



**GIORGETTI** | **BATTAGLIA**

# 2020 SUSTAINABILITY REPORT

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# LETTER TO STAKEHOLDERS



Throughout its 123 years of history, Giorgetti has made renewal, customer focus and above all responsibility towards its people and the communities in which it operates, the cornerstones of its identity in the world. Thanks to these qualities, the Group has been able to respond to the complexities of healthcare circumstances by dedicating itself, first and foremost, to the **protection of its people**, adapting its working methods to the needs of its human capital and ensuring the proper functioning of the entire production chain. The crisis that has affected the community has transformed the way we live, work and express our humanity, giving light to a new archetype characterised by greater flexibility in work, an almost all-encompassing digitalisation of communications and the birth of new media channels through which products are told and presented.

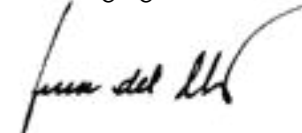
Despite the difficulties faced during 2020, Giorgetti has persevered on its **path of sustainability**, testifying to the strategic role that responsibility, in all its forms, plays in safeguarding business continuity. In line with the objectives defined last year, which led to the drafting and publication of the first sustainability report, an indispensable tool for communicating with its stakeholders, the Group has consolidated and deepened its commitments on the issues it considers most material, which are described in the following pages. It is precisely the **attitude towards continuous improvement** that has enabled the Giorgetti Group to face an extraordinary year like 2020 with proactivity and dynamism. The **renewal** that guides Giorgetti's philosophy and ensures its longevity allows us to look to the future with perspective.

The art of interpreting and anticipating customers' needs, generation after generation, has always distinguished Giorgetti's creative approach. Aware of the inevitability of a **digital transition**, which has already revolutionised the sales process in many sectors, undergoing further acceleration this year, the Group has invested in its **online presence**, creating an ad hoc video channel to involve customers in the presentation of the new collections. Through this platform, accessible from the company website, the aim has been to give voice to the designers behind the already iconic projects of the new year, also sharing the production know-how and study of materials that characterise the excellence of Giorgetti's workmanship.

Today, when talking about sustainability, a feature that guides our choices and actions, we find it essential to articulate the significance of "**legacy**" for the Group, in its multiple meanings. We refer to the environmental legacy of natural resources that we leave to future generations. We are referring to the legacy of values and skills acquired over more than a hundred years of cabinet-making tradition, of which our craftsmen are the authors and custodians. And finally, to the legacy that is the products themselves, built to last and designed to escape it, with their timeless elegance and beauty.

We would like to thank all the women and men of the Giorgetti Group for their daily **commitment** to their work. Thank you, today more than ever, for the dedication with which, even in this difficult year, they have supported and are continuing to support the **continuity of our tradition**.

The Managing Director



Giovanni del Vecchio

# G

## ROUP HIGHLIGHTS

### FINANCIAL PERFORMANCE



More than 21.000 products made

€ 51.904 thousand in revenues

### HUMAN RESOURCES



1:10 ratio of management to employees  
(management = executives and middle managers)

19% of new hires < 30 years old

### ENVIRONMENT



98% non-hazardous waste produced

98,6% waste destined for recycling

46.9 tonnes of CO2 avoided with self-generated energy from renewable sources

-9.4% CO2 compared to 2019 (Scope 1 and Scope 2 location-based)

### PRODUCT INNOVATION



4 new registered models out of a total of 22 registered models

3% of turnover invested in R&D

### COMMUNITY



96,2% of the Group's expenditures paid to local suppliers

# SUSTAINABILITY REPORT

## Methodological note

This document, which represents the second Sustainability Report of Giorgetti SpA and its subsidiaries (hereinafter the "Giorgetti Group" or the "Group") with regard to the 2020 financial year (from 1 January to 31 December), reports on the issues deemed relevant to the extent necessary to ensure an understanding of the company's activity, its performance, results and the social and environmental impact it produced.

In order to report and communicate the Group's sustainability performance in a transparent and comparable manner, the Sustainability Report was prepared in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" (hereinafter "GRI Standards") issued in 2016 by the Global Reporting Initiative (GRI), according to the "in accordance - Core" option.

The definition of the material issues for the Group and its Stakeholders was done following a materiality assessment process, in line with GRI Standards and industry best practices, as described in the chapter "Giorgetti's sustainability path". The materiality analysis published in the Sustainability Report 2020 is in line with that of the previous year.

The scope of reporting of business and financial data and information corresponds to that of the Giorgetti Group's consolidated financial statements as at 31 December 2020.

The scope of data and information on social aspects includes all companies consolidated on a line-by-line basis by the parent company, Giorgetti S.p.A.<sup>1</sup> With regard to qualitative information and quantitative data relating to environmental and health and safety aspects, only Group companies that manage production sites – specifically Giorgetti S.p.A.<sup>1</sup> and Battaglia S.r.l.<sup>2</sup> – are included in the scope. Foreign companies with commercial offices are excluded, as they are considered irrelevant for the purposes of ensuring an understanding of the Group's activity and the impact produced by it.

The data relating to the previous year are reported for comparative purposes in order to facilitate the assessment of the Group's performance. In this regard, it should be noted that Battaglia S.r.l., a storied Italian

company specialised in the production of interior design projects for the residential, hospitality, retail and nautical sectors, was established on 7 June 2018 and therefore its financial, social and environmental effects on the comparative year 2018 refer to a period of seven months of activity. Finally, to ensure the reliability of the data, the use of estimates has been limited as much as possible. Where present, they are appropriately identified and based on the best available methods.

In 2020, the scope of consolidation remained unchanged from the previous year (2019).

This document is published annually.

For information on the Giorgetti Group Sustainability Report, please contact: [sustainability@giorgetti.eu](mailto:sustainability@giorgetti.eu).

<sup>1</sup> For the list of companies consolidated using the full method, see the Group's Directors' Report and Consolidated Financial Statements as at 31.12.2020.

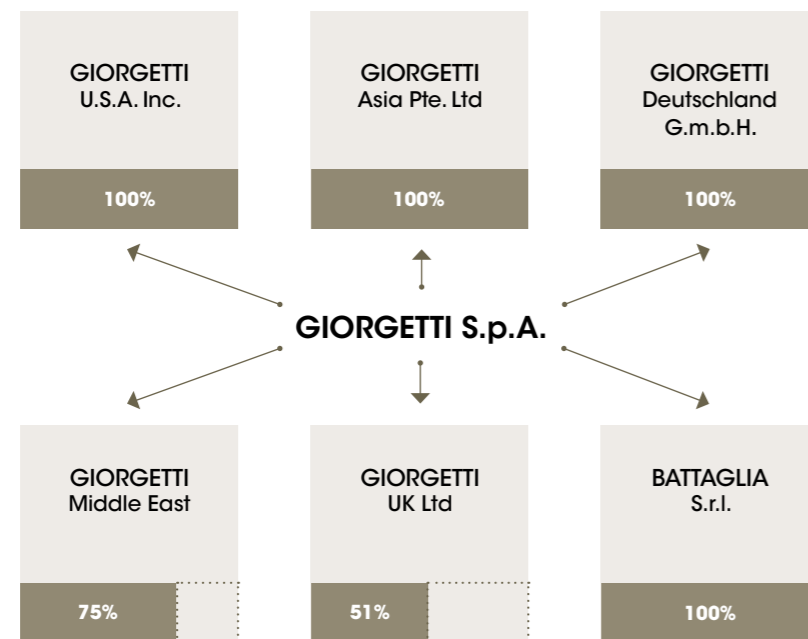
<sup>2</sup> More specifically, Giorgetti S.p.A. manages two production sites (Meda and Lentate sul Seveso), while Battaglia S.r.l. manages one production site (Misinto), for a total of three Group plants.

# the GIORGETTI GROUP

## The Giorgetti Group sites

The Giorgetti Group has a centuries-old tradition that begins in Meda, Brianza, and continues to be written in the name of innovation while respecting its own woodworking heritage. Engaged in the production and sale of high-level interior furnishings, today the Group is recognised as one of the top global players in the high-end furniture market and collaborates with external designers who are able to give a unique character to the collections.

The Giorgetti Group consists of the parent company Giorgetti S.p.A. and the following subsidiaries:



The Group's business model is vertically integrated, as all production phases are carried out directly in the two Giorgetti production plants in Meda and Lentate sul Seveso and in the Battaglia plant in Misinto. Only intermediate and non-essential processes, often linked to the use of materials and consequently non-core production techniques for the Group, are outsourced to local third-party suppliers.

From the Object to the Project: the Giorgetti Group sells everything from single products to complex, cross-cutting architectural projects in 115 countries through 361 stores, over 50% of which are shop-in-shops, its own 22 flagship stores in Europe, Africa, Asia and the United States and 5 ateliers in some of the furniture sector's most strategic cities. Giorgetti Atelier represents a new approach to interior design, created with the aim of offering a private, exclusive and personalised context to meet the increasingly refined needs of the global market. Giorgetti ateliers are cultural meeting places for architects, buyers, developers and private customers where they can draw inspiration for the design of the spaces in their homes or offices. 2020 saw the opening of stores in New Delhi and Johannesburg, while in Manhattan, NY, Giorgetti inaugurated the new HQ USA.

Customers include both private individuals and professionals, for which the Group also develops customised and tailored solutions for projects for homes, offices, hotels, restaurants and cruise ships.

However, the distinctive feature of Giorgetti distribution remains its selectivity, the Group boasting a highly selected distribution network consisting of players offering the highest quality and professional presentation.



# the GIORGETTI GROUP

## Initiatives and awards

Over the course of its long history, the Giorgetti Group has been involved in many initiatives, cultural and otherwise. Equally numerous are the awards that the Group has received throughout the years.

From travelling exhibitions (the high point being reached with the exhibitions organised as a part of the celebrations for the Group's 120th anniversary) – always accompanied by a dedicated publication – to the continuous participation in the Salone del Mobile from its very first edition, it is only worth pointing out that in every initiative in which the Group has been involved, there has always been a strong link with the local area and a desire to give voice and visibility to stories, tales and traditions that would otherwise risk being progressively forgotten.

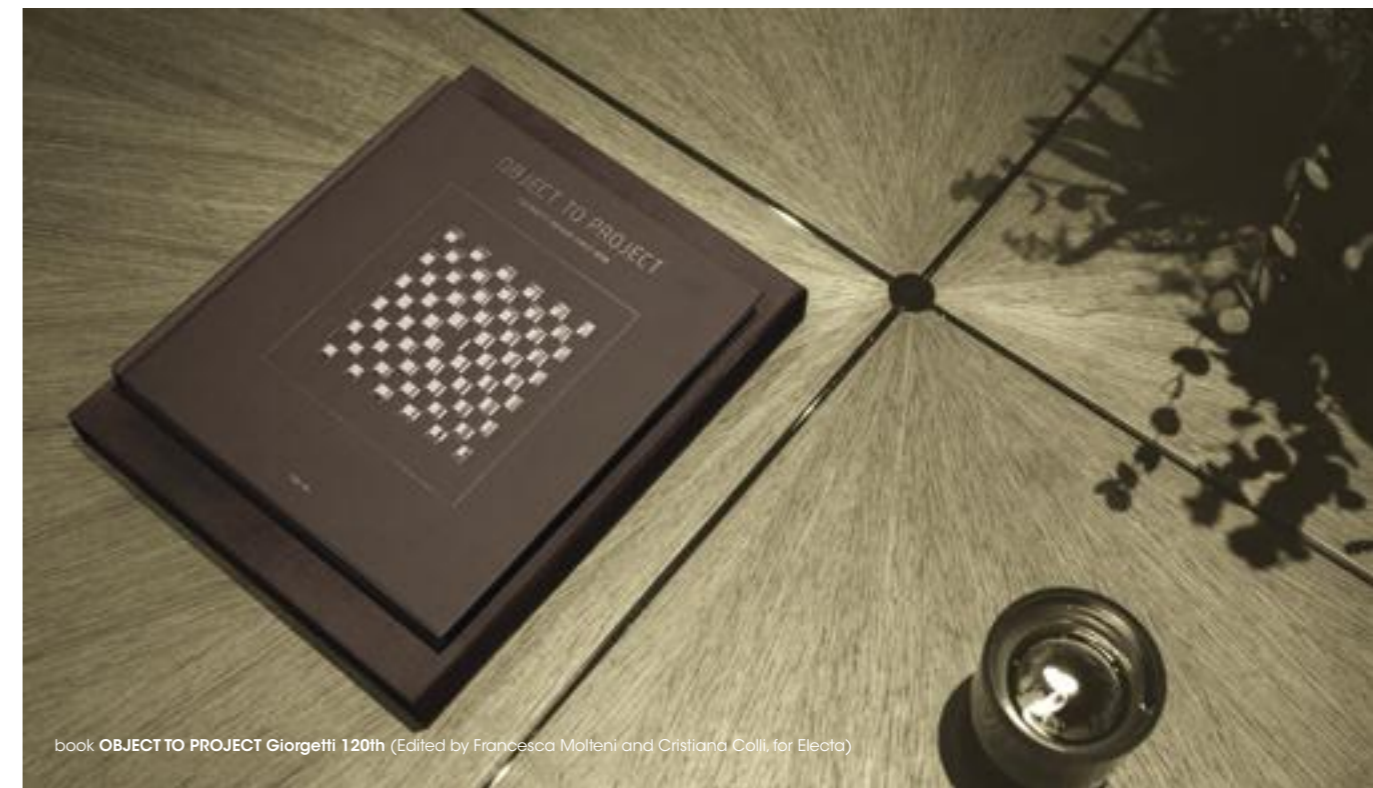
During 2020, Atelier Giorgetti in Via Serbelloni was also renovated in view of Milano Design City, an event dedicated to the culture of design and innovation, held this year with a special focus on sustainability and circular economy. Among the many awards received over time, such as Imprenditore 4.0 or Best Managed Companies 2018, 2019 and 2020 (which stand out because they are not linked to products but to the Group's entrepreneurial vision), we would like to celebrate the Best of Year 2020 Award given to Virginia Harper for the iconic Cuckoo Clock designed for Giorgetti and the ADI Compasso D'Oro Career Award given to Marco Ferrari, an architect with whom the company has collaborated on many occasions.

### *Object to Project. Giorgetti design since 1898*

In 2018, to celebrate this important event and reaffirm its commitment to carrying out a project that is not limited just to the production of a product, Giorgetti planned a series of initiatives, making available its heritage built over 120 years of history, thanks also to a strong feeling of belonging to the local community. For this important anniversary the Giorgetti Group created and published the book *"Object to Project. Giorgetti design since 1898"* that recounts and celebrates 120 years of commitment to the world of design Made in Italy. The book highlights tradition and innovation, the link with the local community, the main projects, challenges and future transformations, which are fundamental elements for the Group. During 2018 the book was the protagonist of the travelling exhibition project aimed at celebrating Giorgetti's 120 years through both the presentation of the book *"Object to Project. Giorgetti design since 1898"*, which was presented with the projection of a short film, revealing through interviews and evocative images the history of the brand. The project recounts and celebrates 120 years of dedication in the world of Made in Italy design, highlighting tradition and innovation, the link with the territory, the main projects, the challenges and future transformations, which are fundamental elements for the Group.

Finally, the Giorgetti Group recognises the importance of collaboration and participation in important associations that play a fundamental role of representation and cooperation in the trade, specifically:

- **Confindustria:** Confindustria is the main association representing small, medium and large manufacturing and services companies in Italy, whose mission is to promote the affirmation of business as an engine of economic, social and civic growth in the country.
- **Altagamma Foundation:** The Altagamma Foundation unites companies belonging to high-end Italian cultural and creative industry recognised worldwide as ambassadors of style Made in Italy and aims to support the growth and competitiveness of these companies.
- **FederlegnoArredo:** Italian federation of wood, cork, furniture, lighting and furniture industries protects, represents and promotes the interests of the industrial chain, from the processing of wood raw materials to the production of furniture, furnishings and accessories;
- **Milano Durini Design:** Milano Durini Design is an associative project aimed at supporting industry excellence, promoting the culture of design and lifestyle.



book **OBJECT TO PROJECT Giorgetti 120th** (Edited by Francesca Molleni and Cristiana Colli, for Electa)

# the GIORGETTI GROUP

## Our history



PIANTA TOPOGRAFICA DI MEDA.  
XIX SECOLO.



*Giorgetti* S.p.A. is a company with more than a century of history, the result of a local business built with hard work and entrepreneurship. Telling the story of Giorgetti therefore means retracing the historical and economic evolution of Meda, a town in Brianza located about 30 kilometres north of Milan.

At the turn of the 20th century Meda established itself as a furniture manufacturing centre capable of competing with French products thanks to quality products and increasingly refined woodworking and finishing techniques. It is in this historical context that Luigi Giorgetti began his entrepreneurial adventure, opening a workshop in Piazza Volta with about 8 workers, and then – in 1898 – building the first factory in Via Manzoni.

In the early 1900s new channels of exchange opened up that increased the dissemination of the local products and brought new ideas and models to the region to be reproduced, leading to the improvement of standardised production systems in 1920 and the beginning of exports of carved semi-finished products to the US market.

# the GIORGETTI GROUP

## Our history

# 1898

**Luigi Giorgetti** founds a small shop in Meda, in the heart of Brianza, with around 8 workers

Start of exports of semi-finished carved pieces to the United States, perfecting standardised production systems

1920

1960

Start of production and exports of finished products

1970

Launch of the first modern collection: **Gazebo**. Giorgetti initiates an important process of production industrialisation and innovation

1975

Launch of the **Gallery** collection, inspired by models of the early 1900s but with modern lines. Consolidation of national and international distribution

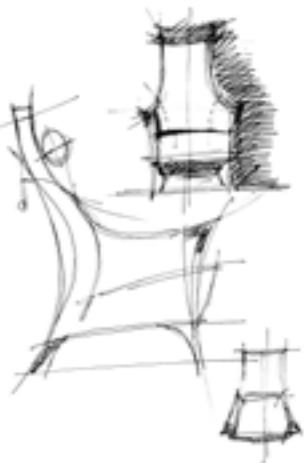
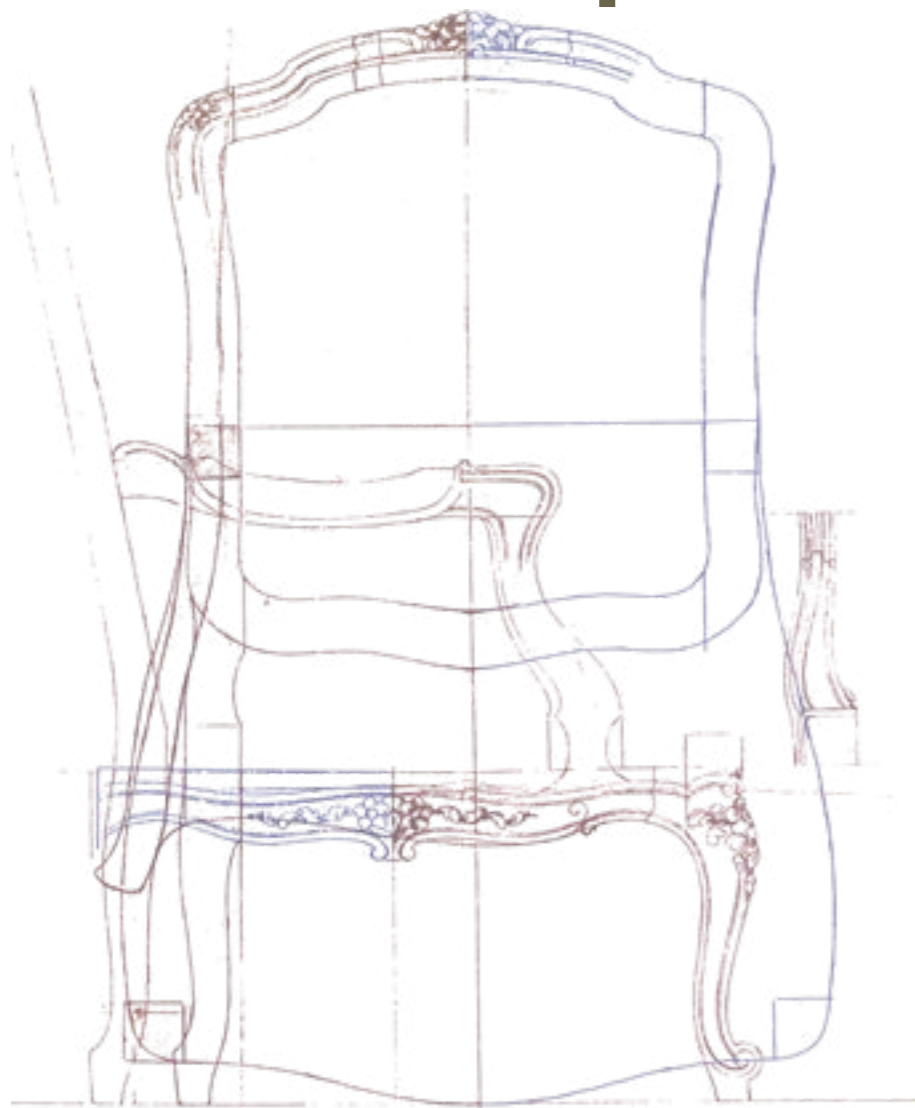
1980

Reinforcement of European presence with the opening of two branches. First approach with design: the **Matrix** brand is born, featuring highly innovative graphics

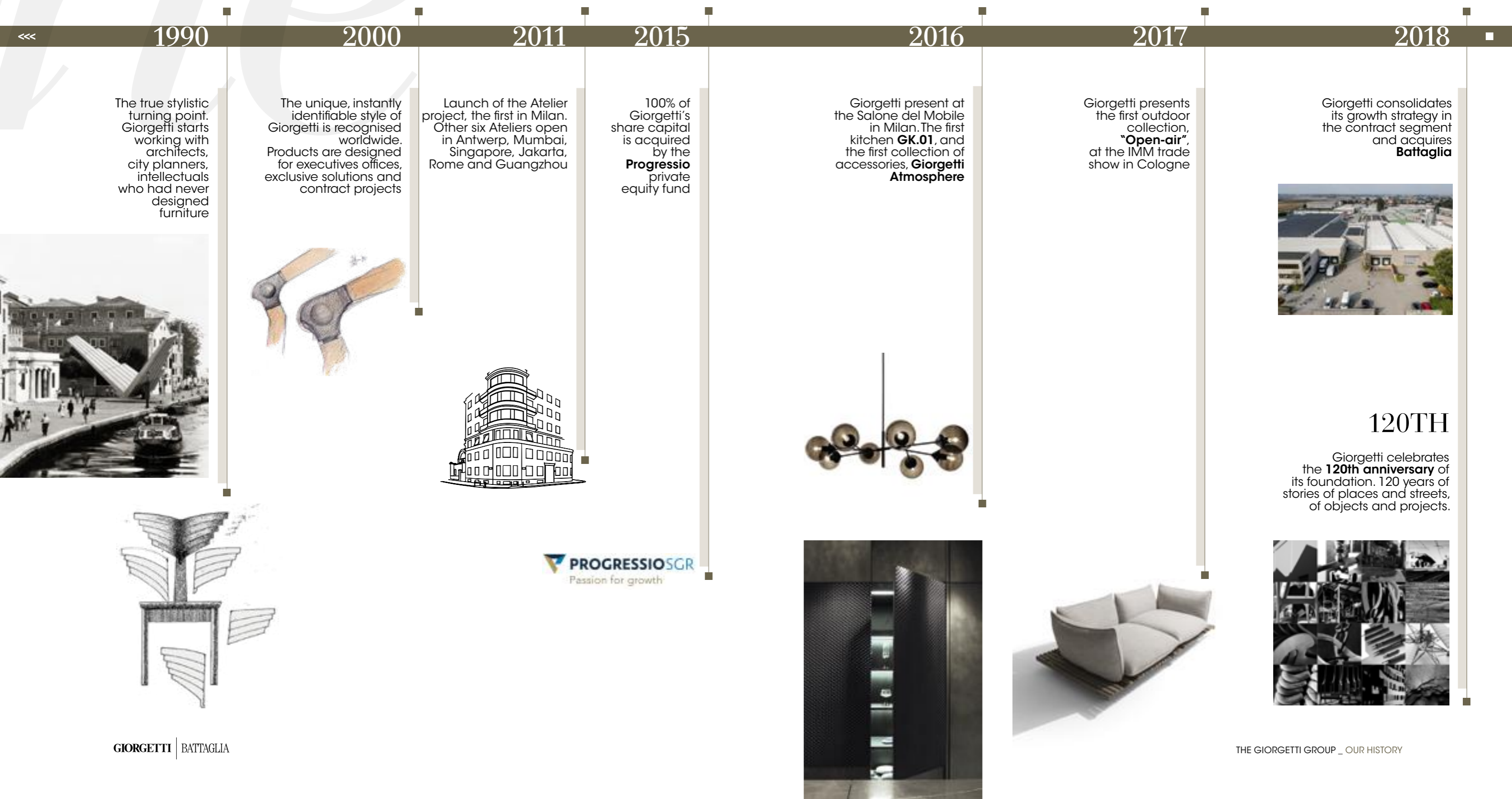
1987

The Giorgetti Research Centre creates the **Progetti** collection, an iconic series of chairs and sofas with a particular wood armrest in Pau ferro, inspired by the idea of an old walking stick

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# the GIORGETTI GROUP





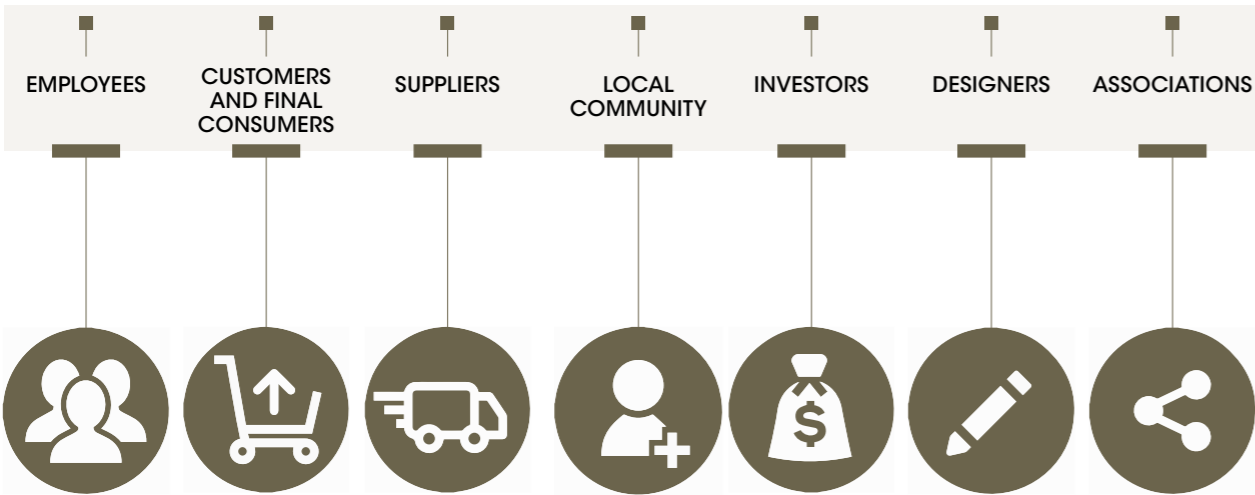
*the* SUSTAINABILITY PATH

Identification of Stakeholders

Always attentive to issues related to environmental sustainability in its broadest sense (three years ago Giorgetti put in place a broad and complete Organization, Management and Control Model pursuant to Legislative Decree 231/2001, and before that, in 2010, implemented an extremely detailed Health and Safety Model), starting in 2019 the Group has commenced its sustainability journey by publishing its first Sustainability Report, reporting on its performance in the field of financial, social and environmental responsibility. This choice represents the realisation of Giorgetti’s commitment to sustainability, placing it as an important driver of growth and integrating it into company management.

Giorgetti has also decided to formalise its commitment over the coming years with the definition of a Sustainability Plan with which the Group will set itself medium-term qualitative and quantitative targets to be achieved in the areas having the greatest impact.

THE GIORGETTI GROUP STAKEHOLDER MAP



METHODS OF STAKEHOLDER INVOLVEMENT AND DIALOGUE

Stakeholder	Methods of dialogue and involvement
Employees	<ul style="list-style-type: none"><li>• Internal communications</li><li>• Company meetings</li><li>• Training and information activities</li><li>• Sharing of Giorgetti’s Code of Ethics</li></ul>
Customers and final consumers	<ul style="list-style-type: none"><li>• Website and publications</li><li>• Newsletter</li><li>• Sector events and fairs</li><li>• Direct contacts (e.g. at Group stores)</li></ul>
Suppliers	<ul style="list-style-type: none"><li>• Direct contacts</li><li>• Access to a dedicated web portal</li><li>• Sharing of Giorgetti’s Code of Ethics</li></ul>
Local community	<ul style="list-style-type: none"><li>• Donations and sponsorships</li><li>• Support for education, especially technical training</li><li>• Partnerships</li></ul>
Investors	<ul style="list-style-type: none"><li>• Presentations of the main business-financial data</li><li>• One-on-one meetings</li><li>• Assemblies and meetings</li></ul>
Designers	<ul style="list-style-type: none"><li>• Collaborations on specific projects</li><li>• Sharing and acceptance of Giorgetti’s Code of Ethics</li></ul>
Associations	<ul style="list-style-type: none"><li>• Active participation in the life of the main trade associations (Federlegno/Assarredo) and other organisations (Altagama)</li></ul>

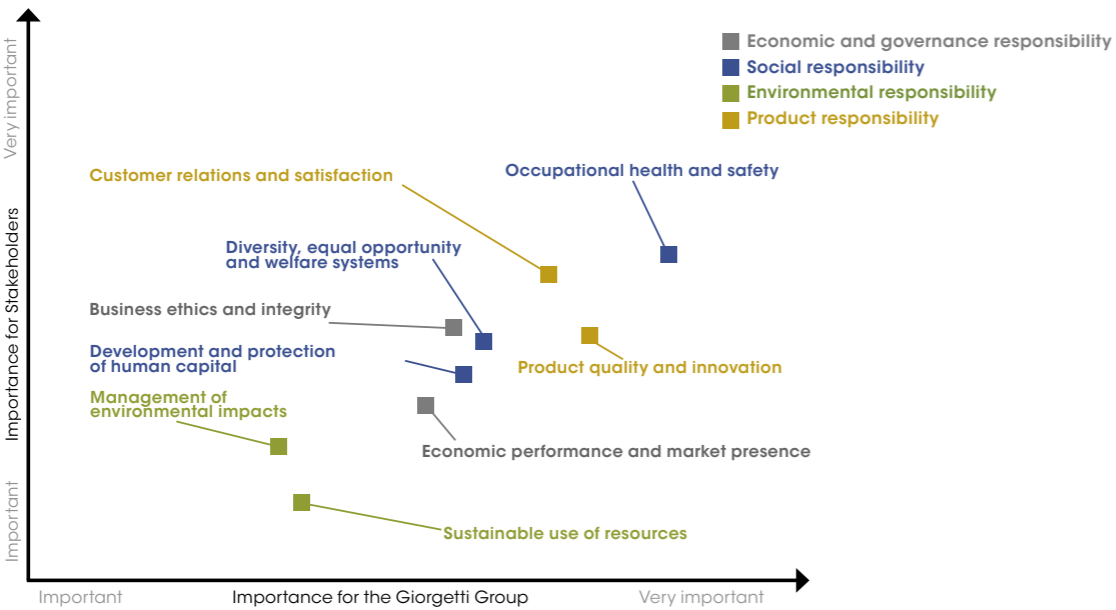
Materiality assessment

In accordance with GRI Sustainability Reporting Standards, the most widespread and used guidelines in the field of sustainability reporting, the contents of this report have been defined through a materiality assessment, which has made it possible to identify aspects that reflect the most significant financial, environmental and social impacts for the Group and that could substantially influence the assessments and decisions of its Stakeholders.

The analysis focused on a benchmark of companies operating in the design and furniture sectors at national and international levels that publish sustainability or non-financial reports, which led to the identification of a set of sustainability issues that are potentially relevant to the Group. In this regard, given the small number of companies operating in the design and furniture sectors that publish sustainability reports, it is worth noting that in its decision to draft a Sustainability Report the Giorgetti Group once again stands out as a trailblazer in its innovative capacity and strategic vision.

During the materiality workshop held in February 2020, top management and the main corporate functions assessed the relevance of each issue, considering its present impact and its prospective relevance for the Giorgetti Group and its Stakeholders, arriving at the definition of a set of nine material issues, grouped by macro-area, and their positioning in the materiality matrix. In 2020, the Giorgetti Group confirms the materiality matrix published in the 2019 Sustainability Report below as it is representative of the context in which the Group operates, reflecting the significant economic, environmental and social impacts generated and the current challenges to be faced.

THE GIORGETTI GROUP MATERIALITY MATRIX:



FOR EACH OF THE ISSUES REPRESENTED IN THE MATERIALITY MATRIX, THE SCOPE OF IMPACT WAS IDENTIFIED AS FOLLOWS:

Material issues	Area impacted	Type of impact	GRI topic reconciliation
Economic performance and market presence	Giorgetti Group	Generated by the Group	201: Economic performance
Business ethics and integrity	Giorgetti Group, Business Partners, Suppliers	Generated by the Group and directly linked through a business relationship	204: Procurement practices 205: Anti-corruption 307: Environmental compliance 308: Environmental assessment of suppliers 419: Socio-economic compliance
Diversity, equal opportunities and welfare systems	Giorgetti Group	Generated by the Group	401: Employment 405: Diversity and equal opportunity 406: Non-discrimination
Development and protection of human	Giorgetti Group	Generated by the Group	404: Training and education
Health and safety in the workplace	Employees of the Giorgetti Group <sup>3</sup>	Generated by the Group	403: Occupational health and safety
Management of environmental impacts	Giorgetti Group, Electricity suppliers	Generated by the Group and directly linked through a business relationship	302: Energy 305: Emissions 306: Waste
Sustainable use of resources	Giorgetti Group, Suppliers	Generated by the Group and directly linked through a business relationship	301: Materials
Product quality and innovation	Giorgetti Group, Designers	Generated by the Group and directly linked through a business relationship	N.A.
Customer relations and satisfaction	Giorgetti Group	Generated by the Group	416: Customer health and safety

<sup>3</sup> The Group plans on expanding the analysis to include non-employees in order to assess the need to collect data from the employers of external contractors and suppliers operating at Group sites and/or under the control of the Group, evaluating the quality and accuracy of the data it does not directly control.

# the SUSTAINABILITY PATH

## Sustainability Plan

In 2020 the Giorgetti Group decided to develop and adopt its Sustainability Plan (hereinafter also simply Plan) in order to guide and support its activities on the new sustainability path, especially the decision-making process and the daily management of its activities. The Plan represents the Giorgetti Group's strategic vision and is aimed at supporting the continuous improvement and strengthening of its environmental, social and economic performance. For this reason, the Plan was created in synergy with the material issues identified following the materiality assessment conducted in 2019 and reconfirmed in 2020.

The Plan also represents the Group's commitment to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs) incorporated into the United Nations-led 2030 Agenda for Sustainable Development, which define strategic priorities on which to focus the global joint efforts and actions of governments, businesses and citizens to contribute to and support sustainable, inclusive and just development through 17 goals to be achieved by 2030. With its Plan, the Giorgetti Group is working to contribute to 10 of the 17 SDGs, selecting the specific targets for its business reality.

Finally, the Plan aims to strengthen the Group's relations with its Stakeholders, as it represents a transparent, direct communication tool of the medium-long term strategic priorities and the status of achievement of each objective defined therein.

### THE SDGS IDENTIFIED BY THE GIORGETTI GROUP:



### Process of the Sustainability Plan definition

The process for defining the Sustainability Plan was developed in several phases following a methodological approach reflecting national and international best practices.

To start with, the Group identified the four topical areas (Economic and Governance Responsibility, Social Responsibility, Environmental Responsibility and Product Responsibility) that give structure to the Plan and that form the foundation for the nine material topics that emerged from the 2020 materiality assessment in order to identify the strategic priorities to focus its Sustainability commitment on. The material issues reflect the main economic, environmental and social impacts of the Group and represent the relevant aspects on which Stakeholders expect concrete actions from the Group.



# the SUSTAINABILITY PATH

## Sustainability Plan

- Giorgetti, with the formalisation of the Sustainability Plan, will undertake to define specific objectives, starting from the SDGs already identified. In particular, the survey carried out in this first year of reporting will allow in the near future a precise definition of the qualitative-quantitative targets to be achieved in the coming years and of the related indicators (KPIs) for periodic monitoring. All the Group's performances will be analysed for this aim, and appropriate actions will be consequently developed to be effective in the improvement of the reported indicators.  
Giorgetti is fully aware of the positive and negative impacts deriving from its activities, which will indicate the strategic lines of the Sustainability Plan that will be formalised, in particular:
  - Impacts on the Group governance and on business ethics, through the development and continuous improvement of organisational policies and tools that guarantee the ethics of all the carried activities;
  - Impacts on employment, economy and sustainable development, through the personal and professional development of people, aimed at the inclusive and sustainable growth of individuals;
  - Impacts on environment in the procurement phase, through the preservation of natural resources and the acquisition of certified materials, with particular reference to wood;
  - Impacts on environment in the procurement phase, through actions aiming at the efficiency of energy consumption, at the consequent minimisation of atmospheric emissions and at the reduction of waste, with a circular economy perspective.

		SDGs									
		3	4	5	7	8	9	10	12	15	16
MACRO TOPIC	MATERIAL ISSUES										
Economic and governance Responsibility	Economic performance and market presence					✓	✓				
	Business ethics and integrity					✓					✓
Social Responsibility	Health and safety in the workplace	✓				✓					
	Development and protection of the Human Capital		✓								
	Diversity, equal opportunities and welfare systems			✓		✓		✓			
Environmental Responsibility	Management of environmental impacts				✓				✓	✓	
	Sustainable use of resources				✓				✓	✓	
Product Responsibility	Product quality and innovation Customer relations and satisfaction	✓			✓				✓		





# *E*CONOMIC AND GOVERNANCE RESPONSIBILITY

# E

## ECONOMIC AND GOVERNANCE RESPONSIBILITY

### Economic performance and market presence

The reporting of economic performance is important for the Group and its Stakeholders as it allows understanding the Group's performance and financial reliability. It is clear that a good economic performance of the company can reassure employees of their job stability and suppliers of the certainty of a financial return on the services rendered to the company, also providing a contribution that will have a positive impact on local communities.

Economic performance is also relevant for investors (understood as shareholders and lending institutions that finance the Group).

The issue is therefore constantly monitored with tools of different types and frequencies, such as daily reports on the order portfolio, a business intelligence system that allows monitoring sales performance by geographical area and/or type of product, monthly arrangements for consolidated reporting and a constantly updated business plan, not to mention the annual budget that allows tracking short- and medium-long term development.

In 2020, the outbreak and spread of the Covid-19 pandemic caused a sharp contraction in the furniture sector, which was negatively impacted worldwide by the restrictive measures adopted by the countries affected by the virus, including the closure of retail businesses, restriction of people's mobility and suspension of production activities.

The Giorgetti Group closed the 2020 financial year with a turnover of Euro 52 million, recording a decrease of 14% compared to 2019 mainly due to the outbreak of the Covid-19 pandemic, which forced the Group to stop production during the total lock-down period and led to a slowdown in consumption worldwide. In any case, the result achieved during the year highlights the Giorgetti Group's ability to continue to create value during a difficult time.

Since the outbreak of the Covid-19 pandemic, the Giorgetti Group has responded proactively to the pandemic crisis by collaborating with national sector organisations and operating in full compliance with ministerial directives, giving top priority on a daily basis to protecting the health of its human capital through the adoption of careful protection and prevention measures.

In order to contain the spread of the virus during 2020, the competent authorities have issued Decree-Laws and Prime Ministerial Decrees, imposing increasingly stringent measures on economic and production activities and limiting the mobility of people.

Since the beginning, the Giorgetti Group has implemented actions and measures that are much more restrictive and protective than those envisaged by the competent authorities in order to guarantee the health of its workers. Furthermore, in order to deal with health emergencies and promptly manage business needs, the Group set up a dedicated work team.

The Group's proactive response has made it possible, until the end of March 2020, to continue operating without jeopardising the health of workers and normal business operations. The Group's production facilities, which were closed from the end of March until the end of April 2020, were back in operation from May, through the implementation of safety protocols in accordance with current regulations and in compliance with the distance required by law. Since the beginning of March, the offices have continued to operate remotely, thus guaranteeing

the performance of administrative, financial and commercial activities, listening to clients' requests and developing new projects and quotes throughout the entire lock-down period. In addition, the lock down did not involve logistics, as it was delegated to a professional operator and remained fully operational. In the foreign subsidiaries, employees worked in presence or in smart working mode in compliance with the regulations in force in the respective countries. Thanks to the solid financial position of the Giorgetti Group, the Group did not face any particular financial tensions. Convinced that the pandemic represented a temporary shock, the Group has therefore confirmed and implemented the strategic investments planned in the 2020 financial year and has not changed its medium-term strategic objectives, confirming the investments planned for the coming years in both the production and technological areas. Lastly, by joining forces with the main players in the furniture and design sector, the Giorgetti Group collaborated on the drafting of the Design Manifesto, a document presented to the Italian Government with the aim of requesting an early return to production facilities given the low-risk nature of specific operations in the sector.



# ECONOMIC AND GOVERNANCE RESPONSIBILITY

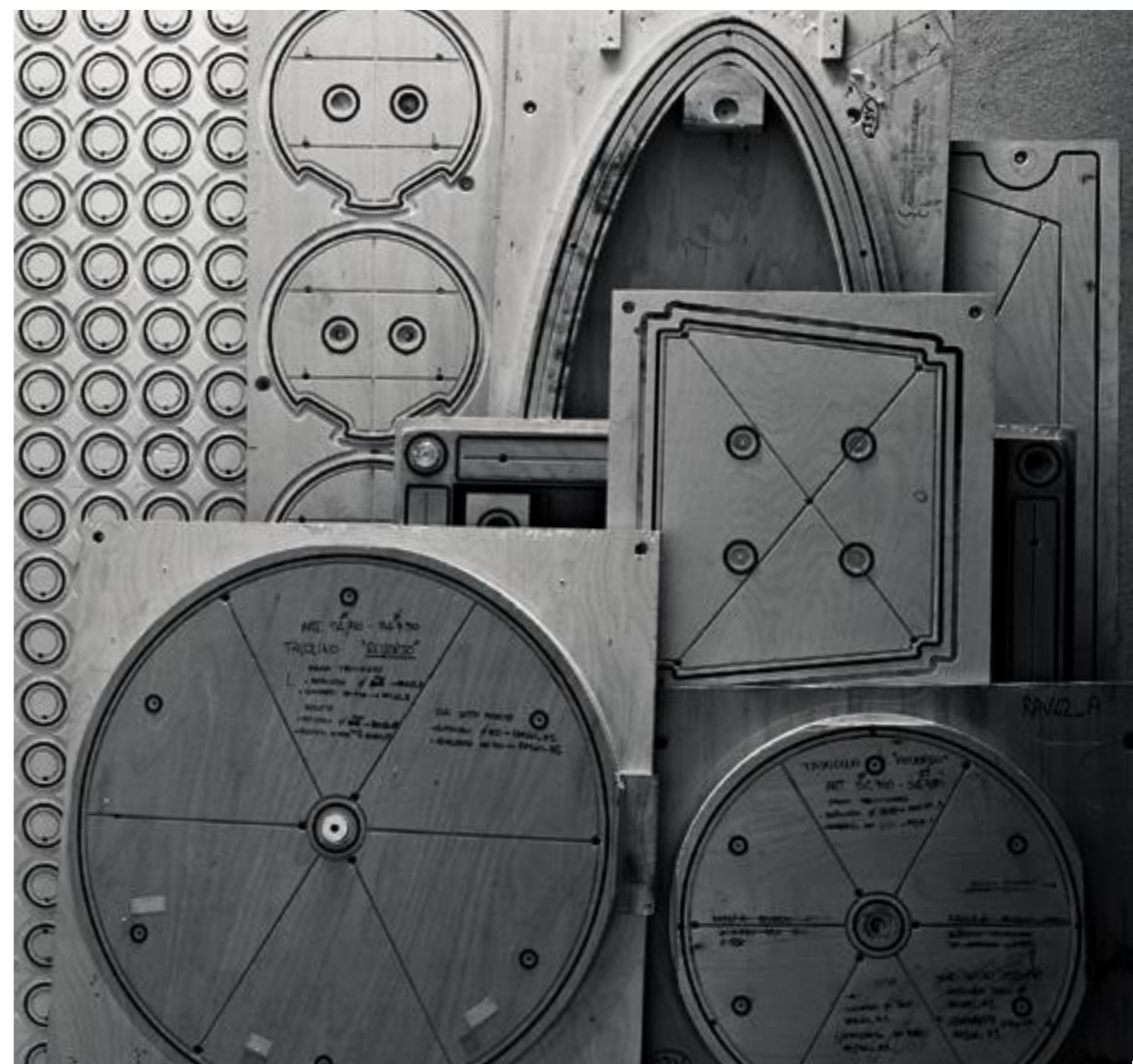
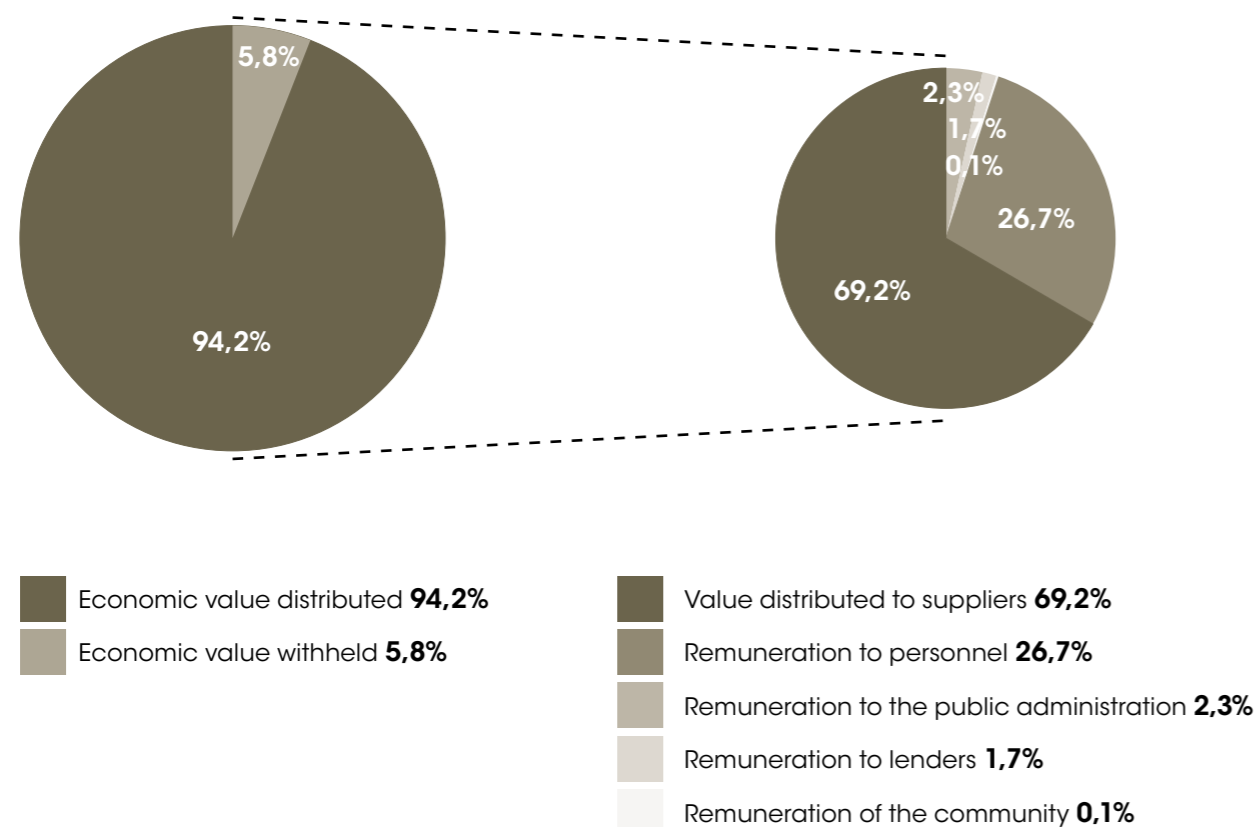
## Value generated and distributed to Stakeholders

The economic value generated expresses the wealth produced by the Giorgetti Group, which is redistributed among all its Stakeholders, i.e., all the Stakeholders with whom the Group interacts in the course of its daily activities.

During 2020 the value generated by the Giorgetti Group amounted to over €51 million, down 19% compared to 2019; of these, €48 million were distributed to Stakeholders, while €3 million were retained in the company.

The breakdown of the redistributed value among the Group's Stakeholders is shown below.

### ECONOMIC VALUE GENERATED AND DISTRIBUTED IN 2020



# ECONOMIC AND GOVERNANCE RESPONSIBILITY

## Business ethics and integrity

Calculation of the Economic Value Generated	2020	2019 <sup>4</sup>	2018 <sup>5</sup>
	Euro	Euro	Euro
Revenues from sales	51.903.654	60.580.635	59.027.400
Changes in inventories of work in progress, semi-finished and finished products	-997.700	1.729.362	-502.392
Changes in inventories of raw, ancillary and consumable materials and goods for resale	72.479	646.087	658.125
Other income and revenues	439.204	462.906	398.102
Other financial revenues	110	8.980	7.681
Foreign exchange gains (losses)	-21.496	-62.492	-63.835
Total value adjustments of financial assets	0	0	-51.615
<b>Economic Value Generated</b>	<b>51.396.251</b>	<b>63.365.478</b>	<b>59.473.466</b>

Breakdown of the Economic Value Generated <sup>6</sup>	2020	2019 <sup>7</sup>	2018 <sup>8</sup>
	Euro	Euro	Euro
<b>Production costs</b>	<b>33.515.778</b>	<b>41.138.986</b>	<b>39.346.040</b>
Operating costs (supply of goods and services)	33.247.079	40.842.068	39.048.370
Operating costs	275.331	313.480	325.431
<b>Personnel remuneration</b>	<b>12.936.916</b>	<b>14.464.687</b>	<b>12.747.621</b>
Personnel costs	12.936.916	14.464.687	12.747.621
<b>Shareholder remuneration</b>	<b>830.354</b>	<b>863.806</b>	<b>751.585</b>
Distribution of profits for the year	830.354	863.806	751.585
<b>Public Administration remuneration</b>	<b>1.118.877</b>	<b>1.698.781</b>	<b>1.295.618</b>
Income tax for the army	1.118.877	1.698.781	1.295.618
<b>Community remuneration</b>	<b>6.632</b>	<b>16.562</b>	<b>27.761</b>
Donations and sponsorships	6.632	16.562	27.761
<b>Economic value distributed</b>	<b>48.408.557</b>	<b>58.182.822</b>	<b>54.168.625</b>
<b>Economic value withheld</b>	<b>2.987.694</b>	<b>5.182.656</b>	<b>5.304.841</b>

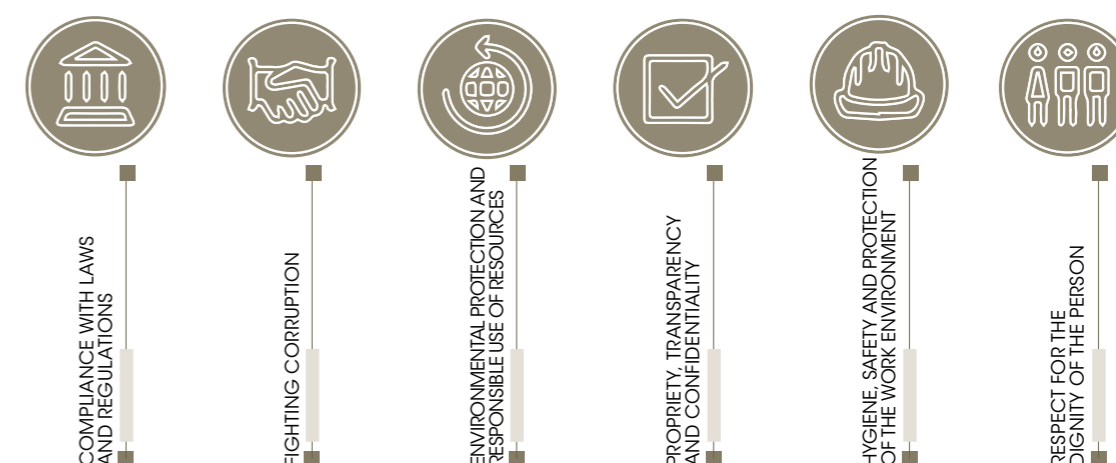
<sup>4</sup> Due to an improvement in the collection and calculation process, the 2019 figures for the determination of the Group's Economic Generated Value have been restated from those published in the 2019 Sustainability Report.

<sup>5</sup> Due to a refinement in the collection and calculation process, the 2018 data relating to the determination of the Group's Economic Generated Value have been restated from those published within the 2019 Sustainability Report.

<sup>6</sup> The 2018 scope of consolidation includes Battaglia for only six months. The 2019 scope of consolidation is expanded by Giorgetti UK and Giorgetti Middle East.

<sup>7</sup> By virtue of a refinement in the collection and calculation process, the 2019 figures for the breakdown of Economic Value Generated have been restated from those published within the 2019 Sustainability Report.

<sup>8</sup> Due to an improvement in the collection and calculation process, the 2018 figures for the breakdown of Economic Value Generated have been restated from those published in the 2019 Sustainability Report.



The Giorgetti Group is attentive to the need to ensure propriety and transparency in the conduct of business and its activities in relations with its Stakeholders and throughout the entire value chain.

For this reason, in 2017 Giorgetti S.p.A.<sup>6</sup> adopted and implemented the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 (231 Model) for its own protection and that of its executives and employees, with a view to improving the efficiency of the entire organisational, management and control system.

The purpose of the Model is to prepare a structured, organic system of principles, rules and protocols aimed at reducing the risk of committing the offences envisaged in the aforementioned Decree, on the one hand creating full awareness of the potential commission of an offence, and on the other hand allowing the company to react promptly in preventing the commission of the offence itself thanks to constant monitoring of its own processes.

The Code of Ethics is an essential and complementary element of the Organisational Model and is the document of reference that summarises the ethical principles that inspire the company and the methods with which it intends to apply the ethical principles enumerated. The fundamental principles underlying Giorgetti's activities include compliance with applicable laws and regulations in a framework of legality, propriety, transparency and confidentiality, and, in a perspective of social responsibility, management that is economically sustainable over time, respect for human dignity, promotion and dissemination of a culture of health and safety at work, and environmental protection through a proper and responsible use of resources.

As a demonstration of the Group's commitment in this area, during 2020 there were no instances of corruption or non-compliance with laws and regulations in the socio-economic area.

<sup>6</sup> Battaglia S.r.l. plans to adopt a 231 Model by 2022.

# ECONOMIC AND GOVERNANCE RESPONSIBILITY

## Supply chain

The sustainability of the supply chain and production processes is a core issue for the Group's activities and has also become increasingly of interest to the final consumer.

For this reason, the Group pays close attention to the selection of its suppliers, chosen for their professionalism and skills, and from which it procures raw materials used for its products, mainly wood, fabrics, leather and hide.

Giorgetti acquires wood from forests managed according to strict environmental standards and has established guidelines for the use and processing of materials. In this regard, the wood composites employed must be free of formaldehyde emissions or fall within a defined range (and acceptable by the most restrictive international regulations), and the wood dyes must be water-based, not solvent-based (with collection tanks of residual substances in a continuous cycle), and the same goes for the glues for the padding.

In order for Giorgetti's suppliers to have access to certified materials as required by the Group, Giorgetti has negotiated competitive terms and conditions with a single supplier which supplies a purchasing group with composite wood materials compliant with current regulations on CARB 2 formaldehyde emissions and subsequent variants.

All suppliers are asked to read Giorgetti's code of ethics and 231 Organisational Model, which is shared on the corporate website and on the specifically-created Suppliers web portal.

Finally, the origin of purchases is of particular importance, as the Group prefers to purchase from local suppliers in order to support the development of the communities it operates in. During 2020 approximately 96.2% of the Giorgetti Group's expenditures were concentrated on local suppliers (Italian). On the other hand, purchases from non-EU suppliers, which accounted for only 3.1% of total supplies, saw an increase of 11%.



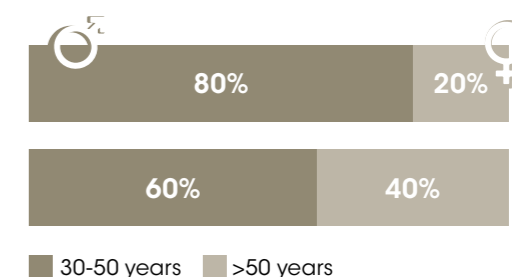
## Sustainability governance

The corporate governance system adopted by the parent company Giorgetti S.p.A. is aimed at ensuring the most balanced cooperation between its members and is aimed at ensuring a responsible and transparent management of the company with respect to the market, with a view to creating and distributing value to all Stakeholders.

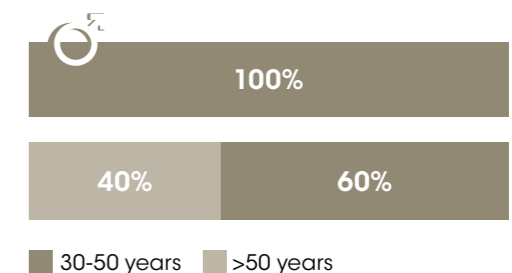
As of 31 December 2020, the board of directors of the parent company is composed of five members, four men and one woman, 60% of whom are 30-50 years old and 40% over the age of 50.

As a supervisory body, the board of statutory auditors is responsible for supervising compliance with the law and company regulations, in addition to checking the adequacy of the company's internal controls and organisational structure. The body consists of three statutory auditors and two alternate auditors, all men, 60% of whom are 30-50 years old and 40% over the age of 50.

### MEMBERS OF THE BOARD OF DIRECTORS BY GENDER AND AGE GROUP AS AT 31/12/2020



### BOARD OF STATUTORY AUDITORS BY GENDER AND AGE GROUP AS AT 31/12/2020







# S

SOCIAL RESPONSIBILITY

# SOCIAL RESPONSIBILITY

Aware of the importance of its people in achieving business success, the Giorgetti Group commits every day to respecting the fundamental values of diversity, inclusion and equality, developing and enhancing the unique value that each employee represents for the Group, combating all forms of discrimination and violence in the workplace and guaranteeing equal opportunities for professional and personal growth in a safe, protected working environment. Protection of employment is a fundamental issue for the Group, which is reflected in its commitment to maintaining a stable level of employment and contributing to the development of the talent in the region it operates in. To this end, in agreement with the company RSUs (Union Representation Bodies), the Group has established a company observatory composed of a delegation from the company, the company RSUs, the RLS (Workers' Safety Representative) and, at the request of the members of the observatory, occasionally also by workers of the Group and the reference trade union organisations. The observatory holds periodic meetings, at least once a year in November and/or at the initiative of the company or the RSUs, in order to assess and develop guidelines on the following topics and action areas:

- Business performance (previous year's balance sheet, forecasts for the current year).
  - Investments in the employment structure.
  - Environment, safety and training (specific and cross-cutting).
  - Classification of workers with reference to art. 17 of the National Collective Labour Agreement (CCNL) for wood, cork, furniture and forestry.
  - Sharing of company documentation relating to the classification of the processes in the production units.
  - Introduction of welfare tools.
- In order to allow the observatory to carry out its activities, the company must provide specific information regarding:
- Composition of the employment structure referred to in section 1.2 of the CCNL information system 01/04/2016.
  - Trend in accidents and occupational diseases.
  - Elements related to business and work activities.

The initiative aims to foster a shared approach to business decisions that is inclusive and as much in line with the needs of its employees as possible.

## Diversity and equal opportunity

As of 31 December 2020, the total number of Giorgetti Group employees was 229 to which were added 5 external contractors (4 interns and 1 self-employed workers) for a total workforce of 234, 1 more than on 31 December 2019.

Total workforce						
Total workforce	2020			2019		
	Men	Women	Total	Men	Women	Total
Employees	176	53	<b>229</b>	170	51	<b>221</b>
Other workers	5	-	<b>5</b>	8	4	<b>12</b>
<b>Total</b>	<b>181</b>	<b>53</b>	<b>234</b>	<b>178</b>	<b>55</b>	<b>233</b>

Giorgetti Group's workforce is mostly concentrated in Italy (96.1%) where production plants are located, while the remaining workers (3.9%) are employed at foreign sales offices. The Group is committed to maintaining long, lasting working relationships with its people. For this reason, as at 31 December 2020 97.8% of the Group's employees were hired with permanent contracts, slightly down on 2019.

In line with what is defined in the Code of Ethics, the Group is committed to respecting the fundamental rights of individuals by protecting their moral integrity and guaranteeing equal opportunities. To confirm this commitment, the workforce consists of 53 women, equal to approximately 23% of the total, and 176 men, equal to 77% of the total.

Giorgetti Group's workforce is also composed of 9 employees belonging to vulnerable categories (8 men and 1 woman), in line with 2019 and in compliance with current legislation. Of these, 6 employees belong to protected categories, while the remaining 3 belong to ethnic minorities, demonstrating the desire for inclusion and non-discrimination.

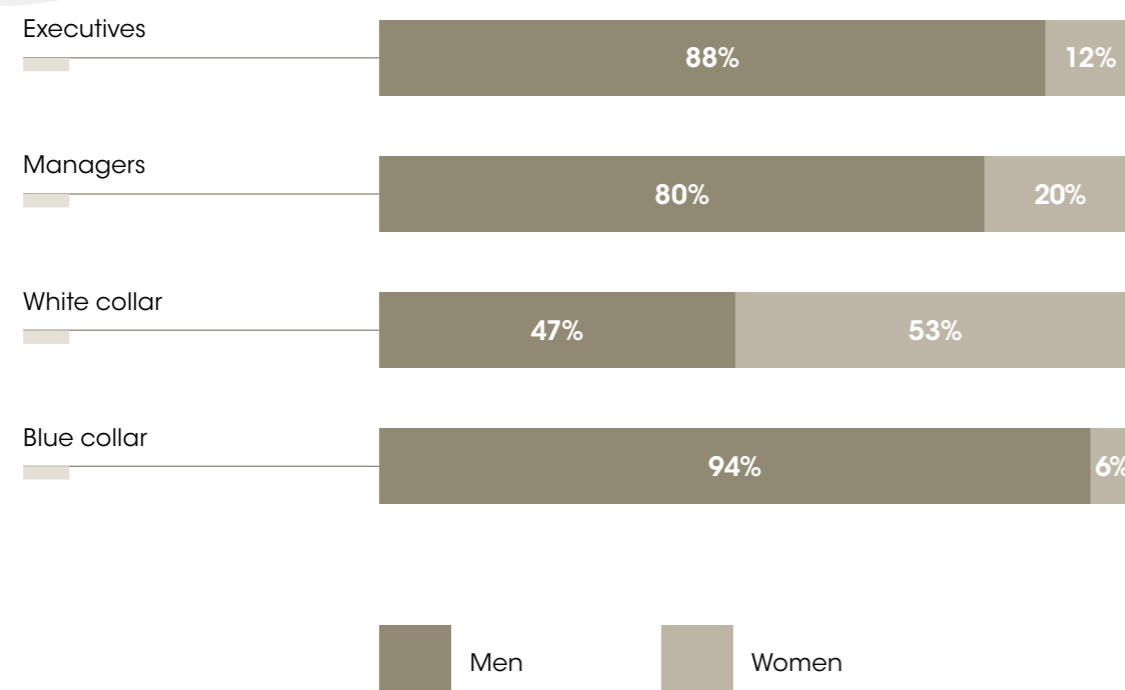
With regard to the breakdown of employees by occupational category, as at 31 December 2020 approximately 56.3% of employees were blue-collar workers, followed by the category of white-collar workers representing 33.6% of total employees, the category of managers equal to 6.6% of the workforce, and finally by the category of executives, which represents the remaining 3.5% of total employees.

As can be seen from the following chart, the women are mostly white-collar workers (53%), of which they constitute the majority, followed by the category of managers (20%).

# S

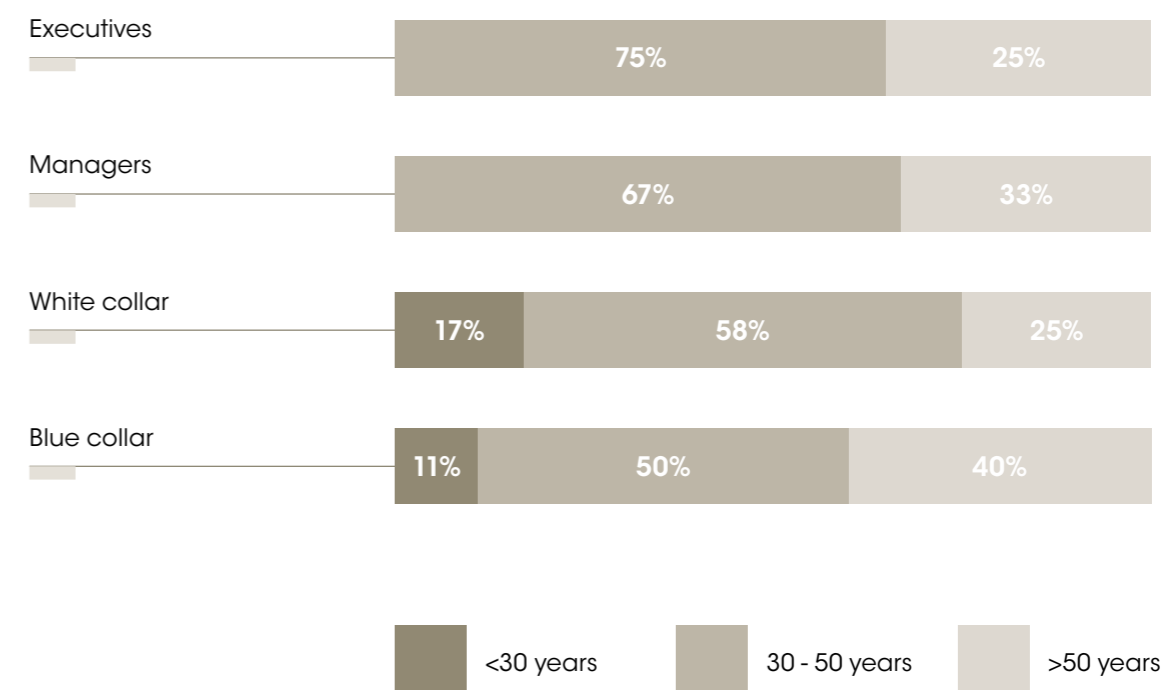
## SOCIAL RESPONSIBILITY

EMPLOYEES BY CATEGORY AND GENDER AS OF 31 DECEMBER 2020



With regard to the age of its employees, 54.6% of the staff are aged between 30 and 50, followed by the age group over 50, equal to 33.6%, and finally by those under 30, equal to the remaining 11.8%.

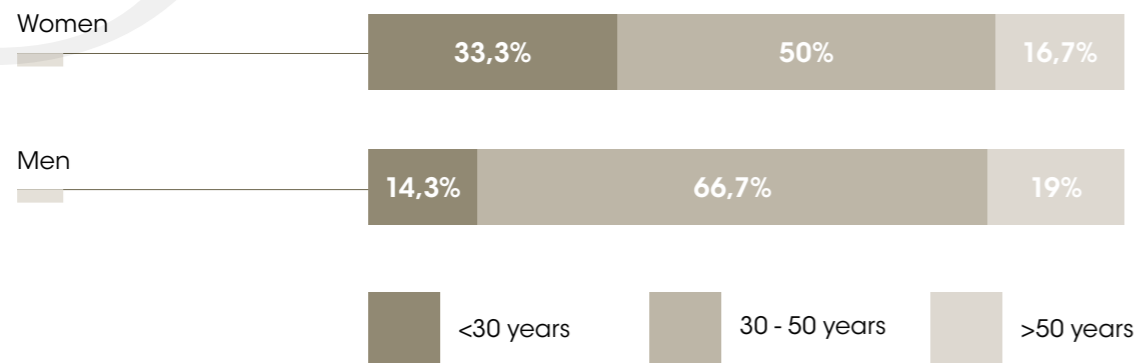
EMPLOYEES BY CATEGORY AND AGE GROUPS AS OF 31 DECEMBER 2020



Protection of employment and work in general is a fundamental issue for the Group, which is reflected in its commitment to maintaining a stable level of employment and contributing to the development of the talent in the region it operates in. During 2020 27 people joined the Group, of which 21 men and 6 women, resulting in a hiring rate – or the ratio between the number of new entries and the total number of employees – equal to approximately 11.8% as at 31 December. More specifically, given our emphasis on hiring young talent, 63% of new recruits were aged between 30 and 50, followed by those under 30 (18.5%) and finally by those over 50 also equal to 18.5%.

# SOCIAL RESPONSIBILITY

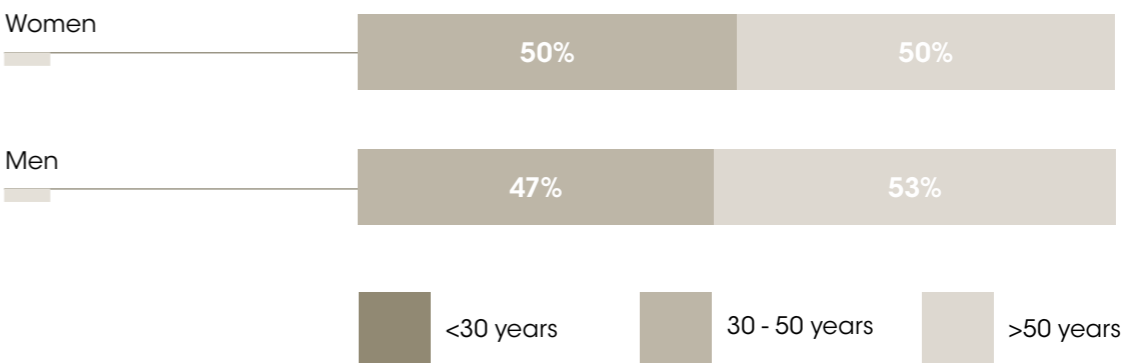
HIRES BY GENDER AND AGE GROUPS DURING 2020



During 2020, 19 employees left, of which 5 due to retirement, registering an outgoing turnover of 8.3%. This has enabled the Giorgetti Group to attract new talent into the organisation, hiring 27 new employees, of whom around 19% were under 30 years of age.



TERMINATIONS BY GENDER AND AGE GROUPS DURING 2020



In order to constantly monitor the needs of the organisation and the skills and inclinations of its employees, the Group relies mainly on internal job postings to search for and manage personnel. Always looking for new talent, the Group has also created internships aimed at training and conveying company values and know-how to new arrivals. More specifically, in 2020 there were 4 active internships in the Group. Internships are seen as an important opportunity for training young resources who learn to develop their professional skills, and the interns are often hired at the end of their internships. As previously noted, the Giorgetti Group has a strong link with the local community. From its origins the Giorgetti Group has had strong roots in the community, especially Meda, considered the heart of Italian-style furniture, and for this reason it is committed to contributing to the town's development also through targeted local recruitment policies. As a demonstration of its commitment, in both 2018 and 2019 all the executives hired come from the local community, specifically from the province of Monza-Brianza. Indeed, the company works frequently with the local schools (especially with one of the vocational schools). In line with the principles established in its Code of Ethics, the Giorgetti Group does not tolerate any form of discrimination based on gender, ethnic origin, skin colour, nationality, age, religion, political opinion, sexual orientation, marital status, trade union affiliation, physical or mental disability or any other characteristic or personal status. During 2020, no incidents of actual or alleged discrimination were identified or reported within the Group.

# SOCIAL RESPONSIBILITY

## Welfare, wellness and work-life balance

The Giorgetti Group invests its efforts in ensuring the well-being of its employees by promoting a safe, meritocratic and stimulating working environment, where each employee is encouraged to express their talent and abilities.

To this end, the Group periodically analyses the safety and comfort of the workplace to improve the well-being of its employees.

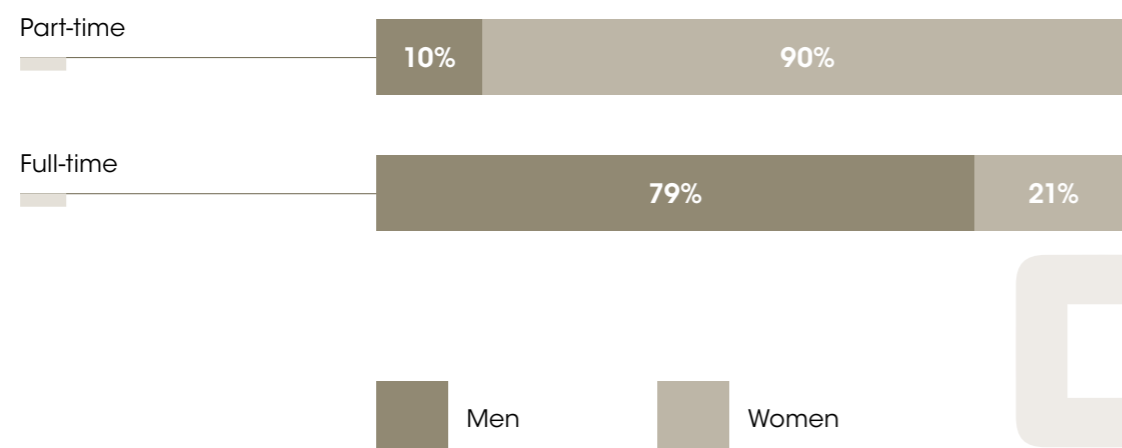
To create moments of relaxation and togetherness, the Giorgetti Group has set up a fully equipped break room in the offices where people can eat lunch, relax and chat with co-workers.

Also at the plants there are two break rooms for employees, complete with an operating canteen service in the Meda plant to meet the needs of the Meda and Lentate plants that are physically close to each other.

As a demonstration of the attention paid to the well-being of its employees, the Giorgetti Group is always ready to identify interventions to support individual employees in finding the right work-life balance. Smart-working has been particularly adopted as a means of containing contagions alongside measures such as staggered working hours, the provision of PPE and sanitiser to employees, periodic sanitisation, spacing and the use of plexiglass separators.

In 2020 the Group granted 6 part-time contracts to employees, equal to 3,1% of the workforce, of which 1 man and 5 women, figure slightly up compared to 2019.

### GROUP EMPLOYEES BY GENDER AND TYPE OF CONTRACT AS OF 31 DECEMBER 2019



Aware of the importance of the welfare component offered to its employees, the Group has set itself the objective of expanding the welfare services supplied to its human capital over the next three years.

Regarding healthcare, the Giorgetti Group guarantees supplementary health insurance (Altea Fund) to all employees - full-time and part-time, fixed-term and permanent - the costs being entirely borne by the Group. Moreover, the Group proposes other healthcare and social security funds to its employees, especially to its executives, whose expenses are generally shared by the Group and the beneficiary. Following the COVID-19 emergency, the Giorgetti Group even stipulated (at its own expense) a COVID-19 supplementary insurance policy in favour of employees and their family members in order to guarantee maximum medical and financial support to its employees if they test positive for the virus.



# SOCIAL RESPONSIBILITY

## Development and protection of human capital

The Giorgetti Group believes that the development of its people through training is fundamental, as it guarantees the well-being and progress of its human capital, and consequently the long-term growth of the organisation itself.

This is all the more true when one considers that the artisanal component still plays a fundamental role in the Group's business, placing people and their skills at the centre of the company's value chain.

Training is therefore not only a fundamental tool for developing, improving and consolidating the skills of each employee, but it is also an important vehicle for transmitting and disseminating the Group's corporate values and strategy, thus supporting its ability to continue to create long-term value. For this reason, the Giorgetti Group invests in the development of its employees and in their professional growth through the organisation and presentation of specialised training courses (e.g. CAD or rendering courses) and classes on soft-skills (e.g. English language courses) involving all company professionals. The identification of training needs is managed by a dedicated internal Training Department, which is responsible for assessing needs but also delivering training courses directly to both the sales network and internal staff.

Particularly relevant is the training provided in the field of health and safety, which includes the functions of the Workers' Safety Representative (RLS), the Company Physician and the Head of the Prevention and Protection Service (RSPP) involved in the planning, updating and organisation of the mandatory training courses on health and safety for employees. These include the basic training and specific courses such as those relating to emergency management and first aid, the use of forklifts, the use of aerial platforms, maintenance and BLSD courses.

In 2020 the Group held a total of 156 total hours of training, for an average of about 40 minutes per year per employee, a considerable decrease compared to the previous year <sup>10</sup>. This decrease is mainly due to the impact of Covid-19 on training activities, which precluded in-person and on-the-job training for almost the entire year. As a result, training mainly involved webinars and online seminars to update on regulatory and administrative topics. For 2021, both mandatory and continuous learning training projects are already in place.

The Group also considers it essential to invest in the training of new generations, aware that due to the high level of craftsmanship in its products it is essential to ensure a constant, adequate turnover, especially in the category of blue-collar workers, to deal with the inevitable rotation of employees due to ageing and consequent retirement.

To this end, for several years now the Group has been supporting and working with the vocational school system with the aim of both directing their normal training courses and offering students the possibility of getting "experience in the field". In 2020 the partnership with the Giuseppe Terragni Vocational Training Centre (founded in Meda in 1868) saw 2 students

<sup>10</sup> Note that no hours of training were provided by Battaglia S.r.l. in 2020.

engaged in work-study projects at the Group's production sites. In addition, in 2020, Battaglia saw the participation of an Aslam student. Finally, with regard to performance evaluations, the Group has developed, and in part already launched, a plan that provides for the scheduling of periodic individual interviews with employees in order to monitor their performance and consequently allow an improvement in their performance.



# SOCIAL RESPONSIBILITY

## Health and safety in the workplace

Aware of the central importance of protecting the health and safety of its employees and contractors, including for its external Stakeholders, the Group is committed to ensuring a safe, secure working environment and spreading the culture of prevention and safety. Indeed, the Group believes that a safe, secure workplace allows its employees to work calmly and more efficiently, conveying an image of the Group to the outside that it is a reliable counterpart, attentive to its human capital.

For this reason, the Group promotes conduct that is responsible and conscious of the risks related to its business, investing organisational and economic resources aimed at preventing accidents and occupational diseases and continuously improving the working environment. The prevention system put in place by the Group provides for a first phase of assessment of the risks its employees are exposed to, a second phase where the necessary safety systems are identified and installed and a final phase where workers are informed and trained in the correct use of these tools. As in previous years, assessments were carried out for work-related stress risk, risk assessment related to manual handling of loads (using the NIOSH method) and repetitive movements (using the OCRA method). In order to verify the effectiveness of its system, the Group monitors accidents at work and occupational diseases through the use of appropriate registers, in order to investigate the main causes thereof and subsequently develop and implement the appropriate corrective actions. In order to increase workplace safety and prevent any type of accident, especially with regard to production, the machines are equipped with signs and instructions with the correct procedures for their use, while employees are given Personal Protective Equipment (PPE) that, in case of deterioration, is easily available from special vending machines. With regard to workstations, it should be noted that both Battaglia and Giorgetti employees are given ergonomic chairs and foot platforms where necessary in order to promote a correct posture and to prevent the emergence of health problems.

In fact, the Group's objectives with respect to health and safety are pursued by:

- Adopting management and monitoring systems for health and safety at work, putting in place corrective actions where necessary.
- Maintaining and complying with the Code of Ethics and the Organisation, Management and Control Model that Giorgetti S.p.A. has put in place in compliance with the provisions of Italian Legislative Decree 231/2001, and which establishes the principles, rules and protocols that recipients of the Model must comply with in order to ensure full respect of the law.
- Carrying out training and transmitting communications.

In accordance with current laws, with the support of the external Head of the Prevention and Protection Service (RSPP) the Group prepares a Risk Assessment Document (RAD) accessible

for viewing by all Group employees and aimed at mapping and analysing the health and safety risks present in the workplace and defining and implementing any corrective actions aimed at improving the health conditions and physical integrity of its people.

The Group also appoints the Workers' Safety Representative (RLS) who has the task of collecting employee reports regarding any hazardous situations related to work and sharing them with the company management, informing them of any needs and corrective actions, and the Company Physician, who helps identify risks related to health and safety and performs medical examinations of all personnel in the manner established by law.

In order to constantly monitor health and safety in the workplace, the Group schedules periodic meetings that the Employer (or its representative), the RSPP, the Company Physician and the RSL participate in. These meetings offer moments of sharing and reporting of possible hazards related to the workplace and are in addition to the weekly production meetings with the department heads and safety officers. Any communications relevant to health and safety at work are transmitted to all employees through a specific company bulletin board.

Finally, the Giorgetti Group recognizes the training and information of workers as tools of fundamental importance to prevent health and safety risks. The Giorgetti Group provides compulsory health and safety training in accordance with the procedures and timing defined by current legislation. In addition, in line with current legislation, all new employees undergo safety training, specific to their level of occupational risk. With a view to continual improvement, the main training plans include training courses for overhead and live systems and for working at height without a platform.

With regard to the management of health and safety in job contracts, in accordance with current laws on occupational safety the Group prepares a Single Document for the Assessment of Interference Risks (DUVRI) which is constantly updated in order to assess the risks deriving from mutual interference due to the two activities involved and specifying the measures taken to eliminate and reduce such risks. The Group periodically inspects the workplace, the results of which are the basis of any updates made to the DUVRI in order to identify and eliminate possible hazards and minimise any risks. The Group also monitors work environments through periodic analyses of emissions, analysis of environmental hygiene and fire prevention assessments.

In exceptional cases, special protocols containing additional specific safety measures are drawn up. In 2020 in particular, following the COVID-19 crisis, a specific protocol was drawn up to address the emergency with the aim of constantly protecting employees. The results achieved thanks to this protocol have been particularly significant. The results achieved thanks to this protocol were particularly significant. Furthermore, in 2020, in accordance with current legislation, the Giorgetti Group set up the "Covid Committee" to protect the health and safety of

# SOCIAL RESPONSIBILITY

## Health and safety in the workplace

its employees and implement the necessary precautionary measures in accordance with the relevant legislative provisions. In addition, the DVR has been updated, adopting a company regulatory protocol for combating and containing the Covid-19 virus in the workplace. For the protection of workers, PPE, sanitiser and diagnostic swabs were also provided. Finally, the working environment was adapted to the delicate health circumstances by carrying out periodic sanitisation, installing plexiglass separators and limiting the number of simultaneous presences by staggering the number of entrances and exits and using smart working wherever possible.

Confirming the particular attention paid to its employees, the Giorgetti Group took out a specific insurance policy for COVID-19 aimed at all employees and their families in order to protect its human capital. The policy provided for the coverage of health expenses incurred due to the possible contraction of the COVID-19 virus, guaranteeing the provision of some pre-contractual assistance services and some post-hospitalization services such as medical advice, psychological support, telephone caring, home shopping delivery and drug delivery.

During 2020 the Group recorded 9 accidents at work for its employees, all attributable to collisions with materials or work equipment that caused injuries such as sprains, bruises, injuries. As in previous years, there were no fatal occupational accidents in 2020. Finally, in 2020, there was one case of occupational disease due to mechanical vibrations causing hearing loss.





# ENVIRONMENTAL RESPONSIBILITY

# E

## ENVIRONMENTAL RESPONSIBILITY

The protection of and respect for the environment are issues of great importance for the Giorgetti Group, which has deep roots in its local community. For this reason, protecting and preserving this reality, not just at a strictly environmental level but also at a cultural level, and protecting the professionalism and skills acquired over time, is fundamental to ensure the growth and continuity of the Giorgetti Group's business. The Group's management and Stakeholders recognise environmental sustainability as a priority and a fundamental objective that the Giorgetti Group must pursue.

In compliance with its Code of Ethics and the Organisation, Management and Control Model, the Group is committed to carrying out its activities in a manner that protects the environment, concretely improving its impact on it. For this reason, specific initiatives have been developed and implemented aimed at raising awareness and making the organisation more responsible for environmental protection, committing itself to using innovative tools and technologies with a reduced environmental impact.

Aware of the main environmental risks of its production process, including the generation of sawdust, the generation of emissions from painting plants and acoustic impacts, the Group has implemented a constant monitoring process which found that the values detected are largely contained within the daily parameters envisaged by the most restrictive regulations in force. This monitoring allows the Group to identify its environmental impacts, and consequently develop and implement corrective actions to reduce or mitigate them, where possible.

Finally, the Giorgetti Group is committed to concretely reducing its environmental impact through the careful selection and monitoring of its suppliers. Indeed, as a demonstration of its commitment the Giorgetti Group purchases timber from controlled reforestation areas in order to combat deforestation and the consequent loss of biodiversity of particular ecosystems (for more information, see the section "Sustainable use of resources"). This commitment is reflected in the criteria used to evaluate its suppliers and, in particular, in the selection of new suppliers, amounting to 104 in 2020, in the Giorgetti supply chain.

During 2020, as a demonstration of its focus on environmental responsibility, the Group found no incidents of non-compliance with environmental laws and regulations.

## Management of environmental impacts: energy consumption and emissions

As noted, the Giorgetti Group is committed to eliminating and concretely mitigating its environmental impacts, analysing, identifying and decreasing the most impactful activities, also thanks to the help of external consultants specialised in monitoring such impactful business activities. The Giorgetti Group applies a strict protocol that complies with current regulations in order to manage its green footprint. In this regard, in 2017 Giorgetti adopted the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 (231 Model) which also defines the Company's environmental objectives and constraints. The 231 Model, now fully implemented, was initially developed and implemented prior to 2010. This Model, which is expected to be adopted by Battaglia by 2022, guarantees the promotion of information and internal training on risks related to the performance of tasks and activities by employees, and the definition of prevention and protection protocols and measures. The 231 Model also identifies, details and describes the so-called activities sensitive to the commission of possible environmental offences.

In addition to the provisions of the 231 Model, the Giorgetti Group pays particular attention to raising the awareness of its employees and training them on environmental issues, with the aim of spreading a culture of sustainability and encouraging the adoption of more responsible conduct that is attentive to environmental issues such as the proper recycling of waste and the reduction of plastic consumption. To this end, the Group Sustainability Plan envisages specific actions and the development of tools.

More specifically, the area of the Group that has the greatest environmental impact is the one used for painting, an activity that consists in the application of a number of layers of material on the surface of the wood that, penetrating deeply, contribute to increasing its resistance, forming a uniform, thin and compact film on the surface. The Group has always paid particular attention to this phase of the production process, planning and implementing increasingly frequent maintenance actions aimed not only at reducing the environmental impact, but also at offering maximum protection of the health of the operators and the quality of the product.

As a demonstration of its commitment to reducing any negative environmental impacts, in 2018 the Misinto plant of Battaglia Srl installed solar panels that during maximum production make it possible to fully bypass the external power grid or in any case to reduce energy consumption to a minimum, pre-selecting renewable energy sources and thus reducing the production of CO2 emissions. Furthermore, the heating of the Misinto and Meda sites is powered by means of a virgin waste wood recovery system, by combustion in a boiler. (For more information, see the section "Sustainable use of resources".)

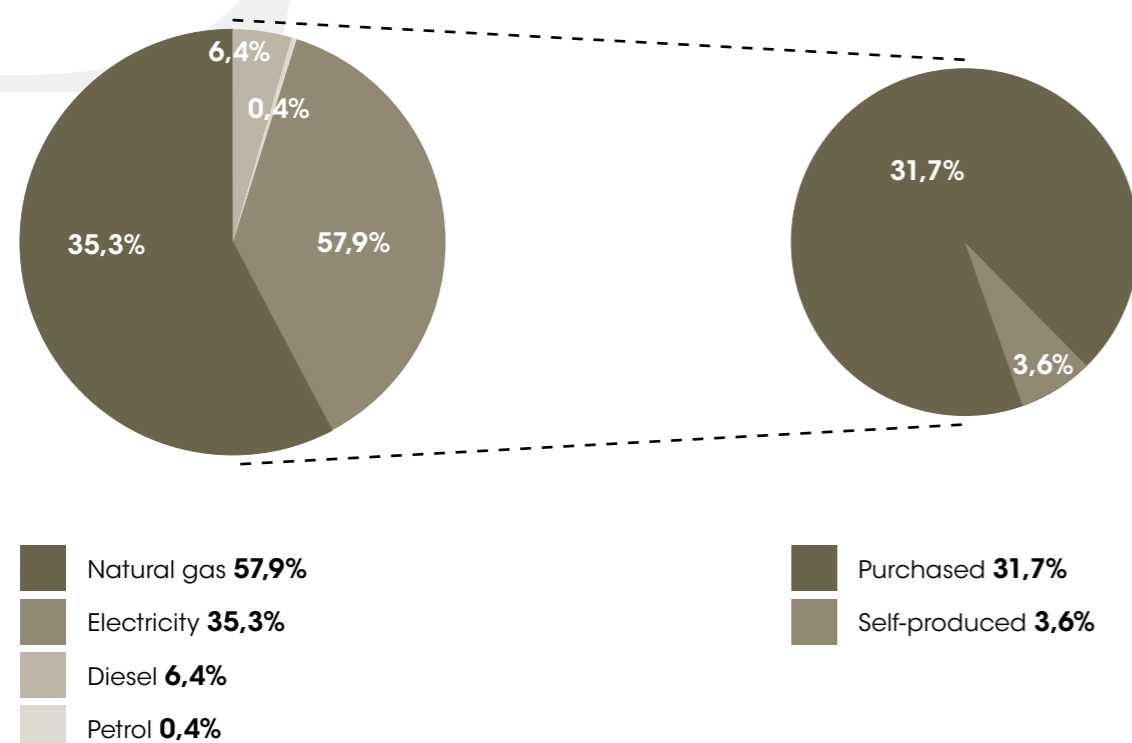
In 2020 energy consumption attributable to the Giorgetti Group's operations amounted to 17.208 GJ <sup>11</sup>, of which 629 GJ from non-renewable sources (equal to approximately 3.6% of total energy consumption), a decrease of 11.2% compared to the previous year (19.368 GJ). In particular, fuel consumption for the corporate fleet fell by 28.2%, or 906 GJ, due to fewer journeys due to health circumstances. As a result of the consequent drop in energy consumption, 37%, or 363 GJ, of self-generated electricity from renewable sources, amounting to 991 GJ, was sold to the grid.

<sup>11</sup> The sources of the conversion factors used are the Guidelines and of the NIR ISPRA (2020) and the Ministry of Environment

# E

## ENVIRONMENTAL RESPONSIBILITY

### GROUP ENERGY CONSUMPTION AS OF 31 DECEMBER 2020



In 2020 the Giorgetti Group produced a total of 1.106,3 tonnes of CO<sub>2</sub>, considering Scope 2 emissions calculated using the Location-Based method, and 1.397,61 tonnes of CO<sub>2</sub>e, considering Scope 2 emissions calculated using the Market-Based method<sup>12</sup>, registering a decrease of 9,4% and 4,3% respectively compared to 2019.

These emissions are broken down into:

- Direct emissions - Scope 1: emissions from the use of energy such as natural gas for heating and production processes and automotive fuels from sources owned or under the direct control of the organisation for the operation of its plants.
- Indirect emissions - Scope 2: emissions from the generation of purchased energy.

The reporting standard used (GRI Sustainability Reporting Standards 2016) provides two different approaches to calculating Scope 2 emissions:

<sup>12</sup> The following emission factors were used for the calculation of emissions:

- Scope 1: Ministry of the Environment - table of 2019 national standard parameters for natural gas and petrol and ISPRA - 2019 National Inventory Recovery for diesel; data expressed in CO<sub>2</sub> as the source used does not report the emission factors of gases other than CO<sub>2</sub>.
- Scope 2 Location Based: ISPRA - 2019 emission factors of national electricity production and electricity consumption; data expressed in CO<sub>2</sub> as the source used does not report the emission factors of gases other than CO<sub>2</sub>.
- Scope 2 Market Based: AIB - European Residual Mixes 2018 (Ver. 1.2); data expressed in CO<sub>2</sub>, as the source used does not report emission factors for gases other than CO<sub>2</sub>.

- Location-based: provides for the use of average emission factors relating to the specific national energy mix of electricity production.

- Market-based: provides for the use of emission factors defined on a contractual basis with the electricity provider. In the absence of specific contractual agreements between the organisation and the electricity provider (e.g. purchase of Guarantees of Origin), the emission factor related to the national "residual mix" was used for the "Market-based" approach.

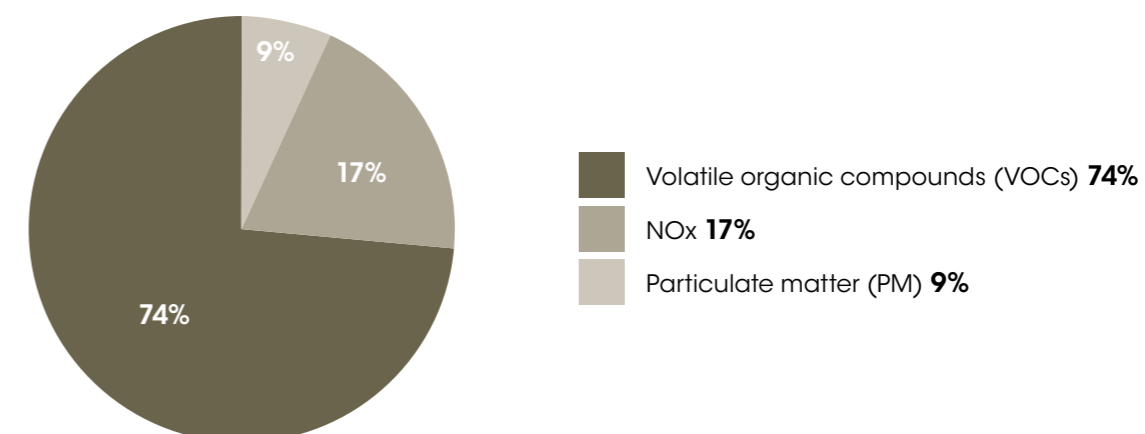
In 2020 Scope 1 direct emissions due to energy consumption amounted to 677,08 tonnes of CO<sub>2</sub>, a decrease of 11,3% compared to the previous year.

The Scope 2 indirect emissions calculated using the Location-Based method are 429,2 tonnes of CO<sub>2</sub>, while those calculated using the Market-Based method are 720,5 tonnes of CO<sub>2</sub>e.

Due to the renewable nature of self-generated electricity, it has not been included in the calculation of emissions.

With regard to the production of other emissions<sup>13</sup>, in 2020 NOx emissions amounted to 0.24 tonnes, a slight decrease compared to 2019 when they amounted to 0.3 tonnes. In 2020 volatile organic compounds (VOCs) were equal to 1.04<sup>14</sup> tonnes, and particulate matter (PM) was equal to 0.13<sup>15</sup> tonnes, both in line with the previous year due to the drop in production.

### OTHER GROUP EMISSIONS AS OF 31 DECEMBER 2020



<sup>13</sup> The data are reported only for Giorgetti S.p.A. as the figure is below the detectability threshold for Battaglia S.r.l., which nevertheless envisages starting a process of measurement and monitoring of particulate matter (PM).

<sup>14</sup> This figure has been estimated for 2020.

<sup>15</sup> This figure has been estimated for 2020.

# ENVIRONMENTAL RESPONSIBILITY

## Sustainable use of resources: materials and waste

From the beginning, the Giorgetti Group has distinguished and established itself in the world of designer furniture not only for its tradition and craftsmanship, never lost over time, but also for its attention to the selection and choice of high-quality raw materials.

Aware of the fundamental role that raw materials play in the development of its pieces, the Giorgetti Group prefers materials such as wood, fabric, leather and hide, but also metal, glass, marble and padding, consistently investing in the search for excellence, the quality of its products and the choice of materials.

Indeed, the Group is strongly convinced that the careful selection of materials and the sustainable use of resources allow it to manage its environmental and social impacts, eliminating and mitigating negative effects and increasing positive ones, while responding to the new needs of its customers – increasingly attentive and sensitive to sustainability issues – and to the social and environmental implications of its purchases.

Even in Contract production (especially for Battaglia), where it is often the client who chooses materials or suppliers, the Group uses its experience to guide the client towards a rational use of resources, without compromising expected business results, in line with its Stakeholder expectations.

The woodworking tradition in particular, combined with technological advances, guides the Group in the identification, selection and processing of the best materials.

In more than a century of history, the Giorgetti Group has in fact developed an undisputed woodworking expertise that over the years has allowed us to explore and experience the different potentials of wood, thus creating sophisticated, innovative and exclusive collections. For some objects wood remains the undisputed protagonist, while for others it is embellished by mixing it with other materials, thus bringing out its natural vitality.

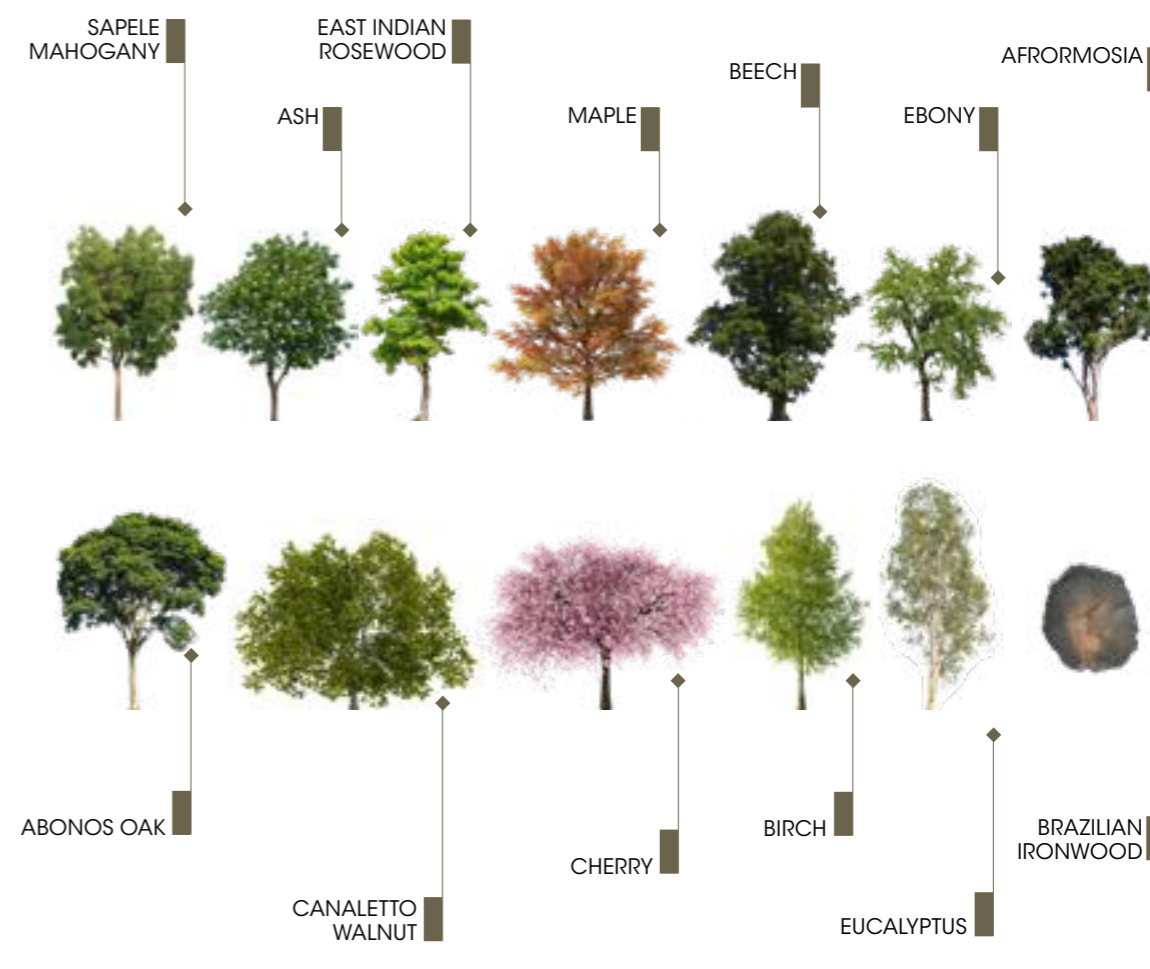
The Group has always been committed to selecting and using the best part of the wood, harmoniously combining the art of woodworking and innovation with the aim of creating unique collections of undisputed quality value.

The final product is the result of Giorgetti Group's distinctive craftsmanship, rare and precious, and the constant application of innovative production techniques that perfect the woodworking and attention to detail. Wood is a distinctive material of the Giorgetti Group, its fragrance filling its plants, recalling ancient carpentry workshops and authentic woodworking traditions.

In this context, the Giorgetti Group is particularly attentive to the protection of the environment, first and foremost through its constant commitment to reducing product waste during the woodworking phases. Moreover, being aware of the fundamental importance of responsible forest management, the Group invests its efforts in carefully and consciously selecting its timber suppliers, pre-selecting those that operate in accordance with the principles of sustainability. More specifically, it procures its wood from European and exotic countries where strict regulations are in place to protect the forests, purchasing only from forests with controlled

cutting, where new trees are immediately planted to replace those that have been felled. In fact, the Group firmly believes that responsible management of natural resources is key to achieving a significant improvement, both social and environmental, and that it is especially important for improving the impact on climate change, guaranteeing better living conditions and combating the illegal wood trade.

### TYPES OF WOOD USED



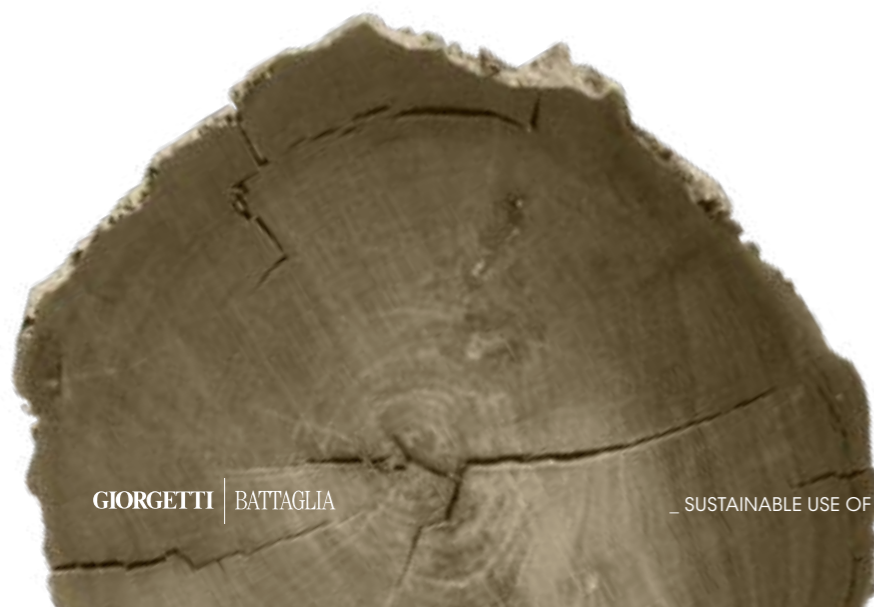
# E

## ENVIRONMENTAL RESPONSIBILITY

The Giorgetti Group also uses other materials such as hides and leathers that are used to upholster and enhance its final products. The Group has always worked exclusively with the most qualified, carefully selected suppliers that have distinguished themselves for their professionalism and expertise in the high-end tannery sector. The “full grain” hides and leathers are taken only from the neck and shoulder, the noble parts of the animal. Quality is guaranteed directly upstream of the supply chain through the selection of naturally-fed, free-range Swiss and South German cattle, and large, non-constrictive stables. The careful selection of leather suppliers guarantees the creation of a high quality final product that preserves the softness and beauty of these materials over time.

Finally, the Giorgetti Group selects and uses natural fabrics, such as linen, cotton and silk characterised by quality such as freshness and durability, but also fabrics with more important properties such as silk velvet characterised by refinement and resistance to wear. The fabrics that cover the final products add personality and resistance to the objects, offering a wide range of shades of colour, responding to the most particular aesthetic needs and reflecting a refined lifestyle. Fabrics offer colours and patterns, create unexpected combinations and change quickly from shiny to matte, always respecting the timeless design of the Giorgetti Group. For these reasons, for the supply of these materials the Group relies exclusively on the most qualified suppliers representing the most prestigious Italian, French and European maisons. In 2020, 3% of Giorgetti’s new suppliers were selected according to environmental criteria. This figure represents a start for the Group, which in the future will strive to integrate environmental criteria more and more into its supplier selection process.

Regarding the raw materials used in 2020, the Giorgetti Group recorded a decrease in both the use of renewable and non-renewable raw materials compared to 2018. This decrease is mainly due to the outbreak of the Covid-19 pandemic which, as previously reported, led to a reduction in production during 2020.



### GROUP RENEWABLE AND NON-RENEWABLE MATERIALS

Renewable raw materials <sup>16</sup>			
Type of material	Unit of measurement	2020	2019
Wood	m <sup>3</sup>	489	545
Leather	m (thousands)	27,5	32
Packaging (carton)	m (thousands)	20,7	

Non-renewable raw materials <sup>17</sup>			
Type of material	Unit of measurement	2020	2019
Fabrics	m (thousands)	11	32
Cushions	Number	4.751	7.451
Packaging (OSB)	†	55	
Packaging (Polystyrene)	m <sup>3</sup>	128	
Packaging (Pluriball/Foam)	mq (thousands)	10,4	
Glues	†	2,1	
Semi-finished products	mq (thousands)	1,2	

The Giorgetti Group has set itself the objective of assessing the impact and sustainability of recyclable and natural materials in order to give precedence to the use of materials having a reduced environmental impact. In 2020 Battaglia S.r.l. recovered 125 tonnes of virgin wood, a slight decrease compared to 2019 when it amounted to 130 tonnes, thanks to the use of this material as fuel to power the boiler of the Misinto plant. Furthermore, the Giorgetti Group is considering the opportunity and possibility of completely eliminating plastic, thus becoming plastic-free, as well as packaging materials that are difficult to dispose of such as polystyrene, replacing it where possible with recycled cardboard packaging. By 2020, this process, although still in its early stages, has already led to a 25% reduction in the use of polystyrene in packaging. In this regard, the Group will promote an awareness-raising activity aimed at its customers and suppliers in order to encourage them to use resources rationally. In particular, after progressively eliminating plastics from packaging, the Group will update customers on this important change undertaken with the aim of substantially reducing the use of non-recyclable materials throughout the production process, including indirect processes. Finally, the Giorgetti Group will prefer suppliers that prove to be in sync with its objectives of sustainable use of resources, favouring those that have processes in line with the provisions of the Group’s strategic principles

<sup>16</sup> The figures relating to renewable raw materials used 2019 do not include data relating to Battaglia S.r.l.

<sup>17</sup> The figures relating to non-renewable raw materials used 2019 do not include data relating to Battaglia S.r.l. With a view to continuous improvement, in 2020, the Giorgetti Group has started to implement a structured monitoring process of the raw materials used in order to identify their weight in a precise and uniform way. As evidence of this commitment, the data relating to the entire Giorgetti Group for production materials and accessories used in 2020 are shown. In particular, production accessory materials such as packaging and glues relating only to Battaglia S.r.l. are only available for 2020.

# E

## ENVIRONMENTAL RESPONSIBILITY

and current law. Particularly worthy of note in this context is the use of adhesives and resins with low formaldehyde content in the processing of wood panels.

In fact, this substance can release molecules in gaseous form into the environment that can be harmful to humans when in large concentrations.

The Group recognises the fundamental importance of establishing a direct, continuous relationship of trust, exchanging know-how with its suppliers in order to create long-term shared value.

The Giorgetti Group also manages the disposal of its waste in a timely and efficient manner in order to comply with current legislation and mitigate its environmental impact.

In accordance with current legislation, the Group annually prepares the Environmental Single Declaration Form containing the information relating to each lot disposed of.

To facilitate the proper disposal of waste such as paper, cardboard, wood, plastic, glass, toner and computer equipment, all the offices and spaces of the Group have special containers for separate collection, with the aim of disposing of or recovering/recycling these materials in the best possible manner.

For all materials of wood origin and derivatives, Battaglia S.r.l. has implemented a disposal process in concert with a specialised external company that also deals with the disposal of packaging, cardboard, plastic and undifferentiated materials, which since the second half of 2019 has been used for the entire production plant in Misinto.

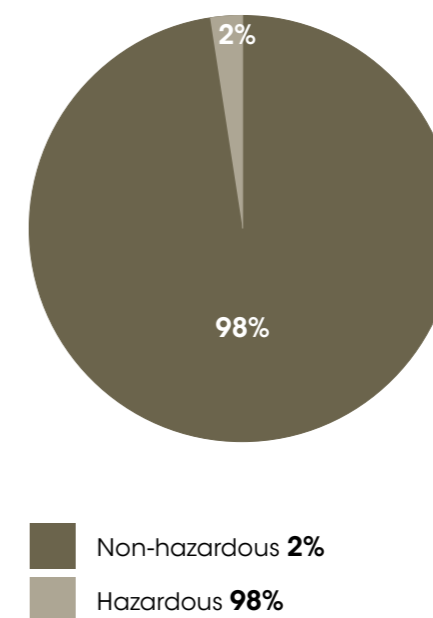
The efficiency and functionality of this disposal system have allowed Battaglia to achieve a reduction in waste taxes from the municipality of Misinto as its impact on the local region is close to zero. Finally, with a view to continuous improvement, bimonthly meetings are planned with the support provider to get advice on the current disposal processes and with the supplier that manages most of the activities related to waste disposal in order to identify and analyse any improvements to be made to the process.

In 2020 the Giorgetti Group produced 539,5 tonnes of waste, of which 11,5 tonnes of hazardous waste and 528 tonnes of non-hazardous waste, registering a decrease of 18,6% compared to 2019 mainly due to the impact of the health crisis on productive activities.

In 2020 as in 2019, the disposal method most used by the Group was recycling, equal to 98.6% of the total waste disposed of, while only the residual portion equal to 1.4% was destined for landfills.



### WASTE GENERATED BY TYPE IN 2020



The Group invests its resources in the development and implementation of projects aimed at encouraging and incentivising the reduction of waste generated, involving and raising awareness among its employees about good practices relating to the separate collection of waste, including through the use of guidelines and internal communications, and the reduction of paper and energy consumption.





*P*RODUCT RESPONSIBILITY

# P

## PRODUCT RESPONSIBILITY

### Product quality and innovation

Sustainability means above all the durability of the product, and in this sense Giorgetti has always researched the development of objects destined for a use that is expected to be continuous and constant over time, to be handed down to future generations, perpetuating – and even increasing – its value.

Functional, contemporary products with an atypical and unmistakable style, able to reconcile the highest woodworking tradition with the use of sophisticated production technologies: a Giorgetti environment never presents itself as an aseptic space, devoid of personality. To the contrary, it immediately reveals an elegant, sober and decisive character.

A well-identifiable way of furnishing that is defined as the "Giorgetti style", unique and original, characterised by its atypical uniqueness.

These values are embodied in products that escape banality to create exclusive, multifaceted solutions, respecting a refined, unmistakable character that seduces in the beauty of its contrasts.

The passion for detail, the high intrinsic quality in terms of technology and materials, but also the quality of design that makes each element unique, allows creating pieces free of formal conventions that serenely coexist anywhere, eliminating cultural and temporal distances.

Giorgetti's products fully convey the concept of Made and Manufactured in Italy. From design, creativity and style to actual production, the entire process is carried out entirely in Italy by highly qualified personnel with extensive expertise in the furniture sector.

Giorgetti products feature a functionality and quality of materials that facilitate their durability over time, and are made with efficient technologies that respect the environment.

The artisanal production Made in Italy goes beyond the logic of the standardised product and guarantees a high level of customisation of the product. Giorgetti's uniqueness lies in its ability to have embraced the quality and innovation of products as drivers of an ability to generate long-term value. This is why the Giorgetti Group believes in and invests in quality and innovation, as demonstrated by the R&D investments<sup>18</sup> made in 2020, which amount to approximately 3% of turnover. In addition, during 2020, the Giorgetti Group registered 4 new models with a total of 22 registered models.

Continuous product research and innovation was further strengthened in 2020 with the presentation of thirteen new collections, which were joined by an expanded collection of accessories and elements for decoration called Atmosphere, completing Giorgetti's traditional offer in the spirit of a transition from the object to the project that characterises the Group's development strategy. Indeed, the presentation of new collections is also aimed at supporting

the design of articulated architectural spaces, which remains a strategic development direction for the company, especially where aimed at developing integration synergies seeking the simultaneous creation of customised and tailor-made furnishings (so-called "Contract" channel managed by Battaglia).

Product development takes place both internally, through the internal R&D division composed of 5 technicians and 3 prototypists, and externally, through collaborations with renowned designers and internationally renowned architects who in any case have a fundamental and essential partner in the R&D division for the development of their ideas. From the point of view of the product, the study of materials is aimed at optimising the mix between strength, aesthetics and functionality in order to guarantee the maintenance of a competitive advantage that is difficult to find in other realities today. As a testimony to the Group's commitment to sustainability issues, there is also an assessment of the materials used with regard to their impact, according to which recyclable and natural materials, packaging in alternative materials to polystyrene, or even panels with low formaldehyde emissions are preferred. The use of organic paints has also been tested, for which research and development is still ongoing to ensure an adequate quality standard.

As for quality, in 2019 the Group launched an awareness-raising initiative focused on employees working in production departments, with the aim of raising their awareness of the centrality of quality at every stage of the production process. The activity continued in 2020 and its effectiveness was verified, with a view to continuous improvement.

The Group uses a quality monitoring system based both on the identification of any problems within the plant, whose causes (human or process) must be investigated, and on the monitoring of the problems detected by customers through complaints, to which the Group is committed to respond promptly through both specific monitoring indicators and specially designed preferential processes and procedures with respect to standard production cycles for the rapid resolution of any problems.

<sup>18</sup> Investments in R&D include the costs of personnel employed in the R&D Division, prototyping costs and costs for the purchase of materials used.

# P

## PRODUCT RESPONSIBILITY

### Customer focus

Giorgetti's products target an educated, sophisticated, educated and international clientele that does not accept compromises. Customer focus is the basis of the Group's strategic approach, which places the satisfaction of its customers' needs at the centre of its business. For this reason, particular attention is paid to all processes and services that guarantee the development of an impeccable product and the provision of a prompt, customer-centred and competent service. Listening to the customer is considered a strategic means to establishing and maintaining a long-lasting relationship, ensuring continuous discussions that spark new ideas and stimuli to increase the offer of high-quality products and innovative design. It is therefore vital to collect and analyse sales data from the markets that the Giorgetti Group operates in in order to constantly renew and improve itself.

The centrality of customers is enhanced by their role as Giorgetti brand ambassadors, which allows the Group to receive constant feedback and increase the brand's prestige. For these reasons meetings and discussions with customers are organised both internally, through specially prepared presentations, and externally, in selected stores and ateliers.

In recent years, efforts have mainly focused on the offline relationship with customers through the creation of a selected distribution network, the internal and external training of the sales force and the pursuit of new design stimuli (exploiting distinct channels and acquiring new companies) aimed at an "open innovation" approach.

Aware of the importance of the venues it operates in, the Group has invested in serving them well, significantly increasing the number of sales managers in recent years both at the headquarters and in local branches and creating a division dedicated to following single-brand stores and Ateliers. With reference to the latter type of shops, despite the pandemic difficulties, the 2020 financial year saw the opening of the single-brand shops in Johannesburg and Moscow as well as the new HQ of Giorgetti USA in New York.

A fundamental channel that the Group uses to communicate with its customers is in fact made up of sellers and resellers who are in close contact with the Group's final consumers, and who are therefore given special training in order to best convey the Giorgetti Group's philosophy and values.

With regard to its online presence, the Group implemented a strategy on social media that led to a rapid feedback on the level of the public's satisfaction and that facilitated and increased the relational, inspirational and aspirational connection.

Despite the complexities resulting from the current health crisis, the Group was able to manifest its creativity not only in the collections presented during 2020, but also through the channels through which the products were introduced, narrated and displayed. The Group experimented with a new way of presenting its collections by creating a digital broadcast. Voices features the voices and insights of the designers who have guided the stylistic line of the



collections. Aimed at strengthening the relationship with its customers, reaching them not only in the exhibition spaces but also involving them online, the platform tells them "behind the scenes", sharing presentations on the production techniques and the careful study of materials that distinguish the Group's craftsmanship. Through the same channel, Giorgetti also presents Pinkham Point, a virtual modernist villa that mixes cinema and architecture to tell its vision of living in an episodic film; using advanced digital graphics, the project allows the viewer to identify with the interior of a sophisticated Giorgetti home. Technological innovation has always played an important role in the history of the brand; for this reason, also in the display of the products, Giorgetti has collaborated with I-MADE and Artemest, the main online marketplace dedicated to luxury Made in Italy manufacturing and design, to propose a series of iconic pieces in a real virtual showroom.

The digital broadcasting platform is flanked by the online shop that will soon be activated with its Customer Relationship Management (CRM) system. With the aim of guaranteeing customer centrality, the system allows customer satisfaction to be monitored and assessed through the analysis of quantitative and qualitative KPIs, such as the rate of complaints and the nature of the cases. In 2020, the Group also decided to include a resource responsible for improving the quality assessment and monitoring processes and for the proper implementation of the system for detecting non-conformities and the degree of customer and shop satisfaction. The introduction of a Quality function has made it possible to identify and understand the areas of improvement on which to focus efforts, facilitating quality certification and formalising the Group's quality assurance process.

This person is joined by two other key figures consisting of managers dedicated to the single-brand retail, Atelier and Online world and the Trade Marketing function, who are in continuous contact with gatekeepers (commercial collaborators, partners, resellers and sellers of the Group's stores) and with the final market and focused on tools dedicated to stores as well as to ensure a strengthening of the relationship with the various sales channels.

As a demonstration of Giorgetti's customer focus, during 2020, there were no cases of non-compliance with regulations and/or self-regulatory codes concerning the health and safety impacts of products and services.





# ANNEXES

## Our Sustainability Performance - Human Resources

### GRI 102-8-a EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER [ITA-FOREIGN]

Employees	2020			2019		
	Men	Women	Total	Men	Women	Total
Italy						
Permanent	167	48	<b>215</b>	166	48	<b>214</b>
Temporary	3	2	<b>5</b>	-	1	<b>1</b>
Foreign						
Permanent	6	3	<b>9</b>	4	2	<b>6</b>
Temporary	-	-	-	-	-	-
Group						
Permanent	173	51	<b>224</b>	170	50	<b>220</b>
Temporary	3	2	<b>5</b>	-	1	<b>1</b>
<b>Total</b>	<b>176</b>	<b>53</b>	<b>229</b>	<b>170</b>	<b>51</b>	<b>221</b>

### GRI 102-8-b EMPLOYEES BY EMPLOYMENT TYPE AND GENDER

Dipendenti	2020			2019		
	Men	Women	Total	Men	Women	Total
Full-time	175	47	222	169	46	215
Part-time	1	6	7	1	5	6
<b>Totale</b>	<b>176</b>	<b>53</b>	<b>229</b>	<b>170</b>	<b>51</b>	<b>221</b>

### GRI 401-1 TOTAL NUMBER AND RATE OF HIRES BY GEOGRAPHICAL AREA, GENDER AND AGE GROUP

Employees	2020					2019				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Italy										
Men	3	12	4	<b>19</b>	11%	3	7	-	<b>10</b>	6%
Women	2	2	1	<b>5</b>	9%	3	2	1	<b>6</b>	12%
Foreign										
Men	-	2	-	<b>2</b>	1%	-	2	-	<b>2</b>	1%
Women	-	1	-	<b>1</b>	2%	-	-	-	-	0%
Group										
Men	3	14	4	<b>21</b>	12%	3	9	-	<b>12</b>	7%
Women	2	3	1	<b>6</b>	11%	3	2	1	<b>6</b>	12%
<b>Total</b>	<b>5</b>	<b>17</b>	<b>5</b>	<b>27</b>	<b>12%</b>	<b>6</b>	<b>11</b>	<b>1</b>	<b>18</b>	<b>8%</b>
Rate	19%	14%	6%	12%		26%	8%	1%	8%	

### GRI 401-1 TOTAL NUMBER AND TURNOVER RATE BY GEOGRAPHICAL AREA, GENDER AND AGE GROUP

Employees	2019					2018				
	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Italy										
Men	-	7	8	<b>15</b>	9%	2	5	4	<b>11</b>	6%
Women	-	2	2	<b>4</b>	8%	-	5	3	<b>8</b>	16%
Foreign										
Men	-	-	-	-	0%	-	-	-	-	0%
Women	-	-	-	-	0%	-	-	-	-	0%
Group										
Men	-	7	8	<b>15</b>	9%	2	5	4	<b>11</b>	6%
Women	-	2	2	<b>4</b>	8%	-	5	3	<b>8</b>	16%
<b>Total</b>	<b>-</b>	<b>9</b>	<b>10</b>	<b>19</b>	<b>8%</b>	<b>2</b>	<b>10</b>	<b>7</b>	<b>19</b>	<b>9%</b>
Rate	0%	7%	13%	8%		9%	8%	10%	9%	

# ANNEXES

## GRI 404-1 TRAINING HOURS PER CAPITA BY PROFESSIONAL CATEGORY AND GENDER

Number of training hours per capita	2020			2019		
	Men	Women	Total	Men	Women	Total
Executives	4,6	16,0	<b>6,0</b>	4,0	16,0	<b>5,3</b>
Middle managers	2,3	-	<b>1,9</b>	9,8	20,0	<b>10,6</b>
Employees	1,1	1,0	<b>1,0</b>	8,5	6,0	<b>7,1</b>
Factory workers	-	-	-	5,9	2,9	<b>5,7</b>
<b>Total</b>	<b>0,6</b>	<b>1,1</b>	<b>0,7</b>	<b>6,6</b>	<b>5,3</b>	<b>6,5</b>

## GRI 405-1a DIVERSITY IN GOVERNANCE BODIES (BOARD OF DIRECTORS)

	2020		2019	
	Men	Women	Men	Women
< 30 years	-	-	-	-
30-50 years	40%	20%	60%	20%
> 50 years	40%	-	20%	-

## GRI 405-1a DIVERSITY IN GOVERNANCE BODIES (BOARD OF STATUTORY AUDITORS)

	2020		2019	
	Men	Women	Men	Women
< 30 years	-	-	-	-
30-50 years	60%	-	80%	-
> 50 years	40%	-	20%	-

## GRI 405-1b TOTAL NUMBER OF EMPLOYEES BY OCCUPATIONAL CATEGORY AND AGE GROUP

Employees	2020				2019			
	<30 years	30-50 years	>50 years	Total	<30 anni	30-50 anni	>50 anni	Totale
Executives	7	1	8	<b>8</b>	1	9	2	<b>9</b>
Middle managers	12	13	15	<b>13</b>	1	14	6	<b>14</b>
Employees	36	41	77	<b>32</b>	40	72	16	<b>72</b>
Factory workers	121	8	129	<b>117</b>	9	126	43	<b>126</b>
<b>Total</b>	<b>176</b>	<b>53</b>	<b>229</b>	<b>170</b>	<b>51</b>	<b>221</b>	<b>67</b>	<b>221</b>

## GRI 405-1b PERCENTAGE OF EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP

Employees	2020				2019			
	<30 years	30-50 years	>50 years	Total	<30 anni	30-50 anni	>50 anni	Totale
Executives	0%	75%	25%	<b>3%</b>	-	78%	22%	<b>4%</b>
Middle managers	0%	67%	33%	<b>7%</b>	-	57%	43%	<b>6%</b>
Employees	17%	58%	25%	<b>34%</b>	15%	63%	22%	<b>33%</b>
Factory workers	11%	50%	40%	<b>56%</b>	10%	56%	34%	<b>57%</b>
<b>Total</b>	<b>12%</b>	<b>55%</b>	<b>34%</b>	<b>100%</b>	<b>10%</b>	<b>59%</b>	<b>30%</b>	<b>100%</b>

## GRI 405-1b TOTAL NUMBER OF EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

Employees	2019			2018		
	Men	Women	Total	Men	Women	Total
Executives	7	1	<b>8</b>	8	1	<b>9</b>
Middle managers	12	3	<b>15</b>	13	1	<b>14</b>
Employees	36	41	<b>77</b>	32	40	<b>72</b>
Factory workers	121	8	<b>129</b>	117	9	<b>126</b>
<b>Total</b>	<b>176</b>	<b>53</b>	<b>229</b>	<b>170</b>	<b>51</b>	<b>221</b>

# ANNEXES

## GRI 405-1b PERCENTAGE OF EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

Employees	2020			2019		
	Men	Women	Total	Men	Women	Total
Executives	88%	13%	3%	89%	11%	4%
Middle managers	80%	20%	7%	93%	7%	6%
Employees	47%	53%	34%	44%	56%	33%
Factory workers	94%	6%	56%	93%	7%	57%
<b>Total</b>	<b>77%</b>	<b>23%</b>	<b>100%</b>	<b>77%</b>	<b>23%</b>	<b>100%</b>

## GRI 405-1c NUMBER OF EMPLOYEES BELONGING TO PROTECTED CATEGORIES

Employees	2020			2019		
	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-
Middle managers	-	-	-	-	-	-
Employees	-	-	-	-	2	2
Factory workers	8	1	9	8	1	9
<b>Total</b>	<b>8</b>	<b>1</b>	<b>9</b>	<b>8</b>	<b>3</b>	<b>11</b>

## GRI 403-9 WORK-RELATED INJURIES

Work-related injuries - Employees	2020	2019
Total number of deaths due to work-related injuries	-	-
Total high-consequence work-related injuries	-	-
Total recordable work-related injuries	9	9
<b>Injury rate - Employees</b>	<b>2020</b>	<b>2019</b>
Rate of deaths due to work-related injuries	-	-
Rate of high-consequence work-related injuries <sup>19</sup>	-	-
Rate of recordable work-related injuries <sup>20</sup>	5,29	4,7
<b>Time data - employees</b>	<b>2020</b>	<b>2019</b>
Hours worked	340.411	385.620
Calculation multiplier	200.000	200.000
<b>Work-related injuries - external workers</b>	<b>2020</b>	<b>2019</b>
Total number of deaths due to work-related injuries	-	-
Total high-consequence work-related injuries	-	-
Total recordable work-related injuries	-	-
<b>Injury rate - external workers</b>	<b>2020</b>	<b>2019</b>
Rate of deaths due to work-related injuries	-	-
Rate of high-consequence work-related injuries	-	-
Rate of recordable work-related injuries	-	-
<b>Time data - external workers</b>	<b>2020</b>	<b>2019</b>
Employees	512	1.106
Calculation multiplier	200.000	200.000

## GRI 403-10 OCCUPATIONAL DISEASES

Occupational diseases - Employees	2020	2019
Number of deaths caused by occupational diseases	-	-
Total number of recordable cases of occupational disease	1	-
<b>Occupational diseases - external workers</b>	<b>2020</b>	<b>2019</b>
Number of deaths caused by occupational diseases	-	-
Total number of recordable cases of occupational disease	-	-

<sup>19</sup> Work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

<sup>20</sup> The rate of recordable work-related injuries is calculated as follows: number of recordable work-related injuries/hours worked by employees times 200,000.

## Our Sustainability Performance – Environment

### GRI 301-1 MATERIALS USED BY WEIGHT OR VOLUME<sup>21</sup>

Type of materials	2020	2019
Fabrics (thousands of m) - Non-renewable	11	32
Cushions (no.) - Non-renewable	4.751	7.451
Packaging (OSB) (t) - Non-renewable	55	
Packaging (Polystyrene) (m3) - Non-renewable	128	
Packaging (Pluriball/Foam) (thousands m2) - Non-renewable	10,4	
Glues (t) - Non-renewable	2,1	
Semi-finished products (thousands m2) - Non-renewable	1,2	
Wood (m3) - Renewable	489	545
Leather (thousands of m2) - Renewable	27,5	32
Packaging (Cardboard) (thousands of m2) - Renewable	20,7	

### GRI 302-1 ENERGY CONSUMPTION BY TYPE (GJ)<sup>22</sup>

Type of energy	2020	2019
Electricity	6.195	6.348
of which purchased from non-renewable sources	5.566	5.175
of which self-produced from renewable sources <sup>23</sup>	629	1.173
Natural gas <sup>24</sup>	10.174	11.355
Diesel fuel	1.127	1.605
Petrol	74	60
<b>Total</b>	<b>17.208</b>	<b>19.368</b>

<sup>21</sup> The scope of the data relating to renewable and non-renewable materials used in 2019 does not include data relating to Battaglia S.r.l. but only includes data relating to Giorgetti S.p.A. With a view to continual improvement, in 2020, the Giorgetti Group began implementing a structured process for monitoring the raw materials used in order to identify their weight in a timely and uniform manner. As evidence of this commitment, the data relating to the entire Giorgetti Group for production materials and accessories used in 2020 are shown. In particular, production accessory materials such as packaging and glues relating only to Battaglia S.r.l. are only available for 2020.

<sup>22</sup> The sources of the conversion factors used are the Guidelines of the NIR ISPRA (2020) and the Ministry of Environment.

<sup>23</sup> From solar panels at the Battaglia S.r.l. plant in Misinto.

<sup>24</sup> Due to an improvement in the collection and calculation process, the 2019 natural gas consumption figures have been restated from those published in the 2019 Sustainability Report.

### GRI 305-1 DIRECT (SCOPE 1) GHG EMISSIONS & GRI 305-2 ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS

Emissions by type <sup>25</sup>	Unità di misura	2020	2019
Direct emissions - Scope 1	ton CO <sub>2</sub>	677,08	765,85
of which from production and heating <sup>26</sup>	ton CO <sub>2</sub>	588,68	643,44
of which from freight mobility	ton CO <sub>2</sub>	21,71	29,68
of which from car fleet	ton CO <sub>2</sub>	66,68	92,72
Indirect emissions - Scope 2 Location Based	ton CO <sub>2</sub>	429,22	454,83
Indirect emissions - Scope 2 Market Based	ton CO <sub>2e</sub>	720,53	694,32
<b>Total emissions - Location Based</b>	<b>ton CO<sub>2</sub></b>	<b>1.106,30</b>	<b>1.220,68</b>
<b>Total emissions - Market Based</b>	<b>ton CO<sub>2e</sub></b>	<b>1.397,61</b>	<b>1.460,17</b>

### GRI 305-7 NITROGEN OXIDES (NO<sub>x</sub>), SULPHUR OXIDES (SO<sub>x</sub>) AND OTHER SIGNIFICANT AIR EMISSIONS<sup>27</sup>

Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ) and other significant air emissions	Unit of measurement	2020	2019
NO <sub>x</sub>	ton/year	0,24	0,3
Volatile organic compounds (VOCs)	ton/year	1,05	1,3
Particulate matter (PM)	ton/year	0,13	0,2

### GRI 306-2 WASTE BY TYPE AND METHOD OF DISPOSAL

Method of disposal	Unit of measurement	2020			2019		
		Pericolosi	Non pericolosi	Totale	Pericolosi	Non pericolosi	Totale
Recycling	ton	3,9	528,0	531,8	14,7	640,3	655,0
Landfill	ton	7,7	-	7,7	7,5	-	7,5
<b>Total</b>	<b>ton</b>	<b>11,5</b>	<b>528,0</b>	<b>539,5</b>	<b>22,2</b>	<b>640,3</b>	<b>662,5</b>

<sup>25</sup> The following emission factors were used to calculate emissions:

Scope 1: Min. Environment - National Standard Parameters Table 2020 and ISPRA - National Inventory Recovery 2020;

Scope 2 Location Based: ISPRA - Emission factors for national electricity production and consumption 2020;

Scope 2 Market Based: AIB - European Residual Mixes 2019 (Vers. 1.2).

<sup>26</sup> Due to an improvement in the collection and calculation process, the 2019 data on natural gas consumption have been restated from those published in the 2019 Sustainability Report.

<sup>27</sup> Data reported for Giorgetti S.p.A. only, as it is below the detection threshold for Battaglia S.r.l., which nevertheless plans to start a process of measuring and monitoring particulate matter (PM).



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# GRI

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THIS REPORT WAS PREPARED IN ACCORDANCE WITH THE GRI STANDARDS: CORE OPTION.

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103-3	Evaluation of the management approach	5-6, 23-24, 38	
<b>GRI-205: Anti-corruption (2016)</b>			
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<b>GRI 300: ENVIRONMENTAL SERIES (2016)</b>			
<b>Topic: Materials</b>			
<b>GRI-103: Management approach (2016)</b>			
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<b>GRI-307: Environmental compliance (2016)</b>			
307-1	Non-compliance with environmental laws and regulations		<i>In 2020 no fines or penalties were imposed for non-compliance with environmental laws and regulations.</i>
<b>Topic: Environmental assessment of suppliers</b>			
<b>GRI-103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	5-6, 23-24, 67-69	
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103-2	The management approach and its components	5-6, 23-24, 45-46	
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<b>GRI-406: Non-discrimination (2016)</b>			
406-1	Incidents of discrimination and corrective actions taken		<i>In 2020 no incidents of discrimination were reported.</i>

GRI Standard	Disclosure	Page No.	Notes
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<b>GRI-416: Salute e sicurezza dei clienti (2016)</b>			
416-2	Incidents of non-compliance concerning health impacts		<i>During 2020, there were no incidents of non-compliance concerning impacts on the health and safety of products and services.</i>
<b>Topic: Socio-economic compliance</b>			
<b>GRI-103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	5-6, 23-24, 38	
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<b>GRI-419: Socioeconomic compliance (2016)</b>			
419-1	Non-compliance with laws and regulations in the social and		<i>In 2020 no significant fines or non-monetary penalties were imposed for non-compliance with laws and regulations in the social and economic area.</i>
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