



Italian Design Brands

SUSTAINABILITY REPORT 2021

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● A MESSAGE TO OUR STAKEHOLDERS

Dear Partners and Stakeholders,

The IDB Group was founded in 2015 as an Italian hub of historical companies, with shared strong values and who are deeply connected to the territory in which they were founded.

It is with great pleasure that we present you with IDB's first Sustainability Report, with the aim of giving an account of the many activities that the Group is carrying out with the ambition of creating not only economic value, but also social and environmental value and for the surrounding community as a whole.

The central focus is undoubtedly the desire to always put the well-being and health of workers first, as well as the safety of all our products, which furnish and illuminate homes and hospitality and conviviality environments all over the world. Over the past two years, our country and the world have endured some very difficult circumstances due to the crisis created first by the Covid-19 pandemic, and then by the Russian-Ukrainian conflict. At IDB, we reacted by taking immediate action to ensure the maximum safety for all employees, in compliance with measures and protocols, while limiting the impact on business performance of shocks and interruptions in the supply and supply chain. This has allowed us to restart and continue operating with momentum and enthusiasm, successfully securing employment for all our workers.

In the same way, we believe that each company must operate with respect for its ecosystem, through attention to the surrounding environment interpreted in its broadest sense. Firstly, reduction of environmental impact, circularity and efficient use of resources, but also adoption of a work ethic that characterises relationships with all stakeholders and translates

into a strong connection with the supply chains and workers of local districts, which are deeply linked to our territories. These elements are essential for companies that aim to continue to grow and to be more and more a reference point in the market.

Finally, Italian creativity and craftsmanship are permeated in the design and manufacture of our products: our entrepreneurs love their work and reflect this passion in their attention to detail, quality and product safety, ensuring a trusting relationship with our customers and allowing us to continue to grow.

We know that there is still much to be done, and our commitment will continue on a course of action that will ensure that all IDB companies are able to continuously improve on the many aspects analysed on different levels within this Report.

Finally, I would like to add that it is because of this significant development, as well as the sharing of what the Member States agreed to in the 2015 Paris Agreement, that we have decided to actively contribute to the fight against climate change by setting targets to reduce our GHG emissions into the atmosphere in the coming years. We strongly believe that by adopting what may seem like 'small' adjustments in the way each company operates, we can actually build the foundations to make a 'big' difference in the footprint we leave and will leave in the ecosystem around us on a daily basis.

Happy reading and many thanks.
Andrea Sasso

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IDB: OUR IDENTITY

1.1 THE IDB PROFILE

1.1.1 THE GROUP

1.1.2 COMPANIES

1.2 GOVERNANCE

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1.2.2 CORPORATE GOVERNANCE

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1.1 THE IDB PROFILE

1.1.1 THE GROUP

Italian Design Brands S.p.A. is the Italian hub for high-quality furniture and design.

The Italian Design Brands Group (hereinafter 'IDB') was founded in 2015 in Milan by Private Equity Partners S.p.A., a company founded and controlled by the entrepreneurs Fabio Sattin and Giovanni Campolo, Paolo Colonna and siblings Giovanni and Michele Gervasoni, whose aim is to promote an Italian design hub in the high-quality furniture, furnishings and lighting sector. Supported by a select group of private investors gathered in Investindesign S.p.A., the group of entrepreneurs created an ambitious project with the aim of creating operational dynamics that would be difficult for individual operators to achieve and compete with internationally.

This objective stems from an awareness of the development potential of Italian companies in the sector, which are often recognised as excelling internationally due to their creative and product expertise, but are penalised in international competition due to their limited size. In an increasingly fast-paced, competitive and global world, IDB was created to provide companies with such a solution, and to anticipate the process of aggregation to which the sector will inevitably be subject and which will enable companies to reach the critical size to compete in international markets.

Consistent with this project, the Group was formed in 2015 following its first business acquisition, which involved the company Gervasoni S.p.A. and, through the company, Ifa s.r.l.¹ Subsequently, IDB continued its growth through the completion of further corporate acquisitions: Meridiani S.r.l. in 2016, Cenacchi International S.r.l. in 2017, Davide Groppi S.r.l. and Saba Italia S.r.l. in 2018, Modar S.p.A. in 2019, Flexalighting S.r.l.² in 2020 and a minority stake in Axolight s.r.l.³ in 2021.

The Group now has a total of seven companies operating in three different Business Areas: 'Furniture' - Indoor and Outdoor Furniture (Gervasoni, Meridiani, Saba), 'Lighting' (Davide Groppi, Flexalighting) and 'Luxury Contract' (Cenacchi, Modar).

¹ IFA s.r.l. was acquired by Gervasoni S.p.A. with effect from 1 January 2021.

² The consolidated financial statements as of 31 December 2020 of the IDB Group include the results of the company Flexalighting S.r.l. for the period since 13 February 2020, the date of acquisition of the company.

³ It should be noted that Axolight was not included in the accounting of this Report because the acquisition took place at the end of November 2021.



2015

meeting with GERVASONI spa
and creation of the IDB Group

2016

MERIDIANI

2017

CENACCHI INTERNATIONAL

2018

DAVIDE GROPPI
SABA

2019

MODAR

2020

FLEXALIGHTING

GERVASONI™



MERIDIANI



CENACCHI INTERNATIONAL

saba

FLEXALIGHTING

davide groppi

Axolight

GROUP MISSION AND VISION

The main objective of the IDB Group is to create an environment in which companies operating in the furniture sector can benefit from the opportunity of being part of a large Italian Group with a strong international presence, while maintaining their distinctive identity, creativity and entrepreneurial spirit.

In pursuit of this goal, the IDB model is based on working alongside companies to maximise their potential on a global scale and to leverage more efficient business performance amplified by the synergies resulting from affiliation to a Group. IDB also works on developing new partnerships with excellent companies with a successful entrepreneurial history, a recognised brand and high-quality designs and products.

As for the Group's Vision, this can be found in the philosophy and values that unite and guide the different companies, and which together, form the Group's identity, which can be summarised in six key concepts:

MISSION

REPRESENTING THE EXCELLENCE OF ITALIAN INTERIOR DESIGN AND CRAFTSMANSHIP AROUND THE WORLD, CREATING A FRAMEWORK IN WHICH EACH COMPANY CAN ACCELERATE ITS COMPETITIVE ADVANTAGE, WHILE MAINTAINING ITS DISTINCTIVE IDENTITY, CREATIVITY AND ENTREPRENEURIAL SPIRIT

• ENTREPRENEURIAL SKILLS AND SPIRIT

The Group is made up of successful entrepreneurs who have gained a great deal of experience and knowledge of their sector and who, sharing IDB's strategy, choose to become members and actively participate in supporting its development.

• CORPORATE DNA

One of IDB's priorities is to preserve the culture, identity and DNA of each entity. Entrepreneurs can continue to be the figurehead within individual companies, pursuing their goals as part of a more ambitious project.

• MANAGERIAL SKILLS

The involvement of high-profile managers allows the introduction of structured methods and processes to improve business efficiency and effectiveness, providing companies with support for growth and, where necessary, support to deal with a gradual generational transition.

• SHARING, CONFRONTATION AND SYNERGIES

The Group's presence makes it possible to make the most of the important synergies created by the interaction of the participating companies, using sharing as a tool for professional and personal comparison and training.

• SOLID AND EFFICIENT FINANCIAL MANAGEMENT

The financial solidity necessary for the development of the project is guaranteed by the primary standing of the investors and sponsors who have believed in the project from the beginning, as well as by the centralised financial management that allows efficient use of resources for growth.

• GROUP ACTIVITIES AND PROJECTS

IDB also includes activities, projects and structures involving one or more companies of the Group, in order to meet the major challenges of the market in an overall value creation. This allows 'small' entities to have the critical mass to access 'big opportunities'.

1.1 THE IDB PROFILE

1.1.2 COMPANIES

Preserving the culture, identity and DNA of each company has always been a priority for the Group. This objective also takes on particular importance when taking into account the history and specific characteristics of each company, described in the table below.





GERVASONI™

● GERVASONI

Founded in 1882 and based in Pavia di Udine (UD), Gervasoni S.p.A. is managed by brothers Giovanni and Michele Gervasoni, the third generation of the family. The company designs, produces and markets both indoor and outdoor furniture solutions for the home and for the contract sector (luxury hotels, restaurants and ships) through the Gervasoni, Gervasoni Outdoor and Very Wood brands.

The Gervasoni and Gervasoni Outdoor brands offer armchairs, sofas, beds, tables, seating and storage units, in collaboration with international designers such as Paola Navone, Michael Sodeau and Jasper Startup. Very Wood designs chairs, armchairs, sofas and stools for hospitality environments, in collaboration with internationally renowned designers such as Patricia Urquiola, Michele De Lucchi, Sebastian Herkner, This Weber, and Marcel Wanders.

In May 2015, IDB acquired 100 per cent of Gervasoni S.p.A.. By reinvesting in the Group's shareholding, Giovanni and Michele Gervasoni decided to pursue the company's goals as part of a more ambitious, strategic project.



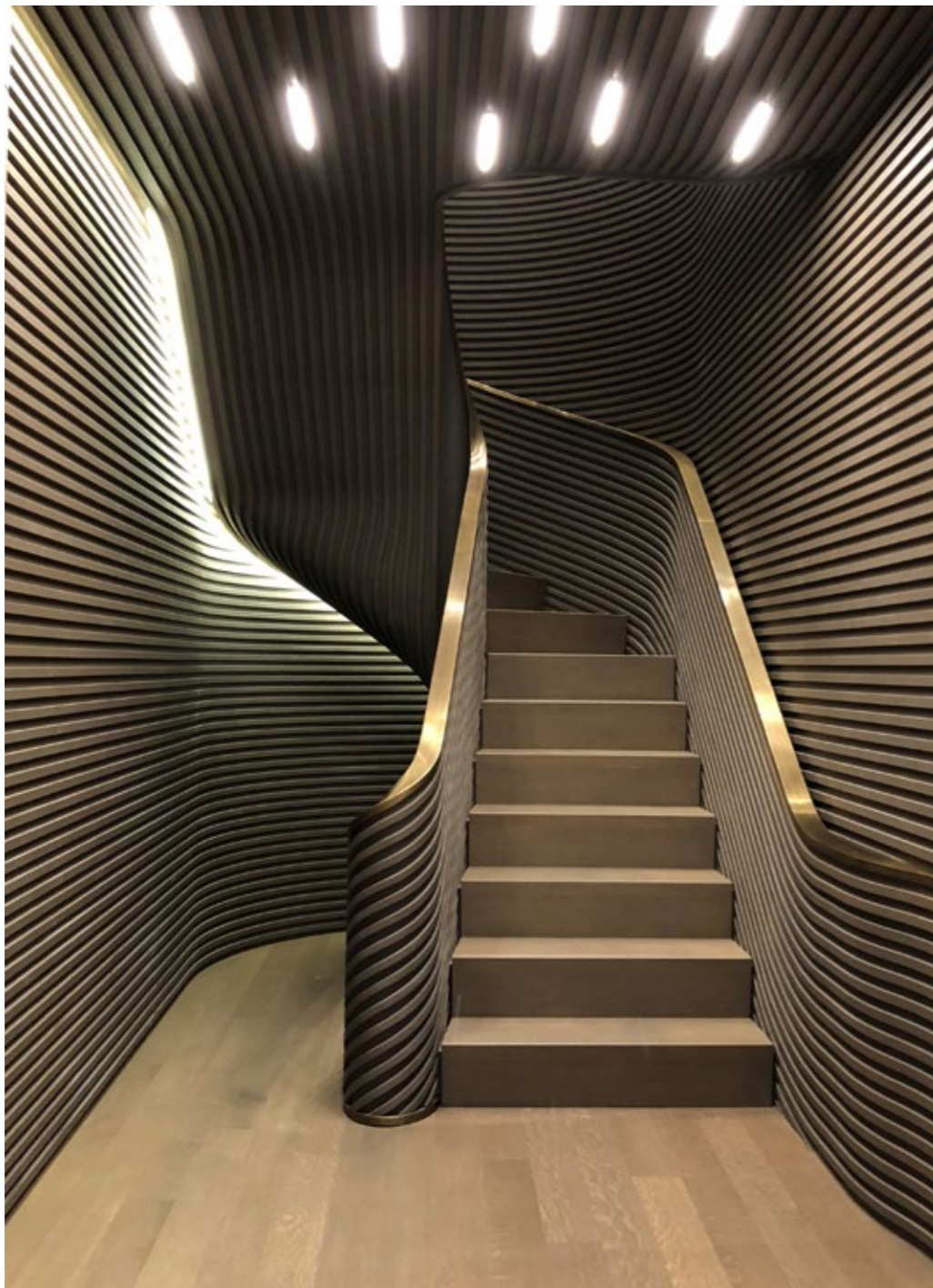
MERIDIANI

• MERIDIANI

Meridiani S.r.l. was founded in 1996 in Misinto (MB) by Renato Crosti, an entrepreneur with over 40 years' experience in the furniture industry, and his wife Laura Ferraro Crosti's idea: to conceive, design, produce and distribute a new home collection.

The company, specialised in the creation of contemporary and versatile furniture, offers internationally designed living and bedroom collections consisting of sofas and complements in marble and brass, as well as a line of outdoor products.

In June 2016, IDB acquired 100 per cent of Meridiani S.r.l.. Renato Crosti now holds the position of Honorary President of Meridiani, thus ensuring continuity to the organisation born from his entrepreneurial drive.



• CENACCHI INTERNATIONAL

Cenacchi International S.r.l. was founded in 2003 in Bologna by Carl Gherardi and Eugenia Cenacchi, who, thanks to the experience gained in the Cenacchi family business, which had already been operating in the prestige furniture sector since the 1980s, decided to devote their activity to prominent international clientele.

Cenacchi is a company specialising in the production and installation of luxury furniture for shops, showrooms, offices, hotels and prestigious homes. The furniture is custom-made, working with external architects and designers or designed in-house. Over the years, the company has acquired a strong reputation for the quality of its products and its technical capabilities, essential characteristics for a niche market based on exclusivity.

In September 2017, IDB acquired a majority stake in Cenacchi International S.r.l.. Carl Gherardi and Eugenia Cenacchi, with three other operating partners, are shareholders at the head of the company and participate in IDB's management activities.





davide groppi

- **DAVIDE GROPPi**

Since the late 1980s, Davide Groppi has been inventing and producing lamps and lighting designs. Over time, their creative and entrepreneurial independence has allowed them to develop original and recognisable designs distributed in their more than 800 branches worldwide.

The company has collaborated on countless projects for homes, shops, museums and the hospitality industry, and has even landed major starred restaurants as clients. The commitment and quality of the company's products have been recognised through publications and the awarding of prizes such as, among others, the double 'ADI Compasso d'Oro' from the Associazione per il Disegno Industriale (ADI) in 2014 for the Nulla and Sampei lamps and the 'Compasso d'Oro' Honourable Mention to Tetatet in 2016.

In March 2018, IDB acquired a majority stake in Davide Groppi S.r.l.. The entrepreneur has retained a significant share of the capital and remains at the head of the company. Paolo Pagani, a professional and investor in the lighting sector, also participated in the venture.



saba

- **SABA**

Saba Italia S.r.l., a company based in S. Martino Di Lupari (PD), has been manufacturing indoor and outdoor furniture since 1987. The brand is characterised by a strong feminine presence, which can be seen in the cosy style of the collections and sofas, and by a 'made-to-measure' design, which offers the end customer the possibility of choosing from a vast textile sample book and customising their choice fully.

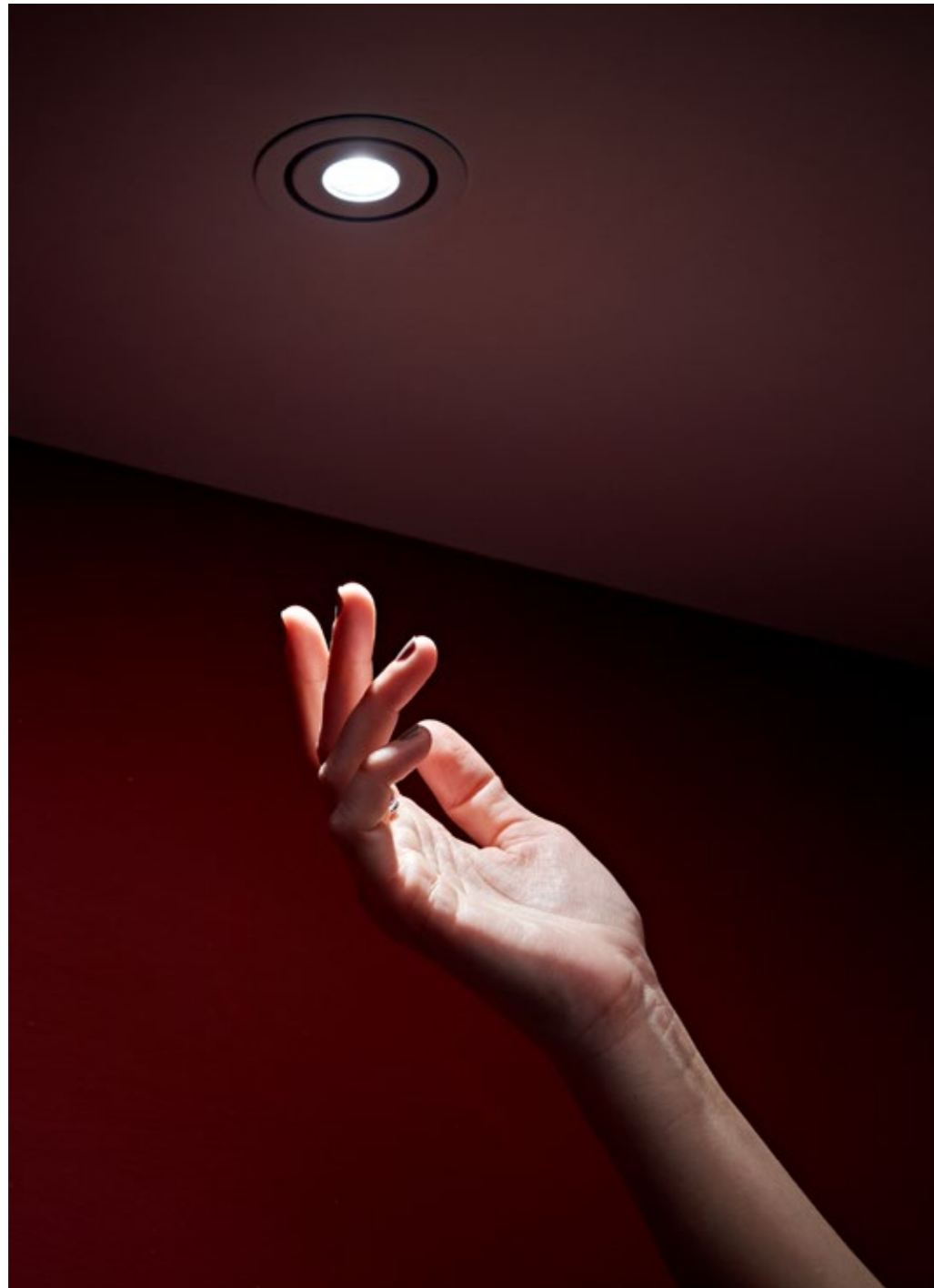
In October 2018, IDB acquired 100 per cent of Saba Italia S.r.l.. Amelia Pegorin, the Managing Director, reinvested in the Group's shareholding and remains at the helm of the company, thus joining IDB's management team.



• MODAR

Modar S.p.A., a company specialising in custom contract projects based in Barlassina (MB), was founded in 1971 on the initiative of entrepreneur Dante Malagola. The company boasts fifty years of activity in the realisation of furnishings for shops, residences, hotels and luxury offices, assisting clients from the design phase to the delivery of the project and distinguishing itself for the high quality of its realisations and customer service. It has always collaborated with prestigious international architectural firms, delivering a successful example of synergy between design and industry. In addition to the Italian office, it also has a branch in the United States.

In June 2019, IDB acquired 100 per cent of Modar S.p.A. Founder Dante Malagola remained a shareholder at the helm of the company, guiding it towards a new phase of development in the world of luxury and retail. Giovanni De Ponti, a professional and investor in the furniture and design sector, also participated in the transaction.



FLEXALIGHTING

• FLEXALIGHTING

Flexalighting S.r.l., based in Pontassieve (FI), is a young and dynamic company founded by the Modenese architect and lighting designer Roberto Mantovani who, after gaining experience in product and light design, founded the company according to his own vision of the architectural use of LED technology.

In just a few years, the company has developed rapidly, recording significant and steady growth rates, with products distributed in over sixty countries. A vocation for internationalisation that led it to open its first foreign office in Vancouver in 2017, Flexalighting North America, which produces the range designed in Italy for the North American market.

In February 2020, IDB acquired a majority stake in Flexalighting S.r.l.. Founder Roberto Mantovani retained a significant share of the capital and remains at the helm of a rapidly expanding company. Two other historical partners of the company and Paolo Pagani, a professional and investor in the lighting sector, are also involved in the transaction.

GROUP PRESENCE IN ITALY AND WORLDWIDE

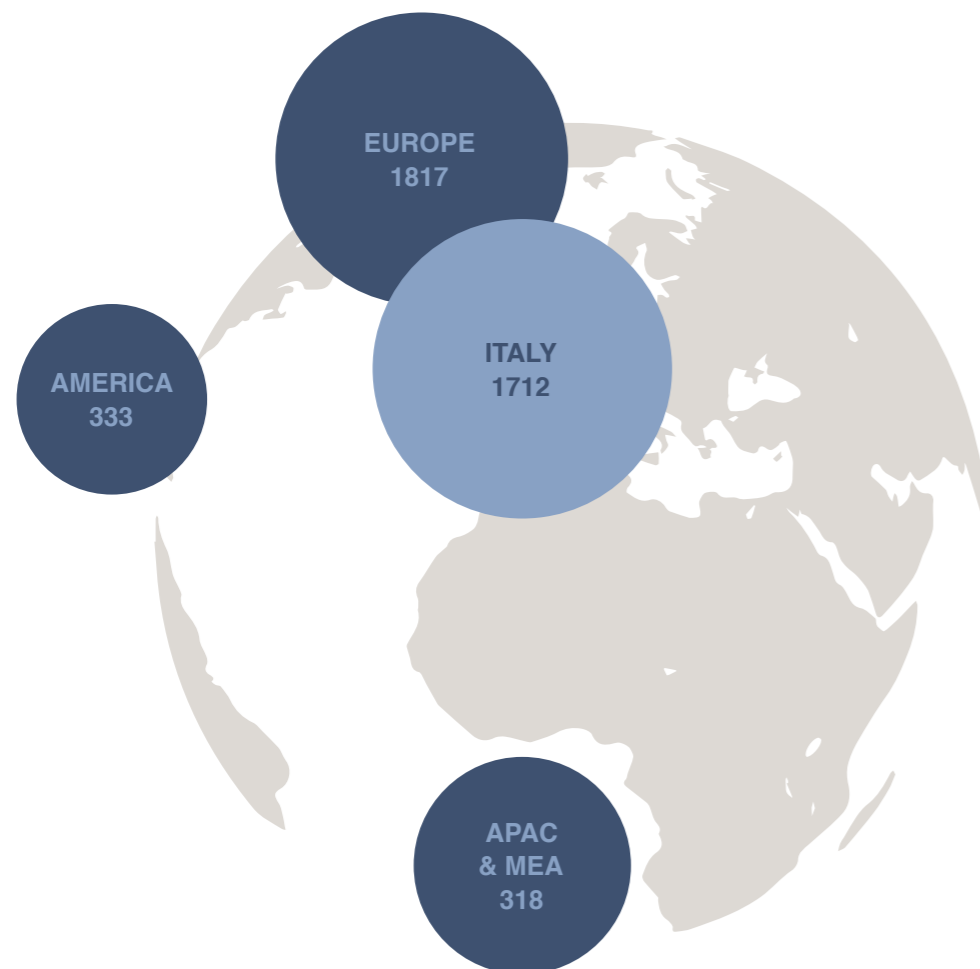
With 14 monobrand shops in 121 countries in Europe, North America, Central and South America and Asia, and more than 4,000 points of sale also in Africa and Oceania, the Group can now boast a significant presence both in Italy and abroad.

The single-brand shops worldwide are branded by the individual companies; in particular, of the 19 single-brand shops, 3 are branded Gervasoni, 9 are branded Meridiani, 2 are Saba and 5 are branded Davide Groppi. Of these, 5 are managed directly, 3 under the Meridiani brand, 1 Davide Groppi and 1 Saba. Flexalighting, although lacking this type of shop, is present with its products in 1,568 sales outlets on all continents, while Modar and Cenacchi International, operating mainly B2B by nature through luxury furniture design, do not have and do not require direct sales shops. The figure below graphically depicts the Group's presence in Italy and worldwide by number of outlets in each geographic area, including both single-brand shops and retailers of Group products.

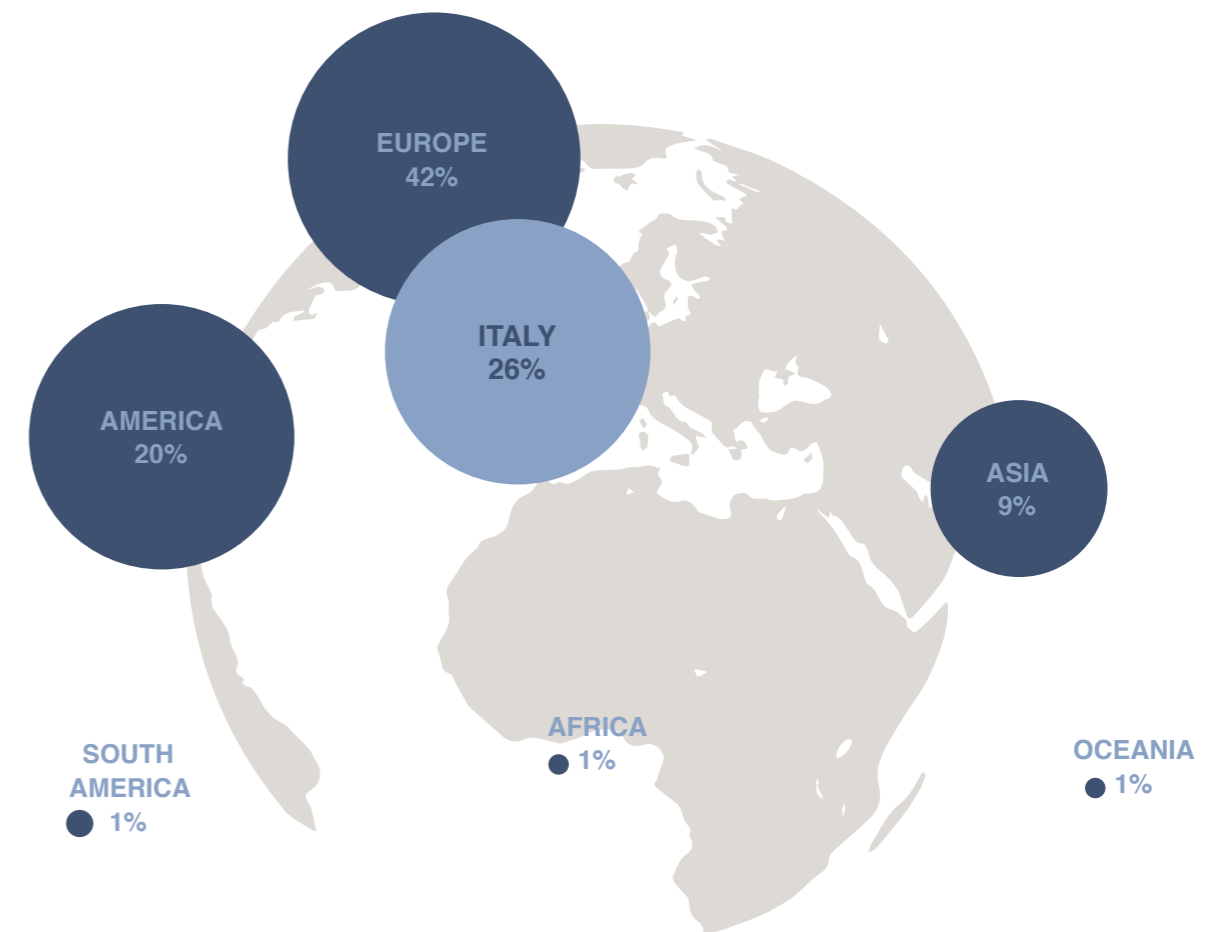
In terms of revenue, the Group generated more than €144 million in 2021, of which only 26% was generated in the Italian market. In fact, 42.0% of the turnover is generated in Europe (excluding Italy), while the remaining 31% comes mainly from sales in North America (about 20%) and the Middle and Far East (about 9%). The remaining shares come from Central and South America (1%), Oceania and Africa (about 1% each).

Although revenues in 2021 were affected by the pandemic environment that changed sales all over the world, the figures show how the Group's presence is particularly concentrated in Europe and Italy, but also how it is succeeding in establishing itself in North America and the rest of the world.

GROUP PRESENCE BY NUMBER OF POINTS OF SALE BY GEOGRAPHIC AREA



GROUP PRESENCE BY TURNOVER BY GEOGRAPHICAL AREA



In order to further strengthen its international presence, IDB established a wholly owned subsidiary in Suzhou, west of Shanghai, in March 2020. IDB Suzhou Co. Ltd. was created as a commercial platform and 'cultural translator' to support the Group's brands in presiding over a high-potential market like China from within.

During 2021, IDB also formalised the opening of a subsidiary in London, Italian Design Brands UK Ltd., dedicated to the commercial promotion of the Group in the United Kingdom, a market that is still a reference point both in terms of domestic demand and for design projects with a global reach.

The Group's drive towards internationalisation is also reinforced by the European and international presence of the individual IDB companies. Since 2018, Meridiani has controlled Meridiani France, the company that manages the brand's monobrand space in the heart of Paris. Flexalighting opened its first foreign office in Vancouver in 2017, Flexalighting North America, while Modar has a division in the United States, Modar USA.

GROUP HIGHLIGHT (2021)

405

PEOPLE

144.000.000 €

REVENUES

2.277 GJ

ELECTRICITY FROM
PHOTOVOLTAIC PANEL

97%

PERMANENT EMPLOYEES

> 70%

EXPORTS

3,87

RECORDABLE ACCIDENT RATE ⁴

⁴ The accident rate is calculated as the number of accidents occurring during the year over the number of total hours worked, multiplied by 200,000.

THE COVID-19 EMERGENCY

During 2020, the emergency resulting from the spread of the Covid-19 virus required a rapid and coordinated response from every civil society actor, including the country's businesses and entrepreneurs. The former, in particular, were immediately called upon to address issues such as workers' health and safety, continuity of operations, and economic viability, and to seek solutions to reconcile these dimensions.

In this context, the IDB Group companies set up a series of measures from the earliest stages of the emergency to ensure that activities were carried out safely, from smart working, to the use of social security measures, to the adoption of a company protocol regulating measures to combat and contain the spread of the virus in the workplace by each company. In 2021, companies continued to monitor the application and compliance with the measures taken to contain the virus in order to ensure compliance with local and national regulations and to ensure the health and safety of workers.

THE SECTORS AND MAIN PRODUCTS OFFERED

As explained above, the Group operates mainly in the furniture and lighting sector. The 7 companies can be divided into three business units: "Furniture", "Lighting" and "Luxury Contract". The "Furniture" business unit includes Gervasoni, Meridiani and Saba, which offer a wide range of products for interior and exterior furnishings; the "Lighting" business unit includes the two companies Davide Groppi and Flexalighting, while the "Luxury Contract" business unit sees the realisation of furnishing projects for shops, residences, hotels and luxury offices by Modar, and the production and installation of luxury furnishings for shops, showrooms, offices, hotels and prestigious homes by Cenacchi International.

FURNITURE

GERVASONI

Furnishings, sofas, sofa beds, rockers, lamps, beds, benches, armchairs, poufs, chairs, stools, tables, coffee tables

MERIDIANI

Sofas, armchairs, benches and ottomans, chairs and stools, tables, low tables, desks and consoles, storage furniture, beds, bedside tables, complements, outdoor products

SABA

Sofas, armchairs, poufs, chairs, stools, beds and sofa-beds, coffee tables and accessories

LIGHTING

DAVIDE GROPPI

Pendant, ceiling, wall, table and floor lamps, lighting systems, recessed lamps, outdoor lamps

FLEXALIGHTING

Indoor and pendant lamps with various types of recessed fittings, downlights, projectors, linear systems, ceiling and wall luminaires, RGB systems, and outdoor lamps (ceiling recessed, floor recessed, downlights, ceiling and wall luminaires, projectors, bollards)

LUXURY CONTRACT

CENACCHI INTERNATIONAL

Production and installation of luxury furnishings for shops, showrooms, offices, hotels and prestigious homes

MODAR

Furnishing projects for shops, residences, hotels and luxury offices

B2B AND B2C MARKETS

The Group's objectives also include supporting the companies' commercial structures and developing new growth strategies through expansion into new geographical areas or markets.

More than half of IDB's 2021 revenue is generated in the B2C market, through the more than 4,000 sales outlets in 121 countries worldwide that carry the Group's brands. The remainder of the revenue is generated through the B2B sector. The IDB companies have, each according to their own product characteristics, experience and know-how in different areas of the professional channel: from residential to hospitality, up to the world of luxury retail and boating, cruising and yachting.

In 2017, the creation of a Group B2B sales structure was initiated, which complements the dedicated sales divisions within individual companies, supporting them in generating and managing project opportunities. This was done in order to reach opportunities more effectively generated by professional interlocutors who, by their nature, require a more technical and structured approach. The team, with two business developers based in the Milan and London hubs, is coordinated by Giorgio Gobbi, Managing Director of the Group.



1.2 GOVERNANCE

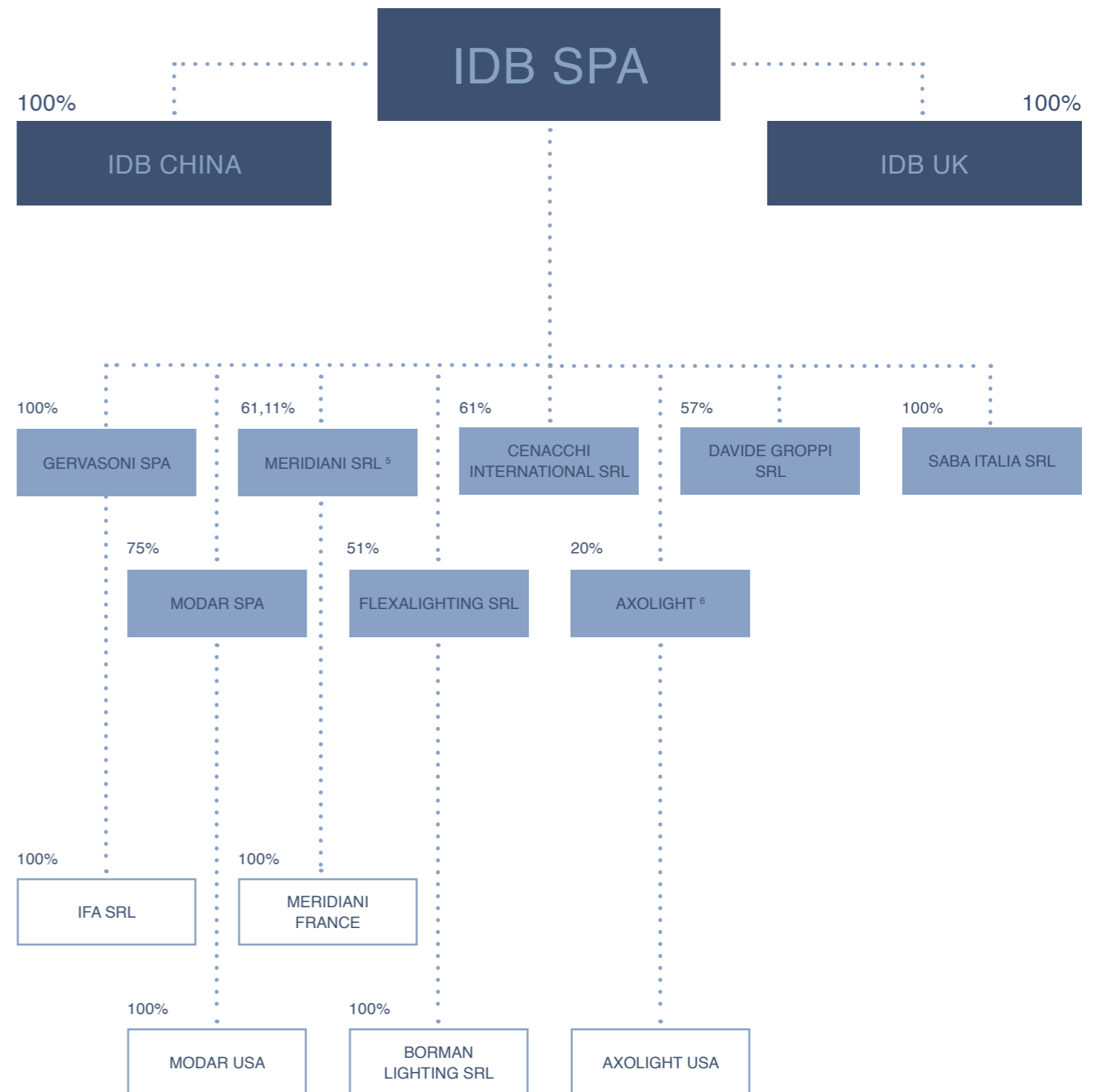
In order to respond effectively to the challenges posed by the market, IDB has developed an organisational structure that allows maximum synergy between the Group's companies and enables them to share certain skills and activities that are critical to competing internationally.

1.2.1 CORPORATE STRUCTURE OF THE GROUP

In terms of corporate structure, the Group is controlled by Investindesign S.p.A. at 67.8% and by Elpi S.r.l. and Fourleaf S.r.l. at 14.5% each. Giorgio Gobbi and Amelia Pegorin held 1.3 and 1.9 per cent respectively.

With regard to subsidiaries, IDB S.p.A. owns 100% of IDB China, IDB UK, Gervasoni S.p.A. and Saba Italia S.r.l., 61.1% of Meridiani S.r.l.⁵, which wholly owns Meridiani France, 61% of Cenacchi International S.r.l., 57% of Davide Groppi S.r.l., 75% of Modar S.p.A., which owns 100% of Modar USA, 51% of Flexalighting S.r.l., which owns 100% of Borman Lighting S.r.l.⁶, and 20% of Axo Light S.r.l., which in turn owns 100% of Axolight USA.

The corporate structure of IDB Group S.p.A. as of 31.12.2021 is shown below.



⁵ Meridiani S.r.l. is 61.1% directly controlled by IDB and the remaining 38.9% through Gervasoni S.p.A..

⁶ Note that Axo Light s.r.l. is not included in the reporting period as it was acquired by the IDB Group in December 2021.

1.2 GOVERNANCE

1.2.2 CORPORATE GOVERNANCE

The system of corporate governance adopted by the IDB Group is aimed at creating synergies between the different companies and is geared towards ensuring responsible and transparent management of the company, in order to create and distribute value to all stakeholders.

The governance model adopted sees the Board of Directors (BoD), the body in charge of managing the Company, flanked by the Board of Statutory Auditors, the control body in charge of overseeing compliance with the law and company regulations, as well as monitoring the adequacy of internal supervisory systems and the company's organisational structure, with the function of controlling directors' compliance with the Articles of Association and the law.

As of 31 December 2021, the Group's Board of Directors consisted of seven members, six men and one woman, 14% of whom belonged to the 30-50 age group, and the remaining 86% to the over-50 age group. On the other hand, the Board of Statutory Auditors consists of five members⁷, four men and one woman, 20% of whom are in the 30-50 age bracket, and 80% in the over-50 age bracket.

⁷ Of which three acting and two alternate members, as shown in the table "IDB's Governance as at 31.12.2021".

GOVERNANCE OF IDB AS OF 31.12.2021

THE BOARD OF DIRECTORS

ANDREA SASSO	Chairman, Board of Directors
COLONNA PAOLO	Board member
SATTIN FABIO	Board member
STEA ALESSANDRA	Board member
GERVASONI GIOVANNI	Board member
GERVASONI MICHELE	Board member
GOBBI GIORGIO	Board member

THE BOARD OF AUDITORS

MARZUILLO VINCENZO MARIA	Chairman, Board of Auditors
OTTOLENGHI ENRICO	Auditor
LIPPI ALBERTO	Auditor
STEFANO LODOLO	Substitute auditor
ALBANI ADRIANO	Substitute auditor



ANDREA SASSO
chairman & CEO



GIORGIO GOBBI
Managing Director



GIOVANNI GERVASONI
Consigliere



MICHELE GERVASONI
Consigliere



PAOLO COLONNA
Consigliere



FABIO SATTIN
Consigliere



ALESSANDRA STEA
Consigliere

CENACCHI INTERNATIONAL THE 231 MODEL AND CODE OF ETHICS

For years, ethical, environmental and social sustainability and occupational health and safety have been guiding principles for Cenacchi International that permeate all of the company's activities, allowing it to maximise opportunities in the areas of innovation and sustainable technologies and to anticipate and mitigate risks in operational and business performance. In this context, the company, as part of its corporate governance, decided to adopt the Organisation and Management Model (MOG) in compliance with the provisions of Legislative Decree 231/2001, which regulates the administrative liability of legal persons and associations.

The implementation of the MOG responds to the company's conviction that every element that is useful for management fairness and transparency is worthy of attention and can contribute positively to the company's image and to the protection of the interests of the company's stakeholders. Furthermore, it is believed that it can constitute, together with the other elements of corporate governance, an awareness-raising tool to foster the dissemination of ethical and socially responsible behaviour on the part of all those working on behalf of the company. The model also aims to identify and assess corporate risks in relation to the offences provided for in the Decree, to set up a preventive control system, to identify the rules for preventing unlawful conduct contrary to corporate interests, and to establish a permanent supervisory body.

In order to draw up the OMC, the company has also drawn up an Ethical Code, a document in which the general principles and rules of conduct are identified and given positive ethical value. Its purpose is to ethically direct the company's actions, and its provisions are consequently binding on the conduct of all the company's directors, managers, employees, consultants and anyone who establishes a collaboration relationship with it for any reason.

The set of procedures and tools adopted have contributed to the fact that within the company perimeter there have been no incidents of corruption in the three-year period under consideration and no incidents of non-compliance with environmental laws and regulations. With regard to compliance with laws and regulations in social and economic matters, two disputes with two agents of the Davide Groppi company on the subject of meritocratic compensation, one for 2019 and one for 2020, are worth mentioning.

1.2 GOVERNANCE

1.2.3 VALUE GENERATED AND DISTRIBUTED

In order to deal with the subject of the value generated and distributed during the three-year period, it is essential to present the national and international economic context, conditioned by the spread of the Covid-19 pandemic, in which the companies found themselves operating, and which affected their results in terms of both turnover and margins. In order to contain the spread of the virus, world governments adopted measures such as a lockdown during the first half of 2020, and a series of restrictions on gatherings during the second. These measures, necessary to cope with the situation, led to the closure of non-essential economic activities during the lockdown, and to a decrease in household consumption, burdened by falling employment and incomes, restrictions on mobility, and the renunciation of certain types of expenditure due to fears of contagion. In 2021, distancing measures were taken, which were less restrictive than the lockdown, and the economy returned to growth, but still at a reduced level compared to pre-Covid levels.

In this context, the Italian furniture and lighting macrosystem contracted by -8.9% in 2020 compared to 2019⁸. This decline was driven both by the domestic market (-7.7%), which contracted significantly in particular in the non-residential office, retail and hospitality segments, and, even more significantly, by foreign markets (-10.7%). The drop was mainly due to the performance in the first half of 2020, as the significant recovery recorded by companies since the summer was not sufficient to make up for the drop caused by the months of closure and social distancing.

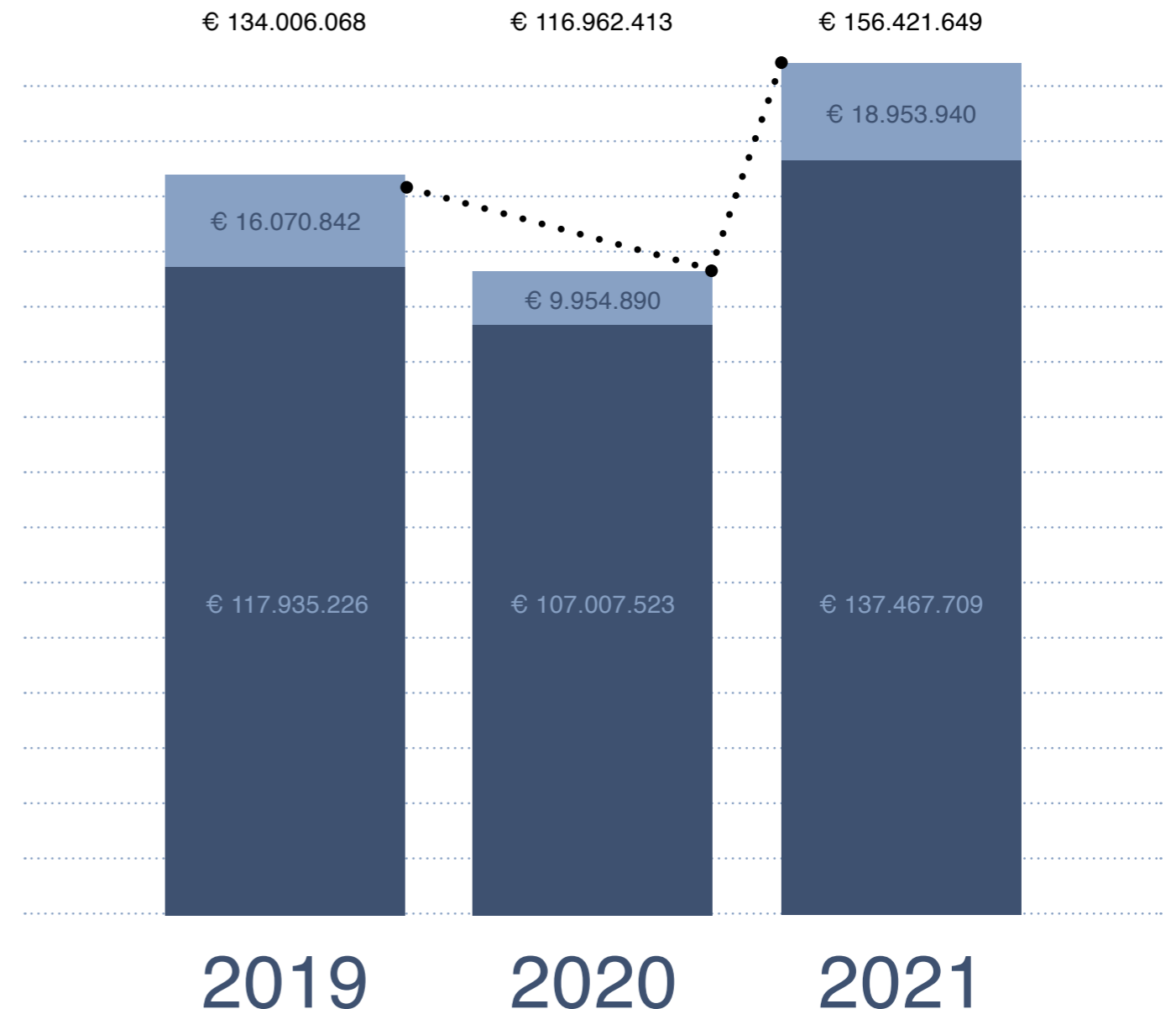
After this contraction, the Italian furnishing and lighting macro-system experienced significant growth in 2021: turnover grew by 21.7% compared to 2020 (+10.7% compared to 2019 pre-Covid)⁹, indicating a real recovery of the sector, albeit still conditioned by several slowdowns in the recovery of the non-residential segments.

However, the difficulties arising from the procurement of raw materials and the price increases suffered by all materials, as well as energy and logistics, should be emphasised. On the other hand, again at the supply chain level, sales on the domestic market grew in value by +22.9% over 2020 (+12.3% compared to 2019), supported by the effectiveness of tax breaks and, more generally, by the central role of the home in the lives of Italians, more inclined to look for a new home that better meets the new needs that have emerged with the onset of the pandemic (from the need for a larger surface area to carry out smart working and distance learning within the home to that of an outdoor space, be it a terrace or a garden).

⁸ 2020 Final Data compiled by the Federlegno Arredo Study Centre.

⁹ 2021 Final Data compiled by the Federlegno Arredo Study Centre.

DISTRIBUTED WHITHHELD AND GENERATED VALUE



● economic value generated
■ economic value withheld
■ distributed economic value

DISTRIBUTION OF GENERATED VALUE (2021)



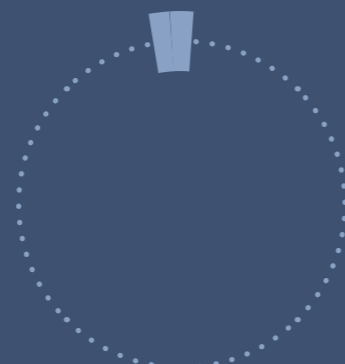
73,55%
SUPPLIERS



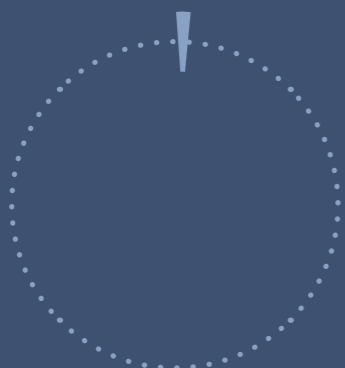
17,21%
EMPLOYEES



6,26%
CAPITAL SUPPLIERS



2,91%
PUBLIC ADMINISTRATION



0,08%
COMMUNITY

As far as the IDB Group companies are concerned, they were affected by the production freeze from 16 March to 4 May 2020, when operations resumed at a reduced level. The closure of activities and the context described above led to a decrease in the total value generated of €116,962,413 in 2020 compared to 2019 (€134,006,068).¹⁰

In 2021, thanks to the context described above, there was an upturn in activity and an increase in the total value generated, amounting to € 156,421,649, 33.74% more than in 2020.

In 2021, a significant portion (74%, or more than €101 million) of the value generated was allocated to suppliers, mainly for the purchase of raw materials and services and the use of third-party assets, while more than €23 million was allocated to the workforce, which includes remuneration, benefits, social security costs and severance pay. The value referred to the public administration, on the other hand, was €3.9 million. Finally, 6% of the value generated was allocated to remuneration of the capital provided, in the form of interest and other financial charges, and a value of €106,977 was allocated to community investments.

THE CREATION OF VALUE IN THE AREA

Relations with local communities and respect for the territory where they operate have always been founding elements of Group companies. Individual companies have long promoted and supported a series of sponsorships of local initiatives, donations or projects that take place in the territories where Group companies are located.

This commitment touches various spheres, from welfare or health research to support for culture and its dissemination in the region, such as in the case of the Gervasoni company, which has long been active in support of the Maravee cultural association. Since 2011, the company has been the promoter, host and witness of the Maravee Festival, a contemporary art and performing arts festival run by the same named Association. Through its support, Gervasoni wants to support the commitment of Institutions, Associations and the area in bringing contemporary art to a wide audience through the staging of different artistic disciplines.

¹⁰ 2019 figures do not include Flexalighting as it was acquired in early 2020.

CENACCHI INTERNATIONAL, on the other hand, turned its efforts towards supporting the mobility of disadvantaged people. Through its sponsorship, the Emilian company supported the ‘Mobility Project 2019 and 2020’, an initiative of the Municipality of Ozzano nell’Emilia, thanks to which the transport of the elderly, disabled and people in difficulty was guaranteed.

The socio-health and medical research sphere is where **MERIDIANI**’s initiative has been directed. Meridiani supports the cooperative ‘Il Volo’ through the supply of products to be used in the auctions they organise, the proceeds of which are donated to the organisation of work experience placements at the therapeutic community for young people with serious psychiatric disorders. With regard to medical research, the company supports LILT, the Italian League for the Fight against Cancer, through donations and financial contributions.

For years, **DAVIDE GROPPI** has been committed to the fight against cancer: during the year, in particular, it was among the brands that promoted an online solidarity auction on World Cancer Day, the funds raised being donated to LILT, the Italian League for the Fight against Tumours. Also for this cause, the company made a donation to the tenth edition of LOVE DESIGN®, an event organised by the AIRC Foundation and ADI, Association for Industrial Design, to support three three-year scholarships for young researchers in the field of oncology. Another foundation supported during the year was the Kennedy Foundation, which contributes to education on issues such as stalking, domestic violence, the death penalty, bullying and cyberbullying. In 2020, the company donated the Origine lamp to the Italian Embassy to the Holy See as part of the ‘Contemporanei a Palazzo Borromeo’ project. Art and Design in the Embassy of Italy to the Holy See’, and the Sampei lamp, which illuminated the Studio alla Vetrata of the President of the Republic on the occasion of 2 June. In addition, the company works closely with CLS - ‘La Cooperativa Lavoro e Solidarietà’, which has as its primary objective the conferral of dignity of labour to people with disabilities and the promotion of integration in a common working environment.

On the other hand, **SABA** is committed to inclusion and support for families with autism and other disabilities through its donations to the social enterprise ‘I bambini delle fate’. The organisation, founded in 2005, provides financial support to social inclusion projects and pathways run by local partners for the benefit of families with autism and other disabilities.

Community support by companies is not limited to the local sphere, but is also directed beyond national borders. **MODAR** is committed to remote adoption by supporting 25 children in different countries through the non-profit organisation AVSI, which carries out development cooperation and humanitarian aid projects in 38 countries. The children are looked after locally by AVSI workers, who organise the management of contributions, the conduct of activities, the training of educators and the preparation of updates sent periodically to those who decide to adopt a child.

On the other hand, **FLEXALIGHTING** made a donation to the association ‘Il Volo’, which deals with rehabilitation projects for young guests in ‘Villa Ratti’, a rehabilitation community accredited by the Lombardy Region.

In addition to initiatives and sponsorships, IDB pays attention to the inclusion of members of the local community among senior managers, a presence that can increase economic benefits for the local community as well as improve an organisation’s ability to understand its needs. Among the Group’s senior managers, 36% were recruited from the local community.

	U.D.M.	2019	2020	2021
Total number of senior managers	n.	8	10	11
Managers hired by the local community	n.	3	3	4
Percentage of senior managers recruited from the local community	%	38	30	36

***2019 figures do not include Flexalighting as it was acquired in early 2020.*

In addition to its partnerships within local territory, IDB recognises the importance of membership and participation in associations that play a representative and cooperative role in its sector. Below is a list of the associations to which individual companies belong¹¹:

GERVASONI	FederlegnoArredo Confindustria Udine
MERIDIANI	FederlegnoArredo Assolombarda
SABA	FederlegnoArredo Confindustria
DAVIDE GROPPI	FederlegnoArredo Assil Altagamma ADI (Associazione Disgeno Industriale)
FLEXALIGHTING	FederlegnoArredo Assindustria Firenze Consorzio Ecolight
MODAR	Assolombarda FederlegnoArredo

¹¹ Cenacchi International is not a member of any industry association.

1.3 OUR PATH TO SUSTAINABILITY

1.3.1 STAKEHOLDER ENGAGEMENT AND MATERIALITY MATRIX

Aware of the importance and strategic value of a responsible and sustainable business in the medium and long term, IDB decided to position itself with regard to the topic of sustainability and to draw up the first Sustainability Report according to the 'GRI Sustainability Reporting Standards', the latest and most widespread non-financial reporting standards at an international level.

One of the main objectives of the Report is to communicate the Group's environmental, social and governance (ESG) performance to its stakeholders. IDB recognises the importance of building fair and lasting relationships with all its stakeholders, of which sharing an attitude and commitment to sustainable business is a fundamental part.

RELEVANT STAKEHOLDERS

To this end, as a first step in this process, IDB identified its stakeholders from a benchmark analysis carried out by considering a panel of companies operating in the same or related sectors as the Group. An initial list of stakeholders emerged from the analysis, from which top management selected the relevant ones on the basis of their relevance and dependence on the organisation.

- EMPLOYEES
- SUPPLIERS
- DESIGNERS AND ARCHITECTS
- GOVERNMENT BODIES AND PUBLIC ADMINISTRATION
- SHAREHOLDERS AND INVESTORS
- TRADE UNIONS AND ASSOCIATIONS
- MEDIA
- PARTNERS AND RETAILERS
- LOCAL COMMUNITY
- CLIENTS

Subsequently, the main channels and tools in place to ensure transparent and timely dialogue were identified for each stakeholder category.

EMPLOYEES	INTERNAL COMMUNICATIONS (NEWSLETTER, INTRANET) COMPANY POLICIES CORPORATE MEETINGS
SUPPLIERS	DIRECT CONTACTS QUALIFICATION AND MONITORING ACTIVITIES
DESIGNERS AND ARCHITECTS	COLLABORATION ON SPECIFIC PROJECTS CONTINUED COOPERATION IN RESEARCH AND DEVELOPMENT OF NEW PRODUCTS
GOVERNMENT BODIES AND PUBLIC ADMINISTRATION	DOCUMENT EXCHANGE
SHAREHOLDERS AND INVESTORS	MEMBERS' ASSEMBLY ANNUAL AND SEMI-ANNUAL BALANCE SHEET
TRADE UNIONS AND ASSOCIATIONS	DIALOGUE DOCUMENT EXCHANGE
MEDIA	CORPORATE WEBSITE PRESS RELEASES
PARTNERS AND RETAILERS	DIRECT CONTACTS
LOCAL COMMUNITY	CORPORATE WEBSITE AND SOCIAL MEDIA DONATIONS AND SPONSORSHIPS
CLIENTS	CORPORATE WEBSITE AND SOCIAL CHANNELS COMPANY PROFILE EVENTS AND TRADE FAIRS

MATERIALITY ANALYSIS DEFINITION PROCESS AND MATERIALITY MATRIX

For the preparation of the IDB Group's first public Sustainability Report, a materiality analysis was conducted, i.e. the process of selecting and evaluating relevant, or 'material' issues. These issues are those that can reflect the economic, environmental and social impact of the company and profoundly influence stakeholder evaluations and decisions. The issues that are both a priority for the company (internal relevance) and for the relevant stakeholders (external relevance) are material (and thus subject to reporting).

In order to determine the external relevance of sustainability issues, a benchmark analysis was conducted, considering a panel of companies operating in IDB's sector or related sectors, an analysis of sector trends, an analysis of global macro-trends relevant to the topics most frequently addressed by major international sustainability organisations, and a media analysis focusing on the communication of Group activities.

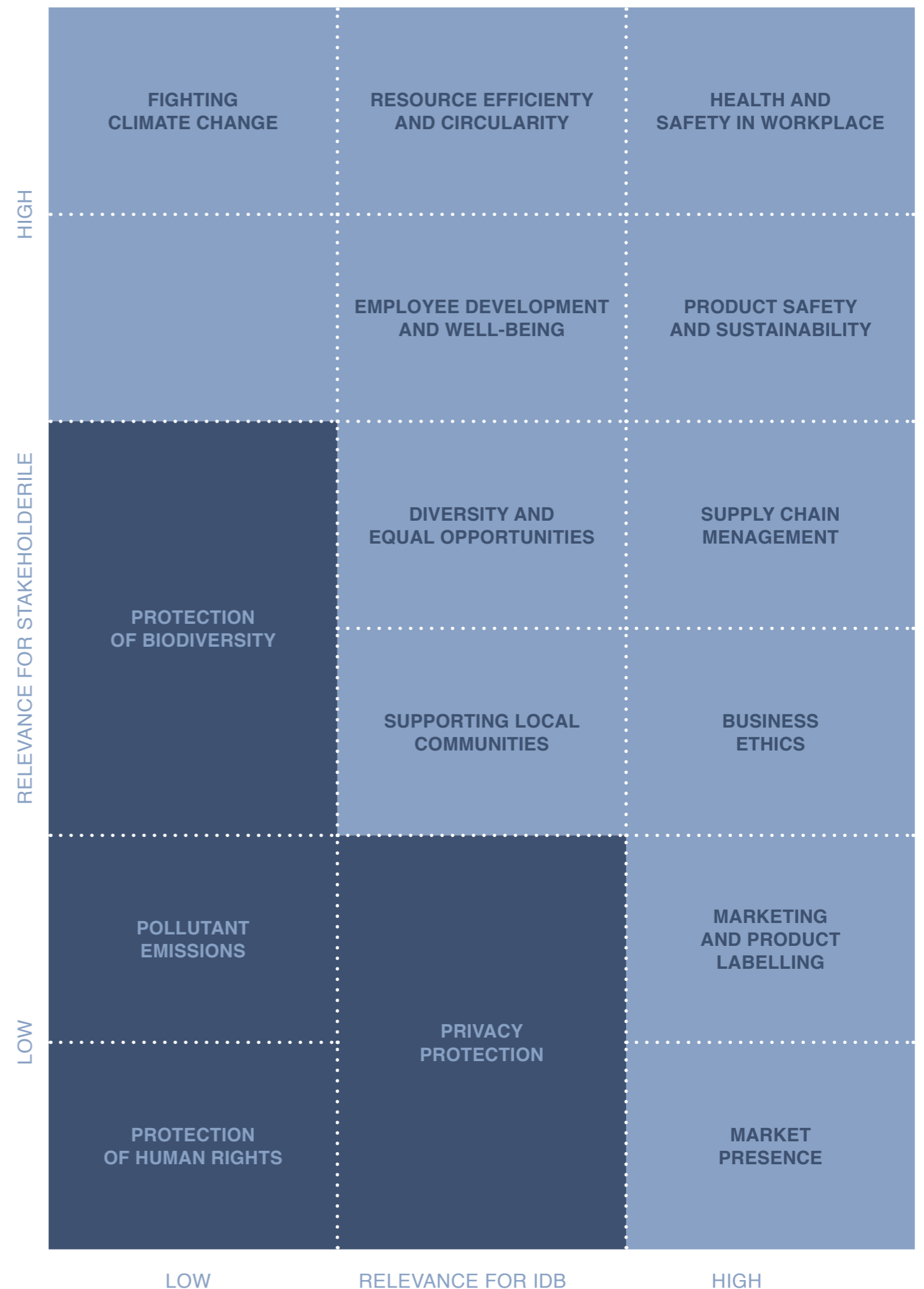
This process resulted in a preliminary list of topics, which were submitted to the top management of the seven Group companies, who prioritised them, thus determining the internal relevance of sustainability issues.

The integration of the results of the analyses carried out and the involvement of the top management of the 7 Group companies led to the definition of the IDB sustainability matrix, containing the 11 issues identified as material, both from the point of view of the stakeholders and from the point of view of the significance of the organisation's impacts, and represented in the dark blue quadrants within the matrix.

Within the matrix, the vertical axis represents the importance of each issue according to stakeholder relevance, while the horizontal axis represents the relevance of the environmental, social and economic impacts of the company's business. For this reporting year, in order to determine the external relevance of the topics, no direct stakeholder engagement activities were carried out: the ordering of topics was determined on the basis of the documentary analyses described above and subsequently validated by top management.

11 material themes emerged from the analysis, which can be classified according to the following themes:

- Issues of governance: Business ethics, Market presence, Supporting local communities;
- People management issues: Health and Safety at Work, Employee Valuing and Wellbeing, Diversity and Equal Opportunities;
- Product-related topics: Product safety and sustainability, Product marketing and labelling, Supply chain management;
- Environmental issues: Circulation and efficient use of resources, Fighting climate change.



MATERIAL MATTERS OF THE IDB GROUP

BUSINESS ETHICS

Ensuring ethical conduct of business across the board, committing to anti-corruption and compliance with socio-economic and environmental regulations while guaranteeing business continuity.

MARKET PRESENCE

Contribute to the economic development of the local areas and communities in which the company operates, contributing to the generation of jobs.

SUPPORTING LOCAL COMMUNITIES

Supporting local communities through sponsoring local initiatives, projects and donations.

HEALTH AND SAFETY IN THE WORKPLACE

Ensuring a safe and healthy workplace by promoting structured health and safety management procedures and programmes.

EMPLOYEE DEVELOPMENT AND WELL-BEING

Establish a welcoming, stimulating and positive working environment, ensuring work-life balance, providing employee welfare programmes and promoting appropriate training and skills enhancement programmes.

DIVERSITY AND EQUAL OPPORTUNITIES

Ensure equal opportunities and combat all forms of discrimination (i.e. gender, religion, political opinion, nationality, etc.).

PRODUCT SAFETY AND SUSTAINABILITY

Ensuring product quality and safety by encouraging innovation and sustainable product development.

MARKETING AND PRODUCT LABELLING

Ensure proper product information and labelling and engage in accurate and adequate communication on the positive and negative economic, social and environmental impacts of products.

SUPPLY CHAIN MANAGEMENT

Promoting sustainable supply chain management, taking environmental and social criteria into account when selecting suppliers and favouring the sourcing of goods and services from local community suppliers.

CIRCULARITY AND EFFICIENT USE OF RESOURCES

Guaranteeing transparency in the choice of materials used, ensuring compliance with quality standards and limiting environmental impacts, optimising production processes in order to promote efficient waste management, and optimising water consumption, maximising recycling and reuse.

FIGHTING CLIMATE CHANGE

Limiting energy consumption, promoting efficient solutions and the dissemination of an energy-saving culture in order to enable the reduction of the Group's overall impact on climate change.

OTHER RELEVANT TOPICS

POLLUTANT EMISSIONS

Limiting emissions of air pollutants by adopting the best available technology and complying with environmental regulations.

PROTECTING BIODIVERSITY

Ensuring the protection of biodiversity, limiting the impact of operations particularly in areas of higher protection.

PROTECTION OF HUMAN RIGHTS

Ensuring respect for human rights within the Group and along the entire value chain.

PROTECTION OF PRIVACY

Ensure the protection of customer privacy, reducing the risk of loss of customer data in accordance with existing laws and regulations.



2

OUR PRODUCTS

2.1 THE SAFETY, QUALITY AND SUSTAINABILITY OF OUR PRODUCTS

2.2 MATERIALS USED

2.3 SUPPLY CHAIN MANAGEMENT

2.1 THE SAFETY, QUALITY AND SUSTAINABILITY OF OUR PRODUCTS

IDB's mission is to represent the excellence of Italian interior design and craftsmanship around the world, hence the primary and central role that the product takes on in the Group's business, which is cared for in every detail, aiming for quality and uniqueness. This commitment is pursued by the individual IDB companies, whose products, although differentiated, are united by the pursuit of excellence, design quality and attention to detail at all stages of the value chain.

The ongoing commitment to product quality goes hand in hand with the Group's focus on product safety. Individual companies have a number of procedures in place in this regard and are careful not only to comply with the regulations in force in Italy, but also in the countries where they operate and distribute their products. In the following chapter, the initiatives and procedures of the Group's companies concerning quality and product safety, as well as their approach to sustainability with regard to these issues, are outlined.

With regard to the 'Furniture' business unit, Gervasoni has an internal policy of individual product risk calculation and a non-compliance management process in order to comply with the various regulations and customer requirements. Specifically, non-conformities are analysed on a daily basis in order to identify repetitive ones and to be able to resolve the problem promptly.

THE QUALITY OF GERVASONI'S PRODUCTS

In line with the vision of the Group and the other companies, Gervasoni's General Management has always regarded improving the quality level of its products as a primary success factor, to be pursued by increasingly enhancing the craftsmanship component, alongside the company's production capacity and high technical know-how. As proof of this commitment, Gervasoni has adopted a Quality Management System certified according to the UNI EN ISO 9001 standard: 2015, a certification that provides the framework for such systems, and through which the company has defined objectives and responsibilities in quality management. The management of this issue is also formalised within Gervasoni's Quality Policy, in which the company declares its commitment to ensure that all collaborators systematically and correctly apply the Management System, and where the strategic objectives to be pursued are collected. Among these of particular importance are the commitment to periodically renewing collections and products, the optimisation of customer service, with particular attention to the management of any complaints, relations with major suppliers and the degree of involvement and participation of personnel in the achievement of these objectives.



Product safety for **MERIDIANI** corresponds to attention to and compliance with the different regulatory requirements of the many markets in which it operates. With regard to product quality, the company has always focused on the pursuit of excellence, quality and choice of materials, a commitment confirmed by the various awards received over the years. From 2016 to 2018, Meridiani received one of the most prestigious media awards in the design industry, the Wallpaper* Design Award, for three Andrea Parisio-designed products: in 2016, the Plinto table won the 'Best of the rest' category, in 2017 the Ludwig container won the 'Best Colada Parlour' category, and in 2018 the Zoe armchair won the 'Best weaves' category.

For **SABA**, the evaluation of product safety is closely linked to the certifications required by the various European or worldwide standards, in particular the standards requiring low formaldehyde emissions, with particular reference to the American market,

and fire retardant certifications, with reference to the Italian, American and British markets. In order to verify compliance, the company carries out a series of tests, such as flame retardancy tests on fabrics, static load and fatigue strength tests on structures, and the 'Crib 5' test - also known as Ignition Source 5 - which refers to material or furniture that has been tested to pass UK fire regulations and is designed to determine the possible ignition risk and ensure the safety of the material or furniture.

As far as product quality is concerned, customer satisfaction is central to the company, which is pursued through the pursuit of continuous evolution in customising consumer homes and through the adaptation of all internal processes, with constant attention to the principles of quality and ergonomics. In order to pursue these objectives, the company has implemented a Quality Management System in compliance with UNI EN ISO 9001:2015, and has a Quality Policy, which is disseminated to all company levels through training and information. There are also a series of internal audits, carried out in order to check the progress of these processes and to prepare improvement plans in order to implement any corrections.

There is also a series of internal audits, carried out to check the progress of these processes and to prepare improvement plans in order to implement any corrections. Davide Groppi performs all the hazard analyses required by law at selected accredited laboratories, as well as tests for class III products, which are not legally required. The products supplied to Davide Groppi also comply with EC Regulation 1907/2006 REACH and the provisions of Directive 2011/65/EU RoHS II, which aims to restrict the use of certain hazardous substances in electrical and electronic equipment.

Figure 1: Plinto table by Meridiani, winner of the Wallpaper* Design Award for the 'Best of the rest' category in 2016



As far as product quality is concerned, it is part of the very identity of **DAVIDE GROPPI**, which has processes in place to control the quality of goods, raw materials, and sample checks of the finished product assembled by subcontractors. As proof of this, Davide Groppi's work has been recognised several times through publications and awards. Others include the Edida Award, in 2011, for the Sampei lamp, and the Design Plus Award, in 2014, for the Neuro lamp. Moreover, in the same year, Davide Groppi received the double XXIII ADI Compasso d'Oro award for the lamps Nulla and Sampei, and in 2016 the ADI Compasso d'Oro Honourable Mention for Tetatet. These results are to be considered particularly significant since the ADI Compasso d'Oro award is considered the most historic and prestigious design award in the world.

As for Davide Groppi, for **FLEXALIGHTING** the issue of product safety is part of the European legislative framework, which includes numerous regulations that apply to the company, including the RoHS II Directive 2011/65/EU or the Directive 2014/35/EU, known as the Low Voltage Directive, on the harmonisation of the laws of Member States relating to electrical equipment designed for use within certain voltage limits. The regulations require a series of laboratory tests for the products, which are carried out by an external laboratory. 100% of Flexalighting products have been tested for health and safety impacts.

As far as quality is concerned, Flexalighting products are characterised by the utmost attention to optical and construction quality and reliability, which translates into high-level solutions that are able to renew themselves and respond more and more effectively to customers' needs and the fulfilment of their expectations. This is central to the company, which has implemented a Quality Management System in accordance with the requirements of UNI EN ISO 9001:2015, applied to all processes of relevance to the company that have a direct influence on the quality of the entire process and product produced by Flexalighting. The Management has also drawn up the Quality Policy and Quality Objectives, with the aim of disseminating Flexalighting's primary aims within the company and describing its commitment to the continuous improvement of the Quality Management System. Flexalighting's annual quality objectives include the fulfilment of all product requirements (mandatory, customer, company), the continuous quality improvement of production activities in order to guarantee customer satisfaction and the required quality standards, the maintenance of a high reputation in the market for the quality of the supplied product and the continuous improvement of the effectiveness of the Quality Management System.

Figure 2: Sampei Lamp by Davide Groppi Compasso d'Oro 2014

For the 'Luxury Contract' business unit, the nature of the custom market means that companies must pay attention not only to the regulations in force in the country where the products are installed, but also to the customer's specific health and safety requirements. For **CENACCHI INTERNATIONAL**, the regulatory requirements translate specifically into acceptance verification that substances, mixtures and articles comply with EC Regulation 1907/2006 REACH¹², which aims to improve the protection of human health and the environment from the risks that chemicals can pose. A further point of attention for the company concerns the use of fireproof materials by suppliers, who are required to self-certify the methods used to make the wood panels fireproof.

In terms of quality, Cenacchi is recognised in its sector for the quality of its products and its high level of technical know-how. It always aims to combine a handcrafted finish, representative of the Italian tradition recognised throughout the world, with an industrial approach that allows multiple projects to be tackled simultaneously.

As far as **MODAR** is concerned, the most common requests regarding regulations concern the use of fireproof materials with low formaldehyde content, as well as the use of water-based paints, while requests from customers regarding the use of FSC® (Forest Stewardship Council®¹³) certified timber are on the rise.

As far as quality is concerned, it is ensured at every stage of the project, starting with the planning and design phase, in which customers and their designers are provided with every kind of assistance and active collaboration with architects and designers is guaranteed, in order to stimulate the search for new goals and to foster a continuous exchange and integration of know-how. In the production phase, on the other hand, the highest quality is guaranteed by industrialised processes and rigorous controls, while in the assembly phase by the direct management of transport with a view to optimising the cost/time ratio, and by the execution of installation operations by specialised teams, trained by experienced personnel and directed by the project manager in collaboration with local technicians and general contractors.

The proper and advanced management of this issue by the individual Group companies meant that no incidents of non-compliance relating to the health and safety impacts of products and services were recorded in the two-year period under review.

¹² Regulation (EC) No. 1907/2006 of the European Parliament and of the Council, approved on 18 December 2006, known as the 'REACH' regulation (acronym for 'Registration, Evaluation, Authorisation and restriction of CHemicals') and concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) provides for the registration of all substances produced in or imported into the European Union in quantities greater than one tonne per year.

¹³ The Forest Stewardship Council® (FSC®) is an international, non-profit NGO offering an internationally recognised forest certification system. For more details, please refer to the Box "FSC® CERTIFICATION (FOREST STEWARD-SHIP COUNCIL®)" on page xx - For graphics: insert page reference of the final version.

The labelling of products, a subject increasingly subject to national and international laws and regulations, is a subject of attention by the Group's companies, which comply with the relevant regulations and provide, together with the product, transparent communication describing its characteristics¹⁴. Providing correct and timely information to customers about the products they purchase is a topic that is becoming increasingly important among sustainability issues, and Davide Groppi's initiative in this area is worthy of note. Specifically, the company has implemented a product traceability system consisting of a QR code from which the production order can be traced, and plans to extend this system to raw material traceability.

Group companies also pay attention to the use of fair and responsible marketing, which transparently communicates the impacts of its products while avoiding misleading, false or discriminatory statements.

The focus on these issues meant that in the three-year period 2019-2021, there were no incidents of non-compliance concerning information and labelling of products and services, as well as cases of non-compliance concerning marketing communications.

2.2 MATERIALS USED

Careful selection of materials is an indispensable element of the IDB Group's commitment to quality. In addition, when sourcing raw materials and semi-finished products, the company selects products of excellence from predominantly Italian suppliers in order to guarantee the quality of Made in Italy.

As far as **GERVASONI** is concerned, the activities of the production site concern the production of furniture and accessories, with a joinery area set up on several work centres, a painting area equipped with sanding machines, and an assembly, packaging and shipping area. It follows that the company's main raw material is wood, which is combined with ceramics and other types of materials, both traditional and new, to create Gervasoni products. During the year, Gervasoni achieved FSC® certification, demonstrating its focus on responsible sourcing of this raw material.

MERIDIANI focuses mainly on the purchase of semi-finished raw materials from suppliers selected for the quality of their products, with limited consumption of primary materials. The company then uses its craftsmanship, technical know-how, knowledge of materials, techniques and manual procedures in the stages of fabric cutting, assembly and sofa fitting, giving the product the precise style and identity of Meridiani.

The raw materials purchased by **SABA** consist mainly of wood, marble, iron, feather and leather, while the semi-finished products purchased consist of plastic/methacrylate, rubber, paint/galvanic and fabric parts. It should be emphasised that the company is increasingly incorporating sustainability criteria in its choice of raw materials, both out of sensitivity on the part of the management and in response to growing customer demand. In 2020, a sample from supplier

Sunbrella of fabrics composed of both recycled and virgin fibres was added to the Saba fabric collection. In particular, one of them is composed of 50 per cent recycled PET. In addition, Saba's first bed linen collection, to be presented in the second half of 2021 in partnership with Lanerosi, includes a set of sheets made of 100 per cent linen, a material chosen because it is completely sustainable.

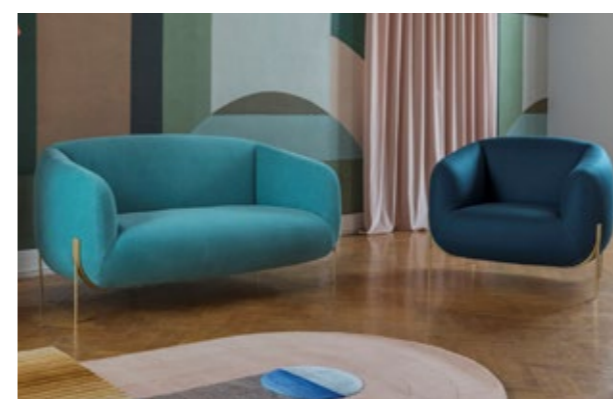


Figure 3: Geo armchair and sofa in

¹⁴ The issue does not apply to companies in the 'Luxury Contract' business unit, which, as they make customised furniture to customer specifications, cannot by definition resort to standard product labelling.

Saba was also Superevo's first customer for the production of the 'Valentine' product made of Polimex®, a composite material ideal for creating supporting structures for upholstered furniture, consisting mainly of expanded polystyrene and, in smaller percentages, structural polyurethanes. Compared to traditional upholstery, those with a Polimex® core require less padding or foaming to make the finished product, with clearly lower material consumption. Due to its composition, the product is composed almost exclusively of Polimex® and the reduction of other accessory components (wood, plastics) facilitates its recycling at the end of its life. The current Saba product collection also includes the Geo products (armchair and sofa) in this material.

As far as the sustainability of **DAVIDE GROPPI** products is concerned, the company has long been designing its products to include increasingly efficient light sources and ensuring easy replacement of components by end users. This commitment will be further strengthened following the entry into force of the new Eco-Design Regulation, which, in addition to the introduction of requirements regarding the efficiency of the light sources used, i.e. light sources with a guaranteed minimum efficacy of 110 lm/W, will also contribute to the implementation of circular economy principles: as a direct consequence of the Regulation, only products with removable light sources and control gear clearly labelled with disposal indications may be placed on the EU market.

FLEXALIGHTING's consumption of materials is limited, as the company, which was founded around LED technology, deals more with the design and engineering part, taking care of product assembly, soldering of cables with lead-free tin wire, resin and finishing, while the semi-finished products are received from outside.

CENACCHI INTERNATIONAL works mainly with wood, metal, glass, Plexiglas, and upholstery, and also has experience with working with innovative materials such as carbon fibres and special resins. In general, the company has a variable selection of materials due to the nature of its business, which involves the purchase of different types of materials depending on the customer's needs and requirements.

Like Cenacchi, **MODAR** has a variable selection of materials due to the nature of its business, which involves purchasing different types of materials depending on the customer's needs and requirements. For this reason, production is the meeting place of traditional and innovative materials, advanced technologies and traditional workmanship, where production technicians and craftsmen mainly transform and assemble wood, metal, glass, plastics, leather and fabrics to create original and exclusive furniture. Modar is also one of the companies in the Group that sources FSC®-certified wood materials.

CERTIFICAZIONE FSC® (FOREST STEWARDSHIP COUNCIL®)

FSC® (Forest Stewardship Council®) is an international, non-profit NGO, established in 1993 to promote responsible forest and plantation management and offer an internationally recognised forest certification system. Its members include NGOs and environmental groups (WWF, Greenpeace), social groups, forest owners, wood and paper trading and processing industries, retail groups, researchers and technicians, totalling almost 900 members.

The FSC® label aims to guarantee the proper management of forests and the traceability of related products. As such, it ensures that the product is made with raw materials from forests managed according to defined principles of sustainable sourcing and chain-of-custody certification. The IDB Group pays increasing attention to the sourcing of sustainable wood raw materials, and among the Group's companies, Modar and Gervasoni, use the FSC® label on their wood products, with the aim of ensuring the sustainability of the sourcing of this material.

As described by the individual companies and as can be seen from the table, the furniture companies, Gervasoni, Meridiani and Saba, mainly use wood, textiles and metals. Cenacchi and Modar in the 'Luxury Contract' segment use wood, glass and iron in the manufacture of their products, while the 'Lighting' segment mainly uses metal and glass due to the nature of its products. It should be noted that 'Supplies' and 'Luxury Contract' together account for 98% of the materials used. In an effort of continuous improvement, compared to 2019 and 2020, for 2021 we were able to collect the figure of materials used broken down by the various types of materials.

2021					
MATERIALS USED*	U.O.M.	TOTAL	FURNITURE	LIGHTING	LUXURY CONTRACT
WOOD	tonne	1936	1.130	0	833
GLASS	tonne	132	36	2	93
IRON/METAL	tonne	314	220	37	56
FABRICS	tonne	137	132	0	5
LEATHERS	tonne	23	23	0	0
MARBLE	tonne	167	167	0	1
PLASTIC**	tonne	321	309	0	11
BRASS	tonne	17	17	0	0
CERAMICS	tonne	19	19	0	0
GLUES AND PAINTS	tonne	29	16	0	13
TOTAL	tonne	3.086	2.070	40	1.012

*Excluding davide groppi due to non-availability of data.

**Plastics includes synthetics for padding.

PACKAGING

As far as packaging is concerned, the Group's companies use paper and cardboard and wood to a greater extent, making less use of plastic. In detail, compared to a plastic consumption of 31 tonnes in 2021, companies used 186 tonnes of paper and cardboard and 135 tonnes of wood in 2021. Plastic consumption in 2021, therefore, in line with the three-year period, corresponds to 9% of the total materials used for packaging. In particular, companies belonging to the 'Luxury Contract' business unit made most use of wood, which accounted for 89% of the total material used for packaging, while paper and cardboard were used most by companies belonging to the 'Furniture' (91%) and 'Lighting' (91%) business units. Replacing plastic in packaging with renewable packaging, such as paper and cardboard, has been a choice that some companies, such as Davide Groppi, have made in order to reduce their environmental impact. Davide Groppi reduced his plastic consumption by 54% compared to 2019, from 3.6 tonnes to 1.6 tonnes.

PACKAGING MATERIALS	U.O.M.	TOTAL			FURNITURE			LIGHTING			LUXURY CONTRACT		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
PAPER AND CARDBOARD	tonne	247	236	186	212	192	174	30	41	9	5	3	2
WOOD	tonne	271	121	135	1	6	-	-	-	-	270	115	135
PLASTIC	tonne	42	33	31	27	23	17	4	2	1	11	8	14
TOTAL	tonne	559	391	352	240	221	191	34	43	10	285	127	151

*2019 figures do not include Flexalighting as it was acquired in early 2020.

2.3 SUPPLY CHAIN MANAGEMENT

Fairness, professionalism and cooperation are the basic principles by which the IDB Group is inspired to establish a solid relationship with all its suppliers. In view of the crucial role of suppliers along the value chain and their impact on IDB's ability to ensure compliance with regulatory requirements and maintenance of expected quality standards, the Group has adopted procedures for selecting and monitoring suppliers based on criteria of opportunity and competence, such as assessments of quality, price and the counterparty's ability to provide goods and services of an appropriate level in a timely manner.

Here again, a clarification is necessary for the Luxury Contract companies, as, in addition to the criteria described above, the selection of suppliers for Cenacchi International and Modar is linked to an important extent to the requirements of the customers, who impose restrictive and mandatory technical specifications in order to create a product of the desired quality.

The criteria described are of primary importance in the Group's supplier selection process, but they are secondary to the main criterion, i.e. the territoriality of the supplier, which is central to IDB's activities and identity, guaranteeing 'Made in Italy' quality and support for local communities. With an increasing trend over the three-year period, during 2021 49% of the IDB Group's expenditure was concentrated on local suppliers, where by local the companies considered suppliers from their own region or adjacent provinces¹⁵. Taking Italian suppliers into account, the figure increases to 87% of the total procurement budget spent on suppliers. The companies use foreign suppliers mainly for the procurement of non-standard products or products of non-Italian multinationals.

¹⁵ Respectively: the Lombardy Region for Meridiani and Modar, Emilia-Romagna for Cenacchi International, the provinces of Piacenza (PC), Cremona (CR), Parma (PR), Milan (MI), Monza Brianza (MB), Reggio Emilia (RE), Lecco (LC) for Davide Groppi, Veneto for Saba and Tuscany for Flexalighting.

PROPORTION OF SPENDING ON LOCAL SUPPLIERS*				
	U.O.M.	2019**	2020	2021
TOTAL PROCUREMENT BUDGET SPENT ON SUPPLIERS	K€	92.389	62.665	79.149
TOTAL PROCUREMENT BUDGET SPENT ON LOCAL COMMUNITIES	K€	37.135	24.623	38.583
TOTAL PROCUREMENT BUDGET SPENT IN ITALY	K€	83.765	57.031	68.837
TOTAL PROCUREMENT BUDGET SPENT ON LOCAL SUPPLIERS	%	40%	39%	49%
TOTAL PROCUREMENT BUDGET SPENT ON ITALIAN SUPPLIERS	%	91%	91%	87%

* Total procurement budget spent on local communities does not include Gervasoni's figures for 2019 and 2020.

** 2019 figures do not include Flexalighting as it was acquired in early 2020.

If we look at the individual business units, we also see that the proportion of spending on local suppliers of the Lighting companies is 60 per cent of the total budget, whereas if we consider the proportion of spending on suppliers in Italy, we reach a share of 98 per cent by 2021. It should also be emphasised that all original Meridiani products carry the '100% Made in Italy' certification, which guarantees the customer the Italian origin and quality of the products purchased. Certification entails a series of thorough checks for companies to certify that the entire production cycle is totally carried out in Italy.

PROPORTION OF SPENDING ON LOCAL SUPPLIERS	U.O.M.	FURNITURE			LIGHTING			LUXURY CONTRACT		
		2019	2020	2021	2019	2020	2021	2019	2020	2021
TOTAL PROCUREMENT BUDGET SPENT ON LOCAL SUPPLIERS	K€	31%	31%	40%	66%	64%	60%	44%	45%	57%
TOTAL PROCUREMENT BUDGET SPENT ON ITALIAN SUPPLIERS	K€	90%	90%	88%	96%	97%	98%	91%	91%	81%

The sustainability of the supply chain and production processes is an issue that is being addressed by Group companies and is increasingly central in the final consumer's assessment. This includes the initiatives of individual companies, such as the drafting of a Code of Ethics by Cenacchi International, which has required suppliers to sign it by the end of the year 2022, or the selection of suppliers to contribute to the design and creation of sustainable end products by Gervasoni. The company is currently working with a supplier to make its best-selling sofa fully recyclable, and a feasibility study is underway to assess the project timeline. Furthermore, Saba's commitment to selecting suppliers of raw materials with sustainable characteristics should be emphasised.

SABA'S SELECTION OF SUPPLIERS

Saba pays special attention to sustainability in the selection of raw material suppliers, with whom it has numerous partnerships aimed at designing and creating increasingly sustainable end products. One of the main ones was the collaboration with Sartori, an Italian carpet manufacturer, which was selected as a partner for the first Saba carpet collection to be released in autumn 2021 as a supplier of recycled PET, a material used for a model in the future collection. As part of the same project, the company CC-Tapis was also selected to supply Saba with material made from recycled fabrics. Textile and chemical suppliers also include Limonta, a company in the textile and chemical sector, which uses certified fibres from pre-consumer and post-consumer recycled material, as well as yarns of natural origin such as cotton, linen, silk and wool.

The company's commitment to the selection of sustainable raw material suppliers is not only limited to the supply of textiles. Among the leather suppliers, Saba selected Dani, a leather company that has obtained various product quality and environmental management certifications, including the EPD (Environmental Product Declaration & Process) environmental declaration, an information tool that provides information on the environmental impact of its products and/or services, and the 'Leather from Italy Full Cycle' certification according to the UNI EN 16484 standard, which certifies that all production processes are carried out in Italy.

In addition, the company in 2021 selected ECOMAT s.r.l., a company specialising in the research and development and distribution of products for surfaces, which came up with ECOMALTA®, a water-based single-component that does not contain cement, epoxy resins and other toxic and hazardous substances for humans and the environment. This material has been used by Saba for a new product presented in February 2022, namely the Teo Coffee Table with an ECOMALTA® finish/coating, demonstrating the company's constant focus on these issues.



3

OUR PEOPLE

- 3.1 EMPLOYEE DEVELOPMENT AND WELL-BEING
 - 3.1.1 HUMAN RESOURCES MANAGEMENT
 - 3.1.2 TRAINING AND SKILLS DEVELOPMENT

- 3.2 HEALTH AND SAFETY IN THE WORKPLACE

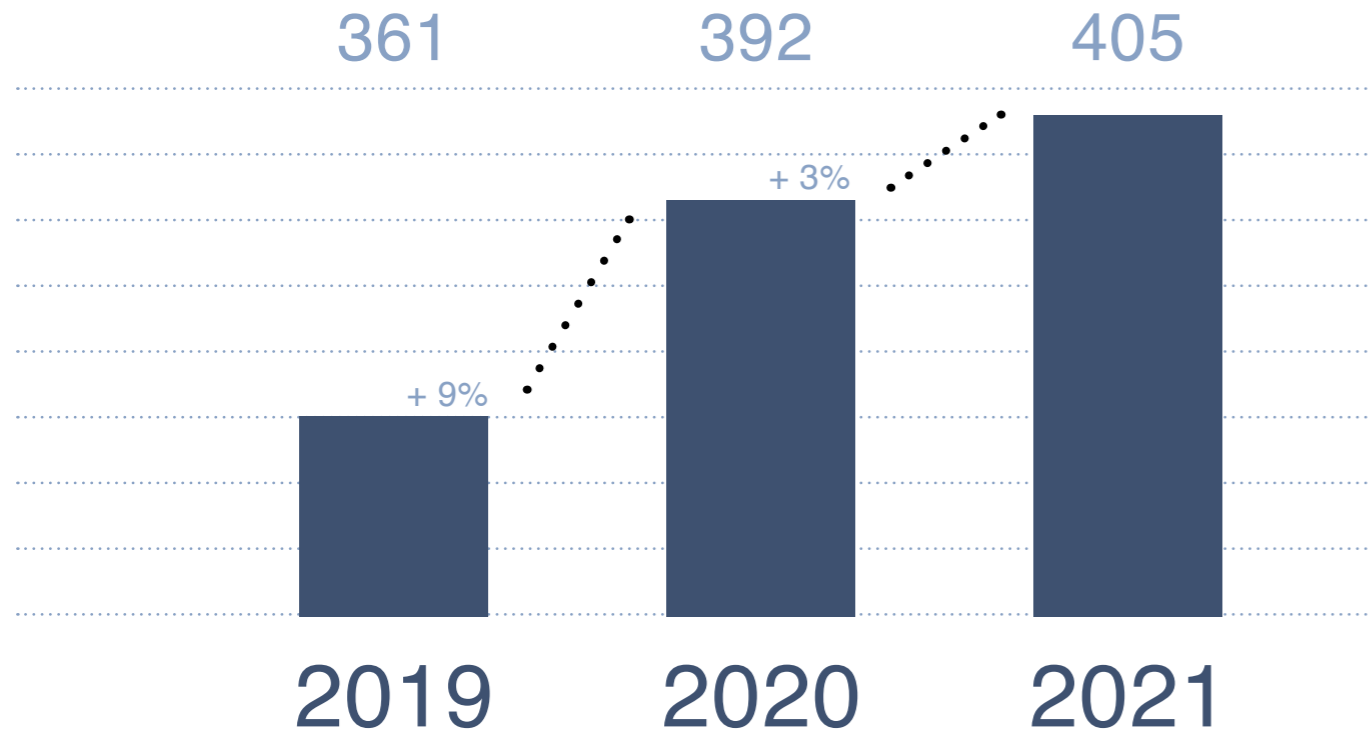
3.1 EMPLOYEE DEVELOPMENT AND WELL-BEING

3.1.1 HUMAN RESOURCES MANAGEMENT

For a company where attention to detail and product excellence are the Group's identity, the know-how and experience of the individual are central and determining elements to the success of the entire organisation. For this reason, IDB companies pay special attention to the selection and management of their employees and to the creation of a positive working environment, in which both collaboration between employees and the contribution of the individual are encouraged and facilitated.

As at 31 December 2021, IDB's workforce amounted to 405 employees, an increase of 3% compared to 31 December 2020. The growth in the workforce is further evidence of the recovery during 2021, after a year characterised by a difficult national and international environment. As can be seen from the chart below, the workforce had also grown by 9% in 2020 compared to 31 December 2019. This increase, which was recorded despite the crisis caused by the Covid-19 pandemic, can be attributed to the acquisition of the company Flexalighting in February 2020 and the opening of the IDB Suzhou branch in China in March of the same year, events that led to a growth in the workforce of 22 employees.

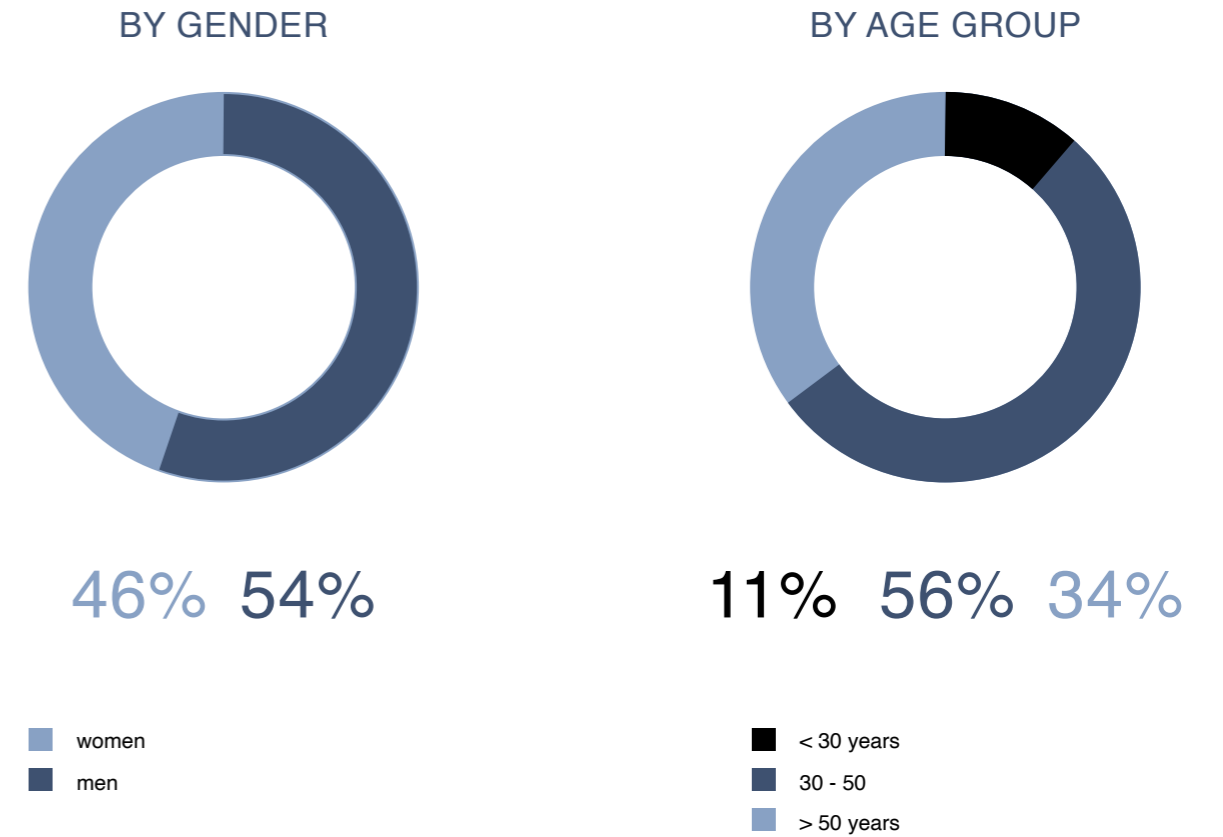
TOTAL PERSONEL 2019, 2020 AND 2021



Of the 405 employees, the majority, equivalent to 57 per cent, are employed in the 'Furniture' business unit, which groups together the largest number of Group companies, while 28 per cent are employed in the b.u. "Lighting", and the remaining 15% in the b.u. "Luxury Contract".

With reference to gender and age differentiation, women account for 46% of the workforce, while the majority of employees (56%) are in the 30-50 age bracket, followed by colleagues over 50 (34%), and colleagues under 30 (11%).

STAFF 2021



As far as gender differentiation between the different employment categories is concerned, men account for the highest percentage in the 'Executives' (89%), 'Middle Managers' (57%) and 'Blue Collars' (75%) categories, while women make up 63% of the total number of employees. Of significance is the increase in the proportion of women in the 'Managers' category during 2020, from 19% in 2019 to 43%, remaining stable during 2021.

On the other hand, with regard to the differentiation by age group, employees between 30 and 50 years of age prevail in all occupational categories, since, as mentioned above, this category represents 56% of the total company population.

		2019	2020	2021
EXECUTIVES	MEN	86%	87,5%	89%
	WOMEN	14%	12,5%	11%
MANAGERS	MEN	81%	57%	57%
	WOMEN	19%	43%	43%
OFFICE EMPLOYEES	MEN	40%	38%	37%
	WOMEN	60%	62%	63%
MANUAL WORKERS	MEN	73%	75%	75%
	WOMEN	27%	25%	25%

		2019	2020	2021
EXECUTIVES	< 30 YEARS	0%	0%	0%
	30 - 50 YEARS	71%	75%	56%
	> 50 YEARS	29%	25%	44%
MANAGERS	< 30 YEARS	0%	0%	0%
	30 - 50 YEARS	81%	76%	61%
	> 50 YEARS	19%	24%	39%
OFFICE EMPLOYEES	< 30 YEARS	10%	12%	13%
	30 - 50 YEARS	65%	62%	60%
	> 50 YEARS	25%	26%	27%
MANUAL WORKERS	< 30 YEARS	8%	15%	10%
	30 - 50 YEARS	58%	52%	49%
	> 50 YEARS	34%	33%	41%

*2019 figures do not include Flexlighting as it was acquired in early 2020.

The reason for the prevalence of employees between 30 and 50 years of age is due to the Group's management of workers, which allows and facilitates the growth of resources within the companies. In fact, the Group is committed to creating a positive and stimulating working environment, as well as to building stable and constructive relationships with its employees, a commitment reflected in the type of contract adopted. In 2021, 97 per cent of the workforce of 379 employees was employed on a permanent contract, a stable figure compared to the previous year.

This commitment is also reflected in the type of contract adopted towards workers not based in Italy, i.e. the employees of the subsidiaries IDB Suzhou in China, IDB UK in the UK, Meridiani France in France and Modar USA in the US, amounting to 7, 3, 2 and 1 employees respectively, and employed on a permanent basis.

		2019		2020		2021	
		Open-ended	Fixed	Open-ended	Fixed	Open-ended	Fixed
MEN		196	7	210	8	214	6
WOMEN		155	3	169	5	179	6
TOTAL		351	10	379	13	393	12

		2019		2020		2021	
		Open-ended	Fixed	Open-ended	Fixed	Open-ended	Fixed
ITALY*		346	10	368	13	380	12
CHINA**		0	0	6	0	7	0
UK		3	0	3	0	3	0
FRANCE		2	0	2	0	2	0
USA		0	0	0	0	1	0
TOTAL		351	10	379	13	393	12

*2019 figures do not include Flexlighting as it was acquired in early 2020.

**Employees in China in 2019 are zero as the IDB Suzhou branch was opened in March 2020.

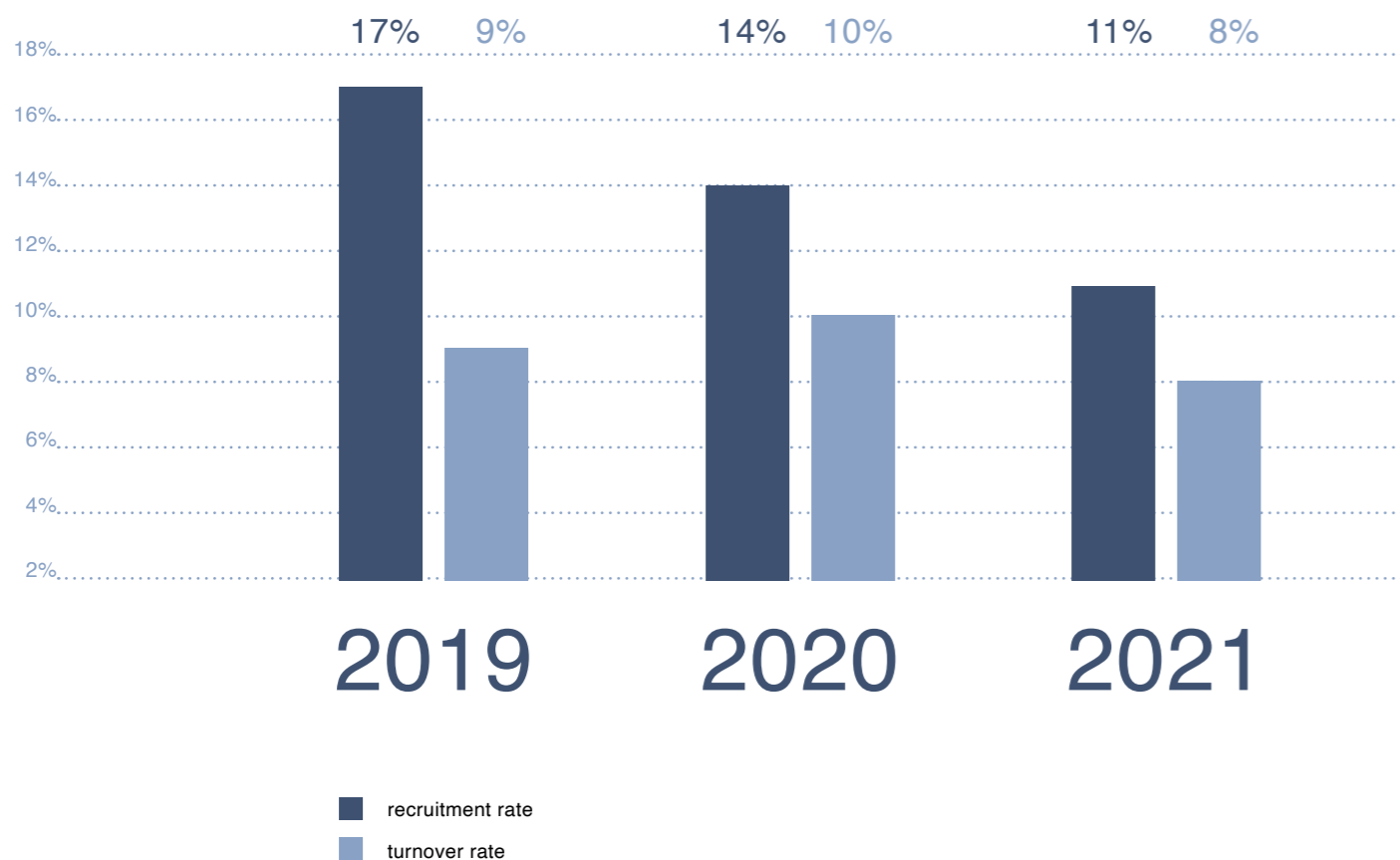
In addition, in order to facilitate the reconciliation of company commitments with the needs of its workers, the Group provides for the use of part-time contracts, which affect 8% of workers (or 30 employees), a stable percentage compared to the previous year.

		2019		2020		2021	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
MEN		202	1	217	1	218	2
WOMEN		130	28	143	31	157	28
TOTAL		332	29	360	32	375	30

As far as the talent attraction and personnel selection process is concerned, this is managed autonomously by the individual companies, which use both temporary agencies and search and selection companies. Despite the difficult circumstances affecting the past two years, the companies made 54 hires in 2020, and 47 in 2021. Compared to the period before the crisis caused by the Covid-19 pandemic, there was a decrease¹⁶ in the recruitment rate from 17% in 2019, to 14% in 2020, and 11% in 2021.

With reference to employee retention, it should be emphasised that turnover remained low despite the crisis resulting from the pandemic, and that Group companies immediately took steps to minimise the impact of the pandemic on companies and personnel, activating available social shock absorbers and smart working where possible. Overall, the turnover rate was 8 per cent in 2021, corresponding to 34 exits, a slight decrease compared to the 2020 rate of 10 per cent and also compared to 9 per cent in 2019.

RECRUITMENT AND TURNOVER RATE



¹⁶ The rate of recruitments (or terminations) is calculated as the number of recruitments (terminations) during the year divided by the workforce as at 31/12.

With regard to the breakdown by age group and gender, the category with the highest recruitment rate (26%) is represented by employees under 30 years of age (11 placements out of a workforce of 43 employees), followed by the category of employees in the 30-50 age group, which has a recruitment rate of 13% (30 placements out of 225 employees).

As far as the gender breakdown is concerned, there was a recruitment rate of 12% for men and 10% for women. As far as the turnover rate is concerned, the highest value was recorded in the age group of employees under 30 and of the male gender (12% and 14% respectively).

		AGE GROUP			GENDER		TOTAL	
		< 30 YEARS	30-50	> 50 YEARS	MEN	WOMEN		
2019	NEW RECRUITMENTS	NUMBER	17	35	11	48	15	63
		RATE (%)	57%	15%	11%	24%	9%	17%
2019	TURNOVER	NUMBER	5	13	16	26	8	34
		RATE (%)	17%	6%	15%	13%	5%	9%
2020	NEW RECRUITMENTS	NUMBER	12	38	4	30	24	54
		RATE (%)	25%	16%	4%	14%	14%	14%
2020	TURNOVER	NUMBER	4	17	17	26	12	38
		RATE (%)	8%	7%	15%	12%	7%	10%
2021	NEW RECRUITMENTS	NUMBER	11	30	6	28	19	47
		RATE (%)	26%	13%	4%	12%	10%	11%
2021	TURNOVER	NUMBER	5	17	12	26	8	34
		RATE (%)	12%	8%	9%	14%	4%	8%

*2019 figures do not include Flexalighting as it was acquired in early 2020.

3.1 EMPLOYEE DEVELOPMENT AND WELL-BEING

3.1.2 TRAINING AND SKILLS DEVELOPMENT

Training and continuous growth have always been considered fundamental assets by the IDB Group to ensure both the development of employees' skills, as well as legislative compliance and the highest levels of product quality and safety in the working environment. In this sense, training programmes are aimed at the entire corporate population and all categories, but adapted to provide all employees with the level of knowledge best suited to their role and skills.

The IDB Academy initiative confirms both the importance attached to training by the Group and the desire to provide support and proximity to employees during the crisis caused by the Covid-19 pandemic.

As far as individual companies are concerned, in addition to the courses provided as required by legislation in the area of health and safety in the workplace, the companies provided various types of courses aimed at improving technical skills, such as courses on product and process quality, English courses, computer courses, courses on specific programmes such as Excel and AutoCAD, or courses on specific subjects or company innovations according to training needs that emerged.

In order to ensure the provision of such courses also during the pandemic, in addition to Group-wide initiatives such as the 'IDB Academy', individual companies made use of online training delivery. For these reasons, the average training hours per employee remained in line with the previous year, from 5.04 to 5 between 2019 and 2020. As can be seen from the table below, the figure for 2021 was 6.07 training hours per employee, an increase of 21% compared to 2020.

IDB ACADEMY

The IDB Academy project was launched in April 2020 with the aim of creating an opportunity for people in the Group to get in touch with each other at a time of mutual hardship and to use their time to stimulate reflection and contribute to employee training.

With these objectives in mind, the idea was born to schedule recurring appointments focusing on topics of common interest and practical use, while at the same time selecting topics according to the target group of employees. Specifically:

- IDB CEOs and management were provided with approximately 10 hours of training on industry scenarios and macro-trends by accredited external trainers.
- Approximately 25 hours of training were provided to the first and second branch employees of IDB and its subsidiaries, mainly in the Sales, Marketing and Communication functions. The training mainly covered technical topics such as: the use of Office tools (Excel, PowerPoint), notions of 'Public Speaking' in videoconferencing, fundamentals of Budgeting for non-professionals, Digital Marketing and digital KPIs, professional use of LinkedIn, Cybersecurity.
- Approximately 10 hours were provided to the Managing Directors of the IDB Group's subsidiaries on topics of financial planning and management control.

For each category, an average of 20 participants were registered per session.

	U.O.M.	2019	2020	2021
AVERAGE TRAINING HOURS BY EMPLOYMENT CATEGORY				
Senior Managers	h/men	5,71	2,63	0,72
Managers	h/men	5,50	1,93	9,71
Office Employees	h/men	4,26	7,03	5,46
Manual Workers	h/men	5,92	3,01	6,55
AVERAGE TRAINING HOURS BY GENDER*				
Men	h/men	5,71	2,63	0,72
Women	h/men	5,50	1,93	9,71
Average training hours per employee	h/men	5,04	5	6,07

*The training hours for gender in 2019 and 2020 exclude Gervasoni and IFA.

** 2019 figures do not include Flexlighting as it was acquired in early 2020.

3.2 HEALTH AND SAFETY IN THE WORKPLACE

The importance of occupational health and safety for IDB can be seen in the implementation by all Group companies of initiatives and procedures aimed both at safeguarding the health and safety of their employees, and at complying with legal requirements and monitoring and, where possible, preventing any kind of problem in this regard.

The company **GERVASONI** has implemented an integrated 'Quality, Safety and Environment' system, and has obtained certifications for each aspect (ISO 9001, 45001 and 14001 respectively). As a result, the company has defined and implemented an Occupational Health and Safety Management System in accordance with UNI ISO 45001:2018, the first international standard to define minimum standards of good practice for the protection of workers worldwide. The system, applied to the entire company, was not implemented by legal obligation but by the will of the company. During 2020, the improvement plan related to the transition from OHSAS 18001 to ISO 45001 was implemented.

The principles relating to the management of health and safety issues have been set out in the company's Occupational Health and Safety Management Policy, which states that the company is committed to understanding and periodically monitoring the context in which it operates and planning consequent actions to address and eliminate or reduce identified risks and make the most of opportunities, as well as to comply with all legislation on OSH management and related regulations, and to define and disseminate the objectives of the SGSSL within the company, involving and consulting workers through their Health and Safety Representatives-RLS. Finally, the company undertakes to review, at least once a year, the actual operation of the entire SGSSL in order to optimise its results.

MERIDIANI has adopted an Occupational Health and Safety Management System in compliance with Legislative Decree 81/2008. The company takes a careful look at the tasks performed by workers, assessing risk and repetitiveness, and ensuring the quality of processes through training. In this sense, the investment made by the company in 2020 to make goods handling operations safer is to be understood.

Although it is not a legal obligation, **CENACCHI INTERNATIONAL** has since September 2016 introduced an SGSSL pursuant to Art. 30 of Legislative Decree 81/2008. In addition, the company has a 231 model, implemented on the basis of the reference guidelines, in particular the UNI ISO 45001 standard. The system involves in particular the assessment of all risks present in the workplace, the education and training of personnel on these issues, and the periodic updating of the Risk Assessment Document (DVR). In order to guarantee the quality of these processes, including the competence of the people who carry them out, periodic monitoring and training of personnel are carried out, in full application of the Decree, while in order to evaluate and continuously improve the occupational health and safety management system, periodic audits and an annual safety meeting are carried out, in order to draw up a maintenance and improvement plan. The company also pays attention to the process of reporting work-related dangers and dangerous situations, by providing the possibility for workers to directly contact the supervisory body through the Whistleblowing channel. There is also a procedure for the registration of Near Misses and their evaluation.

In order to ensure the occupational safety and health of its employees, **DAVIDE GROPPi AND SABA** have prepared and drafted a Risk Assessment Document (DVR) specific to their company. The System envisages constant monitoring by the employer, the Prevention and Protection Service Manager (RSPP), and the Workers' Safety Representative (RLS), and the holding of periodic meetings in order to assess and constantly improve the processes implemented. Workers may report hazards and dangerous work-related situations to the RLS and supervisors.

Since the beginning of its activities, **MODAR** has implemented an SGSSL, since a type of activity, woodworking, with a high accident risk is carried out within the company. The company has set itself the goal of reducing the probability of an accident occurring to zero, and to this end the company has implemented a six-stage process: collecting up-to-date information, carrying out investigations related to specific sector and task risks, identifying priorities to plan risk reduction measures, recording the results, informing the people concerned of the existence of the risk and finally monitoring compliance. The quality of this process is managed by monitoring the results through specific and periodic audits, training staff and holding those in charge accountable.

FLEXALIGHTING has set up a Management System in compliance with the legal obligation deriving from the Legislative Decree 81/2008. The system covers all employees, production, assembly, office, company headquarters and the decentralised warehouse. The decree also provides for the preparation of a Risk Assessment Document (DVR), which the company has prepared and which contains general information on the safety organisation at Flexalighting. In order to ensure correct implementation, specialised external consultants were employed, and to guarantee the quality of the processes, training was provided to supervisors and employees, and documents and guidelines were published.

OCCUPATIONAL HEALTH SERVICES

In addition to the actions listed above, the Group's¹⁷ companies offer their employees occupational health services aimed at identifying and eliminating hazards and minimising risks, services whose quality they guarantee and to which they facilitate access for workers. Specifically, employees have access to scheduled medical examinations with the competent doctor, who is also available to them for consultations. Companies shall also ensure that personal information on workers' health is not used in any way to treat them favourably or unfavourably, guaranteeing their privacy.

WORKER PARTICIPATION AND CONSULTATION AND COMMUNICATION AND TRAINING IN OCCUPATIONAL HEALTH AND SAFETY

Group companies value worker participation and consultation and communication on occupational health and safety as a fundamental asset, and in companies with a Management System, workers are represented by their RLS or trade union representatives, who report decisions and updates on these issues.

With regard to training, all group companies train their employees in occupational health and safety in accordance with regulatory requirements, while with regard to voluntary services and programmes to promote workers' health, companies are committed to facilitating workers' access to non-occupational medical and health services through contributions to health funds such as Metasalute, Sanimoda or the Altea Fund, as well as access to compulsory medical examinations. Cenacchi International also held meetings with workers on these issues during 2020 and 2021. In addition, following the spread of the Covid-19 pandemic, the Group took out an insurance policy for all employees to cover them in the event of hospitalisation, hospitalisation or death caused by the virus.

As far as accidents are concerned, there were two accidents during 2019 and only one during 2020. By contrast, 13 accidents occurred in 2021, none of which had serious consequences. Incidents occurred in the range of one, two or three in the seven companies, bringing the total number of accidents to 13¹⁸. Specifically, the accidents involved incidents of minor injuries and muscle pain due to handling loads. This results in an accident¹⁹ rate of 3.87, up from the rate of 0.69 in 2019 and 2020.

ACCIDENT INDICES			
	2019**	2020	2021
HOURS WORKED	579.478	619.396	671.020,5
Total number of recordable occupational accidents	2	1	13
Of which with serious consequences	0	0	0
Of which the number of deaths	0	0	0
Recordable accident rate	0,69	0,69	3,87
Rate of occupational accidents with serious consequences	0	0	0
Death rate	0	0	0
Occupational Illnesses	0	0	0

**2019 figures do not include Flexalighting as it was acquired in early 2020.*

¹⁷ With the exception of the Saba company.

¹⁸ The Modar company alone recorded five accidents, none of which had serious consequences.

¹⁹ The accident rate is calculated as the number of accidents occurring during the year over the number of total hours worked, multiplied by 200,000.



4

OUR CONCERN FOR THE ENVIRONMENT

4.1 FIGHTING CLIMATE CHANGE

4.1.1 ENERGY CONSUMPTION

4.1.2 GHG EMISSIONS

4.2 WATER RESOURCE MANAGEMENT

4.3 WASTE MANAGEMENT

IDB regards the creation of opportunities that can contribute to sustainable development as one of the Group's long-term success factors and therefore pays increasing attention to the impact its activities can have on the environment. From an environmental point of view, the Group, and its member companies, are committed first and foremost to ensuring full compliance with applicable regulations and standards at all plants and to implementing initiatives aimed at reducing the environmental impacts of its operations.

IDB's first sustainability report is a first step towards the implementation of an ongoing monitoring of the Group's environmental performance with a view to continuous improvement and efficiency.

This monitoring represents the first step towards the important goal the Group has set itself, namely to set clear targets for the reduction of GHG emissions into the atmosphere in the coming years.

In line with the vision of the Group and the other companies, Gervasoni has adopted an Environmental Management System certified according to the UNI EN ISO 14001:2015 standard, a certification that provides the regulatory framework for such systems, and through which the company has defined objectives and responsibilities in the management of its environmental impacts.

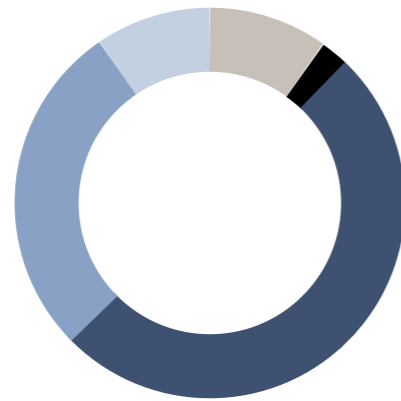
4.1 FIGHTING CLIMATE CHANGE

With the preparation of its first sustainability report, the IDB Group is committed to the continuous monitoring of energy consumption and the calculation of greenhouse gas emissions from the activities of its member companies.

4.1.1 ENERGY CONSUMPTION

During the three-year period, the group companies implemented a series of energy efficiency initiatives, replacing lighting in offices and production halls with energy-efficient LED lights or implementing employee awareness actions. Moving in this direction, in 2011 Gervasoni installed a photovoltaic system consisting of 2,346 solar panels, capable of satisfying more than 70% of the company's energy consumption.

ENERGY SOURCES 2021



50% 27% 10% 11% 2%

- natural gas (50%)
- electricity purchased from the grid (27%)
- self-produced energy (10%)
- diesel (11%)
- petrol (2%)
- heating/cooling (0%)

The Group's primary source of energy consumption is Natural Gas, used for heating offices and production halls (50% of the total) by all companies except Flexalighting and Davide Groppi. Flexalighting buys district heating from the grid, while Davide Groppi uses heat pumps. Electricity consumption for lighting, heat pumps and the operation of production machinery is 37%, of which 27% is purchased directly from the grid and 10% from photovoltaic panels. Electricity production grew by 4 per cent over 2020 and 7 per cent over the three-year period. This is followed by the consumption of diesel (11%) and petrol (2%) for company fleets, and the purchase of district heating and cooling, which account for less than 1% of the total.

In 2021, the total electricity consumption of 6,360 GJ is in line with pre-pandemic consumption, while the 2020 figure is significantly lower (-30%) precisely because of the measures taken at national level to curb the spread of the Covid-19 pandemic, which led to a shutdown period between March and April 2020 and an inevitable drop in production in the following months.

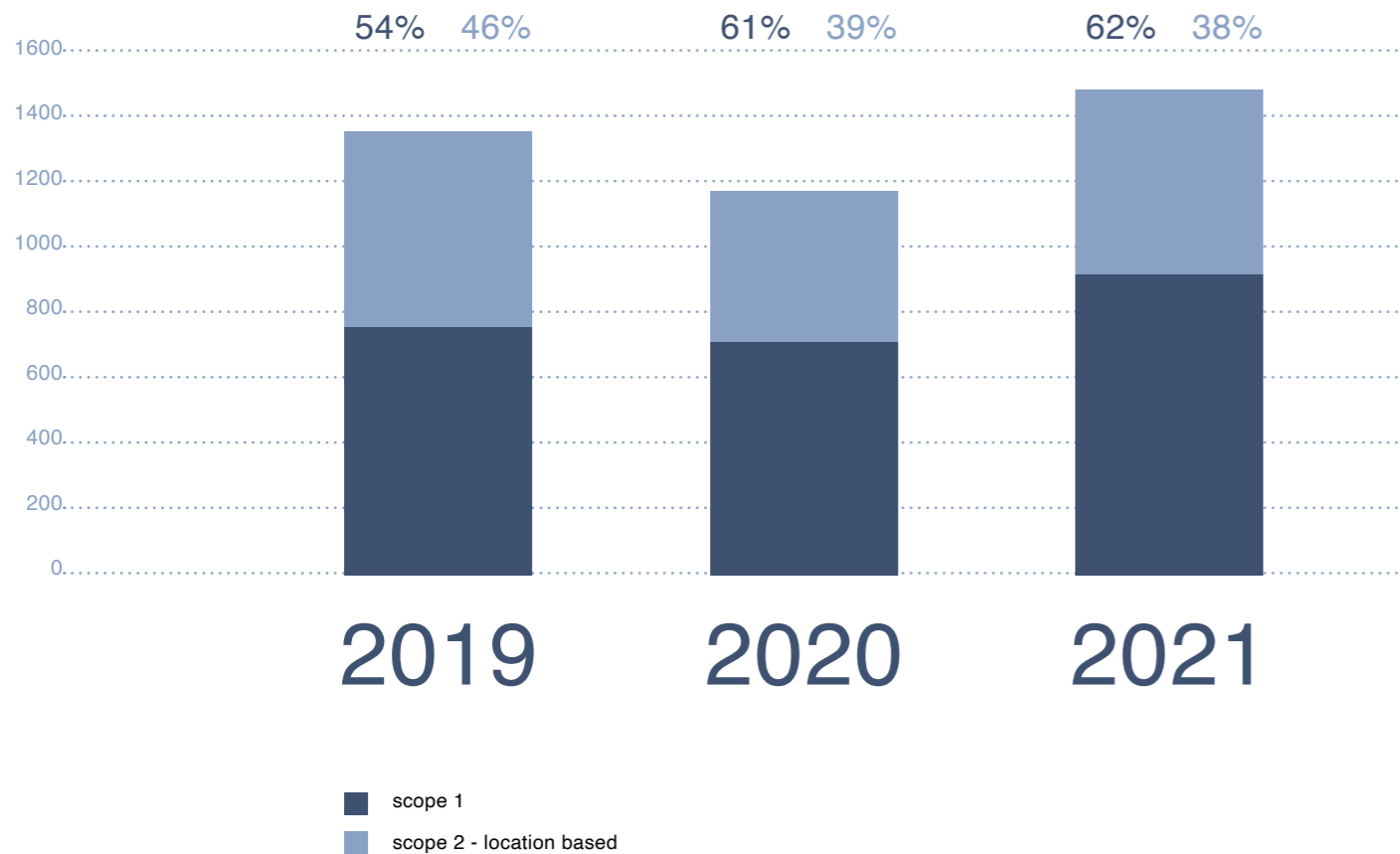
ENERGY SOURCE	U.O.M.	TOTAL			FURNITURE			LIGHTING			LUXURY CONTRACT		
		2019	2020	2021	2019	2020	2021	2019*	2020	2021	2019	2020	2021
Natural Gas	GJ	9.777	9.177	11.771	6.172	5.813	8.093	319	736	734	3.286	2.627	2.944
Electricity purchased from the grid	GJ	6.269	4.870	6.360	2.418	2.087	3.277	310	430	505	3.542	2.353	2.579
Self-generated electricity	GJ	2.134	2.220	2.277	2.134	2.220	2.277	-	-	-	-	-	-
Of which consumed	GJ	999	897	1.072	999	897	1.072	-	-	-	-	-	-
Of which sold	GJ	1.135	1.323	1.205	1.135	1.323	1.205	-	-	-	-	-	-
Diesel	GJ	1.946	2.117	2.665	1.492	1.271	1.437	187	528	822	267	318	406
Petrol	GJ	403	279	537	195	149	283	-	-	31	209	130	223
Heating	GJ	-	39	38	-	-	-	-	39	38	-	-	-
Cooling	GJ	-	23	22	-	-	-	-	23	22	-	-	-
Total energy consumption	GJ	19.394	17.402	22.464	11.412	10.644	17.644	815	1.756	2.151	7.303	5.428	6.152

*2019 figures do not include Flexalighting as it was acquired in early 2020.

4.1 FIGHTING CLIMATE CHANGE

4.1.2 GHG EMISSIONS

As of 2020, the IDB Group has calculated the greenhouse gas emissions (GHG emissions) from its operations in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The group reports all direct emissions from the use of natural gas for heating and fuel by the Group's company fleets (Scope 1) and indirect emissions from the purchase of electricity and district heating from the national grid (Scope 2).



The Group's GHG emissions follow the trend in energy consumption and, similarly, are affected in 2020 by the effects of the health emergency due to the Covid-19 pandemic, recording lower values (-26 in 2020 compared to 2021). The main source of emissions is the purchase of electricity from the national grid, followed by the consumption of natural gas. Scope 1 direct emissions make up more than 50% of total emissions in all three years. (54% in 2019. 61% in 2020. 62% in 2021).

The Business Unit with the greatest impact on group emissions is 'Furniture' (60% of Scope1 and Scope 2 emissions), followed by 'Luxury Contract' (30% of Scope1 and Scope 2 emissions). Specifically, the companies belonging to this sector are those with the highest energy consumption for the production processes of wood cutting, painting and component assembly.

CO ₂ EMISSIONS	U.D.M.	TOTAL			FURNITURE			LIGHTING			LUXURY CONTRACT		
		2019	2020	2021	2019	2020	2021	2019*	2020	2021	2019	2020	2021
SCOPE 1	ton CO _{2e}	735	699	901	476	435	584	32	81	105	227	183	212
Natural Gas	ton CO _{2e}	555	519	664	350	329	456	18	42	41	187	149	166
Diesel	ton CO _{2e}	146	159	200	112	95	108	14	40	62	20	24	30
Petrol	ton CO _{2e}	29	20	38	14	11	20	0	0	2	15	9	16
Refrigerant gas	ton CO _{2e}	5	2	0	0	0	0	0	0	0.04	5	2	0
SCOPE 2 - Location Based	ton CO _{2e}	625	455	559	241	195	287	31	40	47	353	220	226
SCOPE 2 - Market Based	ton CO _{2e}	842	630	813	325	270	417	42	56	67	475	304	328
Total Scope 1+2 (location based)	ton CO _{2e}	1.360	1.154	1.461	717	630	871	63	121	152	580	403	438

* 2019 figures do not include Flexalighting as it was acquired in early 2020.

Group companies are sensitive to the pressing issue of climate change and over the years have implemented initiatives and strategies to reduce their GHG emissions. In particular, Gervasoni's photovoltaic panels enabled the Group to avoid around 80 tonnes of CO2 in 2020 and around 90 tonnes of CO2 in 2019 and 2021. In addition, Cenacchi has embarked on and achieved ISO 14064 certification and the future attainment of Carbon Neutrality in its operations.

CENACCHI INTERNATIONAL ISO 14064 CERTIFICATION AND THE PATH TO CARBON NEUTRALITY

In late 2020, Cenacchi International embarked on and achieved ISO 14064 certification, which allows organisations to quantify their GHG emissions in order to implement reduction policies and communicate their commitment to environmental sustainability to their stakeholders. Obtaining the certification represents the first step towards achieving Carbon Neutrality in its operations, a goal that the Emilia-based company has set itself as proof of its commitment to combating climate change.

4.2 WATER RESOURCE MANAGEMENT

The Group's water consumption is mainly related to the use of support services (toilets and changing rooms) and in some cases to production activities, such as the abatement of spray booths in companies involved in painting and carpentry processes. All companies draw water from municipal aqueducts and in non-water-stressed areas²⁰.

The 'Furniture' business unit covers 61% of the group's withdrawals, followed by 'Luxury Contract' which accounts for 27%. The withdrawal of the Lighting business unit is low (12% of the total) as no water is used in production processes but only in support services.

The total water withdrawal in 2021 of 7,845 m³ is a slight increase compared to 2019. This is in line with 2020, as in both years there were two small water leaks, in 2020 in the Gervasoni fire-fighting system, while in 2021 Flexalighting detected a small hidden leak, both leaks were promptly repaired.

WATER WITHDRAWALS	U.O.M.	TOTAL			FURNITURE			LIGHTING			LUXURY CONTRACT		
		2019	2020	2021	2019	2020	2021	2019*	2020	2021	2019	2020	2021
Total withdrawal	m ₃	6.343	8.014	7.846	4.192	5.795	4.762	339	477	0	1.817	1.742	1.120
from groundwater	m ₃	0	0	0	0	0	0	0	0	0	0	0	0
from municipal waterworks	m ₃	6.343	8.014	7.846	4.192	5.795	4.762	339	477	938	1.817	1.742	2.146

**2019 figures do not include Flexalighting as it was acquired in early 2020.*

4.3 WASTE MANAGEMENT

All IDB Group companies monitor and manage waste production and disposal in full compliance with the requirements of national law. The choice of transporters and disposers is made on the basis of economic and technical assessments, taking into account the most suitable disposal methods for individual waste types.

Almost all waste produced by Group companies is non-hazardous waste (99%). The main type of waste, common to all the group's Business Units is paper and cardboard packaging, followed by the types of waste strictly related to furniture production operations. More than 90 per cent of the waste produced by the Group is attributable to the 'Luxury Contract' and 'Furniture' business units and consists mainly of waste and shavings from wood processing, metal scraps or fabric cuttings. Hazardous waste, which accounts for about 1% of the total, includes residues or containers of paints and solvents or small discarded equipment.

NON-HAZARDOUS WASTE	CATEGORIES	U.O.M.	TOTAL			FURNITURE			LIGHTING			LUXURY CONTRACT		
			2019	2020	2021	2019	2020	2021	2019*	2020	2021	2019	2020	2021
Wood	tonne	548	500	381	79	67	48	0	0	0	469	433	333	
Mixed Packaging	tonne	348	249	184	86	76	82	0	0	0	262	173	102	
Chemicals	tonne	60	73	81	30	35	25	0	0	0	29	39	57	
Paper	tonne	85	79	81	84	78	81	0	0	0	1	1	0	
Plastic	tonne	23	21	23	23	21	23	0	0	0	0	0	0	
Metals	tonne	17	35	12	2	21	2	0	0	0	15	14	10	
Discontinued equipment	tonne	2	3	4	1	0	3	0	0	0	1	3	1	
Other	tonne	5	3	2	4	3	1	1	1	1	0	0	0	
Fabrics	tonne	4	0	0	0	0	0	0	0	0	4	0	0	
Glass	tonne	0	8	0	0	1	0	0	0	0	0	7	0	
Total	tonne	1.091	971	761	310	301	265	1	1	1	781	669	495	

NOTA METODOLOGICA

This document is the **first public Sustainability Report of the Italian Design Brands S.p.A. Group**. (hereinafter also "IDB Group"), based in Milan at Corso Venezia 29, drawn up on a voluntary basis and with the aim of communicating in an increasingly transparent manner the company's commitment to sustainable development and to a model of doing business that respects the social, environmental and economic reality in which the company operates.

The Report covers the fiscal year 2021 (1 January to 31 December) and the data are compared with the results of 2020 and 2019.

The document, which will be published annually, has been prepared in accordance with the GRI Sustainability Reporting Standards (hereafter GRI Standards), published in 2016 by the GRI - Global Reporting Initiative and its updates, according to the Core option.

With regard to the reporting boundary, the IDB Group's Sustainability Report is aligned with the reporting boundary of the Consolidated Financial Statements for the year ended 31 December 2021, which includes the data of the subsidiaries IDB China, IDB UK, Gervasoni S.p.A., Meridiani S.r.l., Meridiani France Sarl., Cenacchi International S.r.l., Davide Groppi S.r.l., Saba Italia S.r.l., Modar S.p.A., Modar USA, Flexalighting S.r.l. and Borman Lighting S.r.l.²¹. The data of the company IFA s.r.l. were included in the data of Gervasoni S.p.A. for the years 2019 and 2020, since the company became part of Gervasoni itself in 2021. Boundary exceptions are specified within the Report.

With regard to the scope of environmental data, energy consumption, water withdrawal and waste production related to the corporate offices and foreign sales companies Modar USA, IDB UK and Borman Lighting S.r.l. are excluded, due to the purely commercial nature of the activity performed.

CONTENTS OF THE REPORT

This Report discloses the relevant issues that emerged from the materiality analysis with a strong influence on stakeholder assessments and decisions and high relevance in terms of economic, social and environmental impacts, in accordance with the principles of the GRI Standards. The document was drafted in line with the definition and content quality principles expressed by the GRI Standards, such as stakeholder inclusiveness, sustainability context, materiality, completeness, accuracy, balance, clarity, comparability, reliability and timeliness. With reference to the materiality principle, this Report highlights IDB's results and performance with reference to issues that emerged as material from the materiality analysis, i.e. having a strong influence on stakeholders' assessments and decisions and a high relevance in terms of economic, social and environmental impacts. For more details, please refer to chapter '1.3 Our journey to Sustainability'. The process leading up to the Sustainability Report 2021 involved the corporate management of all Group companies.

²¹ Note that Axo Light s.r.l. is not included in the reporting period as it was acquired by the IDB Group in December 2021.

MATERIAL THEME	GRI DISCLOSURE	PERIMETER		REPORTING LIMITATIONS
		INTERNAL	EXTERNAL	
Business Ethics	201: Economic performance	IDB Group	-	-
	205: Anti corruption	IDB Group	-	-
	307: Environmental compliance	IDB Group	-	-
	419: Socio-economic compliance	IDB Group	-	-
Market presence	202: Market presence	IDB Group	-	-
Supporting local communities	413: Local communities	IDB Group	-	-
Workers' Health and Safety	403: Health and safety in the workplace	IDB Group	-	-
Employee development and well-being	401: Employment	IDB Group	-	-
	404: Training and education	IDB Group	-	-
Diversity and equal opportunities	405: Diversity and equal opportunities	IDB Group	-	-
Product safety and sustainability	416: Customer health and safety	IDB Group	-	-
Marketing and product labelling	417: Marketing and labelling	IDB Group	-	-
Supply Chain Management	204: Procurement practices	IDB Group	-	-
Circularity and efficient use of resources	301: Materials	IDB Group	-	-
	303: Water and waste water	IDB Group	-	-
	306: Waste	IDB Group	-	-
Fighting climate change	302: Energy	IDB Group	-	-
	305: Emissions	IDB Group	-	-

MAIN CALCULATION CRITERIA

Below are methodological indications on how to calculate some of the indicators in this Sustainability Report.

ENERGY CONSUMPTION

The IDB Group's energy consumption (natural gas, electricity, diesel, petrol) was calculated in terms of Giga Joules (GJ). In order to standardise the different energy vectors, the conversion factors found in the UK Government GHG Conversion Factors for Company Reporting - Fuel properties" table of the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2019, 2020 and 2021 "Average new car and light goods vehicle (LGV) fuel consumption: Great Britain, 1997-2019" of the Department for Environment, Food and Rural Affairs (DEFRA) under 'litres per 100km'.

DIRECT (SCOPE 1) AND INDIRECT (SCOPE 2) EMISSIONS

Greenhouse gas emissions were calculated in line with the standard published by The Greenhouse Gas Protocol Initiative in terms of CO2 equivalent.

For the calculation of direct emissions (Scope 1), the following sources were used for emission factors:

•**Fuels (natural gas):** 'UK Government GHG Conversion Factors for Company Reporting – Fuel properties' of the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2019, 2020 and 2021 under the table named 'Fuels'

•**Fuels (Petrol):** 'UK Government GHG Conversion Factors for Company Reporting – Fuel properties' of the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2019, 2020 and 2021 under the table named 'Fuels'

•**Fuels (Diesel):** 'UK Government GHG Conversion Factors for Company Reporting – Fuel properties' of the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2019, 2020 and 2021 under the tables named 'Fuels' and 'Passenger Vehicles'

•**Refrigerant gases (F-gas):** 'UK Government GHG Conversion Factors for Company Reporting' of the UK Department for Environment, Food & Rural Affairs (DEFRA) for the years 2019, 2020 and 2021 under the table named 'Refrigerant & other'.

For the calculation of indirect emissions (Scope 2), electricity consumption was converted according to the Location-based and Market-based approaches using the following sources for emission factors:

•For the Location-Based approach, calculated on the basis of the percentage composition of the national mix, the emission factor reported in Table 49 - Main socio-economic and energy indicators, published by Terna in the International Comparisons section, in the most recent version referring to the year 2019, was used;

•For the market-based approach, the residual mixes reported in the document 'European Residual Mixes 2021' published by AIB (Association of Issuing Bodies) were used;

•For the calculation of emissions from cooling/heating, the 'UK Government GHG Conversion Factors for Company Reporting' document of the UK Department for Environment, Food & Rural Affairs (DEFRA) was used as the emission factors from the 'Heat and steam' table for the years 2019, 2020 and 2021.

HEALTH AND SAFETY

The accident frequency index is calculated as the ratio between the total number of recordable accidents (excluding commuting accidents) and the number of hours worked in the same period, multiplied by 200,000.

The serious accident frequency index is calculated as the ratio between the total number of accidents involving more than 180 days of absence and the number of hours worked in the same period multiplied by 200,000.

EMPLOYEES

Employee figures are represented as headcount as at 31 December of the reference periods, and not as FTE (full-time equivalent) figures.

INFORMATION AND CONTACTS

For information and further information on the IDB Group's sustainability strategy and the contents of this Sustainability Report, please contact: info@italiandesignbrands.com.

GRI STANDARD	INFORMATIVE REPORT	DESCRIPTION INDICATOR	DOCUMENT SECTION	NOTES AND OMISSIONS
GENERAL INFORMATION				
ORGANISATION PROFILE				
102-1		Name of the organisation	1.1.1 The Group	
102-2		Activities, brands, products and services	1.1.2 The Companies	
102-3		Location of head office	1.1.1 The Group Methodological notes	
102-4		Location of activities	1.1.2 The Companies – Group Presence in Italy and Worldwide	
102-5		Ownership and legal form	1.1.1 The Group	
102-6		Markets served	1.1.2 The Companies – Group Presence in Italy and Worldwide	
102-7		Size of the organisation	1.1.2 The Companies 1.2.3 Value generated and distributed 3.1.1. Human Resources Management	
102-8		Information on employees and other workers	3.1.1. Human Resources Management	
102-9		Supply chain	2.3 Supply Chain Management	
102-10		Significant changes to the organisation and its supply chain		Not yet applicable as the first year of GRI Standards reporting.
102-11		Precautionary Principle		To date, IDB does not formally adhere to or adapt its decision-making approach to the precautionary principle.
102-12		External Initiatives	1.2.3 Generated and distributed value - the creation of territorial value	
102-13		Membership of associations	1.2.3 Generated and distributed value - the creation of territorial value	
STRATEGY				
102-14		Statement by a senior manager	A message to our Stakeholders	
ETHICS AND INTEGRITY				
102-16		Values, principles, standards and norms of behaviour	1.1.1 The Group - Mission and Vision	
GOVERNANCE				
102-18		Governance Structure	1.2.2 Corporate Governance	
INVOLVEMENT OF STAKEHOLDERS				
102-40		List of stakeholder groups	1.3.1 Stakeholder Engagement and Materiality Matrix	
102-41		Collective Bargaining Agreements	All IDB employees based in Italy are covered by collective bargaining agreements - as prescribed by national legislation	
102-42		Identification and selection of stakeholders	1.3.1 Stakeholder Engagement and Materiality Matrix	
102-43		Ways of involving stakeholders	1.3.1 Stakeholder Engagement and Materiality Matrix	
102-44		Key issues and criticalities raised	1.3.1 Stakeholder Engagement and Materiality Matrix	

REPORTING PRACTICES				
GRI 102: General information 2016	102-45	Persons included in the consolidated financial statements	Methodological notes	
	102-46	Definition of report content and topic perimeters	Methodological notes	
	102-47	List of material topics	1.3.1 Stakeholder Engagement and Materiality Matrix – IDB Group Material Topics	
	102-48	Review of information		Not yet applicable as the first year of GRI Standards reporting.
	102-49	Changes in Reporting		Not yet applicable as the first year of GRI Standards reporting.
	102-50	Reporting Period	Methodological notes	
	102-51	Date of most recent report		Not yet applicable as the first year of GRI Standards reporting.
	102-52	Reporting Period	Methodological notes	
	102-53	Contact for enquiries regarding the report	Methodological notes	
	102-54	Statement on reporting in accordance with GRI Standards	Methodological notes	
	102-55	GRI Table of Contents	GRI Content Index	
	102-56	External Assurance		This report is not subject to external assurance.
GRI 200: ECONOMIC INDICATORS				
ECONOMIC PERFORMANCE				
GRI 102: General information 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note	
	103-2	The management method and its components	1.2.3 Value generated and distributed	
	103-3	Evaluation of management methods	1.2.3 Value generated and distributed	
GRI-201: Economic performance	201-1	Directly generated and distributed economic value	1.2.3 Value generated and distributed	
MARKET PRESENCE				
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note	
	103-2	The management method and its components	1.2.3 Value generated and distributed	
	103-3	Evaluation of management methods	1.2.3 Value generated and distributed	
GRI 202: Market presence	202-2	Proportion of senior managers hired from the local community	1.2.3 Value generated and distributed	

PROCUREMENT PRACTICES			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note
	103-2	The management method and its components	2.3 Supply Chain Management
	103-3	Evaluation of management methods	2.3 Supply Chain Management
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	2.3 Supply Chain Management
ANTI-CORRUPTION			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note
	103-2	The management method and its components	1.2.2 Corporate Governance
	103-3	Evaluation of management methods	1.2.2 Corporate Governance
GRI 205: Anti corruption 2016	205-3	Established incidents of corruption and actions taken	1.2.2 Corporate Governance
GRI 300 ENVIRONMENTAL INDICATORS			
MATERIALS			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note
	103-2	The management method and its components	2.2 Materials used
	103-3	Evaluation of management methods	2.2 Materials used
GRI 301: Materials 2016	301-1	Materials used by weight or volume	2.2 Materials used
ENERGY			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note
	103-2	The management method and its components	4.1.1 Energy consumption
	103-3	Evaluation of management methods	4.1.1 Energy consumption
GRI 302: Energy 2016	302-1	Energy consumed within the organisation	4.1.1 Energy consumption
WATER AND WASTE WATER			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note
	103-2	The management method and its components	4.1.1 Energy consumption
	103-3	Evaluation of management methods	4.1.1 Energy consumption
GRI 303: Water and waste water 2018	303-1	Interaction with water as a shared resource	4.2 Water resource management
	303-2	Management of impacts related to water discharge	4. Our concern for the environment
	303-3	Water withdrawal	4.2 Water resource management

EMISSIONS			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note
	103-2	The management method and its components	4.1.1 Energy consumption
	103-3	Evaluation of management methods	4.1.1 Energy consumption
GRI 305: Emissions 2016	305-1	Direct GHG emissions (Scope 1)	4.1.1 Energy consumption
	305-2	Indirect GHG emissions from energy consumption (Scope 2)	4.1.1 Energy consumption
WASTE			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note
	103-2	The management method and its components	4.3 Waste Management
	103-3	Evaluation of management methods	4.3 Waste Management
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	4.3 Waste Management
	306-2	Management of significant waste-related impacts	4.3 Waste Management
	306-3	Waste generated	4.3 Waste Management
ENVIRONMENTAL COMPLIANCE			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note
	103-2	The management method and its components	1.2.2 Corporate Governance
	103-3	Evaluation of management methods	1.2.2 Corporate Governance
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	1.2.2 Corporate Governance
GRI 400 SOCIAL INDICATORS			
EMPLOYMENT			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note
	103-2	The management method and its components	3.1.1 Human Resources Management
	103-3	Evaluation of management methods	3.1.1 Human Resources Management
GRI 401: Employment 2016	401-1	New recruitments and turnover	3.1.1 Human Resources Management
HEALTH AND SAFETY IN THE WORKPLACE			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note
	103-2	The management method and its components	3.2 Health and Safety in the Workplace

GRI 403: Health and safety in the workplace 2018	103-3	Evaluation of management methods	3.2 Health and Safety in the Workplace
	403-1	Occupational Health and Safety Management System	3.2 Health and Safety in the Workplace
	403-2	Hazard identification, risk assessment and investigation of incidents	3.2 Health and Safety in the Workplace
	403-3	Occupational health services	3.2 Health and Safety in the Workplace
	403-4	Worker participation and consultation and communication on health and safety at work	3.2 Health and Safety in the Workplace
	403-5	Worker training in occupational health and safety	3.2 Health and Safety in the Workplace
	403-6	Promoting the health of workers	3.2 Health and Safety in the Workplace
	403-7	Prevention and mitigation of occupational health and safety impacts within business relationships	3.2 Health and Safety in the Workplace
	403-9	Accidents at work	3.2 Health and Safety in the Workplace
	403-10	Occupational illnesses	3.2 Health and Safety in the Workplace
TRAINING AND EDUCATION			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note
	103-2	The management method and its components	3.1.2 Training and skills development
	103-3	Evaluation of management methods	3.1.2 Training and skills development
GRI 404: Training and education 2016	404-1	Average hours of training per employee per year	3.1.2 Training and skills development
DIVERSITY AND EQUAL OPPORTUNITIES			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note
	103-2	The management mode and its components	1.2.2 Corporate Governance
	103-3	Assessment of management modes	1.2.2 Corporate Governance
GRI 405: Diversity and equal opportunities 2016	405-1	Diversity in governing bodies and among employees	1.2.2 Corporate Governance
LOCAL COMMUNITIES			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note
	103-2	The management mode and its components	1.2.3 Generated and Distributed Value - The Creation of Territorial Value
	103-3	Assessment of management modes	1.2.3 Generated and Distributed Value - The Creation of Territorial Value
GRI 413: Local Communities 2016	413-1	Activities involving local communities, impact assessments and development programmes	1.2.3 Generated and Distributed Value - The Creation of Territorial Value

CUSTOMER HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement e Matrice di Materialità; Nota metodologica
	103-2	The management mode and its components	2.1 The safety, quality and sustainability of our products
	103-3	Assessment of management modes	2.1 The safety, quality and sustainability of our products
GRI 416: Customer Health and Safety 2016	404-1	Incidents of non-compliance concerning health safety impacts of products and services	2.1 The safety, quality and sustainability of our products
MARKETING AND LABELLING			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1,3,1 Stakeholder Engagement and Materiality Matrix; Methodological Note
	103-2	The management mode and its components	2.1 The safety, quality and sustainability of our products
	103-3	Assessment of management modes	2.1 The safety, quality and sustainability of our products
GRI 417: Marketing and labelling 2016	417-2	Incidents of non-compliance with regard to information and labelling of products and services	2.1 The safety, quality and sustainability of our products
	417-3	Cases of non-compliance concerning	2.1 The safety, quality and sustainability of our products
SOCIOECONOMIC COMPLIANCE			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3.1 Stakeholder Engagement and Materiality Matrix; Methodological Note
	103-2	The management mode and its components	1.2.2 Corporate Governance
	103-3	Assessment of management modes	1.2.2 Corporate Governance
GRI 419: Socio-economic compliance 2016	404-1	Non-compliance with social and economic laws and regulations	1.2.2 Corporate Governance





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