigious prizes, including winning in two different categories at the Wallpaper\* Design Awards. It won the 'Best Outdoor Entertaining' category for 'Ayana', the sofa designed by the Japanese designer Naoto Fukusawa, and won in the 'Best Reissues' category for 'Gli Scacchi', a modular seat designed by Mario Bellini. Taken from the Italian word for "Chess", the seat is composed of three elements representing the Queen, the Knight and the Ruck, each light and easy to move - just like on a chessboard.

The Ayana sofa, is a project with a true green soul, that perfectly embodies the Group's eco-design principles. The teak used for the sofa's structure is FSC® (Forest Stewardship Council) certified, and all the materials that make up the various elements of the series are designed to be separated and disposed of in an environmentally friendly way at the end of the product's life cycle.

Most significantly, B&B Italia won the 2021 IDEAT Design Award and the 2021 Robb Report 'Best of the Best' award for 'Camaleonda',

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<sup>31</sup>Established in 1954 from an idea of Gio Ponti, the ADI Compasso d'Oro Award is the oldest and the world's most influential design award. The Compasso d'Oro prize is awarded every year based on a pre-selection made by the ADI's Permanent Design Observatory - the "Associazione per il Disegno Industriale".

the re-edition of the 1970 Mario Bellini's iconic sofa. The re-design not only ensured the sofa was made even comfier than before, it also had sustainability at its core, with sustainable materials used wherever possible and a new disassembling processes ensuring easy recyclability. Since its re-edition, the sofa has become a best seller for B&B Italia once again, reinforcing its status as a true piece of iconic furniture design.

## Flos

In 2021, Flos was also recognized with a number of international prizes.

'Coordinates', a grid-like lighting system designed by Cyprian designer Michael Anastassiades consisting of horizontal and vertical strip lights won the NYCxDESIGN Awards in 'People's Choice' Category.

The 'Infra-Structure Episode 2', designed by the Belgian architect and designer Vincent Van Duysen gained an honorary mention in the 'Architectural Lighting' category at the same awards. A few months later, the same product won the 'Best Dining Experience' category at the 2021 Wallpaper\* Design Awards, making Design Holding's presence at this prestigious contest a resounding success.

Flos is also proud that Piero Lissoni's creation 'Pointbreak' was awarded 'Best Product of the Year' at the German Stylepark Selected Awards for Design and Architecture, held annually in Frankfurt.

Lastly, 'WireLine' by the Italian duo 'FormaFantasma' made up of Andrea Trimarchi and Simone Farresin, won the 'Chandelier' category at the 2021 Interior Design Best of Year's Awards.

## Louis Poulsen

Louis Poulsen was another of our Brand winners. Its 'Moonsetter' lamp, inspired by the moon's movements and designed by the Danish architect Anne Boysen was awarded with two prizes at the 2021 Wallpaper\* Design Awards, in the: 'Best Celestial Glow' category and 'Lamp of the Year' category.







# Appendix

## General disclosures

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### GRI 102-8 | Information on employees and other workers (FTEs)

	2020	2021
Employees	1,522.5	1,851.6
Women	603.0	817.1
Men	919.5	1,034.5
Full-Time employees	1,488.5	1,819.2
Women	576.0	791.6
Men	912.5	1,027.6
Part-Time employees	33.0	32.4
Women	26.0	25.4
Men	7.0	7.0
Permanent employees	1,486.5	1,781.6
Women	595.0	792.1
Men	891.5	999.5
Temporary employees	36.0	70.0
Women	8.0	25.0
Men	28.0	45.0

## Economic performance

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

	2020	2021
Direct economic value generated	525,927	676,242
Direct economic value distributed	470,115	596,309
Operating costs	285,831	375,243
Employees' wages and benefits	114,454	137,435
Payments to providers of capital	-	2,313
Payments to the government	13,576	14,545
Community investment	337	642
Economic value retained	55,812	79,933

# Materials

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

	2020	2021
Wood	2,440.6	2,755.6
Aluminium	1,767.0	2,438.9
Iron/steel	1,490.5	1,760.4
Marble	656.1	807.6
Paints	423.7	558.2
Plastic	311.7	437.5
Chemicals	294.0	338.1
Fabrics	261.7	293.3
Glass	254.0	281.5
Appliances	65.0	81.2
Leather	32.9	78.0
Gypsum	37.0	58.0
Brass	38.0	42.0
Rubber	7.2	8.2
Glue	9.7	8.2
Ceramic	0.4	0.5
Paper	0.1	0.3
<b>TOTAL RAW MATERIALS</b>	<b>8,089.3</b>	<b>9,947.6</b>

	2020	2021
Paper	1,669.7	2,029.0
Wood	319.9	469.5
Polyethylen / Plastic	92.4	122.9
Polystyren	78.9	103.0
<b>TOTAL PACKAGING</b>	<b>2,160.9</b>	<b>2,724.4</b>
<b>TOTAL</b>	<b>10,250.2</b>	<b>12,672.0</b>

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

	2020	2021
LED and LED components	7,680,660.0	6,477,826.0
Electrical components	4,230,000.0	5,918,879.0
Transformers & power supply	623,824.0	708,179.0
Traditional lamps	4,245.0	3,312.0

## Energy

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

	U.M.	2020	2021
Natural gas for heating and production processes	m <sup>3</sup>	1,448,716.4	1,889,064.6
Diesel consumed by vehicles owned and leased	L	290,644.7	312,977.7
Fuel oil for heating and production processes	Kg	95,540.0	77,320.0
Petrol consumed by vehicles owned and leased	L	7,445.4	10,970.3
Biomass for heating	T	532.9	736.2
LPG for heating	L	-	12.0

### GRI 302-1 | Indirect energy consumption (kWh)

	2020	2021
Electricity (purchased)	10,756,663.0	12,292,476.3
of which sourced from energy provider with Guarantee of Origin	3,033,329.0	4,585,174.5
District Heating	1,658,000.0	1,968,055.0

## GRI 302-1 | Total energy consumed (GJ)

	2020	2021
Natural gas for heating and production processes	51,368.9	67,051.9
Electricity purchased from national grid	38,723.9	44,252.9
Diesel consumed by vehicles owned and leased	10,750	11,505.2
Biomass for heating	6,188.0	11,404.6
District heating purchased from external waste-to-energy plant	5,968.8	7,085.0
Fuel oil for heating	3,918.0	3,173.2
Petrol consumed by vehicles owned and leased	243.1	357.0
LPG for heating	-	0.3
<b>TOTAL</b>	<b>117,160.7</b>	<b>144,830.1</b>

# Emissions

## GRI 305-1 | Direct (Scope 1) GHG emissions (tCO<sub>2</sub>eq)

	2020	2021
Natural gas for heating and production processes	2,844.7	3,694.5
Diesel consumed by vehicles owned and leased	815.0	887.7
Fuel oil for heating	300.4	243.0
Refrigerant gas leaks	9.3	48.1
Petrol consumed by vehicles owned and leased	33.9	48.2
Wood combustion for heating	31.1	42.1
LPG for heating	-	-
<b>TOTAL</b>	<b>4,034.4</b>	<b>5,063.6</b>

## GRI 305-2 | Energy indirect (Scope 2) GHG emissions (tCO<sub>2</sub>eq)

	2020	2021
Electricity consumption (Location – Based)	3,121.3	3,597.6
Electricity consumption (Market – Based)	3,464.9	3,520.6
District Heating	270.9	324.8
<b>TOTAL LOCATION BASED</b>	<b>3,392.2</b>	<b>3,922.4</b>
<b>TOTAL MARKET BASED</b>	<b>3,735.8</b>	<b>3,845.4</b>

GRI 305-3 | Other indirect (Scope 3) GHG emissions (tCO<sub>2</sub>eq)

	2020	2021
Cat. 1 - Purchased Goods and Services	37,647.6	111,508.8
Cat. 2 - Capital Goods	832.6	4,204.4
Cat. 3 - Fuel and Energy-Related Activities	1,192.4	1,726.2
Cat. 4 - Upstream Transportation and Distribution	8,876.6	19,954.3
Cat. 5 - Waste Generated in Operations	103.5	114.8
Cat. 6 - Business Travel	280.3	705.1
Cat. 7 - Employees Commuting	971.6	1,307.2
<b>TOTAL</b>	<b>49,904.6</b>	<b>139,520.8</b>

For further information concerning GHG emissions calculation methodology and assumptions, please see the [Methodological Note](#)

# Waste

## GRI 306-3 | Waste generated (t)

	2020	2021
Wood	567.6	783.8
Metal materials	344.3	291.3
Aqueous solutions	227.9	192.5
Other <sup>32</sup>	43.9	150.4
Construction materials	26.6	114.8
Non-municipal waste	50.9	82.4
Paper	-	47.9
Plastics	0.3	47.9
Sludge	45.5	32.9
Paintings	14.8	21.6
Bottom ashes	13.4	17.8
Glass	5.7	17.6
Mixed materials	358.5	460.7
Paper/Paperboard	326.1	369.1
Wood	157.5	220.6
Plastics	22.6	20.3
Metal	9.1	2.1
Glass	8.5	-
<b>TOTAL</b>	<b>2,223.1</b>	<b>2,873.7</b>

Packaging

<sup>32</sup> The “Other” field comprises different categories of waste derived from specific manufacturing processes such as absorbents, reaction residues, waste paint, filter materials and protective clothing or waste produced by the Brands’ offices.

## Employment

### GRI 401-1 | Employee hires (FTEs)

	Employees Hires	2020	2021
Gender	Women	31.0	222.0
	Men	78.0	191.0
Age brackets	<30	30.0	147.0
	$30 \leq x \leq 50$	60.0	213.0
	>50	19.0	56.0
	<b>TOTAL HIRES</b>	<b>109.0</b>	<b>413.0</b>

### GRI 401-1 | Turnover (FTEs)

	Employees terminations	2020	2021
Gender	Women	29.0	130.0
	Men	69.0	160.0
Age brackets	<30	21.0	83.0
	$30 \leq x \leq 50$	44.0	140.0
	>50	33.0	67.0
	<b>TOTAL TERMINATIONS</b>	<b>98.0</b>	<b>290.0</b>

## Health and safety

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### GRI 403-9 | Work-related injuries

	U.M.	2020	2021
<b>Employees</b>			
Total number of hours worked	n.	2,467,622.9	2,766,008.7
Total number of recordable work-related injuries	n.	17.0	18.0
Rate of recordable work-related injuries	Rate	6.9	6.5
<b>Agency workers</b>			
Total number of hours worked	n.	64,690.5	160,003.0
Total number of recordable work-related injuries	n.	-	7.0
Rate of recordable work-related injuries	Rate	-	43.8

## Training and Education

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

	2020	2021
<b>Gender</b>	7,650.0	11,696.5
Women	3,661.3	4,095.3
Men	3,988.7	7,601.2
<b>Employee category</b>		
Executives	21.6	91
Middle managers	7.2	13.4
Office workers	4.5	7.1
Workers	0.7	5.2

## Diversity and equal opportunity

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

	2020		2021	
Gender	FTEs	%	FTEs	%
Women	603.0	39.6	817.1	44.1
Men	918.5	60.4	1,034.5	55.9
Age brackets	FTEs	%	FTEs	%
<30	179.5	11.8	256.8	13.9
30 ≤ x ≤ 50	816.5	53.6	1,004.7	54.3
>50	526.5	34.6	590.1	31.8

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

	2020		2021	
	FTEs	%	FTEs	%
Executives	45.0	3.0	62	3.3
Middle managers	88.5	5.8	130.0	7.1
Office workers	773.5	50.8	1,002.4	54.1
Workers	615.5	40.4	657.2	35.5



# Methodological note

## Reporting principles and criteria

Design Holding's first Sustainability Report has been prepared in accordance with the GRI Standards: Core option <sup>102-54</sup>. Contents of this Report reflect the results of the materiality analysis as defined by the GRI Standards. Furthermore, Design Holding's 2021 Sustainability Report has been also drafted in accordance 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 1<sup>st</sup>, 2021, through December 31<sup>st</sup>, 2021. Moreover, as of this Report's publishing date, no noteworthy event occurred in 2022 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 reporting scope includes the following:

- Design Holding SpA – Via Alessandro Manzoni, 38 (Milano – 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);
- 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);
  - B&B Italia S.p.A. – Via Dante Alighieri 6 (Carugo, Italy);
  - 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);
  - 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)
- YDesign Group:
- YLighting - 1850 Mt Diablo Boulevard, (Walnut Creek, USA)
  - Lumens - 2020 L Street, (Sacramento, USA)
  - Lumens – 712 R 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)

## Quality reporting principles

In accordance with the GRI Standards, Design Holding's Sustainability Report adheres to the criteria of balance, comparability, accuracy, timeliness, clarity, and dependability. In addition, the document identifies the Group's strengths, problems, and potential areas for improvement. The data gathering and reporting methods are organized to enable information comparability across time and proper interpretation by the stakeholders. Finally, the 2021 Sustainability Report of Design Holding is not subject to external assurance<sup>[102-56]</sup>.

## Materiality

At the time of foundation in 2018, Design Holding management envisioned what would have been the first sustainability path. A blending of aspects such as the durability of design pieces, the promotion and protection of design heritage, and the environmental impact of processes and materials with several commitments to circularity and climate change mitigation. The first step in defining the Group's sustainability strategy was identifying the most critical ESG topics from both an internal and external perspective. Preliminary assessments were conducted to track important media, sector-specific, and worldwide trends and identify Design Holding's main stakeholders. Preliminary assessments were conducted to establish the most relevant sustainability challenges from the stakeholders' point of view (media analysis, benchmarks, sector trends, and global trend analysis)<sup>[102-46]</sup>. In addition, Design Holding introduced initiatives, tools, and activities to engage stakeholders and gauge their opinions. Design Holding strives to develop its interaction with key stakeholders as a commitment to sustainability. The table below summarizes stakeholder identification results. These are mapped to the Group's current stakeholder engagement activities<sup>[102-40, 102-42, 102-43, 102-44]</sup>.

Below, the updated Materiality Matrix for 2021:



The following table depicts the relationship between Design Holding’s material issues and their corresponding GRI Standards topics (Topic-specific Disclosures). At the same time, it includes their scope and any potential limitations on the reporting boundary caused by the lack of data and information on the external perimeter. Design Holding commits to expand the scope of data collection and reporting for material elements throughout the coming years.

Design Holding material Topics	GRI topics	Aspect Boundary	Limitations of reporting boundary			
			Within the organization	Outside the organization	Within the organization	Outside the organization
Inclusion & Empowerment	Diversity and Equal opportunities	Group	-	-	-	-
	Training & Education	Group	-	-	-	-
	Employment	Group	-	-	-	-
	Anti-corruption	Group	-	-	-	-
Business Ethics & Responsibility	Socio-economic compliance	Group	-	-	-	-
	Environmental compliance	Group	-	-	-	-
	Non-discrimination	Group	-	-	-	-
	Economic performance	Group	-	-	-	-
Eco-design & Circular Economy	Materials	Group	Suppliers	-	-	-
	Waste	Group	Suppliers	-	-	-

Design Holding material Topics	GRI topics	Aspect Boundary	Limitations of reporting boundary			
			Within the organization	Outside the organization	Within the organization	Outside the organization
Energy & Climate Change	Emissions	Group	Suppliers	-	-	
	Energy	Group	Suppliers	-	-	
Responsible Sourcing & Sustainable Supply Chain Management	Supplier social assessment	Group	Suppliers	-	-	
	Supplier environmental assessment	Group	Suppliers	-	-	
Employee's wellbeing	Occupational Health&Safety	Group	Suppliers	-	-	
Innovation & Product Quality	Customer Health & Safety	Group	Clients	-	-	
	Marketing & Labelling	Group	Clients	-	-	
Heritage & Design culture	Non GRI	Group	-	-	-	

## Stakeholders

As part of its commitment to implement sustainability matters in its operations, Design Holding aims at constantly improving the relationship with its key stakeholders. The table below presents an overview of the results of the stakeholder identification process: these are mapped, matched with a list of the current engagement activities carried out by the Group for each stakeholder group <sup>[102-40, 102-42, 102-43, 102-44]</sup>.

## Design Holding' stakeholders

Tools and activities we use to engage our 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

## 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 Ethical Code, all to be approved in the following reporting period) and externally (through the Supplier Code of Conduct, that will be developed and approved in the following reporting period). 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"> <li>○ Potential exposure to human rights risks along the supply chain (e.g. child labour, bonded labour or living wage).</li> </ul>	<ul style="list-style-type: none"> <li>○ Long lasting relationship with key suppliers, also through ESG risk assessment and oversight; Ethical requirements related to human and labour rights for suppliers.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>○ Physical risks correlated with climate change on owned assets and facilities;</li> <li>○ Transitional risks correlated with climate change and energy transition;</li> <li>○ Potential interruption of procurement and distribution channels due to direct and indirect effects of climate change;</li> <li>○ Reputational risks coming from noncompliance with environmental legislation both in own operations and across the value chain;</li> <li>○ Inability to respond to market and legislative trends concerning the environmental impacts and performance of products.</li> </ul>	<ul style="list-style-type: none"> <li>○ Producing long-lasting solutions and investing in R&amp;D to further expand products life-cycle and progressively reduce carbon footprint by using more sustainable materials and ensuring energy efficiency in use phase;</li> <li>○ Supply chain ESG risk assessment and oversight;</li> <li>○ Compliance with the principles of the European Eco-design Framework Directive.</li> </ul>

Aspects	Potential risk	Mitigation activities
Social	<ul style="list-style-type: none"> <li>○ Inability to attract and retain talents with adequate skills and backgrounds;</li> <li>○ Potential non conformity or reputational impact related to cases of discrimination;</li> <li>○ Inability to ensure high Health and safety standards and performance both within own operations and across the supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>○ Employer branding initiatives and employee engagement;</li> <li>○ Implementation of adequate training and development programs;</li> <li>○ Implementation of a whistleblowing system and a Code of Ethics;</li> <li>○ H&amp;S management systems along with clear guidelines and procedures for mitigating health and safety-related risks and accidents;</li> <li>○ Monitoring of H&amp;S performance of key suppliers.</li> </ul>
Anti-corruption	<ul style="list-style-type: none"> <li>○ Potential non-conformity and reputational risks related to cases of corruption, unfair competition or unethical business practices.</li> </ul>	<ul style="list-style-type: none"> <li>○ MOG 231 and related procedures and instruments.</li> </ul>

## 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;

- Due to a lack of data, some 2020 data on employee diversity (by age and type of contract) have been estimated starting from 2021 data;
- Due to a lack of data, some 2020 and 2021 data regarding the distribution of training hours by gender and category was estimated.

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
LCV (Lower Calorific Value)	GJ/t	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2020, 2021

Scope 1 emissions were calculated as follows:

## 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	CO <sub>2</sub> 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	CO <sub>2</sub> equivalent.
Leakages from air-conditioning systems of refrigerant gases	Leakages (kg)	-	Global Warming Potentials (GWPs) are taken from IPCC Fifth Assessment Report (AR5).

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, taking into account 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 follows:

## GHG emissions – Scope 2

Source	Activity data	Emission factor	GWP
Electricity purchased from the national grid (Location-based approach)	Electricity consumption	Italy, Spain – Terna international comparisons on Enerdata figures, 2019, 2020	Only CO2 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	CO2 equivalent.
Electricity purchased from the national grid (Market-based approach)	Electricity consumption	AIB, European Residual Mixes, 2019, 2020  USA - Green-e Energy Residual Mix Emissions Rates, 2019, 2020	Only CO2 equivalent.

Scope 3 emissions are reported below and include categories based on criteria of relevance and data availability.

## GHG emissions – Scope 3

Source	Activity data	Emission factor	GWP
Materials procured (Cat.1)	Weight of raw, process and packaging materials procured	Ecoinvent v.3.71  UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021	CO <sub>2</sub> 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 <sub>2</sub> equivalent.
Capital goods (Cat. 2)	Purchased production machinery	UK Department for Environment, Food & Rural Affairs (DEFRA), Table 13 – Indirect emissions from the supply chain	CO <sub>2</sub> equivalent.

Source	Activity data	Emission factor	GWP
Fuel and energy related activities (Cat. 3)	Fuel and electricity consumption	UK Department for Environment, Food & Rural Affairs (DE-FRA), Conversion factor – Full set, 2020, 2021	CO <sub>2</sub> equivalent.
Upstream logistics (Cat. 4)	Kilometres covered by aeroplane, truck or ship multiplied by shipped weight (ton)	UK Department for Environment, Food & Rural Affairs (DE-FRA), Conversion factor – Full set, 2020, 2021	CO <sub>2</sub> equivalent.
Waste disposal (Cat. 5)	Weight of waste disposed	UK Department for Environment, Food & Rural Affairs (DE-FRA), Conversion factor – Full set, 2020, 2021	CO <sub>2</sub> equivalent.
Business travel by air, train and car (Cat. 6)	Kilometres travelled	UK Department for Environment, Food & Rural Affairs (DE-FRA), Conversion factor – Full set, 2020, 2021  Ferrovie dello Stato Italiane, "Rapporto di Sostenibilità", 2020, 2021	CO <sub>2</sub> equivalent.
Employee commuting (Cat. 7)	Kilometres travelled	UK Department for Environment, Food & Rural Affairs (DE-FRA), Conversion factor – Full set, 2020, 2021  Ferrovie dello Stato Italiane, "Rapporto di Sostenibilità", 2020, 2021	CO <sub>2</sub> equivalent.

## Governance

In order to ensure the highest possible level of integrity in its daily business performances, as well as making sure the organization conforms to stringent, complex legal mandates, Design Holding has implemented a control and governance system based on:

- a Board of Directors, comprising eight members<sup>33</sup>, 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 statutory members and two alternate members.

The Group has also appointed an independent auditing firm <sup>[102-18]</sup>.

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

<sup>33</sup>Among them, six board members are more than 50 years old, whilst two members are between 30 and 50 years old.

One board member is female, while the remaining are male.

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 and the compliance with the Model's principles is ensured by the relevant Supervisory Body. 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. The Code of Ethics is a key feature of the Model and establishes the principles that the company must aspire to in reaching its business objectives. The two documents will be approved by the Board of Directors during 2022.

Despite a 231 Model and a Code of Ethic have not yet being approved at Design Holding, and harmonized at a consolidated level, several companies of the Group have already adopted their own Code of Ethics and 231 Model: therefore, the Group is already commit to operate under the relevant principles to promote responsible business conduct, implementing procedures to avoid the occurrence of corruption cases and unethical business practices <sup>[102-16]</sup>.

# Content index <sup>[102-55]</sup>

GRI 102: General Disclosures 2016)

Disclosures	Page	Notes
Organizational profile		
102-1 Name of the organization	23	
102-2 Activities, brands, products, and services	12	
102-3 Location of headquarters	38	
102-4 Location of operations	38	
102-5 Ownership and legal form	14	
102-6 Markets served	40	
102-7 Scale of the organization	38	
102-8 Information on employees and other workers	87, 93, 124	
102-9 Supply chain	42	
102-10 Significant changes to the organization and its supply chain	38	
102-11 Precautionary Principle or approach	154	Design Holding adapts its decision-making approach by taking into account the social and environmental issues according to the precautionary approach.

Disclosures	Page	Notes
102-12 External initiatives	155	For more information, please consult Design Holding's Brands sustainability reports publicly available on their websites.
102-13 Membership of associations	155	For more information, please consult Design Holding's Brands sustainability reports publicly available on their websites.
Strategy		
102-14 Statement from senior decision-maker	6	
Ethics and Integrity		
102-16 Values, principles, standards, and norms of behavior	153	
Governance		
102-18 Governance structure	152	
Stakeholder Engagement		
102-40 List of stakeholder groups	140, 144	
102-41 Collective bargaining agreements	87	
102-42 Identifying and selecting stakeholders	140, 144	
102-43 Approach to stakeholder engagement	140, 144	

Disclosures	Page	Notes
102-44 Key topics and concerns raised	140,144	
Reporting Practice		
102-45 Entities included in the consolidated financial statements	38	
102-46 Defining report content and topic Boundaries	140	
102-47 List of material topics	33	
102-48 Restatements of information	156	There have been no restatements, as it was the first year of reporting.
102-49 Changes in reporting	27	
102-50 Reporting period	27	
102-51 Date of most recent report	27	
102-52 Reporting cycle	156	
102-53 Contact point for questions regarding the report	175	
102-54 Claims of reporting in accordance with the GRI Standards	138	Yearly.
102-55 GRI content index	154-166	
102-56 External assurance	140	

GRI Standard	Disclosure	Page	Notes
Economic performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39, 141-143	
	103-2 The management approach and its components	39, 141-143	
	103-3 Evaluation of the management approach	39, 141-143	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	125	
Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	141-143, 153	
	103-2 The management approach and its com- ponents	141-143, 153	
	103-3 Evaluation of the management approach	141-143, 153	
GRI 205: Anti-corruption 2016	205-3 Confirmed inci- dents of corruption and actions taken	157	During the reporting period, no cases of corruption have been detected.

GRI Standard	Disclosure	Page	Notes
Materials			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	60-65, 141-143	
	103-2 The management approach and its components	60-65, 141-143	
	103-3 Evaluation of the management approach	60-65, 141-143	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	61, 63, 65, 126-127	
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	66-73, 141-143	
	103-2 The management approach and its components	66-73, 141-143	
	103-3 Evaluation of the management approach	66-73, 141-143	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	70, 72, 128-129	
	302-3 Energy intensity	71	

GRI Standard	Disclosure	Page	Notes
Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	70-73, 141-143	
	103-2 The management approach and its components	70-73, 141-143	
	103-3 Evaluation of the management approach	70-73, 141-143	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	73, 130	
	305-2 Energy indirect (Scope 2) GHG emissions	73, 130	
	305-3 Other indirect (Scope 3) GHG emissions	72-73, 131	
Waste			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	72-77, 141-143	
	103-2 The management approach and its components	72-77, 141-143	
	103-3 Evaluation of the management approach	72-77, 141-143	

GRI Standard	Disclosure	Page	Notes
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	72-77	
	306-2 Management of significant waste-related impacts	72-77	
	306-3 Waste generated	77,132	

#### Environmental compliance

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	58, 141-143, 145	
	103-2 The management approach and its components	58, 141-143, 145	
	103-3 Evaluation of the management approach	58, 141-143, 145	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	160	During the reporting period, the Group did not receive any significant fine and non-monetary sanction for non-compliance with environmental laws and/or regulations.

GRI Standard	Disclosure	Page	Notes
Supplier environmental assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	78-81, 141-143, 145	
	103-2 The management approach and its components	78-81, 141-143, 145	
	103-3 Evaluation of the management approach	78-81, 141-143, 145	
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	79, 161	There currently are no structured processes and/or procedures to screen suppliers according to environmental criteria.
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	86-94, 141-143	
	103-2 The management approach and its components	86-94, 141-143	
	103-3 Evaluation of the management approach	86-94, 141-143	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	89-92, 133	

GRI Standard	Disclosure	Page	Notes
Occupational Health And Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	102-103, 141-143	
	103-2 The management approach and its components	102-103, 141-143	
	103-3 Evaluation of the management approach	102-103, 141-143	
GRI 403: Occupational health and safety 2018	403-1 Occupational Health and safety management system	102-103	
	403-2 Hazard identification, risk assessment, and incident investigation	102-103	
	403-3 Occupational health services	102-103	
	403-4 Worker participation, consultation, and communication on occupational health and safety	102-103	
	403-5 Worker training on occupational health and safety	102-103	
	403-6 Promotion of worker health	102-103	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	102-103	

GRI Standard	Disclosure	Page	Notes
GRI 403: Occupational health and safety 2018	403-8 Workers covered by an occupational health and safety management system	102-103	
	403-9 Work-related injuries	103, 134	
Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	96-101, 141-143	
	103-2 The management approach and its components	96-101, 141-143	
	103-3 Evaluation of the management approach	96-101, 141-143	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	98, 101, 135	
Diversity & Equal Opportunity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	86-94, 141-143	
	103-2 The management approach and its components	86-94, 141-143	
	103-3 Evaluation of the management approach	86-94, 141-143	
GRI 405: Diversity & Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	87, 93, 136	

GRI Standard	Disclosure	Page	Notes
Non-discrimination			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	97, 141-143, 153	
	103-2 The management approach and its components	97, 141-143, 153	
	103-3 Evaluation of the management approach	97, 141-143, 153	
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	164	During the reporting period, no episodes of discrimination have emerged.
Supplier social assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	78-81, 141-143, 145	
	103-2 The management approach and its components	78-81, 141-143, 145	
	103-3 Evaluation of the management approach	78-81, 141-143, 145	
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	164	There currently are no structured processes and/or procedures to screen suppliers according to social criteria.

GRI Standard	Disclosure	Page	Notes
Customer Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	58, 141-143, 145	
	103-2 The management approach and its components	58, 141-143, 145	
	103-3 Evaluation of the management approach	58, 141-143, 145	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	165	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 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	58, 141-143, 145	
	103-2 The management approach and its components	58, 141-143, 145	
	103-3 Evaluation of the management approach	58, 141-143, 145	

GRI Standard	Disclosure	Page	Notes
GRI 417: Marketing and Labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labelling	166	During the reporting period, no incidents of non-compliance with regulations and/ or voluntary codes concerning product and service informa- tion and labeling have emerged.
Socioeconomic compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	58, 141-143, 145	
	103-2 The management approach and its components	58, 141-143, 145	
	103-3 Evaluation of the management approach	58, 141-143, 145	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	166	During the reporting period, the Company did not receive penalties related to non-compliance with laws and regulations in the social and economic field.



Pantella by Verner Panton, Louis Poulsen

# 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	168	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	168	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	168	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	168	Currently, Design Holding does not recover end-of-life materials. In 2022, the Group will implement a take-back scheme for some of its Brands.
Energy & Climate change	Energy Management in Manufacturing	CG-BF-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	70, 72, 128-129	
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	11, 79	

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	170	Number of units: 705,071
Area of manufacturing facilities. The scope shall be limited to total area under roof, including manufacturing and administrative functions).	CG-BF-000.B	170	Square meters: 192,024







# Credits

p.7	Credits Mattia Zoppellaro/Contrasto
p.8	Credits Tommaso Sartori
p.9	Credits Tommaso Sartori
p.10	Credits Tommaso Sartori
p.14	Credits Federico Cedrone
p.17	Credits Tommaso Sartori
p.19	Credits Andrea Ferrari
p.22	Credits Tommaso Sartori
p.24	Credits Tommaso Sartori
p.25	Credits Tommaso Sartori
p.28	Credits Tommaso Sartori
p.30	Credits Tommaso Sartori
p.35	Credits Ramak Fazel
p.45	Credits Jean-Baptiste Mondino
p.46	Credits Tommaso Sartori
p.54	Credits Rich Stapleton
p.59	Credits Antonia Adomako
p.81	Credits Ramak Fazel
p.107	Credits Antonia Adomako
p.114	Credits Francesco Caredda
p.117	Credits Forte Studio
p.118	Credits Tommaso Sartori
p.121	Credits Tommaso Sartori
p.122	Credits Tommaso Sartori
p.123	Credits Tommaso Sartori

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