Sustainability Report 2025

01 Design for the Planet

02 Design for People

03 Design for Culture



FLOS
B&B ITALIA
Group

Sustainability
Report 2025

FLOS
B&B ITALIA
Group

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Flos B&B Italia Group — Sustainability Report 2025

Flos B&B Italia Group 2025 Performance Highlights

The herein document represents the fifth edition of the Flos B&B Italia Group Sustainability Report, reflecting the Group's continued progress in embedding sustainability across its operations and strategic direction. Sustainability is approached as a long-term commitment, grounded in continuous improvement across environmental, social, and cultural dimensions.

Across all Brands, a shared vision is pursued in which design excellence integrates aesthetic quality with responsible practices. Product development is guided by a combination of heritage, craftsmanship and innovation, increasingly incorporating principles of eco-design, circularity, durability, and resource efficiency, in alignment with the Group's purpose to "design for a beautiful life."

Within the evolving European regulatory landscape, the Group has voluntarily initiated, for the first time, a gradual alignment with the European Sustainability Reporting Standards (ESRS)[1]. This early adoption reflects a proactive and forward-looking approach, anticipating forthcoming regulatory requirements and demonstrating the Group's commitment to progressively integrate ESRS principles into its reporting and management practices ahead of mandatory application.

The Group recognizes the ongoing challenges associated with the transition toward lower-impact luxury design and continues to advance its efforts in this direction. At the same time, inclusion and diversity are considered key enablers of innovation and long-term value creation, both within the workforce and across the communities in which the Group operates.

This report provides a transparent overview of progress achieved, key initiatives implemented and areas for continued development, supporting the Group's commitment to responsible growth and long-term value creation. Below are the key highlights related to the 2025 performance of the Group.

Key figures

754,713 k €
2025 Group revenues

8
Brands

2,030
Employees worldwide

10
Industrial facilities

+ 130 countries
Global presence

+ 6,800
Points of sale

ESG figures

461,993 tons
CO_2e total GHG emissions: Scope 1, Scope 2 market-based and Scope 3

6 years
Consecutive years of carbon neutrality[2]

2,030
Employees worldwide

45%
Women

1. The European Sustainability Reporting Standards (ESRS) adopted for the purpose of this Sustainability Report refer to their amended draft version of May 6th 2026.
2. The Group has been carbon neutral since 2020 on own operations. Scope 1 and 2 emissions are off-set through the purchase of carbon credits.



Introducing Flos B&B Italia Group

General Disclosures

About this Sustainability Report

Basis for preparation (ESRS BP-1) (GRI 2-3)

Flos B&B Italia Group has prepared its fifth Sustainability Report in relation to the environmental, social and governance-related performance recorded in the period from 1st January 2025 to 31st December 2025. The Report has been developed on a voluntary basis in accordance with the Global Reporting Initiative (GRI) Standards, which provide a widely recognized framework for sustainability disclosure. At the same time, the Group is progressively integrating the principles and disclosure requirements set out by the European Sustainability Reporting Standards (ESRS), anticipating future regulatory developments under the Corporate Sustainability Reporting Directive (CSRD).
This dual approach reflects the Group's commitment to aligning with emerging European requirements while ensuring continuity and comparability with established international reporting practices, thereby supporting a gradual and structured transition towards the upcoming CSRD compliance. Further information on the qualitative and quantitative data disclosed in relation to the standards applied are reported in the sections "GRI-ESRS Content Index" and "SASB Content Index".

The reporting perimeter of this Sustainability Report includes the following:

- Flos B&B Italia S.p.A. (including the parent company Flos B&B Italia Group S.p.A., headquartered in Milan, Italy);
- Louis Poulsen Group (headquartered in Copenhagen, Denmark);
- FLOS Group (headquartered in Bovezzo, Italy);
- Lumens INC (headquartered in Sacramento, California, USA);
- B&B Italia Group (headquartered in Novedrate, Italy, including also Arclinea headquartered in Caldogno, Italy);
- Audo (headquartered in Copenhagen, Denmark);
- Flos B&B Italia Group Hong Kong Limited.

3. The European Sustainability Reporting Standards (ESRS) adopted for the purpose of this Sustainability Report refer to their amended draft version of May 6th 2026.

Exclusions or exceptions to the reporting perimeter considered for the aggregation and calculation of the information reported in the document are properly described in the respective sections of the following chapters.

Although, it should be noted that on June 30th, 2025, Flos B&B Italia Group S.p.A. (together with its subsidiaries, the "Group") ended its partnership with FENDI, marking the closure of the FF Design joint venture and the transfer of the 80% stake held by Design Quality Manufacturing (DQM) in FF Design to Fendi S.r.l. This decision is consistent with the Group's strategy to focus on its portfolio of iconic and historical brands, enabling the Group to concentrate its efforts and resources on strengthening its core portfolio, characterized by a strong design heritage. Starting from July 1st, 2025, the Group's perimeter included only DQM, which continued to provide limited support services and manufacture existing collections for FF Design during a transitional period until July 2nd 2026. For the purpose of the current reporting cycle, environmental data related to energy consumption and GHG emissions attributed to FF Design have been accounted for only for the first six months of the reporting year.

Furthermore, on June 11th, 2026, the Group announced the sale of its entire shareholding in Louis Poulsen to a company referring to Chr. Augustinus Fabrikker Aktieselskab ("Chr. Augustinus Fabrikker"), a Danish foundation-owned investment company. As the transaction is conducted in FY2026, the herein document fully includes data related to Louis Poulsen for the entire reporting period.

Information relating to the upstream and downstream value chain of the Group has been included within the scope of this Sustainability Report. Given the complexity of collecting complete and reliable ESG data across the value chain, certain disclosures are based on estimates, proxies and assumptions. These estimations have been developed using the best information available at the reporting date, including internal data, publicly available sources and industry benchmarks. Where relevant, the use of estimated data and any associated limitations or scope restrictions are clearly identified throughout the document. The Group remains committed to progressively enhancing the completeness, accuracy and granularity of value chain data over time, including through strengthened engagement with suppliers and other business partners. (ESRS BP-1)



Nooch sofa by Piero Lissoni, B&B Italia Outdoor

Our Sustainability Strategy

Strategy, business model and value chain/Policies, actions and targets (GDR)

The structure of the Group and its value chain (ESRS SBM-1) (GRI 2-6)

At Flos B&B Italia Group, we operate at the forefront of the global high-end design industry through a portfolio of iconic and complementary Brands. In a sector traditionally characterized by fragmentation, the Group brings together some of the most renowned names in design, each with a strong heritage, distinctive positioning and global recognition.

Across diverse categories – including premium lighting and accessories, luxury furniture, and kitchen and cabinet systems – each Brand preserves its distinct identity and heritage. At the same time, all Brands share a common commitment to aesthetic excellence, craftsmanship, quality, innovation, and a growing focus on environmental responsibility.

The Group was established in November 2018 through the joint vision of Investindustrial and Carlyle, with the aim of bringing together leading design companies within a single structure. On May 16, 2024, the company officially adopted the name Flos B&B Italia Group S.p.A., reinforcing its international positioning by leveraging the strong recognition of its flagship Brands, FLOS and B&B Italia. As part of this transition, International Design Group S.p.A. was renamed Flos B&B Italia S.p.A.

Following the rebranding in May 2024, the Group continues to strengthen the positioning and long-term development of its portfolio of Brands. Its focus is on supporting each Brand in executing its own growth strategy, enhancing its market presence, expanding its international reach and further developing its operational capabilities. By fostering the conditions for sustainable growth and continued brand development, the Group aims to maximize the value and potential of each business while preserving the heritage, creativity and uniqueness that define every Brand.

The historical background of Investindustrial and Carlyle

Flos B&B Italia Group is jointly owned by the independently managed investment companies of two global private equity leaders, Investindustrial and Carlyle. Together, they provide support to the Group, underpinned by aligned values and a shared commitment to long-term growth and excellence.

Investindustrial

Founded in 1990, Investindustrial is one of Europe's foremost independent investment groups. It specializes in high-quality mid-market companies, taking an active and transformational approach to ownership. The firm operates in four key sectors: Industrial Manufacturing, Consumer, Healthcare & Services, and Technology. With over 200 professionals spread across eight international offices – including Abu Dhabi, London, Lugano, Luxembourg, Madrid, New York, Paris, and Shanghai – Investindustrial has built a strong presence on a global scale. To date, the firm has raised €17 billion of raised fund capital, consistently driving sustainable value creation across its portfolio.

Carlyle

Carlyle is a globally recognized investment firm known for its deep sector expertise and disciplined approach to private capital. Operating across three main business segments – Global Private Equity, Global Credit, and Global Investment Solutions— Carlyle brings strategic insight and operational rigor to every investment. In 2025 the firm managed approximately $475 billion in assets, supporting a diverse network of investors, portfolio companies, and communities around the world. Carlyle's global footprint includes over 2,500 professionals working across 28 offices in four continents, all unified by a core mission: to connect people, ideas, and capital to fuel growth for companies and performance for investors.

Our strategic model fosters a continuous exchange of inspiration across Brands. Each one of them enhances the overall value of Flos B&B Italia Group by sharing expertise, best practices and distinctive capabilities.

The Group remains dedicated to its core mission of crafting beautiful products. This objective is supported by a clear strategy centered on strengthening brand desirability through advanced research and development, alongside the ongoing creation of iconic products that are responsibly designed. In parallel, particular emphasis is placed on preserving and enhancing the industrial heritage and craftsmanship of each Brand, which represent fundamental drivers of long-term value and differentiation within the portfolio.

The Group also aims to expand its presence in the high-end contract segment, offering customized lighting and furniture solutions for residential, hospitality and public spaces.

Flos B&B Italia Group operates across three main segments of the premium design market:

- High-End Lighting, encompassing Brands that develop advanced lighting solutions for indoor and outdoor, residential and architectural applications;
- High-End Furniture & Accessories, including Brands recognized for pioneering design and iconic pieces that have influenced both private and public spaces;
- High-End Kitchens & Cabinets, featuring Brands that design innovative kitchen systems and related solutions combining functionality with refined aesthetics.

In addition, the Group maintains a strong digital presence through Lumens, a leading platform for high-end design products. Distribution is supported by an extensive omnichannel network, covering both direct-to-consumer channels – such as contract projects, e-commerce and directly operated stores – and wholesale channels, including mono-brand stores, shop-in-shops and multi-brand retailers.

Our brands

EST. 1966



Camaleonda sofa by Mario Bellini, B&B Italia

B&B Italia Group

B&B Italia Group is a leading Italian brand in the global luxury furniture sector, operating across residential and contract markets, including hospitality, retail, office and nautical. B&B Italia, together with Maxalto, Arclinea and Azucena, forms a distinctive portfolio united by design excellence, innovation and technological sophistication.

B&B Italia

Founded in 1966 by Piero Ambrogio Busnelli, B&B Italia has become an icon of contemporary design, combining timeless elegance with a strong focus on research and innovation.
Its headquarters in Novedrate, designed by Renzo Piano and Richard Rogers, reflects this pioneering spirit.
The company leverages a collaborative R&D model, bringing together internal expertise and internationally renowned designers to create iconic products such as Camaleonda, Charles and Le Bambole.
Present in over 80 countries, B&B Italia operates through a broad network of mono-brand stores and selected retailers.
Since 2018, the Group has been part of Flos B&B Italia Group, a global leader in high-end design, and has received numerous awards, including various Compasso d'Oro recognitions.

EST. 1975



Lucrezia Soft sofa, Febo armchairs by Antonio Citterio, Maxalto

Founded in 1975, Maxalto represents the Group's expression of modern classic design—blending refined aesthetics with traditional craftsmanship and contemporary sophistication. The brand offers a comprehensive collection of elegant furnishings that emphasize premium materials, precise detailing, and tailored customization. With its Maxalto Atelier service, the brand provides bespoke solutions, offering clients the ability to customize sizes and finishes, reflecting Maxalto's artisan heritage. Since 1995, Maxalto's creative direction and design have been fully entrusted to Antonio Citterio, whose vision continues to define its iconic style and understated luxury.

AZUCENA

EST. 1947



Catilina armchair by Luigi Caccia Dominioni, Azucena

Founded in 1947 by architectural luminaries Luigi Caccia Dominioni, Ignazio Gardella, and Corrado Corradi Dell'Acqua, Azucena stands as a timeless icon of Italian modernism. Acquired by the B&B Italia Group in 2018, the brand is devoted to preserving and reintroducing the legacy of post-war Italian design. Azucena's curated collection reissues more than 20 historic pieces by Luigi Caccia Dominioni, such as the Catilina chair, ABCD chair, Toro chair, Monachella lamp, and Cavalletto table, available through select retailers in Italy and internationally. Each piece captures the distinctive blend of functionality and poetic design that defines Azucena's enduring appeal.

Arclinea

EST. 1925



Lignum et Lapis kitchen by Antonio Citterio, Arclinea

Founded in 1925 by Silvio Fortuna in Caldogno, Italy, Arclinea Arredamenti S.p.A. began as a small artisanal woodworking shop and evolved into a leading name in high-end Italian kitchen design. Known for its ability to anticipate lifestyle changes, Arclinea blends traditional values with a forward-thinking approach toward innovation and production.

In 1958, the Company introduced Italy's first modular kitchen, followed by pioneering solutions such as built-in appliances and stainless-steel hobs. In the 1980s, the company began working with prominent architects and designers, eventually forming a deep and ongoing collaboration with Antonio Citterio, who became the brand's principal designer in the late 1990s. His influence helped position Arclinea not just as a kitchen manufacturer, but as a creator of architectural living spaces. Today, Arclinea is a globally respected brand and a powerful ambassador of the Made in Italy ideal, with a presence in both retail and contract markets, including residential, hospitality, and marine sectors. Since 2016, Arclinea has been part of the B&B Italia Group, enhancing its international reach and aligning with the Group's vision of design excellence.

Introducing Flos B&B Italia Group – General Disclosures

FLOS

EST. 1962



Arco by Achille & Pier Giacomo Castiglioni, Flos

A global icon of Italian design and technological innovation, Flos has been a pioneer in high-end lighting since 1962. Renowned for pushing boundaries, Flos has won numerous international awards, and many of its designs are housed in the world's most prestigious museums' permanent collections, including the MoMA (New York), the Victoria & Albert Museum (London), and Le Centre Pompidou (Paris).

The Brand's strength lies in its enduring partnerships with some of the world's most influential designers and architects, such as Achille & Pier Giacomo Castiglioni, Antonio Citterio, Patricia Urquiola, Jasper Morrison, Michael Anastassiades, and Vincent Van Duysen. With its main operational hubs in Brescia (Italy) and Valencia (Spain), Flos operates across four specialized divisions — Decorative, Architectural, Outdoor, and Custom — each supported by dedicated R&D units. Its global reach spans over 90 countries, anchored by flagship stores in Milan, Paris, and New York.

louis poulsen

EST. 1984



PH Artichoke designed by Poul Henningsen, Louis Poulsen

Founded in 1874, Louis Poulsen is a celebrated Danish lighting brand known for its timeless designs that seamlessly blend form and function. With a legacy rooted in Scandinavian design philosophy, the brand has created some of the most iconic lighting pieces in history, thanks to legendary collaborators like Poul Henningsen, Arne Jacobsen, Vilhelm Lauritzen, and Verner Panton. Louis Poulsen continues this legacy today, partnering with contemporary talents such as Christian Flindt, Shoichi Uchiyama, Oki Sato, Øivind Slaatto, and Olafur Eliasson. Headquartered in Copenhagen with production in Vejen, Denmark, the brand showcases its lighting solutions through dedicated showrooms in Copenhagen, New York, Miami, Oslo, Singapore, Tokyo, and Düsseldorf, while serving a global distribution network spanning more than 50 countries.

EST. 2001

LUMENS



2026 Milano Moderna Campaign, LUMENS

Lumens is North America's premier destination for modern lighting, furniture, and décor, serving both trade professionals and design-conscious consumers. Founded in 2001 in the San Francisco Bay Area, and incorporating the legacy of YLighting, Lumens has become a leader in curating innovative, global design. With a portfolio spanning over 350 international brands, including exclusive and custom offerings, Lumens is driven by a passion for delivering a best-in-class customer experience through its robust e-commerce platform, expert design content, and a team of seasoned advisors and ALA-certified product specialists. Lumens plays a vital role in expanding the reach of high-end design across North America.

EST. 1978

Audo
COPENHAGEN



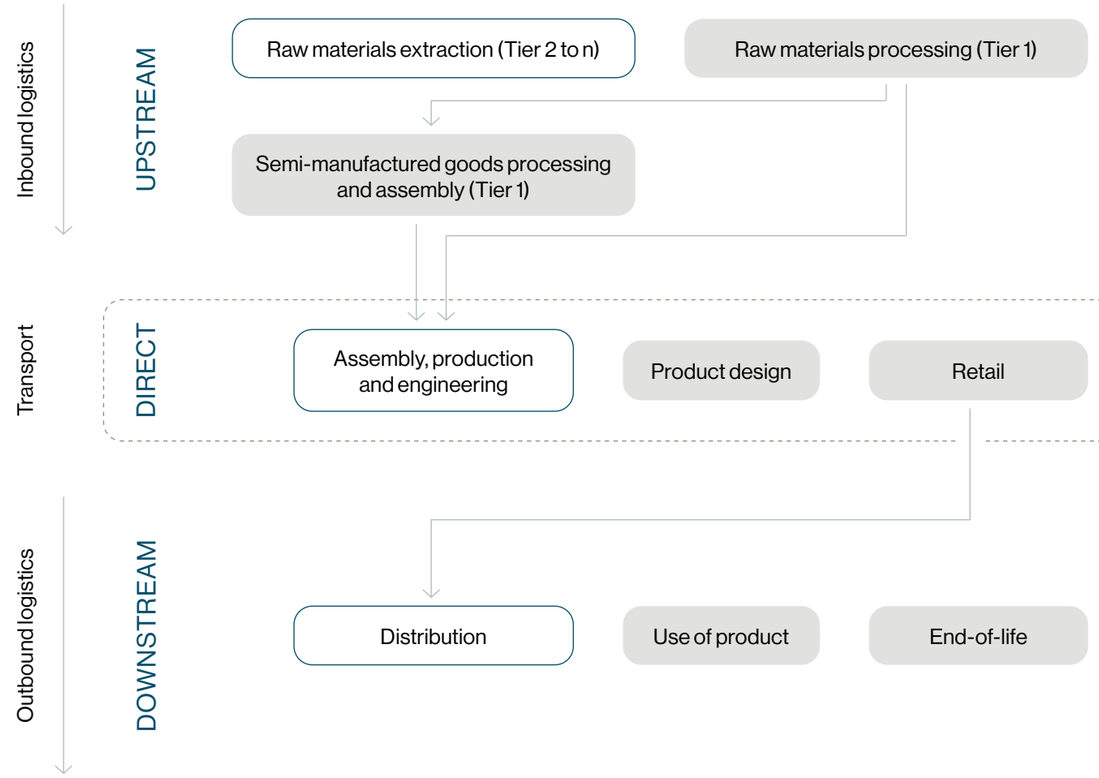
Offset Loose cover by Norm Architects, Audo

Audo is a Danish premium design brand offering contemporary furniture, lighting and accessories to both professional and retail customers in over 50 countries. Founded in 1978, the company blends Scandinavian craftsmanship with a modern global outlook.

Headquartered at The Audo

An innovative hybrid space combining showroom, concept store and boutique hotel—the brand collaborates with leading designers to create high-quality products rooted in Danish design tradition. Audo's collections reflect a balance between heritage and innovation, with a focus on refined materials, purposeful details and solutions that enhance everyday living.

Due to the geographical distribution and product offering heterogeneity of each Brand, the Group positions itself in a detailed and articulated value chain. It reflects a creative and industrial ecosystem where design vision, craftsmanship and innovation come together to shape distinctive products and experiences. From the sourcing of high-quality materials and close collaboration with selected suppliers, to the development, production and global distribution of collections, each phase of the value chain contributes to the expression of our Brands' identity. Downstream, the relationship with clients, designers and partners extends into contract projects, curated retail spaces, and the entire lifecycle of products. In this context, Flos B&B Italia Group views its value chain not only as a sequence of operational steps, but as an interconnected network of expertise and creative dialogue, where value is co-created and where environmental and social responsibilities are increasingly integrated into every stage.



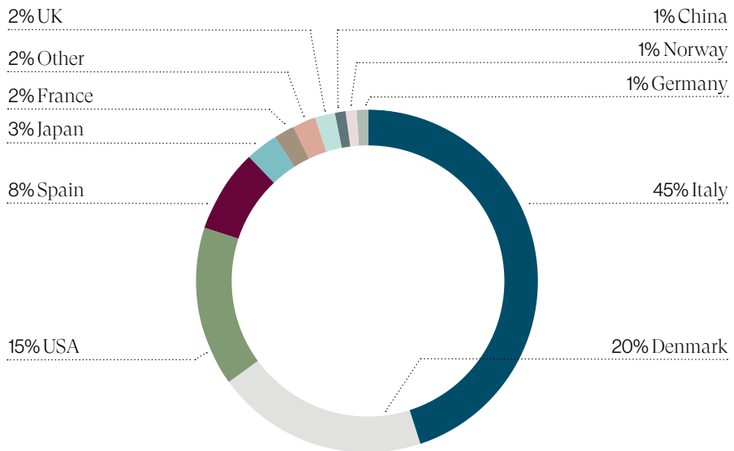
More detailed information on the relationship with the actors along the value chain is included in the following chapters of the document.

Our presence (ESRS SBM-1) (GRI 2-6)

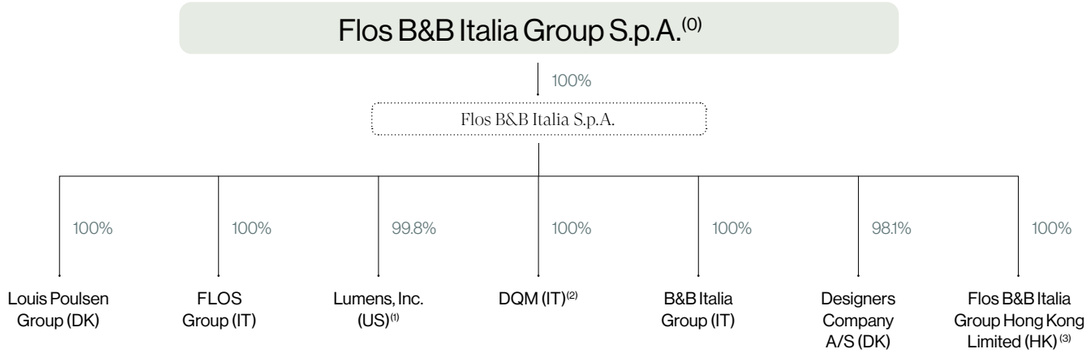
Due to the geographical heterogeneity of the Group, its operations and business activities are carried out on a global scale, with a primary presence across Europe, the Americas and the Asia-Pacific (APAC) region[4].

2025 Employees global distribution

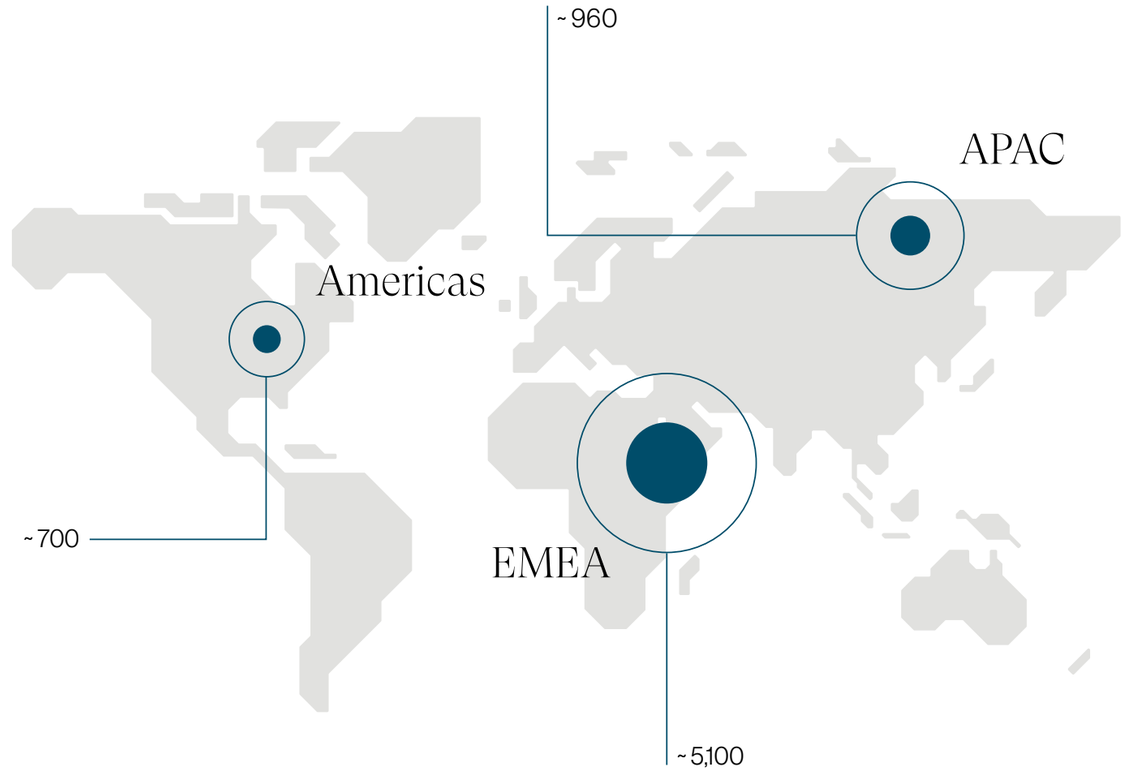
2,030
Employees



Group structure[5]



The graph below shows an overview of our Brands' global presence as of 31st December 2025:



4. Countries classified as "Other" include: Belgium, Finland, Netherlands, Sweden, Switzerland, India and South Korea.
5. Please note that Flos B&B Italia S.p.A. also owns shares in the parent company Flos B&B Italia Group S.p.A., representing 2,43% of the share capital as of 31st December 2025.

Sustainability strategy

(ESRS SBM-1, SBM-3) (GRI 2-22, 2-23, 2-24)

At Flos B&B Italia Group, sustainability is embedded in the way the Group designs, produces and communicates its creations. The Company structures its sustainability strategy around three interconnected pillars – Design for the Planet, Design for People and Design for Culture – which collectively guide its long-term approach to responsible growth and value creation.

DESIGN FOR THE PLANET



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

DESIGN FOR PEOPLE



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

DESIGN FOR CULTURE



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

Seki-Han Flå Mayday Outdoor by Konstantin Grcic, Flos. ©Tommaso Sartori

These pillars reflect the areas where the Group identifies its most relevant environmental and social impacts, and where it is increasingly exposed to sustainability-related risks and opportunities. As such, they provide a coherent framework to integrate sustainability considerations into the Group's business model, while supporting a more structured approach to defining actions, monitoring performance and progressively strengthening targets.

- By Designing for the Planet, Flos B&B Italia Group continues to explore more environmentally conscious practices across its operations—from production to office activities. This includes the gradual integration of Eco-Design principles into the design and engineering processes of the Brands, along with ongoing efforts to assess key elements throughout the value chain and monitor ESG-related risks. The Group is working to address climate change with greater transparency and evolving targets. In collaboration with its suppliers, the Group seeks to improve its own performance while fostering awareness and encouraging broader engagement.
- By Designing for People, Flos B&B Italia Group is committed to fostering an inclusive work environment where diversity is supported. The Group is equally focused on nurturing a mindset that empowers employees to grow professionally and pursue their full potential. Additionally, Flos B&B Italia Group strives to contribute to the communities it belongs to, forging partnerships that generate meaningful social value over time.
- By Designing for Culture, Flos B&B Italia Group is dedicated to preserving the craftsmanship embedded in its products and celebrating the historical significance of its iconic designs. The Group supports scientific research and works to safeguard design legacies for future generations. By fostering innovation through research, strengthening ties with communities, and advancing design culture, the Group aims to create enduring value that spans across generations.

The three pillars represented the foundation for the development of our Group's Sustainability Policy.
The Group's Sustainability Policy, approved by the Board of Directors in November 2022, establishes the overarching framework guiding the integration of sustainability considerations into corporate strategy, operations, and decision-making processes. The Policy formalizes the Group's commitment to environmental stewardship and social responsibility, aiming to progressively minimize the impacts associated with its activities through the adoption of practices and standards aligned with recognized ethical principles. It also reflects the Group's responsibility towards the communities in which it operates and promotes a business model that combines operational excellence with durability, circularity, and long-term value creation.



Seki-Han Floor by Tobia Scarpa, Flos. ©Robert Rieger

The principles shaping the Sustainability Policy are embedded in the Group's Code of Ethics, another milestone of our strategy. It defines the fundamental values guiding the conduct of all individuals and entities within the Group and are reported below:

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

Alongside with our Code of Ethics, the Group's purpose to design for a beautiful life and its values and principles are extended to the supply chain through the Supplier Code of Conduct. Firstly approved by the Board of Directors in 2022, the document establishes the ethical standards we expect from all business partners, emphasizing respect for human rights, labor rights, freedoms, and environmental protection. It requires adherence to applicable laws and internationally recognized frameworks, protection of human and labour rights, responsible environmental management and the adoption of high standards of business integrity, including anti-corruption and fair competition. Suppliers are also expected to ensure transparency, traceability and data protection, and to implement appropriate due diligence processes, cooperate with audits, and take corrective actions in case of non-compliance, with the Group reserving the right to enforce remedial measures or terminate relationships where necessary. All the documentation abovementioned is publicly available on our corporate website and accessible to all our stakeholders.

Administrative, Management and Supervisory bodies in relation to sustainability: Sustainability Governance

Flos B&B Italia Group operates with transparency, responsibility and compliance with applicable laws. To ensure these principles guide our decision-making and management of economic, environmental, and social matters, the Group has established a Corporate Governance structure as follows:

- A shareholders' meeting;
- A Board of Directors, composed of seven members, among which the Executive Chairman and six non-executive members;
- A Board of Statutory Auditors, comprising a Chairman, two statutory members and two alternate members;
- A Supervisory board, comprising the Chairman and deputy member, performing controls related to Model 231 and supporting the Ethic Committee.

Additionally, the Group has appointed an independent auditing firm.

The Board of Directors is the body responsible for overseeing and managing the Group's sustainability strategy and for approving all strategic ESG documents, including the Sustainability Report, the Materiality Assessment update and the ESG-related targets. This body ensures the ordinary and extraordinary management of Flos B&B Italia Group. In this capacity, the Board takes all necessary actions to achieve the Group's objectives. Regarding its composition, the Board is made of one male executive member and six non-executive members, of which five males and one woman. There are no independent members[6]. It possesses the expertise essential for effective decision-making: the Executive Chairman brings extensive managerial experience from its role in various luxury sector companies, while the nonexecutive members have backgrounds in private equity, consultancy, and retail management. To enhance the Board's understanding of key ESG issues, its members are familiar with and have endorsed the Group's core ethical documents, including Model 231, the Code of Ethics, the Supplier Code of Conduct, the Whistleblowing Policy and the Sustainability Policy. The Board carries out its duties with the support of internal resources, guided by the advice of shareholders. (ESRS GOV-1 12.a, c, d, e) (GRI 2-9, 2-10, 2-11, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20)

Board members

Piero Gandini	Chairman of the Board and Executive Chairman
Marco De Benedetti	Board member
Dante Razzano	Board member
Roberto Maestroni	Board member
Daniel Lalonde	Board member
Chiara Palmieri	Board member
Alessandro Varisco	Board member

The remuneration package for the members of the Board of Directors is approved by the Shareholders' Meeting. As for the time being, no ESG-related incentives and targets are included within the remuneration package. (ESRS GOV-2 14) As part of our efforts to align the Group's strategy with each unique vision of our Brands, specific sustainability-related responsibilities and roles have been assigned to key figures of Flos B&B Italia Group, as the CFO Elisabetta Scotti and the General Counsel Silvia Milanese. (ESRS GOV-1 12.b)

6. No Board member belongs to under-represented social Groups. Board members are appointed by Flos B&B Italia Group's shareholders, while no other stakeholder is involved in the election process. There are no board evaluation processes in place at the present time.

Materiality Assessment and management of impacts, risks and opportunities – Interaction of material impacts risks and opportunities with strategy and business model, and financial effects/Description of the process to identify and assess material impacts, risks and opportunities and material information to be reported/Material impacts, risks and opportunities and disclosure requirements included in the sustainability statement

In the context of an evolving regulatory landscape and following our ongoing commitment to strengthening sustainability governance, the Materiality Assessment has been updated, building on the gradual and ongoing alignment with the European Sustainability Reporting Standards (ESRS) started in the previous reporting cycle.

While ensuring continuity with the principles and outcomes of the prior year's assessment, the Group has reviewed the overall architecture of the analysis, including the long list of impacts assessed. This enhancement aims to further improve the robustness, transparency and comparability of disclosed information, while ensuring consistency with the evolving ESRS framework and its principle-based approach.

Within this framework, the Group has prioritized the update of its Impact Materiality Analysis, focusing on the identification and evaluation of the most significant actual and potential impacts generated by both its direct activities and the operations along the value chain on the environment and society. The results of the analysis is a list of the most material topics for Flos B&B Italia Group from an environmental, social and governance-related perspective, which are properly addressed in the following chapters of this Sustainability Report.

In line with the requirements of the ESRS standards[7], the impacts identified have been assessed according to the following parameters:

- the severity of impacts, which is the results of the assessment of scale, scope and irremediability of such impacts;
- the likelihood of occurrence, reflecting the probability of the impact happening.

At the same time, the Group acknowledges that the assessment of financial materiality – relating to sustainability risks and opportunities that may affect future financial performance – will be progressively integrated in the coming reporting cycles as to follow the requirements introduced by the CSRD and the ESRS standards.

The update of the materiality assessment has been conducted through a structured and multi-phase process, consistent with international best practices and increasingly aligned with ESRS requirements.

7. The European Sustainability Reporting Standards (ESRS) adopted for the purpose of this Sustainability Report refer to their amended draft version of May 6th 2026.

Introducing Flos B&B Italia Group – General Disclosures



Elizabeth Lounge Chair by Ib Kofod-Larsen and Pagode Sofa by Tove & Edvard Kindt-Larsen, Audo

In particular, the process included:

- Analysis of the direct activities conducted by the Group and its Brands and the operations carried out along the supply chains in which each of the Brands are located, through a comprehensive mapping of the Group's activities, including upstream and downstream operations, reflecting the complexity of the design-driven value chain;
- Identification of impacts, based on internal documentation, industry benchmarks and relevant sustainability frameworks;
- Assessment and prioritization of the impacts identified, through the application of defined evaluation criteria and thresholds to identify those of highest relevance;
- Validation of the results obtained, with the involvement of key corporate functions and endorsement by the Group's Top Management.

The process was supported by cross-functional collaboration and reflects the Group's design-led approach, integrating sustainability considerations within its creative, operational and strategic processes. (ESRS IRO-1 35.a, b, d, e)

The results of the Materiality Assessment conducted also build on ongoing stakeholder engagement activities, aimed at capturing expectations, perceptions and priorities of key internal and external stakeholders. Inputs from stakeholders, combined with internal analyses and benchmark exercises, have contributed to refining the identification and prioritization of relevant impacts and to ensuring alignment with sector-specific sustainability challenges. (ESRS IRO-1 35.c)

Given that this represents the first ESRS-oriented assessment, the Group recognizes that certain elements – particularly those related to the full implementation of the Double Materiality perspective as introduced by the reporting standards – will be further developed in future reporting cycles. The outcome of the updated Impact Materiality assessment constitutes the foundation of this Sustainability Report, guiding:

- The identification of material sustainability topics;
- The definition of relevant disclosures, progressively aligned with ESRS requirements;
- The prioritization of targets, actions and strategic initiatives across environmental, social and governance dimensions.

In accordance with ESRS provisions, the results of the assessment ensure that the Sustainability Statement focuses on useful decision-making information reflecting the most significant impacts generated by the Group and its value chain. The results of the Impact Materiality Assessment conducted are reported below. (ESRS IRO-2 37.a, c, d)

Material topic	Sub-topic	Impacts	Value chain
Climate Change	Climate Change mitigation	Climate change due to the generation of GHG emissions during direct operations (Actual, Negative)	Direct operations
		Climate change due to the generation of GHG emissions during operations along the value chain (Actual, Negative)	Upstream, Downstream
Pollution	Pollution of air	Release of pollutants and hazardous substances in the atmosphere (e.g. NOx, PM, VOCs) in operations along the value chain (Potential, Negative)	Upstream, Downstream
	Pollution of of water	Release of polluting agents in the water during operations along the value chain (Potential, Negative)	Upstream
Water and marine resources	Water use, which include withdrawal, consumption, discharges and storage	Water scarcity in water stressed areas along the value chain due to water consumption (Potential, Negative)	Upstream
Biodiversity and ecosystems	Drivers of biodiversity and ecosystem change	Reduction in the extent of ecosystems and ecosystem services associated with biodiversity loss due to activities along the value chain (Potential, Negative)	Upstream
Resource use and Circular Economy	Resource inflows Resource outflows related to product and services	Depletion of natural resources and scarce contribution to circular economy due to the design and engineering of products that require virgin raw materials (Potential, Negative)	Direct operations
		Depletion of natural resources and scarce contribution to circular economy due to the use of virgin raw materials during operations along the value chain (Potential, Negative)	Upstream
	Resource outflows (Waste)	Damage to the environment due to the generation of waste during direct operations (Actual, Negative)	Direct operations

Material topic	Sub-topic	Impacts	Value chain
Own workforce	Health and Safety	Physical damages to workers due to work-related injuries during direct operations (Actual, Negative)	Direct operations
	Diversity and equal treatment	Physical and psychological damages to the workers caused by incidents of discrimination and lack of equal opportunities (Potential, Negative)	Direct operations
	Working conditions	Decrease in employees' wellbeing due to scarce work-life balance (Potential, Negative)	Direct operations
		Psychological damages to the workers due to the potential termination of their employment contract (Potential, Negative)	Direct operations
	Training and skills development	Professional and technical growth of employees due to upskilling and training activities (Actual, Positive)	Direct operations



SuperWire by Formafantasma, Flos. ©Robert Rieger

Material topic	Sub-topic	Impacts	Value chain
Workers in the value chain	Health and Safety	Physical damages to workers due to work-related injuries during operations along the value chain (Potential, Negative)	Upstream
	Other labour-related human rights	Physical and psychological damages to the workers due to the infringement of their human rights during direct operations (Potential, Negative)	Upstream
	Diversity and equal treatment	Physical and psychological damages to workers along the value chain caused by incidents of discrimination and lack of equal opportunities (Potential, Negative)	Upstream
Consumers and end-users	Personal safety of consumers or end users	Damages to consumers' and end-users' health and safety due to inadequate quality and safety controls on sold products (Potential, Negative)	Downstream
Heritage and Design Culture	-	Preservation of cultural and design Heritage (Actual, Positive)	Downstream
Business conduct	Management of relationships with suppliers, including payment practices especially late payment to small-and medium-sized undertakings (SMEs)	Disruption of the value chain and social impacts on suppliers due to inadequate supplier relationship practices (Potential, Negative)	Direct operations

This first ESRS-aligned Impact Materiality Assessment represents a key milestone in our sustainability journey, laying the groundwork for a more comprehensive double materiality approach.



Design for the Planet

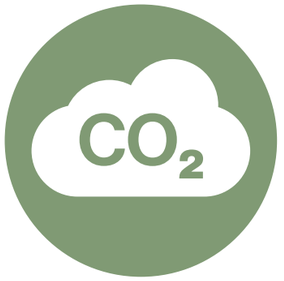
> Design for Planet reflects the Group's aspiration to progressively integrating environmental considerations across its operations, from product development and manufacturing processes to day-to-day corporate activities."

Environmental information

Within this context, environmental stewardship is given particular attention, reflecting the growing relevance of systemic challenges related to climate change, pollution, water and biodiversity management and resource use and circular economy. The Company is aiming to strengthen its approach across these areas by enhancing its understanding, measurement, and management of environmental impacts throughout its operations and value chain, gradually integrating regulatory requirements, including the ESRS framework, as well as emerging market expectations and recognized best practices, supporting the Group's transition towards more sustainable and resource-efficient business models.

Building on this approach, the Group is fostering the integration of eco-design and circularity principles within its design and engineering practices, guided by a structured Eco-Design Framework. This Framework provides a common reference point for B&B Italia, enabling a more consistent and forward-looking approach to innovation while serving both as a roadmap and as an enabling tool, supporting the identification of circular strategies, the exchange of practices across Brands and the continuous refinement of internal processes.

Across the Group, Brands are actively exploring innovative materials, design solutions and partnerships to strengthen their environmental performance. This evolution remains closely aligned with ongoing technological developments and an increasingly complex and dynamic regulatory landscape.



461,993 tCO_{2eq} TOTAL GHG EMISSIONS

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



CARBON NEUTRAL

Flos B&B Italia Group's own operations are carbon-neutral[1] since 2020



7.6 TonsCO_{2e}/€ OF EMISSION INTENSITY

Emission intensity Scope 1 + Scope 2 Market-based in 2025



78% RENEWABLE ELECTRICITY

Share of renewable electricity out of total electricity consumption in 2025

1. Carbon neutrality for own operations is achieved by purchasing carbon credits to offset Scope 1 and Scope 2 emissions.

Climate change (ESRS E1)

Climate change represents a material environmental topic for the Group, primarily driven by energy consumption and greenhouse gas (GHG) emissions generated across both its operations and value chain. The Group contributes to climate change through emissions arising from its direct activities, as well as from upstream and downstream processes along the value chain. These impacts are characterized as actual and negative, reflecting the contribution of both operational activities and supply chain dynamics to global climate change (ESRS 2 IRO-1).

Material topic	Sub-topic	Impacts	Value chain
Climate Change	Climate Change mitigation	Climate change due to the generation of GHG emissions during direct operations (Actual, Negative)	Direct operations
		Climate change due to the generation of GHG emissions during operations along the value chain (Actual, Negative)	Upstream, Downstream



Cordoba Outdoor, B&B Italia Outdoor, design Foster+Partners Industrial Design

As part of its assessment of the most significant topics, Flos B&B Italia Group has also carried out an analysis to identify the climate-change related physical and transitional risks which are most likely to impact the organization (ESRS E1-2). According to the analysis conducted, the main risks identified are reported below:

- Physical risks correlated with climate change on owned assets and facilities;
- Transitional risks correlated with climate change and energy transition;
- Potential interruption of procurement and distribution channels due to direct and indirect effects of climate change;
- Risk of limited energy supply and rising energy costs;

The overall results of the sustainability risk assessment, which tackles also topics related to human rights, social and other environmental aspects and governance-related matters, along with the main mitigation actions implemented, are summarized in the Appendix section of the herein document.

As a gradual process to align with the Corporate Sustainability Reporting Directive (CSRD), Flos B&B Italia Group has taken initial steps to conduct its first exercise of Financial Materiality, in order to identify the most relevant ESG-related risks impacting the organization in line with the new standards. The progress of such activity will be included in future Sustainability Reports according to the upcoming legislative requirements.



Luce Orizzontale lamp by Ronan & Erwan Bouroullec, FLOS

Our Sustainability Policy for Climate Change – Policies related to climate change mitigation and adaptation/targets related to climate change (ESRS E1-4, E1-6)

The Group is consolidating its approach to climate change, with a focus on mitigating its environmental impacts related to its direct operations and along its value chain.

The Group addresses climate change through a coordinated set of practices and commitments aimed at reducing greenhouse gas (GHG) emissions and enhancing environmental performance across its activities. This approach is embedded in the Sustainability Policy and implemented in close collaboration with all Brands, with a focus on improving energy efficiency, monitoring emissions, and promoting a more responsible use of resources throughout operations. These efforts are supported by the continuous monitoring of environmental performance indicators.

At the same time, the Group extends its climate-related commitments upstream through the Supplier Code of Conduct, which expects its suppliers to adopt the principles and values related to the three pillars of Design for the Plane, for the People and for Culture, thus including practices related to environmental responsibility.

Overall, the Group places particular emphasis on the systematic monitoring of GHG emissions across both operations and the value chain, while supporting the progressive adoption of responsible practices at Brand level. This includes integrating environmental considerations into operational processes and decision-making, as well as fostering alignment across the organization.

With respect to targets, while no quantitative GHG emissions reduction targets have yet been defined at Group level, specific Brands, including Flos and B&B Italia, have set emission reduction targets aligned, in terms of methodology, with the Science-Based Targets Initiative (SBTi), reflecting a progressively more structured approach to climate target-setting across the Group. In particular, the two Brands have both set a target of reducing by 27.5% of Scope 1 + 2 (Market-based) emissions by 2030. The target has been defined based on the WB2C (Well Below 2°C) scenario according to the methodology outlined by the Science Based Targets initiative.

Mitigating Climate Change – Actions and resources in relation to climate change mitigation and adaptation (ESRS E1-5)

The Group is progressively addressing climate change through actions focused on the management of energy consumption and greenhouse gas (GHG) emissions across its operations.

A central element of this approach is the systematic monitoring of emissions carried out in line with recognized standards, which enables the Group to track its environmental performance and identify areas for improvement over time. This activity represents a foundational step in supporting the gradual reduction of climate-related impacts. In parallel, the Group promotes the adoption of more responsible energy sourcing practices across its Brands, contributing to the reduction of GHG emissions associated with both Scope 1 and Scope 2. This includes the increasing use of electricity from renewable sources, supported by instruments such as Guarantees of Origin, which represents the main approach to green electricity in the Group. Overall, the Group's current actions are primarily focused on enhancing monitoring systems and promoting renewable energy sourcing, laying the groundwork for a more structured approach to climate change mitigation over time.



In Vitro lamp by Philippe Starck, FLOS

Regarding renewable energy, the Group has progressively increased the share of electricity purchased through Guarantees of Origin (GOs) across its Brands. In particular, Flos and B&B Italia Group have set targets for the use of renewable electricity in their operations. In line with this commitment, since 2024 B&B Italia Group has purchased 100% of the electricity used at its production plants through GOs. As for the other Brands, in 2025 Flos covered 68% of its electricity through such instruments, while Louis Poulsen and Audo respectively purchased 95% and 97% of electricity certified as coming from renewable sources.

Energy efficiency at B&B Italia Group

In 2023, B&B Italia entered into a collaborative agreement with a neighboring company located adjacent to its Novedrate facility. This partnership was designed to enhance overall resource efficiency and, ultimately, reduce the Group's Scope 1 emissions. Beginning in the fourth quarter of 2023, with full operativity in 2024, B&B Italia started purchasing surplus thermal energy generated by the nearby cogeneration plant. This technology enables the simultaneous production of electricity and heat, capturing and repurposing excess heat from the electricity generation process for heating needs. By utilizing this thermal energy, B&B Italia significantly reduced its reliance on natural gas for heating at its facility. A crucial aspect of the project also involved close collaboration with the partner company to accurately calculate and allocate the appropriate emission factors for GHG reporting.



IC Lights by Michael Anastassiades, FLOS

Initiatives have been adopted also regarding the use and consumption of fuels, for example related to the usage of corporate cars across the Brands. Apart from the progressive electrification of the Brands' car fleet, either through the substitution of petrol-based cars with hybrid ones or with 100% electric ones, Flos launched a carpooling program in 2023, which has been applied and expanded until 2025. Designed to facilitate collaboration among employees commuting from different locations, the initiative supports teamwork while fostering stronger cohesion across the workforce. The program includes a cashback scheme for participants, providing shopping vouchers as an incentive, and it applies to workers belonging to both Italian and Spanish sites of the Group.

Energy consumption and mix (ESRS E1-7) (GRI 302-1, GRI 302-3)

Energy consumption represents a key driver of the Group's environmental performance.

In 2025, overall energy consumption within the reporting perimeter showed a moderate decrease (–5%) compared to the previous year, confirming an overall stable trend. The table below represents a breakdown of energy consumption by the main energy sources used at Group-level.

Total energy consumption (GJ)	2023	2024	2025
Diesel	16,649.9	11,717.9	9,124.1
LPG	2,480.3	4,297.1	4,166.1
Natural gas	50,707.2	40,577.6[2]	45,527.1
Petrol	1,034.9	1,355.4	1,467.8
Electricity	42,624.7	44,899.1	43,109..0
District heating	10,653.9	18,636.9	17,138.2
Biomass	7,357.1	6,090.5	6,538.9
Fuel Oil	-	-	-
Total	**131,507.9**	**127,574.5**	**127,071.1**

2. Data related to natural gas consumption recorded by Louis Poulsen was restated for 2024 data due to an update of the value from the Brand's energy provider.

Energy use is primarily driven by natural gas and electricity, which together represent the majority of overall energy consumption, followed by district heating and smaller shares of other energy carriers, such as LPG, diesel and petrol or biomass. Electricity is mainly used for lighting and for operating industrial machinery, while natural gas is predominantly consumed for heating purposes. Within the Group, the furniture segment remains the most energy-intensive, accounting for approximately 59% of total energy consumption.

This is mainly due to the specific characteristics of its production processes, which require a higher energy input compared to other business areas.

Energy intensity	UoM	2023	2024	2025
Energy consumption	GJ	124,151	127,575	127,071
Total revenues[3]	kEUR	787,770	770,920	754,713
Energy intensity	GJ/k EUR	0,16	0,17	0,17

During the year, the Group's energy intensity has remained stable compared to 2024, following the previous peak and consistent with the overall slight reduction in both energy consumption across the reporting perimeter and in total revenues recorded by the Group.



Céramique lamp by Ronan Bouroullec, FLOS

3. Revenues refer to the invoice "Total revenues of the Group" as reported in the Group's financial statement as of 31st December 2025.

Gross Scope 1, 2, 3 GHG emissions (ESRS E1-8) (GRI 102-5, 102-6, 102-7, 102-8)

The Group continuously monitors its energy consumption, recognizing its relevance in driving GHG emissions across operations.

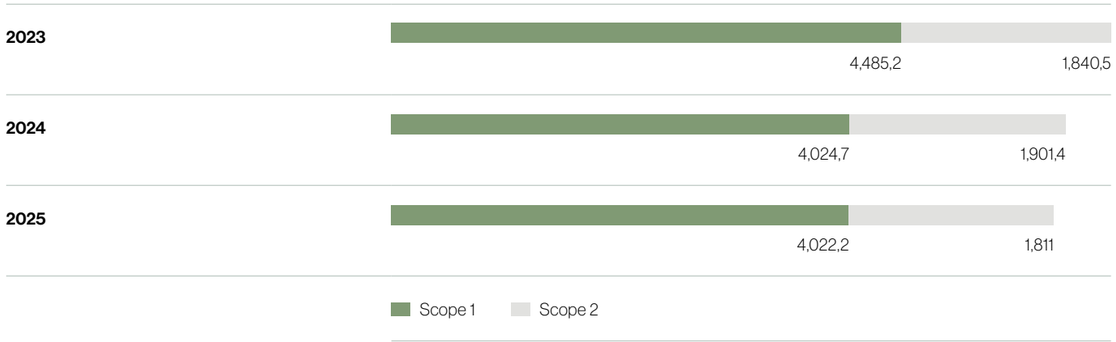
In this context, the analysis of energy use and related emissions represents a key element in understanding and addressing the Group's climate-related impacts. In 2025, the Group continued to monitor its direct GHG emissions (Scope 1) and indirect emissions from purchased energy (Scope 2), in line with the GHG Protocol Corporate Accounting and Reporting Standard, ensuring continuity with the approach adopted in previous reporting periods.

Direct emissions (Scope 1), primarily associated with fuel consumption for heating and operational activities, showed a decrease compared to the previous year, confirming a broadly stable trend. Concerning indirect emissions (Scope 2), data related to 2024 was subject to restatement due to the update of the emission factor associated with the generation of district heating from the cogeneration system used by B&B Italia. Both values of Market-based and Location-based emissions related to 2024 have been recalculated and included in the herein document. According to the recalculated data, Scope 2 emissions show a slight reduction in 2025 compared to 2024, in line with the trend highlighted for Scope 1 emissions over the years.

Overall, the combined Scope 1 and Scope 2 emissions (market-based) show a reduction in 2025 compared to both 2024 and 2023. The decrease reflects a combination of updated emission factors, improvements in the energy mix —including increased use of renewable electricity — and targeted operational actions such as reduced refrigerant usage and ongoing fleet electrification, alongside a general optimization of energy consumption. Additionally, the exit of the Fendi Casa joint venture in July 2025, with emissions accounted for only for the first half of the year, contributed to the overall reduction[4].

These emissions are calculated using both location-based and market-based methodologies. The location-based approach reflects the average emission intensity of national energy grids, while the market-based method considers the specific characteristics of the energy sources procured by the Group.

Scope 1 + Scope 2 (Market-based) emissions (tCO2e)



4. In 2025, Fendi Casa represented approximately 0.25% of the Group's total GHG emissions, considering Scope 1, Scope 2 (market-based) and Scope 3 emissions.

Biogenic emissions from biomass combustion – specifically wood offcuts used for heating at the B&B Italia Group's Caldogno facility – are reported separately from Scope 1 emissions, as they are sequestered through organic growth processes. In 2025, the total amount of biogenic emissions related to the combustion of biomass equaled 642,2 tonsCO_{2e} (ESRS E1-8 31). Compared to the previous year, Scope 3 emissions showed a slight increase of 4%, mainly driven by higher emissions related to purchased goods and materials over the year and to the usage of products sold.

As Fendi Casa left the Group on 1st July 2025, its emissions have been accounted for only for the first six months of the year, corresponding to the period in which the entity was still included within the Group's reporting boundary. Since 2022, the Scope 3 reporting perimeter has included all Group Brands and the Milan Headquarter, covering emissions from the 10 most significant categories out of the 15 identified under the GHG Protocol:

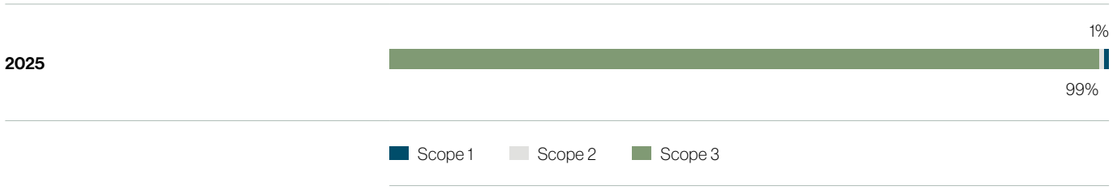
Category 1 **Purchased goods and services**	Category 1 includes all upstream (i.e., cradle-to-gate) emissions from the production of products purchased or acquired by the reporting company in the reporting year. Products include both goods (tangible products) and services (intangible products).
Category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

As illustrated in the chart below, Category 1 accounts for approximately one-fifth of total Scope 3 emissions, covering upstream emissions associated with the production of goods and services purchased by the Group's Brands. Category 11 – Use of sold products represents by far the most significant share of Scope 3 emissions, accounting for most of the total (73%). This category includes emissions generated during the use phase of products sold during the reporting year, reflecting the relevance of downstream activities in the Group's overall emissions profile. Overall, the distribution of emissions across categories highlights the strong contribution of product use and value chain dynamics in shaping the Group's Scope 3 footprint.

	2023	2024	2025
Cat. 1 - Purchased goods and services	100,256	92,093	94,524
Cat. 2 - Capital goods	6,642	4,651	4,002
Cat. 3 - Fuel and energy-related activities	1,237	1,269	1,097
Cat. 4 - Upstream transportation	10,043	7,583	7,539
Cat. 5 - Waste generated in operations	249	251	162
Cat, 6 - Business travel	1,937	1,708	1,507
Cat. 7 - Commuting	4,268	4,236	3,534
Cat. 9 - Downstream transportation	8,115	8,342	6,486
Cat. 11 - Use of Sold Products	357,585	316,699	334,858
Cat. 12 - End-of-Life treatment of Sold Products	2,899	2,804	2,453
TOT GHG Scope 3 emissions	**493,231**	**439,637**	**456,159**

Scope 3 emissions account for the majority of the Group's total emissions, representing 99% of the overall footprint (Scope 1, Scope 2 Market-based and Scope 3 combined).

Total 2025 GHG emissions by Scope (tCO2e)



In 2025, the Group's emissions intensity increased compared to last year, primarily reflecting the rise in total GHG emissions (+3,3%) and the slight decrease in revenues (-2,1%) over the year.

Emissions intensity (TonsCo2e / kEUR)	UoM	2023	2024	2025
Emissions[5]	TonsCO_2e	499,557	445,563	461,993
Total revenues[6]	kEUR	787,770	770,920	754,713
Emissions intensity	Co_2e / kEUR	0.63	0.58	0.61

Carbon offsets - GHG removals and GHG mitigation projects financed through carbon credits (ESRS E1-9)

The Group has undertaken initiatives to address its greenhouse gas emissions with the aim of supporting its transition towards lower environmental impact operations.

Starting in 2020, the Group implemented a carbon offsetting approach as an initial, Group-wide action, based on the purchase of carbon credits to compensate for residual Scope 1 and Scope 2 market-based emissions. This approach enabled the Group to achieve carbon neutrality for its direct operations since 2020. The use of carbon credits is intended as a transitional measure, supporting the mitigation of residual emissions while improving the understanding and management of the emissions profile at both Group and Brand-level. In this context, the purchase of credits complements the activities already in place to monitor emissions across operations and along the value chain.

The Group's approach to carbon credits is framed within a broader commitment to advancing climate responsibility within its industry, while promoting awareness and engagement across its Brands and business partners.

5. Emissions include Scope 1 emissions, Scope 2 emissions calculated according to the market-based approach, and Scope 3 emissions.
6. Revenues refer to the invoice "Total revenues of the Group" as reported in the Group's financial statement as of 31st December 2025.

Neutralizing our residual emissions

As a complement to Flos B&B Italia Group's initiatives to manage and reduce its absolute greenhouse gas ("GHG") emissions, the Company has since (2020) purchased carbon credits on the voluntary carbon market to neutralize its residual Scopes 1 and 2 greenhouse gas emissions. The Company's primary climate mitigation approach is to reduce its absolute carbon emissions over time. Through the purchase of carbon credits, Flos B&B Italia Group also provides carbon financing to climate mitigation projects beyond its value chain.

In 2025, the project from which Flos B&B Italia Group has purchased carbon credits is the "Great Bear Forest Carbon". This project was chosen because of its strong credentials on environmental and biodiversity issues as well as its social initiatives.

Great Bear Forest Carbon project[7], Canada

The Great Bear Rainforest is one of the world's largest remaining, intact rainforests. Stretching across 6.4 million hectares on British Columbia's northern coast, it contributes to carbon absorption on a massive scale. This landscape is home to diverse wildlife, including the rare Spirit Bear. First Nations communities have protected and cared for this rainforest for over 14,000 years.

The Great Bear Forest Carbon Projects protect the ecological and cultural integrity of the Great Bear Rainforest and Haida Gwaii. Revenue from these projects funds vital initiatives such as forestry planning, marine and biodiversity management, and investment in sustainable industries – including renewable energy, tourism, shellfish aquaculture, and non-timber forest products. By purchasing carbon offsets from the Great Bear Forest Carbon Projects, buyers contribute to a globally recognized conservation effort that safeguards ancient forests, upholds Indigenous rights, and supports resilient communities (Great Bear Carbon | Indigenous-Led).

7. The Great Bear Forest Carbon project is registered on the British Columbia Registry under three different projects: Great Bear (South Central Coast) 10400000011319, Great Bear (Haida Gwaii) 10400000011559 and Great Bear (North and Central-Mid Coast) 10400000012798 aims to generate Improved Forest Management and reforestation-based carbon credits.

Management of pollution, water and biodiversity along our value chain (ESRS E2, E3, E4) (GRI 300, 303, 304)

The Group has identified environmental impacts related to pollution, water use and biodiversity, primarily occurring along its value chain.

In particular, pollution-related impacts are associated with the potential release of pollutants and hazardous substances into the atmosphere—such as NOx, particulate matter and volatile organic compounds—during value chain operations, as well as the potential discharge of polluting agents into water in upstream and downstream activities. The Group has also identified impacts related to water use, particularly in relation to water consumption by suppliers and other business partners operating in water-stressed areas, potentially contributing to water scarcity risks. Furthermore, biodiversity-related impacts have been identified, notably concerning potential reductions in ecosystem extent and the degradation of ecosystem services linked to activities carried out by suppliers and other value chain partners.

These impacts originate from upstream and downstream processes and reflect indirect environmental pressures associated with industrial, sourcing and other value chain activities, although they are not directly generated by the Group's own operations (ESRS 2 IRO-2).

Topic	Sub-topic	Impacts	Value chain
Pollution	Pollution of air	Release of pollutants and hazardous substances in the atmosphere (e.g. NOx, PM, VOCs) in operations along the value chain (Potential, Negative)	Upstream, Downstream
	Pollution of water	Release of polluting agents in the water during operations along the value chain (Potential, Negative)	Upstream
Water and marine resources	Water use, which include withdrawal, consumption, discharges and storage	Water scarcity in water stressed areas along the value chain due to water consumption (Potential, Negative)	Upstream
Biodiversity and ecosystems	Drivers of biodiversity and ecosystem change	Reduction in the extent of ecosystems and ecosystem services associated with biodiversity loss due to activities along the value chain (Potential, Negative)	Upstream

Policies and actions related to pollution, water and biodiversity (ESRS E2-1, E2-2, E3-1, E3-2, E4-2, E4-3)

While the Group has not adopted dedicated policies specifically addressing pollution, water or biodiversity, these topics are considered within its broader Sustainability Policy.

In particular, the Sustainability Policy sets out general principles on environmental protection, including the responsible management of environmental impacts, the sustainable use of natural resources and the promotion of more sustainable practices across operations and the value chain. These principles are reinforced through the Supplier Code of Conduct, which requires business partners to comply with applicable environmental laws and regulations, manage emissions to air, water and soil responsibly, and oversee the use of natural resources in a manner that minimizes negative environmental impacts.

This includes, where relevant, monitoring and reducing pollution-related impacts, promoting responsible water management and adopting practices aimed at preserving natural resources and limiting adverse effects on ecosystems. Through these instruments, the Group encourages the adoption of environmentally responsible practices across its supply chain.

At the current stage, the Group has not established specific initiatives, action plans or dedicated programs explicitly targeting pollution-, water- or biodiversity-related impacts. Nevertheless, these matters are indirectly addressed through broader efforts aimed at strengthening environmental management, increasing environmental awareness and promoting responsible sourcing practices across the Group and its value chain.

Resource use and Circular Economy (ESRS E5) (GRI 301, 306)

Resource use and circular economy represents a material topic for the Group, with impacts identified across both its direct operations and value chain as described below (ESRS 2 IRO-1).

Topic	Sub-topic	Impacts	Value chain
Resource use and Circular Economy	Resource outflows related to product and services	Depletion of natural resources and scarce contribution to circular economy due to the design and engineering of products that require virgin raw materials (Potential, Negative)	Direct operations
		Depletion of natural resources and scarce contribution to circular economy due to the use of virgin raw materials during operations along the value chain (Potential, Negative)	Upstream
	Resource outflows (Waste)	Damage to the environment due to the generation of waste during direct operations (Actual, Negative)	Direct operations

The Eco-design Framework – Policies/ actions/targets related to resource use and circular economy (ESRS E5-1, E5-2, E5-3)

As defined in its Sustainability Strategy, Flos B&B Italia Group is committed to adopting a responsible environmental approach across its entire value chain, from production processes to product use.

Within this context, Louis Poulsen exemplifies a longstanding tradition of Nordic design focused on quality, longevity, and harmony with the surrounding environment. More broadly, many of the Group's Brands originate from territories where a strong connection with nature is deeply rooted in local culture and identity. For example, B&B Italia is based near Lake Como, in Northern Italy, a region known for its craftsmanship and heritage in furniture production. This connection to the natural context is also reflected in the company's infrastructure, such as the R&D center designed by Antonio Citterio and Patricia Viel, conceived to integrate seamlessly into the landscape. Similarly, Maxalto operates from a production site in Misinto, located within the Parco delle Groane, a protected natural area north of Milan, further highlighting the Group's close relationship with its surroundings.

In recent years, a dedicated cross-Brand working group has carried out an in-depth analysis of eco-design principles, with the objective of establishing a shared set of KPIs to guide the development of products integrating sustainability features at both Brand and Group level.

The introduction of this Framework represents a key milestone in advancing the Group's objectives on eco-design and circular economy, in line with SDG 12 – Responsible Consumption and Production. It also strengthens the Group's role as a leader in promoting sustainable practices within the luxury design sector. The standardized KPI system defined by the Framework allows each Brand to monitor the progress of eco-design initiatives through both qualitative and quantitative indicators. To further support this approach, a product maturity assessment tool has been developed and applied across all Brands and product categories, including lighting, furniture, kitchens, and accessories. This tool provides a structured methodology for product evaluation, integrating measurable data with qualitative insights to ensure a comprehensive assessment of sustainability performance.



Tortello sofa by Edward Barber & Jay Osgerby, B&B Italia

The quantitative assessment: the 7 eco-design principles

- Design: The Group aims to create timeless and durable products that reflect its heritage and high-quality standards. Items are conceived to ensure long-lasting aesthetic and functional value, reinforcing brand longevity. Products are designed, where applicable, with their end-of-life in mind, in order to facilitate disassembly and the separation of components and enable their recovery, recycling, and reuse; however, these principles are not yet applied across the entire product portfolio.This approach supports circularity and promotes a more efficient use of materials, with a focus on minimizing raw material consumption across all design elements.
- Materials: Within the Group's approach to materials, transparency is a core principle, with clear and detailed information provided on the composition and environmental impact of materials and components. In parallel, efforts are made to reduce toxic emissions throughout the product lifecycle by adopting advanced production processes that limit the release of harmful substances, thereby protecting both the environment and human health.
- Components: The Group selects high-quality components that comply with international standards to ensure durability, performance, and extended product lifespans. Products are designed to facilitate maintenance and potential upgrades, further supporting longevity. Alongside reliability, particular attention is given to component efficiency, with the aim of reducing emissions associated with product performance, including aspects such as lighting quality and geometry.
- Procurement: The Group prioritizes local sourcing of materials and services, where feasible, in order to limit environmental impacts related to transportation. Suppliers are invited to adhere to international frameworks such as the UN Global Compact, as well as globally recognized environmental, health, and safety standards.
- Manufacturing: Reducing energy consumption across production sites remains a key objective. The Group is committed to lowering direct energy use while increasing the share of renewable energy, thereby reducing its overall carbon footprint. At the same time, process control is strengthened to improve efficiency and minimize waste and material losses. The health and safety of employees is also a top priority, supported by corporate policies that enforce rigorous standards and preventive measures to reduce workplace risks.
- Logistics & in-use: Actions in this area focus on minimizing the environmental impact of packaging and improving product energy efficiency. The Group promotes the use of recyclable and certified packaging materials while reducing their volume whenever possible. Energy efficiency is a central element of product design, particularly for lighting and electrical equipment, given its relevance for lifecycle emissions. Additionally, the availability of spare parts in line with warranty policies supports product durability, reduces waste, and delays replacement needs.
- End of life: The approach to end-of-life management is based on recycling, disposal, and waste management practices. Where possible, the use of recyclable materials is considered, while non-recyclable components may be managed in collaboration with certified partners. In parallel, the Group explores solutions to extend product life beyond initial use, including upcycling initiatives, take-back schemes, and second-life applications, taking into account the complexity of implementing circular models at scale.

For each of the seven principles, a dedicated rating methodology and assessment guidelines have been defined. The quantitative analysis results in an overall score, calculated as the average of the KPIs, on a scale from 1 to 5.

The framework is in the process of being studied to be integrated withing the Brands' products, in order to adopt eco-design and circular economy practices for the development of new products in the future.

The qualitative assessment: the Maturity Assessment Model

Following the quantitative assessment across the seven eco-design principles, a second, more qualitative evaluation is performed to determine the final eco-design score. To support a path of continuous improvement, five maturity levels have been defined, reflecting the progressive integration of eco-design principles over time. This qualitative assessment considers 21 criteria, providing a comprehensive view of product sustainability performance beyond numerical metrics:

- Timeless and durable design, rooted in the Group's heritage and identity, ensuring long-lasting relevance;
- Material durability, reflecting both product quality and resistance to wear over time;
- Optimized design, aimed at minimizing raw material use across all components;
- Design for disassembly, integrated into product concept and engineering;
- Use of sustainable raw materials, including recycled or non-virgin inputs with lower carbon footprint;
- Transparency, ensured through clear and comprehensive product documentation;
- Environmentally responsible materials, with attention to the presence of hazardous substances;
- High material quality, ensuring compliance with international standards and long-term performance;
- Ease of maintenance, supporting extended product lifespan;
- Low emissions, reflecting overall product efficiency;
- Local sourcing, prioritizing proximity in supplier selection;
- Cascading ESG requirements across the value chain;
- Supplier monitoring, ensuring oversight by category, geography, and vendor;
- Energy consumption, with a focus on reduction and increased use of renewable sources;
- Production scrap and waste, measured to monitor efficiency;
- Health and safety performance, aimed at safeguarding employees and reducing injury rates;
- Sustainable packaging, favoring recyclable materials and reduced volumes;
- Energy consumption in use (e.g. lighting), to assess lifecycle efficiency;
- Repairability, supported by the availability of spare parts in line with warranty policies;
- Recycling and end-of-life management, ensuring proper treatment through certified partners;
- Second-life potential, including upcycling, take-back schemes, and other life-extension initiatives.

All these elements contribute to defining the eco-design maturity level of each product. The final eco-design score results from the combination of the quantitative KPI average and the qualitative maturity assessment, providing a holistic evaluation of sustainability performance.
The methodology defined in the Framework enables a consistent and structured assessment of how each Brand integrates eco-design and circularity into its products. Designed to be flexible, the Framework can be applied across all product categories, from lighting and furniture to kitchens and accessories, ensuring a harmonized approach to sustainable innovation, while remaining adaptable to evolving eco-design trends and regulatory developments.

Design for the Planet – Environmental information



The Tired Man lounge chair by Flemming Lassen, Audo

Eco-design maturity levels

Across Flos B&B Italia Group, five eco-design maturity levels have been defined to assess and guide the progressive integration of sustainable design practices:

1. Initiation: At this initial stage, eco-design and lifecycle principles are applied in an exploratory and non-systematic way. Progress largely depends on individual initiatives, with limited consistency and replicability across projects.

2. Developing: At this stage, the first structured efforts to integrate eco-design and lifecycle considerations are in place. Basic practices have been introduced and can be replicated in specific areas, although they are not yet fully embedded across processes.

3. Defined: At the defined level, standardized procedures are adopted to ensure the consistent application of eco-design and lifecycle principles. This stage is characterized by formalized processes, increased documentation, and stronger alignment across teams.

4. Managed: At the managed level, eco-design practices are systematically monitored through data collection and performance analysis. This enables more informed decision-making and supports continuous improvement.

5. Optimized: At the most advanced stage, products are continuously improved based on feedback from Branding, R&D, Production, Sales, and customers. Ongoing innovation ensures that products progressively meet higher standards of sustainability and performance.



Convivium kitchen by Antonio Citterio, Arclinea

Product Development

At Flos B&B Italia Group, we believe that sustainability should be intrinsically linked to the beauty and quality of our products. This vision is embodied in our “design for life” philosophy, which places durability and timeless appeal at the core of our design approach.

Across the Group, Brands are advancing eco-design by exploring innovative materials and rethinking product development approaches. FLOS and B&B Italia, in particular, demonstrate this commitment through investments in lower-impact materials and the application of circular design principles to re-engineer existing collections. Recent examples include the launch by FLOS of the Bellhop Glass and SuperWire lamps, as well as B&B Italia’s “Tufty-Time 20”, both developed with longevity in mind and a strong focus on environmental responsibility.

Sharing our environmentally conscious approach with our suppliers

Integrating environmentally responsible practices into procurement is a key lever for advancing our sustainability strategy. In this context, we prioritize close collaboration with our suppliers to ensure alignment with our core environmental principles. All suppliers are required to comply with internationally recognized standards on sustainability and traceability, including the International Bill of Human Rights, the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work, as well as relevant ILO Conventions and Recommendations. In addition, suppliers are expected to adhere to our ethical and social standards, including commitments to anti-corruption, full legal compliance, and the explicit rejection of anti-competitive practices[8].

Within our portfolio, B&B Italia conducts regular assessments of its wood product suppliers to verify compliance with responsible sourcing practices, as well as proper material processing and handling in line with FSC standards [ESRS E5-2] [GRI 308-1, GRI 414-1].

8. To reinforce adherence to ESG principles, the Flos B&B Italia Group’s Board of Directors formally approved the Suppliers Code of Conduct in 2022, establishing it as the cornerstone of the relationship with suppliers on ESG-related matters.

B&B Italia, Arclinea and the FSC Standard



Convivium kitchen by Antonio Citterio, Arclinea

The Forest Stewardship Council® (FSC®) is an international non-profit organization that provides a globally recognized forest certification system, aimed at ensuring responsible forest management and traceability of related products. Since 2013, Arclinea[9] has implemented a supplier evaluation system aligned with FSC® principles.

Approximately 80% of Arclinea's wood supply and products are FSC® Mix certified, representing around 70% of the total wood procured by B&B Italia Group.

B&B Italia has consistently demonstrated a strong commitment to environmental stewardship, as reflected in its choice to manufacture selected furniture exclusively using FSC® Mix/ FSC® 100% certified wood materials. Over time, the share of fully certified products has steadily increased, highlighting the Brand's ongoing efforts to expand the use of certified[10] materials across its collections.

In addition, Audo has adopted the Declare label for several of its collections, further enhancing transparency and reinforcing its accountability in sustainable product development.

9. Licence Code FSC-C118694
10. Licence Code FSC-C142045

Audo's quest for transparency and accountability

Audo has recently adopted the Declare label, a globally recognized transparency standard that provides detailed information on product characteristics. This includes data on material composition, sourcing, expected lifespan, and end-of-life options. Furthermore, Declare verifies compliance with the Living Building Challenge (LBC) Red List[11] requirements. Its methodology covers the full product lifecycle — from production to disposal — enabling manufacturers to disclose the substances contained in their products.

This level of transparency supports consumers and design professionals in making more informed and responsible purchasing decisions.



Tearoom Lounge chair by Nick Ross, Audo

11. The Living Building Challenge (LBC) Red List comprises materials, chemicals, and elements recognized for their significant hazards to human health and the broader ecosystem, and which are commonly found within the building products sector.

ESG and Risk Management Assessment across our supply chain

Each Brand operates with distinct production processes and supplier management approaches, tailored to its specific market positioning and manufacturing requirements. Responsibility for overseeing supply chain activities rests directly with the Brands, enabling them to fulfil production needs while maintaining high standards of quality and craftsmanship across all stages – from design and material sourcing to assembly and final production[12].

Given the geographic distribution of production facilities, the Brands actively seek to collaborate with local suppliers, thereby supporting the communities in which they operate. While a significant share of operations remains based in Europe, the supplier base reflects ongoing adjustments driven by changes in production setups across different regions.

All Brands are committed to mitigating the environmental and social impacts associated with their supply chains and are working towards the implementation of structured supply chain management systems. For example, Audo onboarded two new suppliers during the reporting period, increasing the share of the previous suppliers who had already signed the Group's Supplier Code of Conduct in the previous year, reaching over 80% of signatory suppliers. Additional assessment activities, including audits, are expected to be implemented in connection with the adoption of the EUDR Regulation. To support this process, a dedicated platform for supplier management and engagement has been developed to ensure regulatory compliance. As a next step, the Brand plans to introduce a specific questionnaire to collect environmental information from suppliers. Similarly, Louis Poulsen is progressively strengthening its supply chain governance through a more structured and compliance-driven approach. While a fully formalized framework is still under development, the Brand is increasingly enhancing supplier expectations, including ongoing compliance monitoring and engagement activities. In this context, the Code of Conduct currently covers 88% of supplier spend. As done in the past, supplier audits were conducted also during the reporting period, resulting in detailed audit reports and the definition of corrective action plans, most of which have already been completed. Responsible sourcing has been identified as a key priority; in this context, the Brand is prioritizing the identification of strategic suppliers to strengthen local sourcing.

With specific reference to regulatory developments, Arclinea has also initiated preliminary activities in relation to the European Union Deforestation Regulation (EUDR). These include supplier engagement initiatives aimed at collecting relevant information on the origin and traceability of raw materials and strengthening over time its due diligence controls on materials purchased.

At Group-level, the Group is currently reviewing its Sustainability strategy, which includes the definition of high-level targets related to its supply chain, reflecting its significant contribution to overall environmental impacts. In this context, the Brands play a central role in the development and evolution of their own sustainability strategies, within the direction defined by the Group. These targets tackle the development of a structured ESG evaluation framework for suppliers and the progressive assessment of relevant suppliers based on defined criteria, ultimately supporting climate change mitigation through increased transparency, improved risk management, and enhanced engagement across the supply chain.

12. The perimeter of the analysis only includes FLOS Group, B&B Italia Group and Louis Poulsen.

Our efforts to mitigate products' impacts throughout their lifecycle (ESRS E5-2)

The integration of circularity and eco-design principles across the Group has led to the development of products designed to enhance environmental performance, both through the introduction of new solutions and the continuous improvement of existing collections, with increased use of innovative and lower-impact materials.

Louis Poulsen's Refurbish of PH 5

Launched in 2021, the initiative aims to extend the lifespan of used or damaged products through in-house refurbishing processes. Initially introduced in Denmark with a limited number of products, the program was expanded in 2022 to include the iconic PH 5 pendant lamp. Refurbished products are then reintroduced to the market with a full warranty, ensuring both quality and durability. As of 2025, the program remains active with the same product scope. In parallel, Louis Poulsen has developed a digital platform dedicated to portable lamps, based on standardized components that facilitate repairs and support longer product lifecycles. An example is the Panthella Portable 250 V3, designed with a replaceable, Qi-compatible battery, further reinforcing the Brand's commitment to durability and circularity.

Louis Poulsen: Progress Towards Circular Design and Repairability

The Brand is integrating elements of circular design, although a fully structured eco-design framework has not yet been formalised. All products are designed to include spare parts, supporting repairability and contributing to the extension of product lifecycles. Broader circular design principles are still under development and are planned to be integrated into product design and development processes over the coming years. To support this transformation, Louis Poulsen provides spare parts, partial component replaceability, retrofit kits and upgrade kits.

Most existing products, as well as all newly launched products, already incorporate features aligned with these principles, demonstrating tangible progress toward improved circularity.



Jærmuseet museum in Nærbø, Norway, Louis Poulsen

Cocùn: Comfort and Material Choices

Introduced in 2025, Cocùn reflects B&B Italia's ongoing attention to material choices within product development. While the collection is primarily presented through the lenses of comfort, modularity and flexibility, its technical information also highlights the use of polyester fibre recycled from PET in the back upholstery, seat cushion upholstery and back cushions. This element provides a tangible example of how selected recycled materials are being integrated into new product solutions, alongside the brand's broader focus on quality, versatility and design continuity.

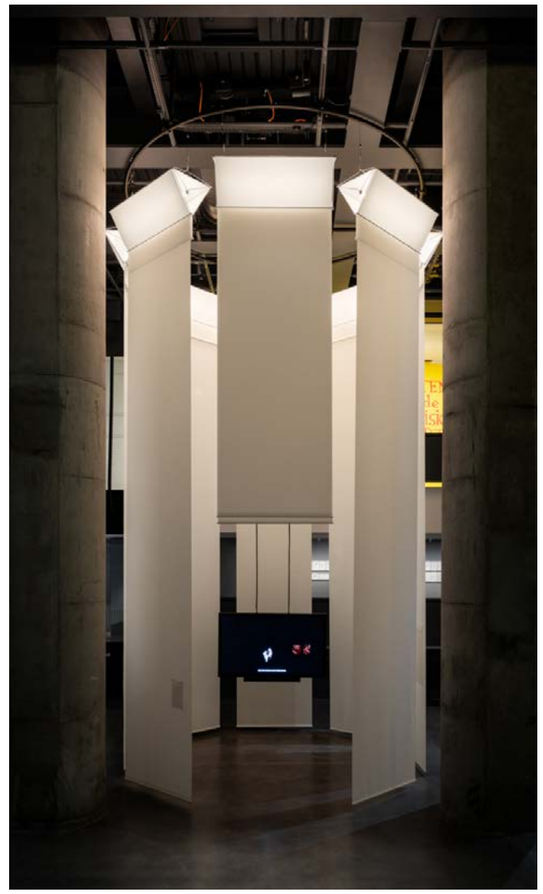
Conscious craftmanship: the expanded Erica Outdoor collection by B&B Italia

In the past year, B&B Italia expanded the "Erica" sofa family, introducing a broader range of sofas, armchairs, sunbeds, and tables to create a complete outdoor collection. This development highlights a strong focus on environmental performance, through the use of recyclable materials such as aluminum and padding made from recycled PET. The sofas are designed for easy disassembly into individual components, facilitating recycling and reducing waste at end of life. The seating cushions are made from a fully biodegradable fiber derived from recycled PET, with all layers engineered for straightforward separation. In addition, the collection includes tables available in aluminum and fused glass, as well as versions featuring tops in FSC-certified solid teak, further reflecting the Group's commitment to integrating, where feasible, lower-impact materials into its products.

Looking ahead to 2026, B&B Italia has outlined a further expansion of the Erica collection, including new linear and curved high-back sofas, a hemicycle sofa and additional low tables, further extending the range's versatility across outdoor settings, while maintaining the sustainability-related features already embedded in the collection's design and material choices.

FLOS: Flexible and Modular Design in Cultural Spaces

In 2025, Flos contributed to the Exposition Générale at the Fondation Cartier pour l'art contemporain in Paris, collaborating with Formafantasma and architect Jean Nouvel. Within this project, Flos developed bespoke lighting solutions as part of a modular exhibition system, where light plays both a functional and spatial role, guiding visitors and shaping the exhibition experience. This approach highlights the Group's commitment to integrating design, functionality and user experience, while engaging in high-profile cultural collaborations that promote innovation and experimentation in lighting applications.



Flos Bespoke lighting for Fondation Cartier pour l'art contemporain

Audo: introducing the Digital Product Passport

The Brand is currently developing initiatives related to the Digital Product Passport (DPP) within the framework of a six-month project carried out in collaboration with the "Lifestyle and Design Cluster," involving stakeholders across Norway, Sweden and Denmark. The initiative is expected to be formally launched in the coming years. The project focuses on key areas including emissions reduction, extension of the product use phase, waste prevention, improvement of operational sustainability and enhanced traceability along the value chain. As such, it represents an important step towards the future integration of circular economy principles into product design and lifecycle management, although the approach remains under development.



The Brasilia Lounge Chair by Anderssen & Voll, Audo

Prolong: Extending Product Lifecycles at Audo

Particular attention has been devoted to extending product lifetimes and promoting repairability, recognising their importance in enhancing customer experience and enabling more responsible product use over time. In this context, Audo has developed Prolong, a service dedicated to extending the useful life of furniture products through professional repair solutions. The initiative provides customers with access to qualified repair services and, where necessary, original spare parts supplied directly by the company to ensure compatibility and quality. The service, currently offered in Europe, supports the maintenance and repair of products beyond the warranty period, helping preserve their functionality and value over time.

Lastly, Audo has integrated eco-design principles from the earliest stages of its research and development activities, by defining a set of responsible design and manufacturing standards. The Brand places strong emphasis on durability, timeless appeal, and tactile quality, recognizing that a product's lifespan is a key determinant of its overall environmental impact.

To identify lower-impact products, Audo requires that items meet at least seven out of nine criteria during the design and production phases in order to be classified as "responsible" within the collection:

- Made Well for Longevity: products are developed using materials, processes, and warranty policies that enhance quality and extend lifespan;
- Solutions for Repair and Revitalization: designs encourage maintenance, upgrades, and revitalization to prolong usability;
- Design for Disassembly: components and materials are selected to allow easy separation at end of life;
- Declaration of Materials: full disclosure of materials and substances used is ensured;
- Safe Substances: all substances are assessed to exclude harmful chemicals, including CMR substances, indoor air pollutants, and known allergens;
- Material Life Cycle Screening: products are conceived with consideration of their entire lifecycle;
- Near-market Production: near-market manufacturing is prioritized wherever feasible to reduce transport impacts;
- The Audo Code of Conduct: partners are required to adhere to a code of conduct promoting responsible and sustainable practices;
- Certifications: products are expected to obtain recognized third-party certifications (e.g. FSC, Oeko-Tex, Declare), ensuring compliance with environmental and safety standards.

In parallel, Life Cycle Assessment (LCA) is emerging as a key tool for evaluating the environmental impacts of products in a structured and data-driven way. The Group's Brands are progressively adopting this methodology to identify key impact hotspots, inform design choices, and support more sustainable product development across their portfolios.
LCAs consider the entire lifecycle of a product—from raw material extraction and production to distribution, use, and end-of-life—providing quantitative insights into the environmental impacts associated with each phase. This enables Brands to identify improvement areas, select more sustainable materials, and make informed decisions that contribute to reducing their overall environmental footprint.

Life Cycle Assessments: a tangible method to quantify our environmental impact

The Cordoba armchair

The Cordoba armchair by B&B Italia, including its outdoor version, is FSC-certified. The indoor version, introduced in 2022, has been assessed through a Life Cycle Assessment (LCA) to evaluate its environmental footprint. Designed in collaboration with Foster + Partners, the product combines natural teak wood with a polypropylene-reinforced canvas cover.

The cover is easily removable, facilitating maintenance and enabling effective material separation at end of life, thus supporting responsible disposal practices. Several products across the Group's portfolio have undergone LCAs in recent years, reflecting a growing commitment to better understand and reduce environmental impacts throughout the entire product lifecycle.



Cordoba armchair by Foster+Partners Industrial Design Studio, B&B Italia

Lighting products

A wide range of lighting products has been assessed through LCAs, leading to the development of more than 17 Environmental Product Specifications. These documents enhance transparency by providing detailed information on raw materials and associated emissions.

The Thea collection

In the kitchen segment, selected components of the Thea collection, including base unit drawers and shelves, columns, and wall units, have been evaluated using a "cradle to gate" approach. This methodology assesses impacts from raw material extraction through to the product leaving the factory, generating data-driven insights to support more sustainable production choices.

At the current stage, the Group has not established specific targets related to resource use and circular economy, while continuing to develop its approach in this area over time (ESRS E5-3).

Design for the Planet – Environmental information



Bibambola de "Le Bambole", B&B Italia, design Mario Bellini

Materials use

Resource inflows (ESRS E5-4) (GRI 301-1)

The Group is committed to progressively reducing its environmental footprint, with particular attention to the selection and management of input materials. In this context, efforts are focused on minimising the use of hazardous substances and limiting reliance on single-use materials, while preserving the quality standards that characterize the Group's products.

Across the Group, Brands continuously assess the materials and components used in production, gradually orienting procurement strategies towards solutions that are less resource-intensive and have a lower environmental impact. This approach is embedded from the early stages of product development, with the aim of avoiding harmful substances and prioritizing, where feasible, natural or recyclable alternatives.

The table below presents the volumes of raw materials and semi-finished products purchased over the period 2023–2025. The observed trend shows an overall decrease, mainly attributable to lower volumes assembled and sold during the year, with potential additional effects related to changes in the product mix. In particular, shifts in the types of products manufactured influenced the relative use of different materials, depending on their technical and design characteristics.

This trend is not uniform across the Group. Variations at Brand level reflect the heterogeneity of product portfolios; therefore, the overall evolution should be interpreted in light of changing commercial dynamics and product composition across Brands.

Materials[13]	2023	2024	2025	% on total materials (2025)
A) TOP 3 MATERIALS				
Wood	4,062	4,108	3,921	37%
Aluminum	2,330	2,417	2,386	23%
Iron/steel	2,309	2,172	1,914	18%
Total TOP 3 materials	**8,701**	**8,697**	**8,221**	**78%**
B) OTHER MATERIALS				
Marble	450	626	534	5%
Plastic	405	490	433	4%
Fabrics	566	430	413	4%
Glass	327	404	338	4%
Polyurethane	394	299	287	3%
Appliances	116	186	150	2%
Brass	52	78	53	< 1%
Leather	51	39	37	< 1%
Paints	43	46	29	< 1%
Foam	28	57	26	< 1%
Copper	13	43	23	< 1%
Gypsum	23	28	23	< 1%
Glue	9	13	12	< 1%
Other metals	5	14	11	< 1%
Paper	1	9	8	< 1%
Rubber	4	6	3	< 1%
Ceramic	4	10	2	< 1%
Concrete	1	1	-	< 1%
Chemicals	-	-	-	< 1%
Cotton	-	-	-	< 1%
Zinc	-	-	-	< 1%
Silicone	-	-	-	< 1%
Total materials	**11,193**	**11,476**	**10,604**	**22%**

13. The data related to B&B Italia has been estimated based on the Brand's revenue for 2025.

Design for the Planet – Environmental information

The Group's Brands utilize a broad range of materials in their design processes, reflecting the diversity of product portfolios and associated procurement strategies. Wood remains the predominant material, representing approximately 37% of total purchases, and is primarily used in Arclinea's kitchen systems as well as in B&B Italia's furniture collections. Leather is employed more selectively, mainly in the production of sofas and seating solutions, particularly within B&B Italia and its subsidiaries. Among metals, aluminium constitutes a key input, accounting for around 23% of total purchases, with its use largely concentrated within FLOS, which represents the majority of the Group's aluminium consumption.

Electronic components[14]	UoM	2023	2024	2025
Electrical components	Units	7,252,731	7,164,110	6,992,109
LED and LED components	Units	3,926,371	4,579,391	4,764,408
Transformers & power supply	Units	174,806	169,802	175,755

Regarding packaging materials, the table below presents the quantities purchased over the period 2023–2025[15].

Packaging	2023	2024	2025
Paper	1,891	2,053	1,979
Wood	468	493	455
Polyethylene / Plastic	74	107	101
Polystyrene	9	9	9
Total packaging	**2,442**	**2,662**	**2,544**

14. Data is related to FLOS.

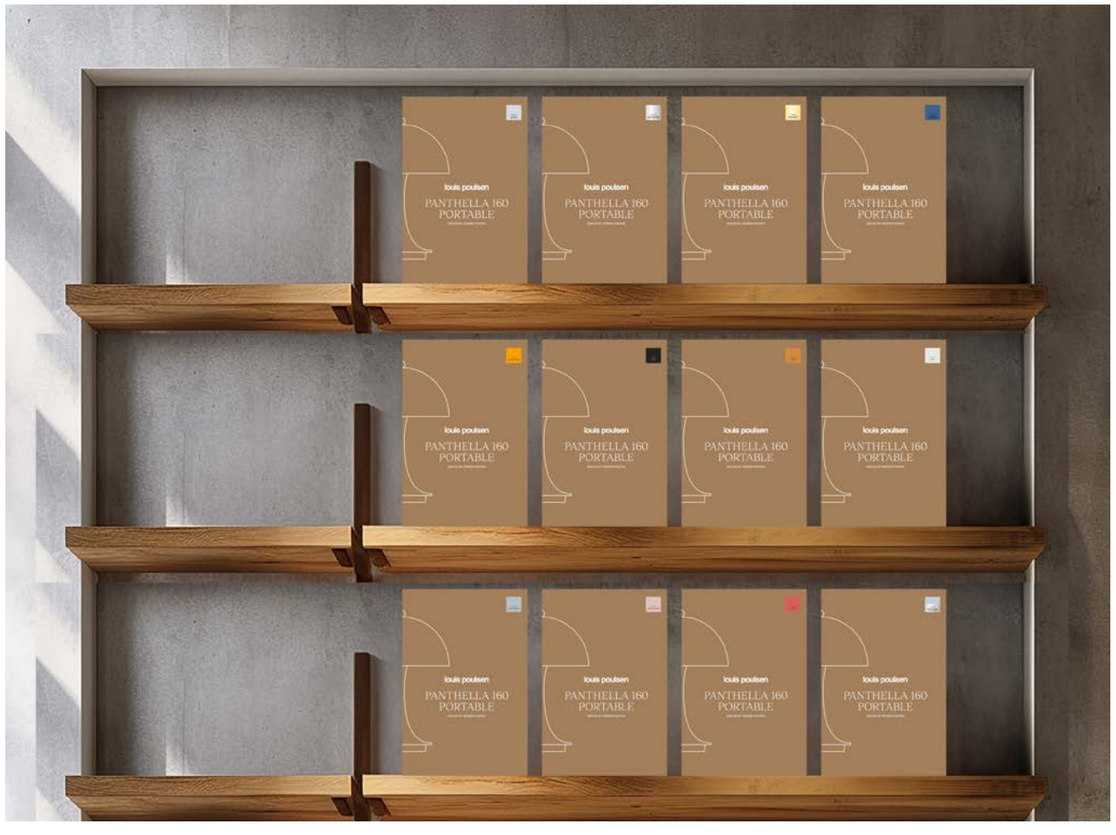
15. 2025 reporting perimeter includes FLOS, B&B Italia and Louis Poulsen. The data related to B&B Italia has been estimated based on the Brand's revenue for 2025.

Across the Group, efforts to reduce the environmental impact of packaging have progressively intensified in recent years, with a focus on increasing the use of recycled and recyclable materials, reducing waste and phasing out problematic components such as expanded polystyrene and single-use plastics.

Several products now incorporate FSC-certified cardboard, combining responsibly sourced virgin fibers with recycled content. In parallel, alternative paper-based solutions are being introduced in place of traditional packaging foams, while plastic components, such as bags, are increasingly manufactured with a minimum share of recycled material. These improvements are driven by close collaboration between design and R&D teams, ensuring that packaging solutions maintain their protective function while aligning with sustainability objectives.

In addition, the Group is working to optimize overall packaging efficiency by reducing volumes, streamlining formats and limiting the variety of materials used. Where feasible, printed marketing materials have been replaced by digital solutions, and tools such as QR codes are being introduced to provide customers with information on the environmental characteristics of packaging.

Looking ahead, the Group remains committed to phasing out single-use plastics in packaging. In the lighting segment, this transition has already been largely implemented through the replacement of plastic materials with alternative solutions. In the furniture segment, the transition remains more complex and is still under evaluation.



Panthella 160 Portable Lamp packaging design 2024, Louis Poulsen

Waste Management

Resource outflows (ESRS E5-5) (GRI 306-3)

We are committed to continuously enhancing our waste management and recycling practices, with the aim of fostering a strong culture of environmental responsibility throughout our operations. This includes actively involving our employees in environmentally conscious behaviors and decision-making at all levels of their work. We systematically track and manage waste generation and disposal across all sites, ensuring full compliance with applicable regulations in each country. As shown in the table, total waste generated has slightly decreased, remaining broadly in line with last year's levels.

This trend is mainly attributable to the specific characteristics of newly launched products across the Group's Brands, as well as to ordinary fluctuations in business activities.

Waste typology[16]	2023	2024	2025
Wood	283	386	394
Metal materials	180	207	173
Non-municipal waste	143	185	169
Other	270	90	121
Aqueous solutions	250	93	96
Paper	70	69	79
Plastics	53	25	29
Paintings	21	22	28
Glass	8	10	12
Sludge	14	12	11
Construction materials	50	5	6
Bottom ashes	-	-	-

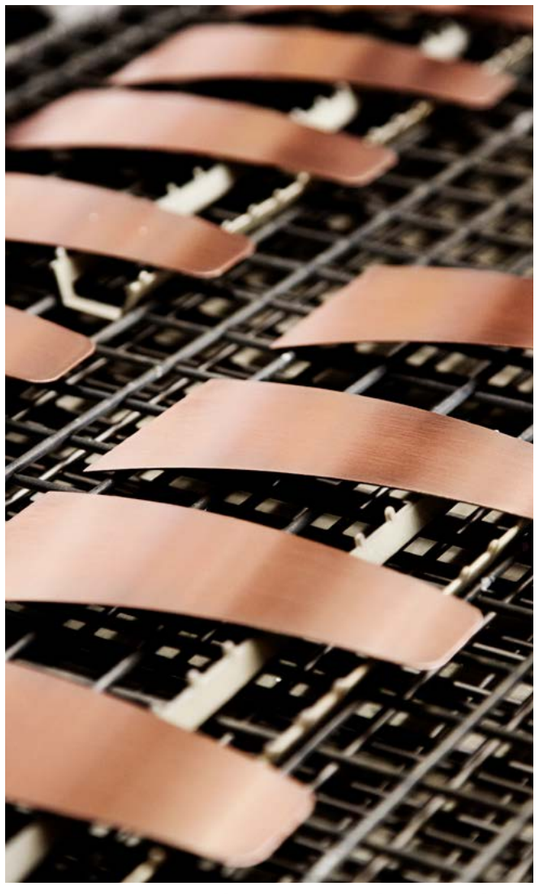
16. Audo's figures on waste produced in 2025 are not included. The Brand is committed to improve their monitoring for future reporting periods, aligning with other Brands of the Group.

Waste typology		2023	2024	2025
Packaging	Mixed materials	368	376	417
	Wood	192	305	258
	Paper/Paperboard	212	190	168
	Plastics	18	10	14
	Glass	4	4	3
	Metal	-	-	-
Total waste		**2.136**	**1.989**	**1.977**

Spotting a light on circularity – Resource outflows

Our Brands are advancing the development of innovative approaches aimed at designing durable, high-quality products by incorporating materials recovered from worn, damaged, or returned items. For example, FLOS has implemented an enhanced customer service program offering repair, exchange, and replacement solutions, contributing to a meaningful reduction in waste.

Again, Louis Poulsen contributes to reducing resource outflows by supporting product longevity through the availability and selling of spare parts for selected collections, directly through its website. This approach enables repair, maintenance and partial replacement of components, thereby extending product lifetimes and reducing the need for full product substitution and associated waste generation. By facilitating continued use and preserving product functionality over time, the spare parts offering aligns with the Group's broader circularity strategy and "design for life" philosophy, while supporting a more efficient use of materials across the product lifecycle. At the same time, our Brands are working to assess the rate of defective components supplied. This initiative is designed not only to reduce costs and avoid operational disruptions, but also to identify and address sources of inefficiency, thereby minimizing waste generation at its origin.



Production plant, Vejen, Denmark, Louis Poulsen

Care, Repair & Reuse

Louis Poulsen's approach to circular economy

Louis Poulsen has a strong design heritage rooted in creating products with lasting aesthetic and functional value. Many of the company's iconic designs are passed down through generations, reflecting an ambition to create products with exceptionally long lifespans. To support this ambition, Louis Poulsen offers spare parts, retrofit solutions, and upgrade kits that enable products to be maintained, repaired, and adapted over time.

Louis Poulsen: Product repair

In addition, a dedicated Claims Center monitors product returns and warranty claims, with a focus on repairing and refurbishing products whenever possible, enabling them to be returned to customers or reintroduced to the market. This approach supports resource efficiency, helps extend product lifecycles, and contributes to reducing waste. In 2025 the 11,8% of all claims were repaired and either returned to the customer or reintroduced to the market.

Louis Poulsen: Materials and recycling

When products are no longer economically or technically repairable, Louis Poulsen ensures proper disassembly to enable effective material recycling, in line with applicable environmental regulations and standards.

Flos: Design Solutions Supporting Waste Reduction

Last year, Flos further strengthened its commitment to waste reduction through the launch of two innovative lighting solutions: the Bellhop Glass and SuperWire lamps. The Bellhop Glass lamp stands out as a fully blown-glass product, embodying Flos' focus on environmentally conscious design. A key feature is its ease of disassembly: instead of using adhesives, the lamp is assembled with silicone, glass, and aluminium components that can be easily separated without tools. This design choice enhances recyclability and supports responsible end-of-life management.

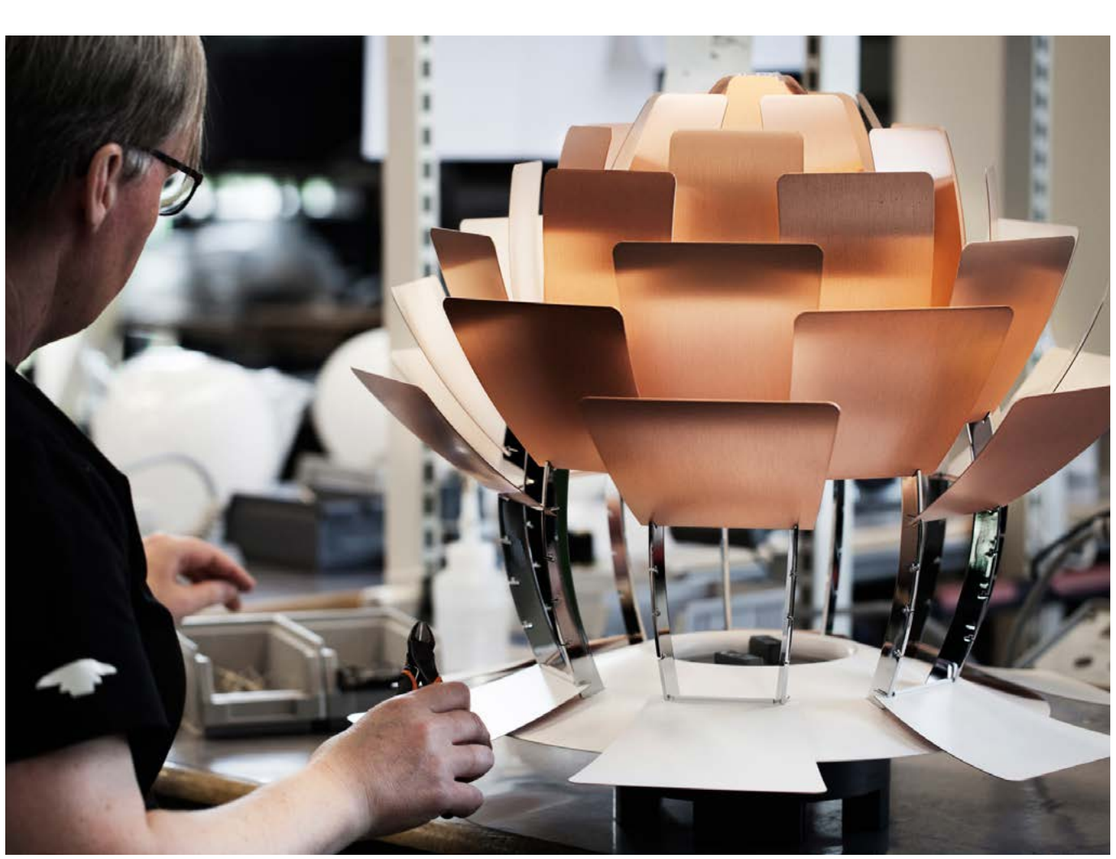
Similarly, the SuperWire lamp features a distinctive lighting system with custom-designed LEDs housed in concentric tubes, allowing users to replace light sources without electrical intervention. The lamp is made of flat glass and aluminium, with the latter treated through an innovative anodising process using a specific alloy. This approach eliminates the need for chrome plating and polishing, resulting in a high-quality finish without galvanic treatments and enabling the material to be remelted and reused without additional alloying.

Arclinea: Wood Waste Management

During 2025, the Brand introduced targeted measures to improve wood waste management and support waste reduction. These included restricting vehicle access to the waste storage area in order to prevent uncontrolled disposal, implementing a return plan for one-way pallets to suppliers, and launching a collection scheme for EPAL pallets to enable their resale and recovery. These actions support both circular economy and cost-efficiency objectives. The Brand related to a specific wood waste intensity indicator to monitor the progress made with the abovementioned initiative, which showed an improving trend over the course of the year, declining after the first quarter and reaching lower levels in the third and fourth quarters.

Tufty-Time 20: Design for Longevity and Disassembly

Tufty-Time 20 represents a product development approach centered on longevity, modularity and end-of-life considerations. The collection is presented as a new version "designed with longevity in mind" and developed with an end-of-life approach, incorporating the possibility of complete disassembly from the outset. This approach is reflected in the product's construction, which has been engineered to be fully disassemblable so that components and materials can be separated and potentially given a second life at the end of the product lifecycle. The product includes a removable 500 g recycled polyester blanket that is fixed with a zipper, without gluing or stapling, polyurethane foam,, a metal frame separated from the cushion, and feet and small parts made from recycled plastic material. In the outdoor version, planned for 2026, the same circularity-oriented logic is expected to be maintained, with Tufty-Time 20 Outdoor presented as 100% disassemblable and specifically redesigned to withstand external environments while enabling material separation at the end of life. The outdoor version is also expected to include recycled polyester components and recycled plastic small parts suitable for outdoor use.



Production plant, Vejen, Denmark, Louis Poulsen

Design for People

Social information

Our success is rooted in the talent, craftsmanship and creativity of our people, drawing on a wide range of skills and shared values to sustain our position in the high-end design sector. We recognize the importance of the professional and personal development of our employees.

In this context, our Brands is aiming to create a working environment that is inclusive, stimulating and growth-oriented, where individuals are equipped with the tools, opportunities and autonomy needed to fully express their potential.

Together with the continuous attention to our workforce, we recognize that long-term value creation depends on building strong and responsible relationships across our value chain and on preserving the trust that consumers and end-users place in our Brands. As a global high-end design Group, we rely on a network of suppliers, artisans and business partners whose expertise contributes to the quality, authenticity and distinctive character of our products. At the same time ensuring that the products placed on the market meet the highest standards of quality, safety and compliance remains at the forefront of our daily activities, reflecting our dedication to design excellence and customer satisfaction.

We seek to generate lasting value for stakeholders while preserving the heritage, craftsmanship and reputation that define our Brands through dedicated sourcing practices, engagement with suppliers and clients and a strong focus on product performance and reliability.

The People of Flos B&B Italia Group

Own Workforce (ESRS S1)

Own workforce impacts arise from the Group's direct operations and are linked to the management of employees across its Brands and geographies and to the operations and activities these are exposed to on a daily basis. In particular, topics such as health and safety on the workplace, diversity and inclusion, non-discrimination, training and skills development and the protection
of workers' rights have been assessed as material for the Group (ESRS 2 IRO-1). Details of the impacts identified have been reported below.



Luce Sferica by Ronan Bouroullec, Flos. ©Robert Rieger

Topic	Sub-topic	Impacts	Value chain
Own workforce	Health and Safety	Physical damages to workers due to work-related injuries during direct operations (Actual, Negative)	Direct operations
	Diversity and equal treatment	Physical and psychological damages to the workers caused by incidents of discrimination and lack of equal opportunities (Potential, Negative)	Direct operations
	Working conditions	Decrease in employees' wellbeing due to scarce work-life balance (Potential, Negative)	Direct operations
		Psychological damages to the workers due to the potential termination of their employment contract (Potential, Negative)	Direct operations
	Training and skills development	Professional and technical growth of employees due to upskilling and training activities (Actual, Positive)	Direct operations



Proxima kitchen by Antonio Citterio, Arclinea

Between tradition and innovation

Policies related to own workforce (ESRS S1-1) (GRI 2-23, 2-24)

The Group's approach to managing material impacts related to its own workforce is embedded in a coherent policy framework centered on its Sustainability Policy and Code of Ethics, which together define the principles guiding all workforce-related matters across the organization.

The Code of Ethics, conceived as both an ethical and operational compass, reflects the Group's core values and purpose and applies broadly to all individuals involved in its activities, including employees, temporary workers, consultants and business partners, irrespective of their nationality, location, position, or seniority. It establishes fundamental principles of legality, transparency, accountability, requiring full compliance with applicable laws and international standards, while promoting integrity, fairness and equal treatment in all employment relationships. In this context, the Group affirms its commitment to fostering an inclusive and respectful working environment that safeguards health and safety, protects dignity and individuality, and rejects any form of unfair discrimination.

The Code of Ethics is complemented by the Sustainability Policy, which applies to the parent company and all controlled subsidiaries, covering activities at a global level and shared among employees and stakeholders. Within the "Design for the People" pillar, the Policy highlights the importance of creating a fair and inclusive workplace where diversity is valued and individuals are supported in their professional development, while also contributing to generating value to the communities in which the Group operates. Each Brand is currently working on a review of its Sustainability strategy, in order to further tackle the most relevant topics related to its own workforce.

At Brand level, The Group's governance framework is further strengthened by the Organization, Management and Control Models adopted pursuant to Italian Legislative Decree 231/2001 by the Italian Brands Flos, B&B Italia and Arclinea. These models establish systems of internal controls, responsibilities and monitoring mechanisms aimed at preventing unlawful conduct and promoting a culture of compliance, integrity and ethical business behavior. Together with the Code of Ethics, they contribute to reinforcing the protection of workers' rights, the prevention of discriminatory practices, the safeguarding of health and safety and the promotion of transparent and responsible conduct across business activities.

The overall framework incorporates the principles, recommendations and provisions set forth by the main international applicable frameworks, including the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the fundamental International Labour Organization (ILO) Conventions, thereby integrating established principles on human rights, labor conditions and workplace safety into the Group's governance approach[1].

As of 31st December 2025, no publicly available evidence of human rights violations within the Group has been identified. Overall, the current framework provides a structured and Group-wide foundation for progressively strengthening the management of workforce-related impacts.

1. Currently, the policies in place do not set out detailed, standalone provisions specifically addressing risks such as trafficking in human beings, forced or compulsory labor or child labor.

Engagement with own workforce and workers' representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy (ESRS S1-2) (GRI 2-25, 2-26)

Because of the geographical distribution and segmentation of each one of our Brands, employee engagement initiatives and channels are mostly developed at Brand level, to allow for the setting and application of the most suitable channels for each of them. The most common engagement methods include feedback mechanisms and formal grievance channels, aimed at ensuring that employees' perspectives are considered in the management of workforce-related impacts. Regular employee surveys (such as annual or pulse surveys and eNPS initiatives) and periodic engagement activities have been put in place in the past years by Louis Poulsen and Audo. In addition, specific processes such as exit interviews have been implemented by some Brands, allowing them to capture insights from departing employees, which are shared with senior management to inform continuous improvement actions. Overall, these mechanisms contribute to integrating employee perspectives into organizational practices and decision-making processes.

Within its people management approach, Audo also conducts employee satisfaction surveys. In continuity with previous years, in 2025 the Brand administered an eNPS survey, achieving an overall response rate of 91%, and collecting insights on key social aspects such as inclusion, working conditions, communication and people management. This regular monitoring, carried out once or twice per year, confirms the ongoing attention to employee engagement and wellbeing.

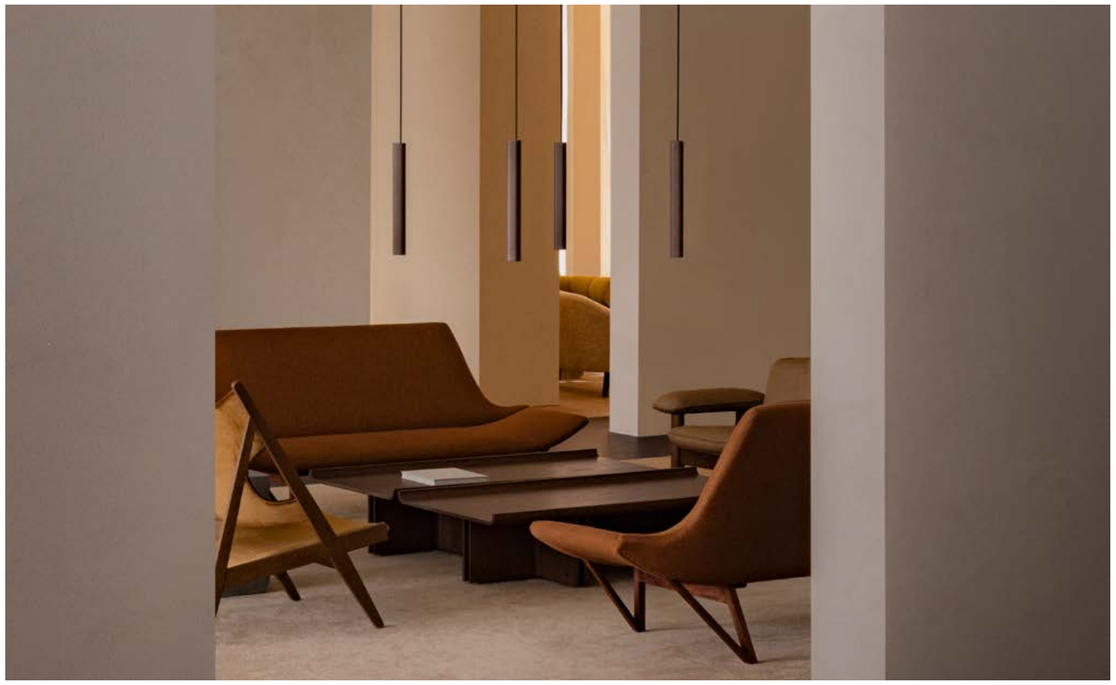
In addition, Audo promotes an employee-driven social club that organizes social and team-building activities aimed at strengthening internal relationships and fostering a sense of community across the organization.

In parallel, the Group has established formal channels to enable employees and other stakeholders to raise concerns or report potential misconduct.

In particular, the Whistleblowing Policy provides a dedicated Group-level grievance mechanism, allowing the reporting of violations related to internal policies, legal requirements and broader ethical issues, including harassment, discrimination, human rights violations and health and safety concerns. Reports can be submitted through multiple channels, including an online platform, email communications and in-person reporting to members of the Ethics Committees established within each Brand. These Committees are responsible for reviewing submissions, assessing whether reported issues fall within the scope of the whistleblowing system, and, where appropriate, initiating investigations in accordance with defined procedures. In particular, reported cases are evaluated to determine whether they are based on reasonable grounds, and investigations may involve the collection of additional information, the involvement of relevant corporate functions or the appointment of external experts where needed.

The framework also provides for structured follow-up and remediation measures. Where violations are verified, the Ethics Committees report findings to the relevant corporate bodies in order to determine appropriate disciplinary actions or sanctions, in line with the Code of Ethics, employment laws and internal procedures. Disciplinary measures may include actions up to termination of employment, depending on the severity of the breach. At the same time, specific measures are in place to ensure the protection of reporting individuals, including anti-retaliation principles and specific provisions addressing reports submitted in bad faith.

Overall, the monitoring of the effectiveness of these mechanisms is primarily ensured through the analysis of feedbacks collected via surveys and engagement tools, as well as through the oversight activities carried out by the Ethics Committees in relation to whistleblowing reports.



Elizabeth Lounge Chair by Ib Kofod-Larsen and Pagode Sofa by Tove & Edvard Kindt-Larsen, Audo

Actions and resources related to own workforce (ESRS S1-3) (GRI 403-1, 403-5, 405-1, 3-3)

In line with the material impacts identified in relation to its own workforce, Brands implement structured sets of actions aimed at preventing and mitigating negative impacts while enhancing positive outcomes for employees.

With regard to occupational health and safety, the Group maintains dedicated management systems and control procedures across all operations. Local health and safety managers – or equivalent roles – are responsible for ongoing compliance monitoring and for conducting regular risk assessments to identify potential hazards and prevent work-related injuries. This approach is supported by structured training programs, including mandatory health and safety training for employees, annually conducted at B&B Italia and FLOS, refreshing courses, and specialized modules such as fire safety, forklift operation and first aid. Furthermore, Flos and Arclinea, the latter part of B&B Italia Group, have obtained the certification ISO 45001:2018 for their production facilities respectively in Bernareggio and Caldogno, underscoring their dedication to occupational health and safety management across their operations.

To address impacts related to discrimination and unequal treatment, the Group operates under a common Code of Ethics, which promotes fairness, integrity and equal treatment across all geographies and employment relationships. This framework is complemented by specific initiatives at Brand level, such as the Diversity Policy and recruitment guidelines implemented by Louis Poulsen, as well as Group-wide training on unconscious bias. In relation to working conditions and employee wellbeing, Brands promote measures designed to mitigate potential impacts linked to work-life balance, workload and job-related stress. Flexible working arrangements are one example of the initiatives developed by some of the Brands to support a better balance between professional and personal life, while additional initiatives – such as carpooling programs with incentive schemes – also contribute to employee wellbeing and internal cohesion.

Across Brands, employee engagement and social cohesion are further strengthened through initiatives such as employee events and community-building activities.

At the same time, the Brands continue to promote training programs and skills development projects, investing in a broad range of learning initiatives aimed at enhancing employees' technical and managerial skills. These include structured onboarding programs, continuous learning opportunities, certification courses and targeted training activities tailored to different employee groups. Several Brands provide both in-person and online training covering technical competencies, product knowledge, and soft skills, alongside specific programs for high-potential employees and managerial roles. These initiatives support career development and contribute to employee retention and engagement.

The Brands also implement structured human resources processes to both address potential risks related to workforce management – including those linked to employee dissatisfaction and turnover – and to strengthen employee voice. These include performance evaluation systems (for example, at B&B Italia), exit interviews and regular employee engagement surveys conducted across several Brands (including Louis Poulsen, Lumens and Audo). These tools aim to identify underlying causes of dissatisfaction, including those potentially linked to working conditions or continuity of employment, and support the definition of corrective actions where needed. At Louis Poulsen, biannual anonymous employee surveys are conducted to gather feedback on key aspects of the employee experience, including work-life balance, workload, wellbeing, management support, communication and the overall working environment. In 2025, the survey involved 394 employees and achieved a participation rate of 92%, providing robust and representative insights to support continuous improvement actions. The results confirmed a strong level of employee engagement, with an overall engagement score of 8.0, as well as positive scores for satisfaction (8.1), loyalty (7.7) and belief in the organization (8.7), reflecting a highly engaged workforce environment.

These actions are complemented by dedicated resources and procedures established under the Group's Whistleblowing Policy, which constitutes a key operational tool for the identification and management of serious misconduct and potential negative impacts on employees. The Policy enables employees and a broad range of internal and external stakeholders to report violations of laws, internal procedures or the Code of Ethics, including serious breaches of occupational safety, discrimination, harassment or other conduct that may affect individuals' health or wellbeing.

The system provides multiple reporting channels, including an online platform, as well as the possibility to report in person to members of the Ethics Committees, which are tasked with assessing reported cases and ensuring they are handled in accordance with defined procedures.

The effectiveness of the above actions is systematically monitored through a combination of qualitative and quantitative tools. Biannual or annual anonymous employee surveys assess key dimensions such as wellbeing, workload, inclusion, communication and people management, with high response rates (e.g., 91% at Audo), enabling robust tracking of employee satisfaction over time. Survey results are also used to evaluate managerial performance, ensuring accountability at leadership level. Additional monitoring mechanisms include feedback collected through exit interviews, participation rates in training programs, and ongoing oversight by health and safety managers through risk assessment processes. Together, these instruments allow the Group to assess the outcomes of its actions, identify areas for improvement and continuously refine its approach to managing impacts on its workforce.

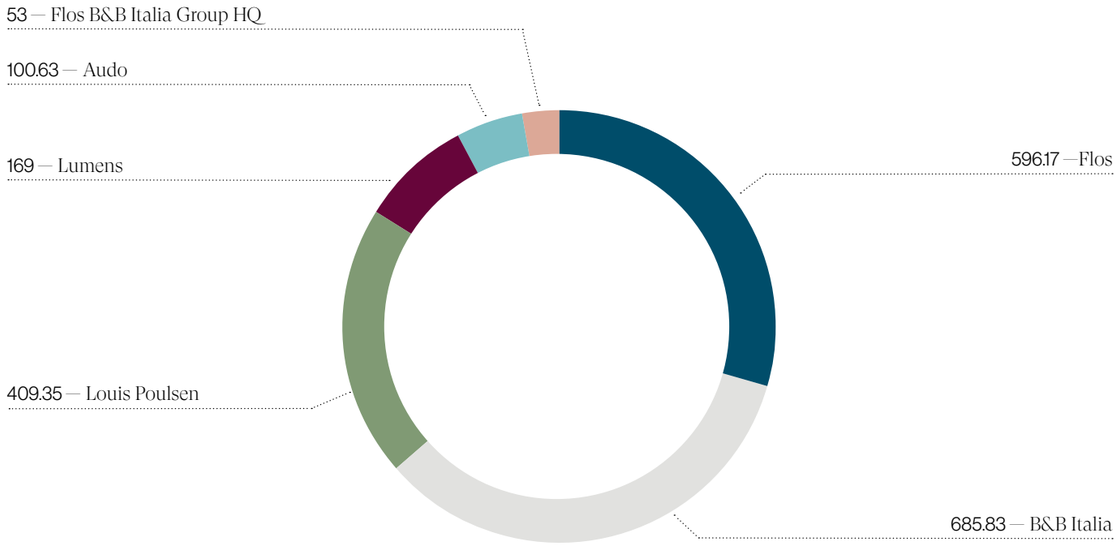
Targets related to own workforce (ESRS S1-4)

Despite the fact that at Group-level no measurable and outcome-oriented targets has been set yet, Flos B&B Italia Group is currently reviewing its Sustainability strategy, which includes the definition of high-level targets related to own workforce. Picking up on the previous strategy, the targets planned tackle the most relevant topics for the Brands, such as operational health and safety, diversity and inclusion, well-being and employee training. At Brand-level, Louis Poulsen is also revising its overall sustainability strategy, including the management of its workforce and the related targets.

Our People

Characteristics of the undertaking's employees and non-employees (ESRS S1-5, S1-6) (GRI 2-7, 2-8, 401-1, 405-1)

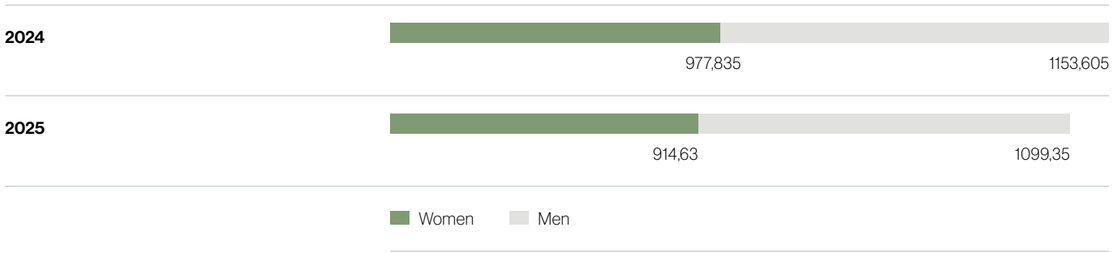
Since its foundation in 2018, the Group has continued to expand and diversify its workforce in terms of size, gender composition, and geographic distribution. As of 2025, the Group's employees amount to 2,014[2] FTEs, spread across nearly 20 countries worldwide.



2. Employees' data refer to the Group's reporting perimeter as of December 31st, 2025: the full Group's perimeter does not coincide with the reporting perimeter. Data are expressed in FTEs, standing for full-time equivalent (FTE), a unit to measure employed persons in a way that makes them comparable although they may work a different number of hours per week. The Group considers an FTE to be valued at 2,080 hours per year (40 hours per week for 52 weeks per year).

We are committed to foster a working environment based on fairness and transparency, where equality is promoted at all organizational levels, starting with gender balance. In 2025, female employees accounted for 45% of Flos B&B Italia Group's global workforce, corresponding to 915 FTEs, reflecting a stable trend compared with 2024.

Total workforce 2024 vs 2025

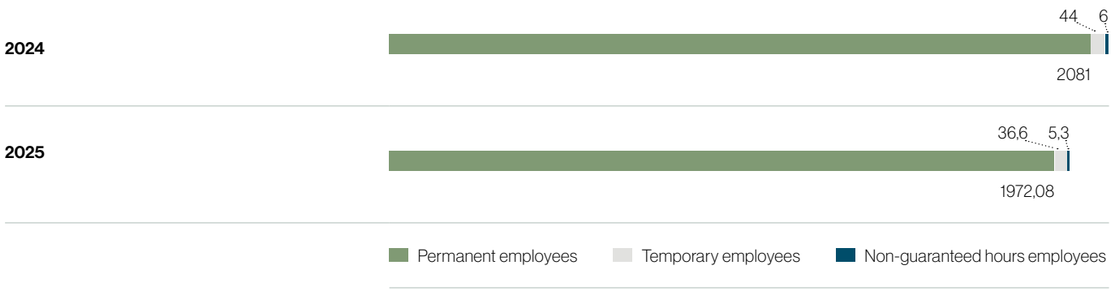


Due to the size and significance of FLOS and B&B Italia, Italy hosts the largest share of the Group's total workforce – accounting for 46% of Flos B&B Italia Group employees – distributed across headquarters and production sites in the northern part of the Country. The remaining half of our people are located outside Italy. Of this share, 20% of our workforce is based in Denmark, primarily in the metropolitan area of Copenhagen and the city of Vejen, where Louis Poulsen and Audo operate their administrative offices and production facility.

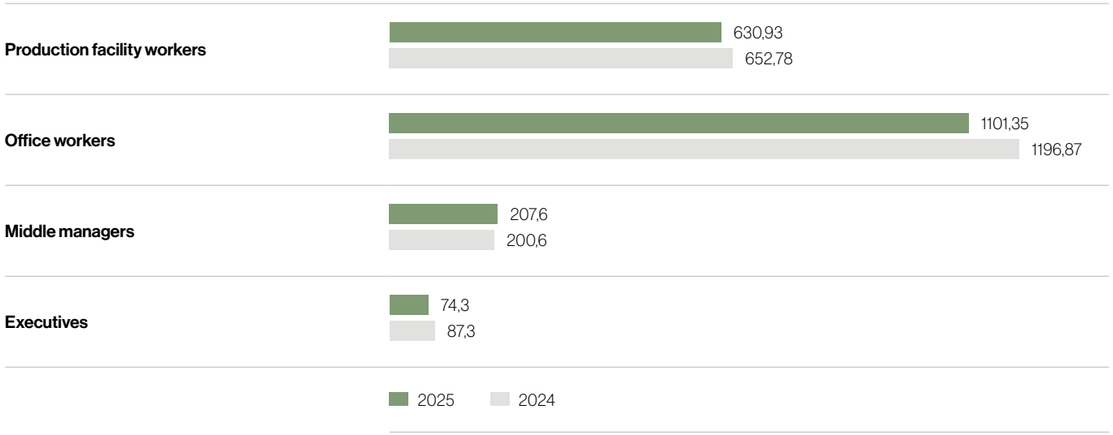
With the American branches of B&B Italia and FLOS, along with those of Audo, Lumens and Louis Poulsen, the United States represents the Group's third-largest employment hub, accounting for 15% of the global workforce. Spain also plays a key role in our international footprint, with the Antares facilities – the Architectural Collection of FLOS – comprising 8% of our employees. Although representing a smaller share, we maintain a strategic presence in several other Countries – including France, Germany, China, the United Kingdom, Japan, and Norway – which together account for approximately 11% of our global workforce. The following table presents the countries in which the Group employs more than 50 people (ESRS S1-5 20).

Country	FTEs
Italy	921
Denmark	402
USA	299
Spain	167
Japan	61

Total workforce by type of contract 2024 vs 2025

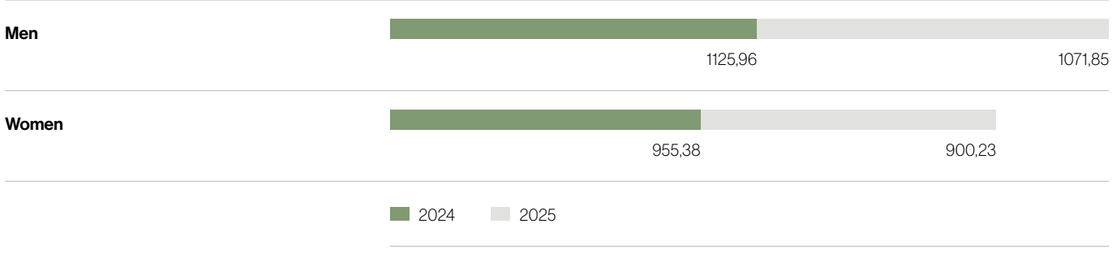


2024 vs 2025

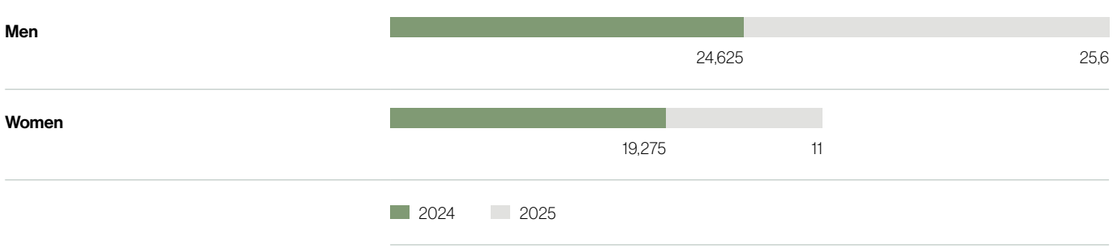


A breakdown of permanent, temporary and non-guaranteed hours employees by gender is presented in the graphs below.

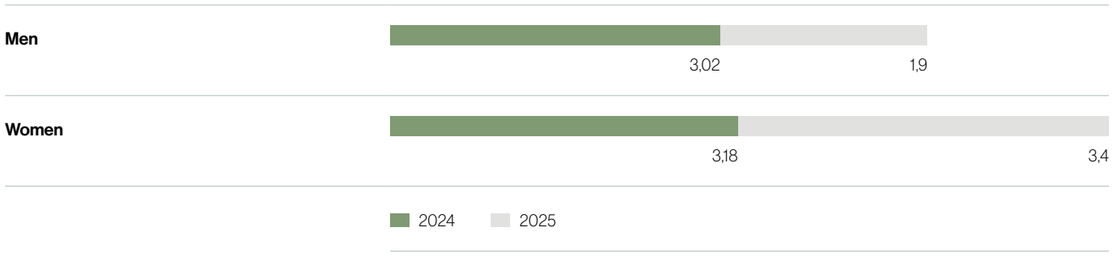
Permanent employees by gender



Temporary employees by gender

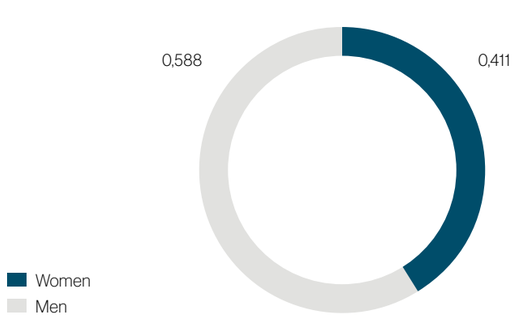


Non-guaranteed hours employees by gender

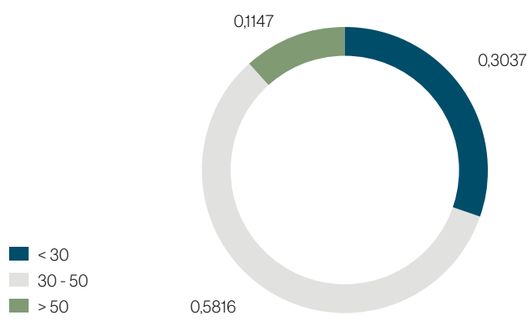


Full-time employment continues to represent the predominant working arrangement, with 1,954 employees – equaling 97% of the total workforce- while the remaining population consists of 55 part-time employees and 5 employees under non-guaranteed hours contracts.[3].
During the year, the Group hired 284 employees, of which 117 were women and 167 were men.

Total new hires by gender

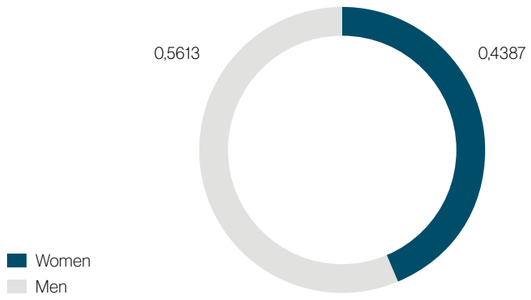


Total new hires by age group

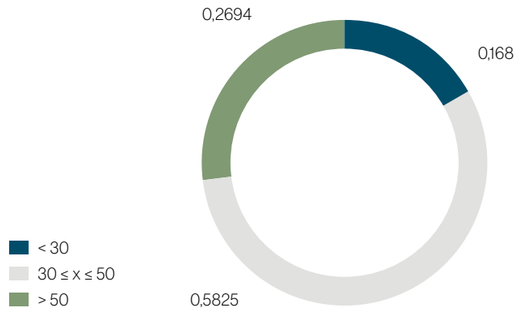


In 2025, we recorded 324 job terminations, of which 142 were women and 182 were men.
In general, the Group recorded a turnover rate of 16%. In relation to permanent employees only, such percentage equals 13%.

Total terminations by gender



Total terminations by age group



The Group relies on non-employees as part of its own workforce, amounting to a total of 58 individuals. These include 36 agency workers, 14 individuals engaged through other subcontracting arrangements, and 8 interns. This external workforce supports the Group's operations alongside its direct employees.

3. Non-guaranteed hour employees are those who are not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may need to make themselves available for work as required. In 2024, the Group recorded 6 non-guaranteed hour employees from Louis Poulsen, Audo and B&B Italia Group.

Collective bargaining and social dialogue

At Group level, more than 81% of our workforce[4] is covered by collective agreements in 2025 (ESRS S1-7) (GRI 2-30). Furthermore, at Brand-level employees might be covered by workers' representatives as well. In particular, Audo and Louis Poulsen's totality of employees are covered by such form of social dialogue, while part of Flos and B&B Italia's benefit from them.

Diversity, equity and inclusion – Gender diversity in top management/ persons with disabilities

At Flos B&B Italia Group, our Brands strive to foster an inclusive, dynamic and forward-thinking workplace culture. Over the years, we have made meaningful progress in diversifying our teams at both Brand and Group levels, with a particular focus on gender representation and the integration of inclusive practices. Ensuring equal opportunities and eliminating any form of discrimination are fundamental values for the Group, included in our Code of Ethics.

At Group-level, our workforce is composed of 915 women and 1.099 men, representing respectively 45% and 55% of the overall Group's population.

Regarding top management positions, in 2025 the Group include 53 individuals covering roles within top management, of which 77% taken over my men and 23% by women (S1-8 27).

Anchored in the principles set out in the Group's Code of Ethics, which explicitly prohibit all forms of discrimination and promote equal opportunities, Flos B&B Italia Group integrates the inclusion of people with disabilities within its broader diversity, equity and inclusion framework. In 2025, across our Brands, people with disabilities represent approximately 0,1% of the total population[6] (S1-11 33).

4. The employees that are not covered by collective agreements are those located in Countries where such contracts are not of common use or provided by law, such as the USA.

5. Top management is defined as C-levels plus one reporting level below.

6. In particular, people with disabilities are employed at B&B Italia and Arclinea (part of B&B Italia Group).

An inclusive and safe working environment – Work-life balance metrics/incidents of discrimination and other human rights incidents

All our Brands ensure that all employees receive an adequate wage, determined in line with the parameters established by the relevant collective agreements, where applicable, or according to national law. (S1-9 29).

Given the diversity of functions and roles across the Group, we offer a broad range of employment contracts and job categories. In 2025, 31% of our workforce is employed in production facilities, while most employees hold roles within our Brands' offices and headquarters (GRI 2-7).

Our Brands continue to develop innovative approaches to support employee wellbeing, with a focus on promoting a fair work-life balance and respecting cultural diversity across the Group.

In relation to employees' work-life balance and wellbeing, in 2025 the number of employees allowed to benefit from family-related leave equaled 100%[7] (ESRS S1-14).

Over the years, Lumens has placed employee wellbeing and a strong sense of belonging at the heart of its priorities, supported by regular engagement surveys and company events. In 2025, Lumens held monthly employee meetings and continued its program of training sessions— complete with quizzes and prizes—to boost participation and foster ongoing learning. Weekly vendor visits offered employees the chance to engage directly with high-end design products, providing both hands-on training and variety in their daily routines.

With regard to flexible working arrangements at FLOS, a dedicated dossier outlining the rules governing remote working has been developed, supported by a self-assessment checklist to be completed by employees in order to evaluate ergonomic conditions. The adoption of remote working varies across departments and is primarily concentrated within office-based roles, with an average of one to two days per week.

In this context, flexible working practices are aimed at supporting employee wellbeing, by facilitating a better balance between professional and personal life and promoting more flexible and adaptable working arrangements. No specific issues were reported in this regard.

As of December 31st 2025, no episodes of discrimination or violation of human rights have been reported by the Brands or at Group-level (ESRS S1-16).

7. Due to lack of data of Audo and Lumens, data does not include employees from the two Brands.

Health, Safety and Social Protection Systems

Across our Brands, working conditions are continuously monitored, with dedicated health and safety managers – or equivalent roles at local level – responsible for overseeing compliance and conducting regular risk assessments. These procedures are designed to identify potential hazards and proactively prevent work-related injuries.

In 2025, the Group continued to strengthen its commitment to occupational health and safety by maintaining structured risk management and control systems. In particular, the ISO 45001:2018-certified management system at the Bernareggio production site (FLOS S.p.A.), originally obtained in 2023, remained confirmed and valid in both 2024 and 2025, demonstrating continuity in the adoption of internationally recognized standards for occupational health and safety management.
Likewise, the Caldogno site of Arclinea has been certified according to ISO 45001:2018 for the past years, confirming the certification in 2025 as well. In 2025, the percentage of employees covered by a Health and Safety management system certified according to ISO 45001:2018 equaled 23%, referring to the totality of the employees operating in the sites mentioned above (ESRS S1-13 37.a)[8].

Despite the fact that not all Brands have a certified Health and Safety management system within their plants or offices, safety measures are applied across all operations to prevent and mitigate potential risks of harm and work-related accidents to workers through various measures, such as the presence of dedicated facility managers.

In line with the principles set out in its Code of Ethics, the Group operates in compliance with applicable national labour regulations and collective agreements, thereby contributing to ensuring that employees benefit from the social protection systems in place within the countries where they operate. Particularly, social protection is granted at Brand level regarding sickness, unemployment, employment injuries or maternity leave[9] (ESRS S1-10 31).

The table below presents data on occupational injuries recorded by the Group for the year 2025 in relation to the Group's employees. The analysis of the collected information shows an overall occupational injury rate of 9.7%. No cases of work-related ill health were reported across the Group during the reporting period, while no fatalities were recorded during the year (ESRS S1-13 37.b, c, d) (GRI 403-9).

Health and safety[10]	UoM	2023	2024	2025
Total number of worked hours	h.	2,990,796	2,848,157	2,695,147
Total number of recordable work-related injuries	n.	16	43	26
Rate of recordable work-related injuries[11]	Rate	5.3	15.1	9.7

In 2025, the total number of workdays lost due to work-related accidents amounted to 456 days (ESRS S1-13 37.e). These results provide a clear overview of workplace safety performance, enabling close monitoring of internal trends and supporting the definition of prevention strategies and the protection of employees' health.

Nurturing talents – Training and skills development metrics

We recognise that the continuous growth and development of our people are fundamental to the Group's long-term success and ability to preserve the excellence, craftsmanship and innovation that distinguish its Brands. To support this objective, our Brands promote targeted development initiatives, including training programmes dedicated to high-potential employees, key talents and leadership profiles. More broadly, learning is conceived as a continuous and evolving journey that accompanies employees throughout their entire professional experience within the Group. To ensure the highest standards of product quality, operational excellence and professional expertise, training begins from the onboarding phase and continues throughout each employee's career, through ongoing opportunities to strengthen technical, managerial and transversal skills, adapt to changing business needs and support individual growth and employability over time.

In 2025, alongside standard onboarding processes aimed at facilitating the integration of new employees across different company functions, Audo also supported continuous learning initiatives, including external programs such as certification courses and specialized training activities.

These initiatives are designed to provide both technical and professional development, equipping our teams with the knowledge and skills needed to excel in their roles.

Our Brands strive to deliver impactful and meaningful training to our people regarding our Code of Ethics and our Whistleblowing policy. In previous years Group-wide training sessions were organized on the latest versions of such documents, and we are committed to keeping all our employees up to date with any change or news in relation to the fundamental documents shaping our common ethics and governance.

Launched in 2023, B&B Italia's first performance review process was initially focused on employees with contractual MBOs and progressively extended across Asia to cover all employees. In 2025, the initiative continued to play a central role in the Brand's performance management framework through a comprehensive salary review process, enabling the collection of structured feedback from line managers and supporting the recognition and reward of talent across the organization.

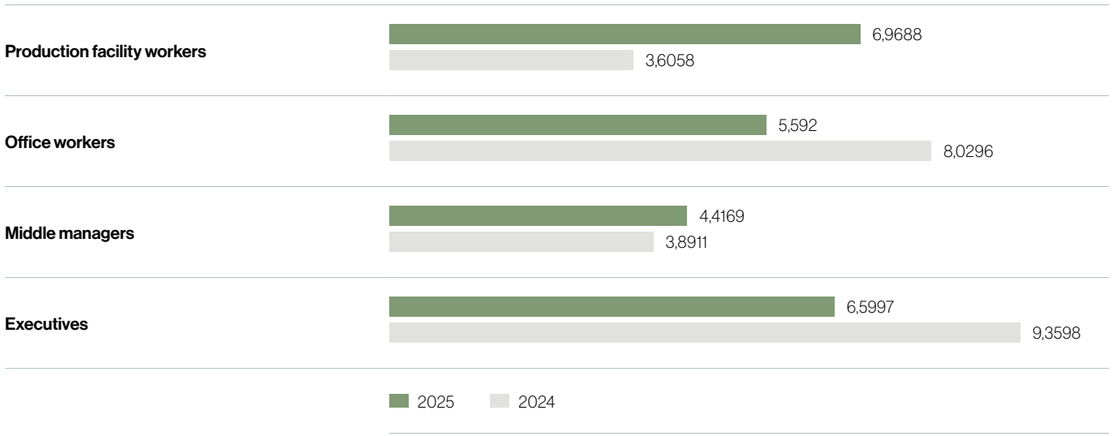
During the reporting period, approximately 20% of employees participated in formalized performance and career development reviews[12](ESRS S1-12). In addition, Louis Poulsen ensures early-stage employee engagement and awareness through onboarding activities, introducing ESG and compliance topics, supporting the integration of new employees into the organization.

With respect to 2025, the Group delivered an average of 6 hours of training per employee (ESRS S1-12) (GRI 404-1). Considering training hours recorded by gender, over the year female employees underwent 4.1 average hours of training, while male employees 5.5[13].

Our Brands strive to provide employees with the tools and knowledge necessary to operate safely and achieve high levels of performance in their daily activities. This commitment contributes not only to business growth, but also to strengthening each Brand's positioning as leaders in the high-end design sector.

8. Regarding non-employees, 3% of Arclinea's workers and 100% of Flos' workers are covered by the Health and Safety management systems in place, as well.
9. Data does not include Lumens due to lack of data tracking.
10. Data for 2025 Lumens' working hours are not available, as the Brand did not monitor them.
11. Calculated as the total number of injuries recorded divided by the overall number of hours worked in the reporting period and multiplied by 1,000,000.
12. Data refer to all employees of Audo and Louis Poulsen, and to employees covered by the performance and career development review processes within Flos Group and B&B Italia Group.
13. Please note that the average data reported by gender do not include Louis Poulsen and Audo employees due to lack of data collection by gender.

Average training hours by employee category (2024-2025)



In 2025 the Brands continued to invest in the professional growth and development of employees, supporting their ambitions and career paths. Building on initiatives launched and consolidated in previous years, each Brand developed specific training on different topics, according to the sector in which they operate.

Over the years, Flos has placed strong emphasis on the training and professional development of its workforce. The Brand has implemented a wide range of initiatives, from mandatory Health and Safety training to public speaking courses and foreign language lessons, aimed at equipping employees with the necessary professional and technical skills. In previous years, particular attention was given to soft skills development programmes, designed to strengthen the capabilities and knowledge of both employees and managerial staff, supported by coaching activities for managerial roles. Training is delivered both in person at the Brand's main sites and through online platforms provided by training providers. General training, together with specific courses for video display terminal operators, is delivered entirely online to maximise accessibility. All other courses are conducted in person, including mandatory five-year refresher training and specialised modules on fire safety, defibrillator use, forklift operation and other safety-related topics. In addition, targeted training programmes for factory workers have been implemented, tailored to their operational needs. Flos remains committed to continuing these activities, further reinforcing its focus on people development and growth.

In 2025, Flos further developed technical training activities, with a particular focus on laboratory technicians and personnel involved in certification and compliance processes, in line with ongoing developments compared to 2024. In light of these developments, specific training actions have been identified for 2026, both in relation to the management of battery-integrated products — with the aim of strengthening the competencies of various laboratory roles — and for the upskilling of technicians in accordance with the requirements of the IEC 60598-1 standard.

Furthermore, considering the increasing integration of LED light sources into products (LED modules), Flos has planned a dedicated training programme for testing activities and the subsequent qualification of LED modules in accordance with the requirements of the IEC 62031 standard. Following this initial phase, the qualification of the laboratory to perform the related testing activities is also envisaged.

In 2025, Lumens confirmed its training programme, which, in line with 2024, is structured around two main objectives: fostering a shared culture rooted in a passion for design and tailoring learning experiences to the diverse knowledge levels of its workforce. The Brand delivered both in-person and online sessions to maximise participation, covering a broad range of topics, from product knowledge to Diversity, Equity & Inclusion (DEI).

Building continuous and long-lasting relationships with suppliers

Workers in the value chain (ESRS S2-1) (ESRS S2-2) (ESRS S2-3) (ESRS S2-4) (GRI 414-1) (GRI 308-1)

Our Brands operate across different geographical areas and are characterized by distinct production footprints, sourcing models and supplier networks that reflect their respective product categories, manufacturing traditions and market positioning. These differences contribute to a diversified value chain, encompassing a wide range of upstream and downstream activities and involving stakeholders across multiple countries and regions.

To address these specificities, each Brand manages its own production processes and supplier relationships, with direct responsibility for overseeing supply chain operations and ensuring alignment with the Group's standards of quality, safety, sustainability and craftsmanship.

Given the geographical distribution of production facilities and sourcing activities, suppliers are dislocated in different areas. Although, as the majority of operations are located in Europe, more than half of the Group's preferred suppliers are based within the region.

Recognizing the important role of value chain partners in creating long-term value, each Brand strives to progressively strengthen the social management of its supply chain, including governance, due diligence and supplier engagement practices, aiming at promoting the principles and values shaping the Group's Code of Conduct along their value chain. Flos B&B Italia Group has identified three potential negative impacts related to workers in the value chain. In particular:

Material Topic	Sub-topic	Impacts	Value chain
Workers in the value chain	Health and Safety	Physical damages to workers due to work-related injuries during operations along the value chain (Potential, Negative)	Upstream
	Other labour-related human rights	Physical and psychological damages to the workers due to the infringement of their human rights during direct operations (Potential, Negative)	Upstream
	Diversity and equal treatment	Physical and psychological damages to workers along the value chain caused by incidents of discrimination and lack of equal opportunities (Potential, Negative)	Upstream

Responsible purchasing

In order to prevent and mitigate material impacts related to value chain workers, the Group has adopted a dedicated Supplier Code of Conduct. Approved by the Board of Directors of Flos B&B Italia Group, its scope of application relates to all workers involved across the value chain.

In particular, the Supplier Code of Conduct establishes that all third-party recipients are required to fully comply with its provisions, promoting values such as responsibility, respect for the law, fairness, impartiality, integrity, and transparency.

Such approach includes the expectation that suppliers cooperate in addressing identified issues and support corrective actions where required.

The Group requires all its suppliers to manage adverse impacts on internationally recognized human rights, including labour rights, in line with the International Bill of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and applicable international standards, including ILO Conventions and Recommendations.

In particular, suppliers are required to comply with provisions relating to child labour, forced labour, illegal or undeclared work, working hours and working conditions, workers' dignity, equal pay, non-discrimination, and the prevention of harassment.

With regard to the channels available to workers in the value chain to raise concerns or needs, the Group has adopted a Whistleblowing Policy, which serves as the tool applicable to various recipients, including employees, Board members and any third parties operating along the value chain – including suppliers, business partners and other stakeholders – directly or indirectly on behalf of the Group, through which they can report violations of applicable laws, as well as of the Group's internal policies and procedures, or other conduct that may result in financial losses, reputational damage, or impacts on individuals' health and safety.

This Whistleblowing policy is to be intended as a complementary document to the Group's Code of Ethics and any other policies and procedures adopted by the Group companies, including – with respect to the Italian Group companies – organizational models adopted pursuant to Italian Legislative Decree No. 231/2001 or – with respect to the non-Italian Group companies – any other national provisions implemented by the Group companies. No systemic issues have been identified through the channel.

Although the policies and documents abovementioned provide solid guidelines for the management and engagement of suppliers across the different Brands, the latters are currently reviewing and updating their sustainability strategy, which also includes the revision of specific targets related to the supply chain.

ESG assessments across the value chain

Due to the geographical distribution of our Brands, the Group has not set a standardized common approach to supplier evaluation and assessment; on the contrary, each Brand is responsible for the management and monitoring of their value chains, including means of monitor and control and auditing practices.

In this context, Louis Poulsen has developed a detailed audit plan outlining audit activities across multiple suppliers, primarily Tier 1 and Tier 2, located in different countries including Denmark, Italy and China, and conducted mainly on-site. Each audit is followed and completed by a specific audit report summarizing the key findings and, where applicable, corrective actions to implement for the future. Follow-up meetings are also common within the plan, useful to review the findings identified and ensure the effectiveness of the actions to be implemented upon agreement.

Preserving quality and tradition

Consumers and end-users (ESRS S4-1) (ESRS S4-2) (ESRS S4-3) (GRI 416) (GRI 417)

Drawing on its longstanding heritage of design excellence, craftsmanship and innovation, Flos B&B Italia Group places the quality, safety and reliability of its products at the core of its relationship with consumers and end-users. Brands strive to develop products that combine aesthetic value, functionality and durability while meeting the highest standards of quality, safety and regulatory compliance throughout their lifecycle. Recognizing that consumer trust is built through the consistent delivery of safe and high-performing products, each Brand continuously monitors its quality management, compliance and control processes to ensure that products satisfy applicable requirements and evolving market expectations.

Consumer- and end-user-related impacts arise primarily within the Group's downstream value chain and relate to potential harm to the health and safety of customers and final consumers of the Brands' products due to inadequate standards of safety and quality of products sold (ESRS 2 IRO-2).

Topic	Sub-topic	Impacts	Value chain
Consumers and end-users	Personal safety of consumers or end users	Damages to consumers' and end-users' health and safety due to inadequate quality and safety controls on sold products (Potential, Negative)	Upstream

Product quality and compliance

The management of product-related impacts is supported by a structured policy framework that includes the Global Product Compliance Policy, developed in 2024 and approved by the Board of Directors of Flos B&B Italia Group in the same year. The document provides a dedicated framework for the management of product quality, safety and regulatory compliance across the Group. The Policy establishes the principles, responsibilities and control mechanisms aimed at ensuring that products comply with applicable legal, technical and safety requirements throughout their lifecycle and across the markets in which the Group operates. Through a preventative and risk-based approach, the Policy supports the monitoring of evolving regulatory requirements, the adoption of consistent compliance processes and the implementation of appropriate governance and oversight mechanisms. By promoting a culture of product compliance and accountability, the Policy contributes to safeguarding consumers and end-users, maintaining the highest standards of product quality and safety, and reducing the risk of product-related non-compliance.

The Group's approach to the identification and management of potential impacts on consumers and end-users is supported by processes aimed at ensuring that product-related concerns can be appropriately escalated, assessed and addressed. In this context, the Flos B&B Italia Group Global Product Compliance Policy establishes a governance framework for the reporting and management of actual or suspected violations of product compliance requirements, including those that could potentially affect product safety, quality or regulatory conformity. Such issues may be reported through the Group's whistleblowing channels and are subsequently reviewed in accordance with the procedures defined within the compliance framework.

Reported cases are assessed and investigated by the relevant functions to determine their nature, potential consequences and the need for corrective actions. Where appropriate, the Group implements remedial measures aimed at addressing identified issues and preventing their recurrence. Depending on the circumstances, these measures may include updates to technical documentation and internal procedures, enhancements to quality controls, targeted training initiatives, supplier engagement activities, additional audits or, where necessary, product recalls. Through these mechanisms, the Group seeks to ensure that potential product-related issues are effectively managed and remediated, while supporting the continuous improvement of processes designed to protect consumers and end-users throughout the product lifecycle.

The requirements and procedures included in the Product Compliance Policy and the Whistleblowing Policy are complemented by Flos B&B Italia Group's Sustainability Policy, approved by the Board of Directors and applicable across the parent company and all subsidiaries. Within its pillars and commitments, the Sustainability Policy promotes a responsible approach to product development and business operations, emphasizing the importance of quality, durability, safety and continuous improvement as key elements of the value delivered to customers. More broadly, the Policy states the Group's commitment to conducting business in a manner that generates long-term value for stakeholders while preserving the reputation, reliability and excellence that characterize its Brands (ESRS S4-2).

Consistent with the principles established by the Policy, each Brand is responsible for implementing dedicated compliance processes and controls throughout the product lifecycle, spanning product development, testing, certification, market access and post-market monitoring activities. These processes are supported by clearly assigned responsibilities, internal control mechanisms, training initiatives, product traceability systems and documentation management practices aimed at ensuring the effective demonstration of compliance with applicable regulations and standards. In parallel, the Group continuously monitors emerging regulatory developments affecting its products and markets, allowing the Brands to progressively adapt their compliance frameworks and maintain alignment with changing legal and stakeholder expectations. Through these actions, the Group seeks to safeguard product quality and safety, prevent potential adverse impacts on consumers and end-users, and preserve the reliability and trust associated with its Brands (ESRS S4-3).

In this context, both Flos and Arclinea have confirmed their quality management system according to ISO 9001:2015 certification, respectively for the Bovezzo and Bernareggio plants and the Caldogno facility.

Flos B&B Italia Group also recognises the protection of intellectual property and brand integrity as key elements in supporting the protection of consumers and end-users. Throughout the reporting period, initiatives aimed at monitoring infringements, combating counterfeiting and protecting brands across both digital and physical channels were further developed through surveillance, enforcement and online monitoring activities.

These measures help preserve product authenticity, help mitigate risks associated with potentially misleading or non-compliant products and strengthen confidence in the Group's Brands.

Throughout 2025, B&B Italia continued to enhance its product compliance framework through the review and update of product certifications, technical standards and safety requirements across its markets of operation. Particular attention was devoted to ensuring alignment with local regulatory requirements and supporting consistency in quality and performance requirements across the value chain. Collaboration with suppliers and business partners remained an integral part of this approach, supporting the effective implementation of compliance and quality requirements. Continuous regulatory monitoring and internal control activities further contributed to ensuring adherence to applicable legislation and industry standards.

At Flos, further progress was achieved in the implementation of the Flos Product Compliance Procedure, accompanied by ongoing improvements to governance, oversight and compliance processes. The company continued to monitor regulatory and certification requirements across its key markets, ensuring alignment with applicable obligations and supporting market access. Certification activities progressed in several jurisdictions, including China, while continued engagement with regulatory authorities facilitated the maintenance and updating of relevant certification schemes. Investments in product testing and verification capabilities were complemented by enhanced collaboration among internal functions through dedicated cross-functional working groups. These initiatives supported the evaluation of product-related issues, the analysis of market feedback and the implementation of actions aimed at improving product quality, reliability and customer satisfaction. During the reporting period, Flos also completed the measures required to comply with the EU General Product Safety Regulation (EU) 2023/988, including updates to product labelling and consumer-facing information.
No significant product-related non-compliance cases were reported during the year.

Louis Poulsen continued strengthening its focus on product quality and compliance through initiatives designed to enhance internal awareness, competencies and governance practices.

During 2025, product compliance activities were further reinforced through engagement with suppliers and business partners, including dedicated sessions conducted during supplier audits to communicate compliance expectations and support alignment with evolving regulatory and product requirements. These efforts contributed to strengthening the company's compliance framework and promoting a consistent approach to quality, safety and regulatory conformity across the value chain. Through ongoing monitoring and control activities, Louis Poulsen seeks to ensure compliance with applicable legislation while supporting product performance and regulatory conformity. Based on the information available, no significant cases of non-compliance, fines or incidents relating to product health and safety, product information or labelling requirements were identified during the reporting period.

As part of its long-term vision, Audo persisted in promoting initiatives aimed at extending product durability beyond warranty periods through a deeper understanding of product performance, user requirements and typical product wear patterns. These activities are intended to enhance awareness regarding product care and long-term use, while supporting product longevity and encouraging informed product use throughout the product lifecycle.

Across 2025, moreover, Audo and Flos closely monitored the evolution of the regulatory framework applicable to consumer products, with particular attention to the implementation of the Ecodesign for Sustainable Products Regulation (ESPR – Regulation (EU) 2024/1781) and the potential development of the regulatory scenario.

In this context, Audo participated in a six-month Digital Product Passport initiative developed in collaboration with the Lifestyle and Design Cluster and stakeholders from Norway, Sweden and Denmark. The project explored approaches to improve product traceability, extend product lifecycles, reduce waste and enhance access to sustainability-related information. These activities contribute to the development of capabilities that will support improved access to product-related information, encouraging informed product use, maintenance and lifecycle management.
As of 31st December 2025, no significant product non-compliance with applicable laws and regulations was detected by the Brands nor through the dedicated channels put in place by the Group (GRI 416, GRI 417) (S4-3).

Design for Culture

Promoting a shared culture of design

Arco lamp by Achille & Pier Giacomo Castiglioni, FLOS

Promoting a shared culture of design

Our Brands originate from rich and diverse design traditions, rooted in regions where craftsmanship is an essential part of local culture and identity. Within our Sustainability Policy, the Design for Culture pillar embodies the Group's commitment to preserving craftsmanship, safeguarding the heritage of its iconic products and promoting design as a driver of cultural and societal value. Through initiatives aimed at supporting research, fostering education, nurturing emerging talents and strengthening connections with local and international design communities, the Brands seek to ensure that its creative legacy remains relevant for future generations. By balancing innovation with the preservation of design authenticity, the Design for Culture pillar contributes to creating long-term value while reinforcing the role of design as a cultural asset capable of transcending markets, geographies and generations.

Because of their strong local insight, Brands are able to engage directly with local communities. Their proximity and understanding allow for tailored collaborations that protect local know-how and encourage region-specific initiatives.

Our Brands have long committed to fostering both creative innovation and design heritage through a broad spectrum of initiatives. Some of them have even developed their own unique interpretation of an "Academy", a platform designed to accelerate the development of practical expertise and nurture a design-oriented mindset. Through this ongoing investment in education and skills development, each of them ensures that the craftsmanship, identity, and distinctiveness of our design legacy are preserved and strengthened for future generations.

Different nuances of Academies

The Light Academy – FLOS

Following its vision for the Academy, Flos has established the 'Light Academy,' an internal training platform designed to assist commercial representatives throughout the Flos network in developing a profound comprehension of Flos' design principles, product aesthetics, and technical expertise. By providing education and training to its internal sales team, Flos not only cultivates extensive expertise surrounding its innovative designs but also promotes the dissemination of lighting design culture.
The Light Academy adopts a customer-centric approach, covering a broad range of topics to best equip users with the knowledge and insights required to effectively understand and meet customer needs.



FLOS headquarter, Bovezzo, Italy

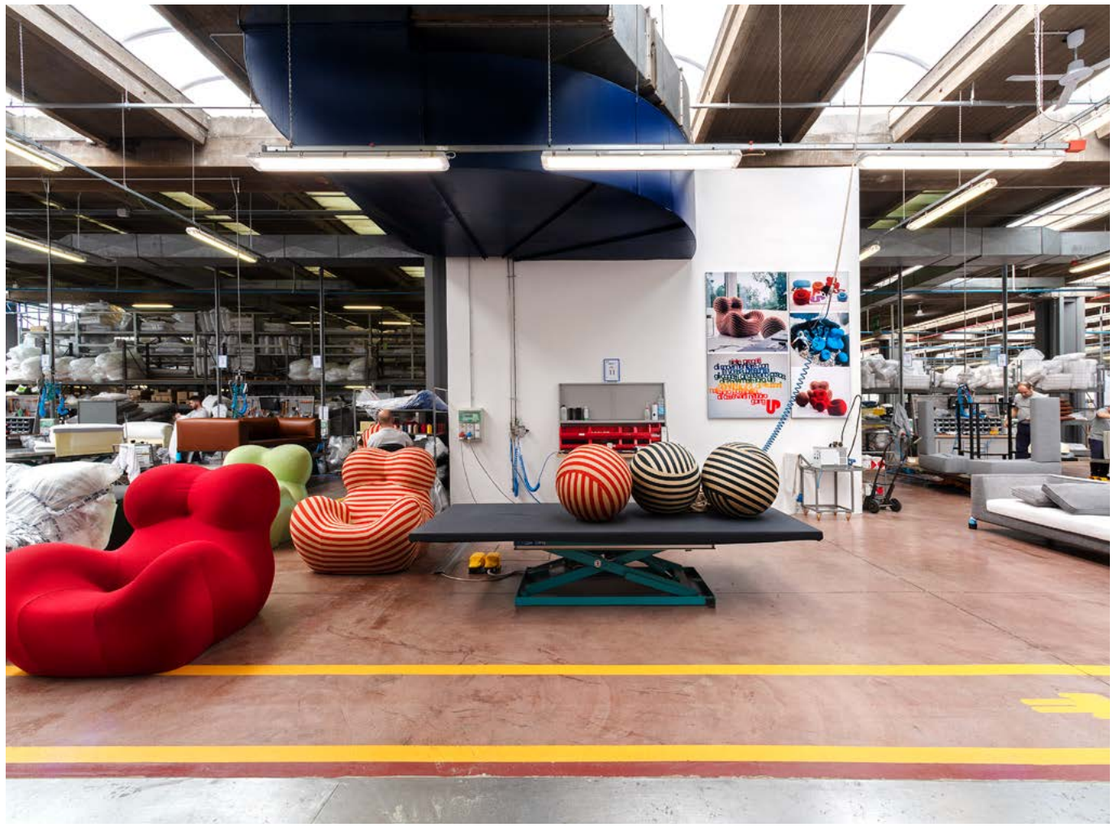
B&B Italia Academy

Following a similar trajectory, B&B Italia launched its own interpretation of the "Academy" concept in 2021, which expanded to six languages by 2022 and continued to evolve through the years. The "B&B Italia Academy" consists of a structured series of e-learning modules delivered via a dedicated digital platform, designed to serve the entire B&B Italia Group. While the initiative primarily targets the sales force – equipping them with essential aesthetic and technical knowledge of the Brand's design –, it also forms the foundation for broader training efforts.

Central to the focus on design culture is the belief that future generations are an invaluable source of fresh and disruptive ideas. The Group has established various partnerships with local schools and universities over the years. These collaborations aim not only to attract emerging talent but also to support younger generations as they transition into the professional world, helping them navigate the complexities and opportunities of the design industry.

FLOS has cultivated longstanding partnerships with universities in the Italian territory over the years. In fact, the Brand has been serving as one of the main sponsors of the Master in Lighting Design for several years at the Polytechnic University of Milan. This collaboration underscores the Brand's enduring commitment to education and innovation in lighting culture, offering students the opportunity to engage with real-world design challenges and benefit from FLOS's industry expertise.

Brands' involvement in community activities, such as auctions, donations and participation to events, continued in 2025, as well. Based on the Group's Design for Culture approach, which emphasizes preserving craftsmanship, supporting research, strengthening ties with communities and promoting design culture, donations and contributions are increasingly viewed as fundamental tools to create enduring value that extends beyond the boundaries of the business.



Production plant, Novedrate, B&B Italia

Making a difference through donations and involvement

Over the years, **FLOS** and **Louis Poulsen** have contributed to charitable initiatives and fundraising activities through product donations and financial support to selected organizations, including, among others, the Red Cross, Save the Children and the Multiple Sclerosis Association of America.

Lumens continues its long-time commitment to supporting local communities through charitable donations to ReStores which funds Habitat for Humanity's mission to build and improve safe, affordable housing for low-income and disadvantaged individuals.

In 2025, **B&B Italia** supported community initiatives through solidarity-based actions embedded in its supplementary corporate agreement. In this context, the Company allocates an annual contribution to support two non-profit organizations: "Allons Enfants", which assists children with learning difficulties, and "Il Mantello", an association dedicated to supporting and promoting palliative care programmes.



Louis Poulsen x Home in Heven, 3daysofdesign 2023

Lumens' Design Gallery

Lumens reached a significant milestone in 2025 with the opening of its Design Gallery in San Francisco's Jackson Square, marking the Brand's evolution from a digital-first design retailer to a physical destination for discovery and engagement. This new space represents the Brand's first brick-and-mortar presence after more than two decades as a leading online destination for design, providing an immersive environment where visitors can experience products, materials and lighting in a curated setting. The gallery is designed as a creative hub, featuring collaborative spaces and a rotating Designer-in-Residence programme. The inaugural installation was developed by designer Ghislaine Viñas, whose work introduced a vibrant and engaging interpretation of Lumens' curated catalog. The opening event brought together members of the design community, reinforcing Lumens' positioning as both a luxury design platform and a cultural destination for inspiration and exchange. Together, these developments highlight Lumens' strategic evolution toward an omnichannel model, combining digital leadership with physical experiences to strengthen community engagement and expand its role within the global design ecosystem.

In 2025, Flos participated in 3daysofdesign in Copenhagen, presenting its latest products across two distinct locations: the Flos Scandinavia Showroom and the Martin Asbæk Gallery. Within the gallery, Flos held a temporary exhibition dedicated to its new Decorative collections, which had previously been unveiled at Salone del Mobile and were presented in Scandinavia for the first time. These included a range of lighting designs developed by internationally renowned designers and showcased through a curated exhibition format. At the same time, the Flos Scandinavia Showroom featured The Glowing Track, a modular lighting system developed by Flos Architectural, highlighting the Brand's ongoing focus on innovative lighting solutions and product development.

Within the same context of 3daysofdesign 2025, Louis Poulsen also contributed to the event through a dedicated exhibition programme hosted in its showroom. Among the main installations, the project Circle Dome Square, conceived by artist Henrik Vibskov and inspired by Verner Panton, combined shapes and colours in a textile structure designed to be experienced from within. In parallel, the temporary exhibition Hotel Louis brought together lighting and interior design elements within a single environment, offering a unified presentation space in which contemporary and iconic pieces were reinterpreted through an experiential setting.

In 2025, Arclinea celebrated its 100th anniversary through a series of cultural and artistic initiatives aimed at highlighting the Brand's heritage and its connection with kitchen design, conviviality and food culture. As part of the celebrations launched during Milan Design Week 2025, Arclinea presented "100 YEARS, 100 INGREDIENTS", a photographic project featuring 100 still-life images of ingredients representative of Italy's gastronomic heritage.

The project, developed with photographer Amélie Ambroise, was also presented through an exhibition at Arclinea's Milan showroom.
The photographs were made available for purchase during the anniversary year, with the proceeds, together with an additional contribution from Arclinea, donated to the University of Gastronomic Sciences of Pollenzo to support emerging talent and the right to education in the food sector.

Our distinguished portfolio of design Brands carries a long-standing tradition of participation in major design fairs and exhibitions worldwide. Among these, the annual Salone del Mobile in Milan, also known as Milan Design week, stands out as a leading stage for presenting innovative creations and visionary projects.

During Milan Design Week 2025, **FLOS** took part in the 32nd edition of the Euroluce Biennial, presenting an installation titled "The Light of the Mind", designed by Formafantasma.



Lumens Innovators Council

The exhibition space was conceived as an immersive and contemplative environment, structured around a series of audiovisual contents exploring the creative processes underpinning the Brand's new collections. The installation featured the presentation of seven new collections, placing emphasis not only on the products themselves but also on the design dynamics that guided their development.
In parallel, the Brand activated additional exhibition spaces across the city, including the Corso Monforte showroom, thereby reinforcing its presence within the Milan Design Week circuit.

Milan Design Week 2025 also represented a key moment for **B&B Italia**, which presented "The Collection Amplified", a concept aimed at enhancing its design heritage through a contemporary reinterpretation of historical collections. The initiative brought together new products and iconic pieces from the past, reinterpreted to meet current requirements in terms of comfort, modularity and sustainability.

In this context, the Brand presented curated indoor and outdoor settings displaying timeless collections that harmoniously combine design research and refined aesthetics. Among the new offerings were Cocùn by Antonio Citterio, a modular seating system characterized by fluid and enveloping forms, and Metropolitan Relax by Jeffrey Bernett, an ergonomic lounge chair featuring a rocking and swivelling mechanism.
In parallel, Flat.C Frame, an evolution of the Flat.C storage system designed by Antonio Citterio, introduced a new structural concept transforming the bookshelf-storage unit into a self-supporting architectural solution.

Alongside these new designs, iconic products such as Tufty-Time by Patricia Urquiola, Charles by Antonio Citterio and Diesis by Antonio Citterio and Paolo Nava were further updated, confirming the Brand's ability to innovate while maintaining a balance between functionality, elegance and comfort.

In 2025, B&B Italia strengthened its international presence through initiatives dedicated to the promotion of its collections and to the dialogue between design, art and the creative community. During Miami Art Basel 2025, the Brand presented "The Collection Amplified" at its Miami flagship store in the Design District, creating curated indoor and outdoor settings centered on timeless collections that combine design research and refined aesthetics. The initiative brought together new projects alongside updated versions of iconic pieces, reflecting a continuous dialogue between innovation and heritage and reinforcing the Brand's positioning within the international design landscape.

The exhibition space was conceived as a platform to showcase the evolution of the Brand's collections, where historical products and contemporary solutions coexist, offering a comprehensive representation of its design language. In this context, Flos participated as well, presenting the new "The Glowing Track" installation at the B&B Italia Design Studio in Miami.
A modular and versatile lighting system that combines innovation, high performance and sophisticated design in a single solution, "The Glowing Track" delivers immersive ambient light that integrates seamlessly into any setting.

B&B Italia's showroom became a meeting point for the design community, hosting on December 3rd an exclusive cocktail event attended by design enthusiasts, industry leaders and media representatives. This moment of exchange further contributed to strengthening connections between art, design and contemporary culture within the Miami Design District.

Groundbreaking design recognized with International Awards

As testament to the significant impact of our Brands on the global design scene, they have garnered numerous prestigious national and international design awards over the years.
At Group level, Flos B&B Italia Group is particularly proud to hold a record of 19 Compasso d'Oro awards, a distinguished achievement in the design industry. Moreover, in 2025, our Brands won different worldwide-recognized awards across the high-end lighting and furniture sectors.

Wallpaper* Design Awards 2025

In 2025, FLOS received the Wallpaper* Design Award for SuperWire, a lighting collection designed by Formafantasma. The project was recognized for its innovative modular design and its focus on repairability and sustainability.

LIT Lighting Design Awards 2025

FLOS was also recognized within the LIT Lighting Design Awards 2025, an international programme dedicated to lighting product designers and lighting implementers.

AZ Awards 2025

SuperWire by Formafantasma for FLOS was included in the AZ Awards 2025 longlist in the "Design – Light Fixtures" category, further highlighting the Brand's ability to combine lighting innovation, modularity and contemporary design.

IDEAT Design Award 2025

In 2025, SuperWire was also awarded the IDEAT Design Award 2025 in the "Plus belle lampe" category, a distinction granted by the French design magazine IDEAT to products that combine aesthetic excellence and innovation.

FORMÆ 2025 Design Award

The same collection also won the FORMÆ 2025 Design Award, an accolade celebrating outstanding achievements in product design and creative innovation within the international design industry.

Design for Culture – Promoting a shared culture of design

Monocle Design Awards 2025

B&B Italia's Flair O' Maxi small armchair, designed by Monica Armani, was awarded at the Monocle Design Awards 2025 in the "Best Armchair" category.
The recognition celebrates the product's sculptural elegance, harmonious proportions and quiet sophistication.

Furthermore, Flos' Bellhop Glass Table, designed by Barber Osgerby, received the Monocle Design Award 2025 for Best Lamp, recognizing its refined design language, versatility, and contribution to contemporary lighting.

Hemljus Design Award 2025

In 2025, Louis Poulsen received the prestigious Hemljus Design Award for its VL 45 Radiohus Portable Lamp, a contemporary reinterpretation of Vilhelm Lauritzen's iconic VL 45 Radiohus design originally created for the Danish Broadcasting House in the 1940s. The award recognizes the lamp's exceptional ability to combine timeless Danish design heritage with modern functionality, translating a historic lighting icon into a versatile portable format suitable for both indoor and outdoor environments. Crafted with mouth-blown opal glass, refined brass detailing, and a genuine leather strap, the VL 45 Radiohus Portable Lamp embodies Louis Poulsen's commitment to quality craftsmanship, aesthetic excellence, and enduring design.
The recognition further reinforces the Brand's position as a leading innovator in premium lighting, capable of preserving its design legacy while responding to contemporary lifestyles and user needs.



SuperWire by Formafantasma for Flos, multiple award winner in 2025



Our Governance

Business Conduct

Manufacturing of Flos' Céramique lamp by Ronan Bouroullec

The Governance System

Policies/actions/targets related to business conduct (ESRS G1-1) (ESRS G1-2) (GRI 205-3)

At Flos B&B Italia Group, we integrate our commitment to responsible business conduct throughout all our activities and relationships via a comprehensive compliance system implemented both at group level and through our Brands. This system ensures full adherence to applicable laws while defining the core values and principles guiding us in compliance with applicable laws and regulations within our business practices.

According to the Materiality Assessment conducted by the Group, the following material impact was assessed as relevant with respect to business conduct:

Business conduct	Management of relationships with suppliers, including payment practices especially late payment to small-and medium-sized undertakings (SMEs)	Disruption of the value chain and social impacts on suppliers due to inadequate supplier relationship practices (Potential, Negative)	Direct operations

Even though each Brand has built their own business models to adapt to the different markets and geographies where they operate, a set of clear and Group-wide policies and guidelines has been applied at Group level. These documents stretch topics such as corruption and bribery, whistleblowing and relationships with suppliers, product compliance and behavioral requirements. The main policies to refer to are the Group's Code of Ethics, the Supplier Code of Conduct, the Product Compliance Policy, Whistleblowing Policy and the 231 Model.

The Code of Ethics

The Group's Code of Ethics represents the cornerstone of our governance framework and defines the principles of integrity, transparency, fairness and accountability that guide decision-making and business relationships across all Brands and geographies. Approved by the Group's Board of Directors in 2024, the Code establishes the standards of conduct expected from employees, managers, directors, business partners, suppliers and other stakeholders, promoting a corporate culture grounded in ethical behavior, compliance with applicable laws and respect for human rights.

It provides guidance on key business conduct matters, including the prevention of corruption and bribery, conflicts of interest, protection of confidential information and intellectual property, fair competition, responsible relationships with suppliers, and respect for individuals in the workplace. With regard to corruption and bribery, we apply a zero-tolerance policy and implement measures designed to prevent, identify and sanction such behaviours in the conduct of our activities and those of our stakeholders, including suppliers.

Since 2022, Flos B&B Italia Group has been a participant in the United Nations Global Compact (UNGC), committing to uphold its Ten Principles, including those related to anti-corruption. This commitment reinforces the Group's existing policies and frameworks, ensuring alignment with internationally recognised standards and principles consistent with the United Nations Convention against Corruption.

The Code of Ethics is supported by complementary policies and procedures, including the Group's Whistleblowing Policy, Supplier Code of Conduct and compliance frameworks adopted at Brand level, which together contribute to the identification, prevention and management of potential misconduct. Through dedicated communication, training and reporting mechanisms available to both internal and external stakeholders, the Group seeks to foster a speak-up culture, encourage the timely reporting of concerns and ensure that potential violations are assessed and investigated in an independent and objective manner. By embedding ethical principles into our daily operations and value chain relationships, we aim to reinforce a culture of responsibility and integrity while mitigating business conduct risks and supporting long-term sustainable value creation.

Our Supplier Code of Conduct

Flos B&B Italia Group's Supplier Code of Conduct defines the minimum ethical, social, environmental and business integrity standards that all suppliers and business partners are expected to uphold throughout the value chain. Consistent with the Group's commitment to responsible business conduct, the Code requires suppliers to operate in compliance with applicable laws and regulations, respect internationally recognized human rights and labor standards, promote fair and safe working conditions, prohibit any form of discrimination, forced labor and child labor, and ensure the protection of workers' health and safety. The Code further establishes expectations regarding environmental stewardship, encouraging suppliers to adopt practices aimed at reducing environmental impacts, improving resource efficiency and supporting sustainable sourcing. In addition, suppliers are required to conduct their activities with integrity and transparency, preventing corruption, bribery and conflicts of interest, while ensuring responsible management of information and business relationships. Through the Supplier Code of Conduct and related engagement activities, we seek to foster long-term partnerships based on shared values, responsible practices and continuous improvement.

Currently, the Supplier Code of Conduct does not set specific ESG-related criteria according to which suppliers are selected. Although, each Brand manages the selection of suppliers, including the criteria and specific requirements to check in the selection process.

Whistleblowing system

The Whistleblowing Policy further strengthens this framework by providing a dedicated Group-level channel and clear guidance for employees, suppliers, customers and other stakeholders to report violations of company policies, including the Code of Ethics, the Supplier Code of Conduct and the Model 231. Reports may concern breaches of internal procedures as well as violations of applicable laws, including corruption, fraud, anti-competition practices, financial crimes, product safety and quality issues, harassment and discrimination, data protection breaches, human rights violations, environmental damage and conflicts of interest.

To manage such reports, Ethics Committees have been established within each Brand. These Committees review whistleblowing submissions, respond to requests for clarification regarding codes and policies, supervise compliance efforts, and investigate potential misconduct or non-compliance in accordance with established principles and procedures.

Reports can be submitted through multiple channels, including a dedicated online platform, email communication and direct reporting to members of the Ethics Committees. Anti-retaliation principles are strictly enforced to protect whistleblowers. Employees who violate the adopted codes and policies may face disciplinary actions, alongside potential civil, criminal, or administrative consequences, applied proportionally and following a fair, confrontational process.

Under the Italian regulatory framework established by Legislative Decree 231/2001, Flos B&B Italia Group has adopted an Organizational, Management and Control Model ("Model 231") aimed at preventing the commission of offences that could give rise to corporate liability. The Model forms an integral part of the Group's governance and compliance framework and is designed to promote a culture of integrity, accountability and lawful conduct across business activities.

The Model has been approved by Flos B&B Italia Group's Board of Directors lastly in March 2024 and represents a voluntary framework aligning company procedures with legal requirements related to administrative and criminal liability for offences, including misconduct involving Public Administration, corporate crimes, market abuse, environmental violations, and health and safety breaches. The Model identifies associated risks and defines preventive measures, while requiring the establishment of effective reporting channels to enable the submission of reports of unlawful conduct.

Training activities on compliance and governance topics, including Model 231, Code of Ethics, anti-corruption and whistleblowing, have been delivered at Group level both in person and via e-learning. Content has been tailored to roles and responsibilities and has been updated in line with regulatory and organizational developments.

At Brand-level, annual training on the documentation and frameworks mentioned above are delivered to employees. In particular, in 2025 B&B Italia provided training through both in-person sessions and digital e-learning platforms, ensuring broad accessibility and enabling the adoption of learning paths tailored to the specific responsibilities and risk exposure of different employee groups. The programmes covered key governance and compliance topics, including the principles and requirements of the Group's Code of Ethics, the Organizational Model pursuant to Legislative Decree 231/2001, anti-corruption measures and whistleblowing procedures. The training content was regularly updated to reflect regulatory developments and organizational changes, supporting employees in understanding their responsibilities and promoting consistent application of the Group's ethical and compliance standards.

Cases of corruption and bribery

Metrics related to corruption and bribery (ESRS G1-4) (GRI 205-3)

No cases of corruption were reported by the Group or its Brands during the reporting period. In the absence of identified violations, the actions undertaken have focused exclusively on verifying the compliance of existing practices and operational procedures, in order to ensure adherence to ethical and regulatory principles.



Panthella lamp by Verner Panton, Louis Poulsen

Payment practices

Metrics related to payment practices (ESRS G1-6) (GRI 205-3)

Supplier relationship management is grounded in fairness and transparency, as set out in our Code of Ethics. This also entails strict compliance with contractual terms, including payment conditions.

Each Brand maintains supplier relationships based on rigour and transparency, selecting them on the basis of objective criteria such as competitiveness, quality of products and services, economic conditions and organisational reliability. Adherence to our Code of Ethics and to the Supplier Code of Conduct represents a binding requirement, as does the availability of adequate resources and structures to ensure compliance with the required standards.

Given the international footprint of the Group and the geographical distribution of its Brands across different jurisdictions, payment terms are established in accordance with applicable local laws, regulations and customary business practices. As a result, contractual payment conditions may vary among Group companies to reflect country-specific regulatory requirements and market standards. Overall, Brands strive to ensure that payment processes are managed efficiently and consistently, promoting reliability, trust and long-term collaboration with suppliers, including small and medium-sized enterprises.

For example, Flos applies to standard payment terms at 90 days; however, shorter terms of 60 or 30 days, as well as advance payments, may be applied where justified by specific operational or business requirements. During the reporting period, more than 90% of supplier invoices recorded by Flos were settled within the agreed contractual terms. Similarly, Louis Poulsen and Audo applied standard payment terms set in the current month plus 62 days for the settlement of invoices received.

No legal proceedings related to late payments were outstanding at the date of the preparation of the document[1].

1. Information refers only to Louis Poulsen and Flos, for which data was available at the date of preparation of the present Sustainability Report.

Appendix

General disclosures

GRI 2-7 | Employees (FTEs)

ESRS S1-5 20.c | Characteristics of the undertaking's employees

	2023	2024	2025
Employees	**2,118**	**2,131**	**2,014**[1]
EMEA	**1,718**	**1,691**	**1,603**
Women	743	719	673
Men	975	972	930
AMERICA	**329**	**332**	**299**
Women	189	198	174
Men	140	134	125
APAC	**71**	**108**	**112**
Women	41	61	67
Men	30	47	45

1. The difference between 2024 and 2025 data is mainly due to the exclusion of employees from FendiCasa-DQM in mid 2025, following the end of Flos B&B Italia Group's partnership with FENDI, marking the closure of the FF Design joint venture.

	2023	2024	2025
Full-Time employees	**2,044**	**2,056**	**1,953**
Women	916	921	866
Men	1,128	1,135	1,087
EMEA	**1,661**	**1,625**	**1,548**
Women	696	669	630
Men	965	956	918
AMERICA	**325**	**328**	**299**
Women	186	195	174
Men	139	133	125
APAC	**58**	**103**	**106**
Women	33	57	62
Men	25	46	44
Part-Time employees	**69**	**69**	**55**
Women	54	54	45
Men	15	15	10
EMEA	**53**	**61**	**50**
Women	44	48	40
Men	9	13	10
AMERICA	**3**	**3**	**-**
Women	2	2	-
Men	1	1	-
APAC	**13**	**5**	**6**
Women	8	4	5
Men	5	1	1
Non-guaranteed hours employees	**5**	**6**	**5**
Women	4	3	3
Men	1	3	2
EMEA	**5**	**6**	**5**
Women	4	3	3
Men	1	3	2
AMERICA	**-**	**-**	**-**
Women	-	-	-
Men	-	-	-
APAC	**-**	**-**	**-**
Women	-	-	-
Men	-	-	-

	2023	2024	2025
Permanent employees	**2,063**	**2,081**	**1,972**
Women	948	955	900
Men	1,115	1,126	1,072
EMEA	**1,675**	**1,648**	**1,566**
Women	722	700	662
Men	953	948	904
AMERICA	**323**	**328**	**296**
Women	186	197	172
Men	137	131	124
APAC	**65**	**105**	**110**
Women	39	59	66
Men	26	46	44
Temporary employees	**49**	**49**	**37**
Women	21	19	11
Men	28	24	26
EMEA	**38**	**37**	**32**
Women	17	16	8
Men	21	21	24
AMERICA	**5**	**4**	**3**
Women	2	1	2
Men	3	3	1
APAC	**6**	**3**	**2**
Women	2	2	1
Men	4	1	1
Non-guaranteed hours employees	**5**	**6**	**5**
Women	4	3	3
Men	1	3	2
EMEA	**5**	**6**	**5**
Women	4	3	3
Men	1	3	2
AMERICA	**-**	**-**	**-**
Women	-	-	-
Men	-	-	-
APAC	**-**	**-**	**-**
Women	-	-	-
Men	-	-	-

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

S1-6 22 | Characteristics of non-employees in the undertaking's own workforce

	2023	2024	2025
Workers who are not employees	**76**	**62**	**58**
Agency workers	**51**	**40**	**36**
Women	18	10	10
Men	33	30	26
Other subcontractors	**10**	**10**	**14**
Women	2	4	6
Men	8	6	8
Internships	**15**	**12**	**8**
Women	3	3	3
Men	12	9	5

Economic performance

GRI 201-1 | Direct economic value generated, distributed, and retained (€/000)[2]

	2023	2024	2025
Direct economic value generated	**790,537**	**774,378**	**764,622**
Direct economic value distributed	**712,896**	**733,350**	**692,666**
Operating costs	444,237	439,359	414,731
Employees' wages and benefits	169,679	170,451	167,469
Payments to providers of capital	85,637	97,639	84,858
Payments to the government	12,881	25,477	25,039
Community investment	461	423	569
Economic value retained	**77,642**	**41,029**	**71,956**

2. Revenues and expenses reported in the table refer to Flos B&B Italia Group S.p.A.

Materials

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

E5-4 13 | Resource inflows

	2023	2024	2025
Iron/Steel	2,309	2,171	1,914
Fabrics	566	430	413
Wood	4,062	4,108	3,921
Marble	450	626	534
Ceramic	4	10	2
Appliances	116	186	150
Aluminum	2,330	2,417	2,386
Leather	51	39	37
Paints	43	45	29
Paper	1	9	9
Polyurethane	394	299	287
Plastic	405	490	433
Glue	9	13	12
Glass	327	404	338
Gypsum	23	28	23
Brass	52	78	53
Rubber	4	6	3
Concrete	1	1	0
Copper	13	43	23
Foam	28	57	26
Other metals	5	14	11
Total raw materials	**11,194**	**11,476**	**10,604**
Paper	1,891	2,053	1,979
Polystyrene	9	9	9
Polyethylene / Plastic	73	107	101
Wood	468	493	455
Total packaging	**2,441**	**2,662**	**2,544**
Total	**13,634**	**14,138**	**13,148**

Energy

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

	U.M.	2023	2024	2025
Natural gas for heating and production processes	m3	1,413,071	1,117,253[3]	1,240,944
Diesel consumed by vehicles owned and leased	L	461,657	329,090	255,881
LPG for heating	L	101,914	176,553	171,173
Petrol consumed by vehicles owned and leased	L	31,864	41,980	45,679
Biomass for heating	T	471	390	480

GRI 302-1 | Indirect energy consumption (kWh)

	2023	2024	2025
Electricity (purchased)	**11,840,198**	**12,471,964**	**11,974,712**
of which sourced from energy provider with Guarantee of Origin	9,200,952	9,060,639	9,361,186
District Heating	**2,959,412**	**5,176,921**	**4,760,599**

3. Data related to natural gas consumption recorded by Louis Poulsen was restated for 2024 data due to an update of the value from the Brand's energy provider.

GRI 302-1 | Total energy consumed (GJ)

	2023	2024	2025
Natural gas for heating and production processes	50,707	40,578[4]	45,527
Electricity purchased from national grid	42,625	44,899	43,109
Diesel consumed by vehicles owned and leased	16,650	11,718	9,124
District heating purchased from external waste-to-energy plant	10,654	18,637	17,138
LPG for heating	2,480	4,297	4,166
Petrol consumed by vehicles owned and leased	1,035	1,355	1,468
Biomass for heating	7,357	6,091	6,539
Total	**131,508**	**127,574.5**	**127,071**

Emissions

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

ESRS E1-8 30.a.i| Gross scope 1, 2, 3 GHG emissions

	2023	2024	2025
Natural gas for heating and production processes	2,880	2,276	2,564
Diesel consumed by vehicles owned and leased	1,304	974	776
Refrigerant gas leaks	3	102	10
Petrol consumed by vehicles owned and leased	119	137	148
Wood combustion for heating	19	17	21
LPG for heating	159	519	503
Total	**4,485**	**4,025**	**4,022**

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

ESRS E1-8 30.a.ii| Gross scope 1, 2, 3 GHG emissions

	2023	2024[5]	2025
Electricity consumption (Location – Based)	2,700	2,378	2,616
Electricity consumption (Market – Based)	1,075	1,139	1,440
District Heating	767	762	371
Total Location-Based	**3,466**	**3,141**	**2,987**
Total Market-Based	**1,841**	**1,901**	**1,811**

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

ESRS E1-8 30.a.iii| Gross scope 1, 2, 3 GHG emissions

	2023	2024	2025
Cat. 1 - Purchased Goods and Services	100,256	92,093	94,524
Cat. 2 - Capital Goods	6,642	4,651	4,002
Cat. 3 - Fuel and Energy-Related Activities	1,237	1,269	1,097
Cat. 4 - Upstream Transportation and Distribution	10,043	7,583	7,539
Cat. 5 - Waste Generated in Operations	249	251	162
Cat. 6 - Business Travel	1,937	1,708	1,507
Cat. 7 – Employees Commuting	4,268	4,236	3,534
Cat. 9 - Downstream Transportation and Distribution	8,115	8,342	6,486
Cat. 11 – Use of Sold Products	357,585	316,700	334,858
Cat. 12 - End-of-Life Treatment of Sold Products	2,900	2,804	2,453
Total	**493,231**	**439,637**	**456,159**

4. Data related to natural gas consumption recorded by Louis Poulsen was restated for 2024 data due to an update of the value from the Brand's energy provider.

5. Data related to 2024 was subject to restatement due to the update of the emission factor associated with the generation of district heating from the cogeneration system used by B&B Italia. Both values of Market-based and Location-based emissions related to 2024 have been recalculated and included in the herein document. According to the recalculated data, Scope 2 emissions show a slight reduction in 2025 compared to 2024, in line with the trend highlighted for Scope 1 emissions over the years.

Waste

GRI 306-3 | Waste generated (t)

E5-5 16.b | Resource outflows

		2023	2024	2025
Aqueous solutions		198	93	96
Construction materials		50	5	6
Glass		8	14	12
Metal materials		180	207	173
Non-municipal waste		395	394	169
Other		120	94	121
Packaging	Glass	4	4	3
	Mixed materials	318	425	417
	Paper/Paperboard	212	190	168
	Plastics	18	10	14
	Wood	192	305	258
Paintings		22	22	28
Paper		70	94	79
Plastic		53	28	29
Sludge		14	12	11
Wood		283	386	394
Total waste		**2,136**	**2,283**	**1,978**

Employment

GRI 401-1 | Employee hires (FTEs)

		2023	2024	2025
Total hires		**276**	**363**	**284**
Gender	Women	131	157	117
	Men	145	205	167
Age brackets	<30	72	79	86
	30 ≤ x ≤ 50	167	213	165
	>50	37	71	33

GRI 401-1 | Turnover (FTEs)

		2023	2024	2025
Total terminations		**396**	**303**	**324**
Gender	Women	184	140	142
	Men	212	163	182
Age brackets	<30	82	59	55
	30 ≤ x ≤ 50	230	170	182
	>50	84	74	87

Health and safety

GRI 403-9 | Work-related injuries

	U.M.	2023	2024	2025
Employees				
Total number of hours worked	n.	2,990,796	2,848,157	2,695,147
Total number of recordable work-related injuries	n.	16	43	26
Rate of recordable work-related injuries	Rate	5.3	15.1	9.6
Agency workers				
Total number of hours worked	n.	111,438	155,897	113,058
Total number of recordable work-related injuries	n.	2	2	-
Rate of recordable work-related injuries	Rate	17.9	12.8	-

Training and education

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

	2023	2024	2025
Gender	**11,300**	**6,311**	**7,367**
Women	4,965	2,320	2,539
Men	6,302	3,991	4,828
Employee category			
Executives	9.8	10.1	6.6
Middle managers	10.1	3.8	4.4
Office workers	12.6	8.0	5.6
Workers	4.8	3.7	7.0

Diversity and equal opportunity

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

	2023		2024		2025	
Gender	**FTEs**	**%**	**FTEs**	**%**	**FTEs**	**%**
Women	973	46	978	46	915	45
Men	1,145	54	1,154	54	1,099	5 5
Age brackets	**FTEs**	**%**	**FTEs**	**%**	**FTEs**	**%**
<30	253	12	219	10	218	10.8
30 ≤ x ≤ 50	1.206	57	1,189	56	1,106	54.9
>50	658	31	724	34	691	34.3

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

	2023		2024		2025	
	FTEs	**%**	**FTEs**	**%**	**FTEs**	**%**
Executives	93	4.4	82	3.8	74	3.7
Women	28	30.1	24	29.3	16	21.5
Men	65	69.9	58	70.7	58	78.5
Middle managers	225	10.6	204	9.5	208	10.3
Women	102	45.4	93	45.7	96	46.2
Men	123	54.6	111	54.3	112	53.8
Office workers	1.158	54.7	1,199	56.3	1.101	54.7
Women	637	55.0	658	54.9	626	56.9
Men	521	45.0	541	45.1	475	43.1
Workers	642	30.3	646	30.3	631	31.3
Women	205	32.0	202	31.3	192	30.5
Men	437	68.0	444	68.7	439	69.5

Sustainability Risk Assessment

As part of its assessment of the most significant topics, Flos B&B Italia Group carried out an analysis to identify the ESG-related risks which are most likely to impact the organization. This included areas such as human rights, environmental protection, social responsibility and anti-corruption practices. The main identified risks have been addressed and mitigated internally – primarily the 231 Model, the Group's Sustainability Policy, and the Code of Ethics – as well as externally, notably through the Group's Supplier Code of Conduct. The results of the sustainability risk assessment, along with the main mitigation actions implemented, are summarized in the table below.

Aspects	Potential risk	Mitigation activities
Human rights	○ Potential exposure to human rights risks along the supply chain (e.g., child labor, bonded labor or living wage).	○ Long lasting relationship with key suppliers, also through ESG risk assessment and oversight; ○ Ethical requirements related to human and labor rights for suppliers; ○ Implementation of the principles of the Supplier Code of Conduct and Code of Ethics.
Environment	○ Physical risks correlated with climate change on owned assets and facilities; ○ Physical risks correlated with raw material depletion and waste related impacts in the supply chain and direct operations; ○ Transitional risks correlated with climate change and energy transition; ○ Potential interruption of procurement and distribution channels due to direct and indirect effects of climate change; ○ Reputational risks coming from noncompliance with environmental legislation both in own operations and across the value chain; ○ Risk of limited energy supply and rising energy costs; ○ Inability to respond to market and legislative trends concerning the environmental impacts and performance of products.	○ Producing long-lasting solutions and investing in R&D to further expand products lifecycle and progressively reduce carbon footprint by using more sustainable materials and ensuring energy efficiency in use phase; ○ Supply chain ESG risk assessment and oversight; ○ Implementation of dedicated internal policies and law-compliance activities; ○ Compliance with the principles of the European Eco-design Framework Directive; ○ Diversification of energy supply sources to ensure reliability in procurement; ○ Implementation of the principles of the Supplier Code of Conduct and Sustainability Policy.
Social	○ Inability to attract and retain talents with adequate skills and backgrounds; ○ Potential nonconformity or reputational impact related to cases of discrimination; ○ Inability to ensure high Health and safety standards and performance both within own operations and across the supply chain.	○ Employer branding initiatives and employee engagement; ○ Implementation of adequate training and development programs; ○ Implementation of a whistleblowing system and a Code of Ethics; ○ H&S management systems along with clear guidelines and procedures for mitigating health and safety-related risks and accidents; ○ Implementation of the principles of the Supplier Code of Conduct; ○ Monitoring of H&S performance of key suppliers.
Anti-corruption	○ Potential non-conformity and reputational risks related to cases of corruption, unfair competition or unethical business practices.	○ MOG 231 and related procedures and instruments; ○ Implementation of the Code of Ethics and Whistleblowing Policy; ○ Full alignment with applicable national legislations.

As a gradual process to align with the Corporate Sustainability Reporting Directive (CSRD), the Group acknowledges that the assessment of financial materiality – relating to sustainability risks and opportunities that may affect future financial performance – will be progressively integrated in the coming reporting cycles as to follow the requirements introduced by the CSRD and the ESRS standards.

GRI-ESRS Content Index

Statement of use	Flos B&B Italia Group has reported in accordance with the GRI Standards for the period 01.01.2025 – 31.12.2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not currently available.

Disclosure		Page	Notes	ESRS Associated	Omission		
					Requirements omitted	Reason	Explanation
General disclosures							
GRI 2: General Disclosures 2021	2-1 Organizational details	6		ESRS 2 BP-1			
	2-2 Entities included in the organization's sustainability reporting	12, 13, 14, 15		ESRS 2 BP-1			
	2-3 Reporting period, frequency and contact point	8		ESRS 2 BP-1			
	2-4 Restatements of information	36	Information related to restatements have been included in the dedicated sections.				
	2-5 External assurance	-	The herein document is not subject to external assurance.	Requirements of Directive (EU) 2022/2464			
	2-6 Activities, value chain and other business relationships	10, 18		ESRS 2 SBM-1, SBM-3			
	2-7 Employees	76, 82		ESRS S1-5, SBM-1			
	2-8 Workers who are not employees	76		ESRS S1-6			
	2-9 Governance structure and composition	22		ESRS 2 GOV-1			
	2-10 Nomination and selection of the highest governance body	22		ESRS 2 GOV-1			

Disclosure		Page	Notes	ESRS Associated	Omission		
					Requirements omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	22		ESRS 2 GOV-1			
	2-12 Role of the highest governance body in overseeing the management of impacts	22		ESRS 2 GOV-1, ESRS 2 GOV-2			
	2-13 Delegation of responsibility for managing impacts	22		ESRS 2 GOV-1			
	2-14 Role of the highest governance body in sustainability reporting	22		ESRS 2 GOV-1			
	2-15 Conflicts of interest	22		ESRS 2 GOV-1			
	2-16 Communication of critical concerns	22		ESRS 2 GOV-1			
	2-17 Collective knowledge of the highest governance body	22		ESRS 2 GOV-1			
	2-18 Evaluation of the performance of the highest governance body	22		ESRS 2 GOV-1			
	2-19 Remuneration policies	22		ESRS 2 GOV-2			
	2-20 Process to determine remuneration	22		ESRS 2 GOV-2			
	2-21 Annual total compensation ratio	22		ESRS S1-15	a, b and c	Omission due to Confidentiality constraints	

Disclosure		Page	Notes	ESRS Associated	Omission		
					Requirements omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	19		ESRS 2 SBM-1, SBM-3			
	2-23 Policy commitments	19, 72		ESRS 2, GDR-P			
	2-24 Embedding policy commitments	19, 72		ESRS 2, GDR-P, ESRS S1-1			
	2-25 Processes to remediate negative impacts	19, 74		ESRS 2 IRO-1, ESRS S1-2, ESRS S4-2			
	2-26 Mechanisms for seeking advice and raising concerns	74		ESRS 2 IRO-1, G1-1, ESRS S1-2, ESRS S2-2, ESRS S4-2			
	2-27 Compliance with laws and regulations	104		ESRS G1-4, ESRS 2 S1-16			
	2-28 Membership associations	22	For more information, please consult Flos B&B Italia Group's Brands sustainability reports publicly available on their websites.				
	2-29 Approach to stakeholder engagement	25		ESRS 2 SMB-2, ESRS 2 IRO-1, SBM-3			
	2-30 Collective bargaining agreements	82		ESRS S1-7			

Material topic	Disclosure		Page	Notes
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESRS 2 BP-1, ESRS 2 IRO-1, ESRS 2 IRO-1, ESRS 2 IRO-2	26, 27, 28	
	3-2 List of material topics	ESRS 2 SBM-3, ESRS 2 IRO-1, ESRS 2 IRO-2	26, 27, 28	
Economic performance				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2 BP-1, ESRS 2 IRO-1, ESRS 2 IRO-1, ESRS 2 IRO-2	26, 27, 28	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		26, 27, 28	
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS G1-1 6, G1-2	100, 104	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	ESRS G1-4	100, 104	During the reporting period, no cases of corruption have been detected.
Materials				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2 IRO-2, ESRS E5-1, E5-2, E5-3	26, 27, 28	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	ESRS E5-4	61	
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2 IRO-2, ESRS E1-4, E1-5, E1-6	33, 43	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESRS E1-7	36	
	302-3 Energy intensity		36	

Material topic	Disclosure		Page	Notes
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2 IRO-2, ESRS E1-4, E1-5, E1-6	33, 43	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	ESRS E1-8	38	
	305-2 Energy indirect (Scope 2) GHG emissions	ESRS E1-8	38	
	305-3 Other indirect (Scope 3) GHG emissions	ESRS E1-8	39, 40	
Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2 IRO-2, ESRS E5-1, E5-2, E5-3	44, 45	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	ESRS 2 IRO-2, ESRS E5-1, E5-2, E5-3	44, 45, 59	
	306-2 Management of significant waste-related impacts	ESRS 2 IRO-2, ESRS E5-1, E5-2, E5-3	44, 45	
	306-3 Waste generated	E5-5	65	
Supplier environmental assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2 IRO-2, ESRS S2-1, S2-3, S2-	71, 72	
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	ESRS E5-2, ESRS G1-2	86	For the time being there are no structured processes and/or procedures to screen suppliers according to environmental criteria.
Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2 IRO-1, ESRS S1-1, S1-3, S1-	71, 72	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESRS S1-5	76	

Material topic	Disclosure		Page	Notes
Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2 IRO-1, ESRS S1-, S1-3, S1-4	71, 72, 73, 74	
GRI 403: Occupational health and safety 2018	403-1 Occupational Health and safety management system	ESRS 2 IRO-1, ESRS S1-, S1-3, S1-4	74, 83	
	403-2 Hazard identification, risk assessment, and incident investigation	ESRS S1-3, S1-13	74, 83	
	403-3 Occupational health services	ESRS S1-3	74	
	403-4 Worker participation, consultation, and communication on occupational health and safety	ESRS S1-2	73, 74	
	403-5 Worker training on occupational health and safety	ESRS S1-3	74, 85	
	403-6 Promotion of worker health	ESRS S1-3	74, 75, 81, 82	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESRS S1-13	74, 75	
	403-8 Workers covered by an occupational health and safety management system	ESRS S1-13	83	
	403-9 Work-related injuries	ESRS S1-13	83	
Training and education				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2 IRO-1, ESRS S1-, S1-3, S1-4	71, 72	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	ESRS S1-12	83, 84	
Diversity & Equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2 IRO-1, ESRS S1-1, S1-3, S1-4	71, 72	
GRI 405: Diversity & Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	ESRS S1-5, S1-8, S1-11	74, 76	

Material topic	Disclosure		Page	Notes
Non-discrimination				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2 IRO-1, ESRS S1-1, S1-3, S1-4	74	
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	ESRS S1-16	82	During the reporting period, no episodes of discrimination have emerged.
Supplier social assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2 IRO-2, ESRS S2-1, S2-3, S2-4	86, 87, 88	
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	ESRS G1-2	86	For the time being there are no structured processes and/or procedures to screen suppliers according to social criteria.
Customer health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2 IRO-2, ESRS S4-1, S4-3	87, 88	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	ESRS S4-3	88, 90	During the reporting period, no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services have emerged.
Marketing and Labelling				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESRS 2 IRO-2, ESRS S4-1, S4-3	88, 90	
GRI 417: Marketing and Labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labelling	ESRS S4-3	88, 90	During the reporting period, no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling have emerged.

Additional ESRS Information

Material topic	ESRS Disclosure Requirement	ESRS Datapoint	Pages	Notes
ESRS E2 - Pollution	DR E2-1 – Policies related to pollution DR E2-2 – Actions related to pollution	ESRS E2-1, ESRS E2-2	43, 44	
ESRS E3 - Water	DR E3-1 – Policies related to water DR E3-2 – Actions and resources related to water	ESRS E3-1, E3-2	43, 44	
ESRS E4 – Biodiversity and Ecosystems	DR 4-2 – Policies related to biodiversity and ecosystems DR 4-3 – Actions and resources related to biodiversity and ecosystems	ESRS E4-2, E4-	43, 44	
ESRS G1 – Business Conduct	DR G1-6 - Metrics related to payment services	ESRS G1-6	104	

Sasb disclosure index

Flos B&B Italia Group produces the Sustainability Accounting Standards Board (SASB) Index to illustrate how its reporting aligns with the Building Products & Furnishings industry guidelines.
Building Products & Furnishings | Sustainability Disclosure Topics

Topic	Category	SASB Code	Accounting Metric	Pages	Notes
Business Ethics & Responsibility	Management of chemicals in products	CG-BF-250a.1	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	88, 90	No relevant risks and hazards associated with chemicals are involved in Flos B&B Italia Group Brands' productive processes. The Group is fully compliant with local laws. For more information, please consult Flos B&B Italia Group's Brands sustainability reports publicly available on their websites.
		CG-BF-250a.2	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	90	Given the peculiarities of the Brands' productive processes, no relevant impacts on volatile organic compound are recorded. Nonetheless, Flos B&B Italia Group is fully compliant with local environmental laws. For more information, please consult Flos B&B Italia Group's Brands sustainability reports publicly available on their websites.

Topic	Category	SASB Code	Accounting Metric	Pages	Notes
		CG-BF-410a.1	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	45, 50, 59, 60	For more information, please consult Flos B&B Italia Group's Brands sustainability reports publicly available on their websites.
Eco-design & Circular Economy	Product Lifecycle Environmental Impacts	CG-BF-410a.2	(1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled	66, 67	Currently, Flos B&B Italia Group does not recover end-of-life materials at a Group level. Brands have developed their own initiatives and projects in relation to eco-design and circular economy. For more information, please consult Flos B&B Italia Group's Brands sustainability reports publicly available on their websites.
Energy & Climate change	Energy Management in Manufacturing	CG-BF-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	35, 36, 37, 38	
Responsible Sourcing & Sustainable Supply Chain Management	Wood Supply Chain Management	CG-BF-430a.1	(1) Total weight of wood fibre materials purchased, (2) percentage from third-party certified forestlands, (3) percentage by standard, and (4) percentage certified to other wood fibre standards, (5) percentage by standard	51, 52, 61, 62	

Building Products & Furnishings

Accounting Metrics

Activity Metric	Code	Pages	Notes
Annual Production (Production shall be disclosed in typical units tracked by the entity such as number of units, weight, and/or square feet).	CG-BF-000.A	61, 62, 63, 64	Number of units: 3,027,843
Area of manufacturing facilities The scope shall be limited to total area under roof, including manufacturing and administrative functions).	CG-BF-000.B	61, 62, 63, 64	Square meters: 3,587,954

For further information about this Sustainability report please contact

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