

# NON-FINANCIAL CONSOLIDATED STATEMENT 2023



Italian Design Brands



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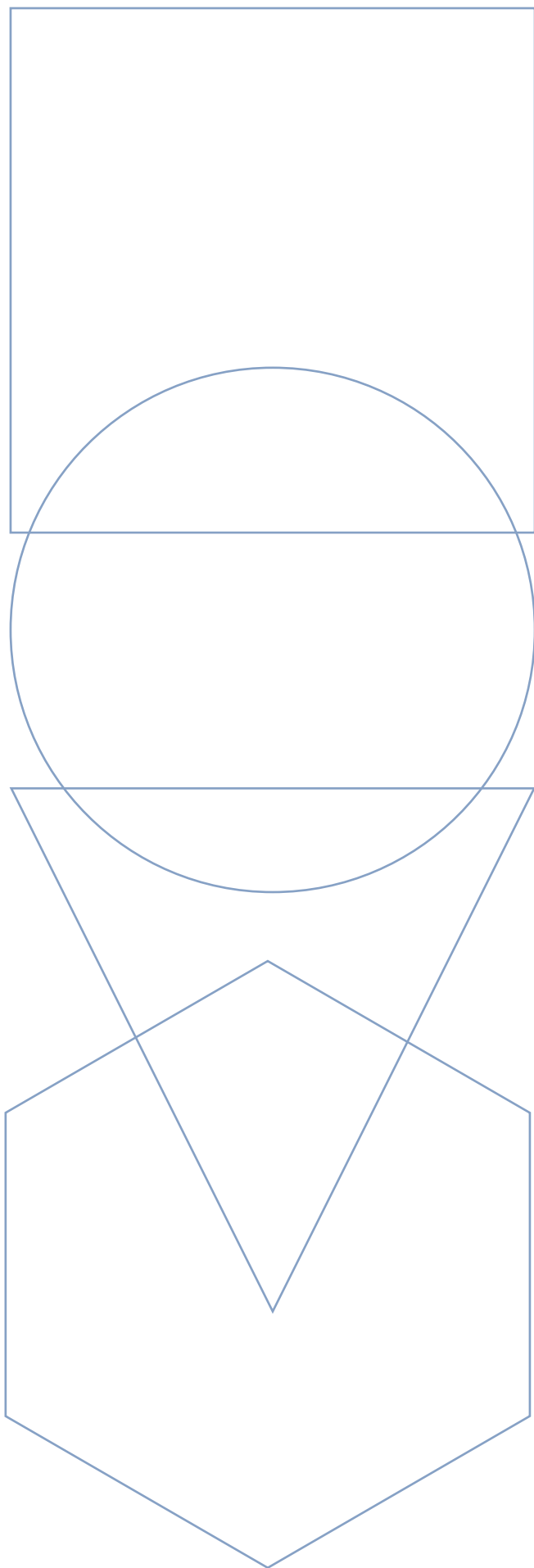
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# NON-FINANCIAL CONSOLIDATED STATEMENT 2023



Italian Design Brands



▽ Lighting

DAVIDE GROPPI | Neuro lamp  
Design Davide Groppi - Beppe Merlano 2013



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# A MESSAGE TO OUR STAKEHOLDERS

**Dear partners and stakeholders,  
The IDB Group was founded in 2015 as an Italian hub for the aggregation of companies of excellence with strong, shared values that are deeply linked to the territory where they were born.**

This is the first edition of our Non-Financial Consolidated Statement, which follows the voluntary publications in 2021 and 2022, of the Sustainability Report. Its aim is to continue to tell you about of the many activities that the Group is carrying out to create a sustainable value in the long-term that is not just economic, but also social, environmental, and for its entire surrounding community.

2023 was yet another year of complex and unpredictable macroeconomic and geopolitical events. These factors continue to fuel a climate of uncertainty for all the families and people in our ecosystem. Nevertheless, 2023 was also an important year in the IDB Group's growth, marked by the achievement of brilliant results and the overcoming of significant challenges, including the listing on Euronext Milan stock exchange, which was successfully concluded on 18 May. This listing had been planned since IDB's founding and, despite the fact that the capital market underwent some complex moments, we managed to complete a very successful operation of which we are very proud, as we became the first publicly traded design group in Italy.

This step strengthens our visibility and credibility in the market. It gives us the opportunity to accelerate and build on the virtuous path of growth that distinguishes us as a solid and strategic project to foster a team that is highly competent, passionate, and dedicated to supporting the companies, and to grow the organisations of all our subsidiaries. All this, combined with the strength of our local

supplier network and the hard work performed by everyone in the Group, is helping us to consolidate and increase our market share in strategic areas by continuing to feature the many facets of high-quality Made in Italy design all over the world.

We strongly believe that each IDB entity is a "virtuous island" which, due also to group coordination, operates in full respect of its ecosystem and with a wider understanding of its surrounding environment. This means, first of all, the reduction of its environmental impact, circularity, and an efficient use of resources, as well as the adoption of a work ethic that characterises relations with all stakeholders and that results in a high degree of proximity to local supply chains and skilled workers deeply rooted in their local areas. These are essential elements for companies that aim to continue to grow and to become more and more of a benchmark in the market.

Italian creativity and artisanal traditions permeate the design and production of our products, which furnish and illuminate homes and hospitality and conviviality environments the world over. All of our entrepreneurs and CEOs love their work and reflect this passion for detail, quality and product safety. This guarantees a relationship based on trust with our customers that allows us to keep growing. Each company brings real synergies to the Group, in the form of resources, experience, entrepreneurial spirit, and an all-encompassing approach and mindset to the business.

We are working hard to improve the many aspects



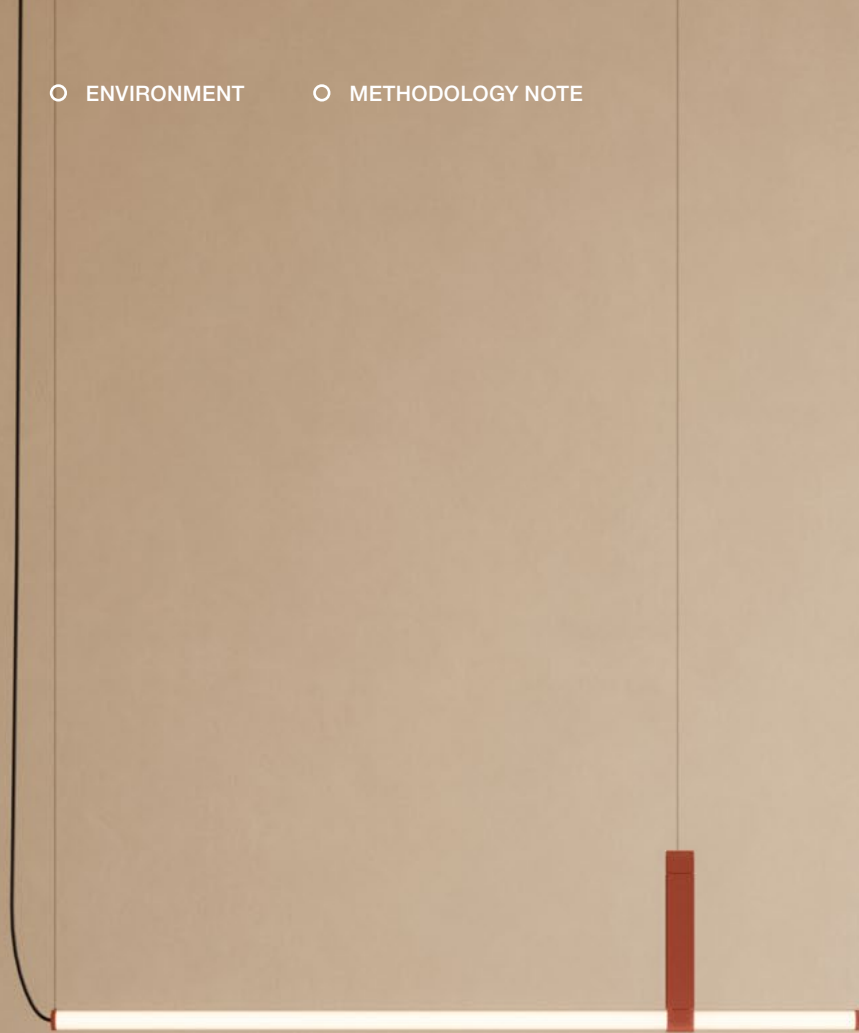
of sustainability. In particular, because we agree with what the Member States agreed on in the Paris Agreement of 2015, we are pleased to announce an important first step in the focus on climate change and the GHG emission reduction path of our operations: for the first time, we are quantifying and certifying our organizational carbon footprint for the financial year 2023. This means that we have started monitoring our emissions performance, and to fully offset the Group inventory by purchasing voluntary carbon credits to finance a reforestation project in Uruguay and the construction and operation of a photovoltaic plant in Rajasthan, India. This is the starting point for a future plan to reduce the environmental impacts of Group activities, as a result of which IDB is already operating on a carbon-neutral basis.

We strongly believe that by taking what may seem like “small” steps in the way that each company operates, we can actually build the foundations for making a “big” difference in the footprint we leave every day in our surrounding ecosystem, today and tomorrow.

Happy reading and see you soon.

**Andrea Sasso**









# IDB: OUR IDENTITY

 **Lighting**

**AXOLIGHT** | Paralela lamp  
Design Nahrang studio

# 1.1 THE IDB PROFILE

## 1.1.1 Group

**Italian Design Brands S.p.A. (hereinafter “IDB”) is a diversified industrial group which is one of Italy’s leaders in high-end design.**

IDB was created to promote a hub of high-quality Italian design. It is now composed of numerous companies with complementary activities that express precise identities and specific excellences in their segments of operation, united within a coherent strategic goal of creating an integrated industrial group that offers internationally recognised design, lighting, and furniture.

Each company has considerable creative and product expertise in its DNA, but also a limited size that can make it hard to be globally competitive and to remain in step with changing consumer trends. The IDB Group was born out of the desire to implement the concept of “making a system” to support the growth and international assertion of excellence in our companies, in anticipation of the process of aggregation that the very highly fragmented sector of Italian design is sure to undergo in the future.

IDB is thus positioned as a veritable growth acceleration platform, attracting talent and excellent companies while preserving their DNA, at the same time supporting their development through a common strategic vision and the use of sharing as a tool for growth and dialogue.

The Group was established in 2015 and has grown mainly through recurring business acquisitions. It now comprises four strategic areas, each with a brand portfolio providing a diversified exposure to different segments within the sector and offering

a wide complementarity of products, styles, and specialisations.

In particular, following the entry of the first company, **Gervasoni S.p.A.**<sup>1</sup>, the Group has developed through the performance of at least one new acquisition per year: **Meridiani S.r.l.** in 2016, **Cenacchi International S.r.l.** in 2017, **Davide Groppi S.r.l.** and **Saba Italia S.r.l.** in 2018, **Modar S.p.A.** in 2019, **Flexalighting S.r.l.** in 2020, **Axo Light S.r.l.** in 2021, Flexalighting North America Ltd., through Flexalighting, **Gamma Arredamenti International S.p.A.**, and Gamma Arredamenti International Inc. in 2022. In 2022, IDB also signed an agreement for the acquisition of a majority shareholding in **Cubo Design S.r.l.**, a transaction that was legally concluded in January 2023.

2023 was a very important year for IDB, which in May saw the completion of the listing on Euronext Milan, a regulated market managed by Borsa Italiana S.p.A.

The listing on the stock exchange, one of the Group’s initial strategic objectives, has spurred IDB to a new phase of development, characterised by greater visibility and transparency, as well as direct access to capital markets and its stakeholders.

Also in 2023, in part with the proceeds from the listing, the Group continued its growth through

1. The document refers to companies in their abbreviated form: Gervasoni, Cenacchi, Meridiani, Davide Groppi, Saba, Modar, Gamma, Flexalighting, Axolight, Cubo Design and Turri. The Group’s foreign offices and subsidiaries will also be mentioned in their abbreviated form as IDB Suzhou, IDB UK, IDB US, Meridiani France, Gamma US, Flexalighting North America, Axolight US, Nian, Turri UK, Turri USA, and Turri Shanghai.



# ITALIAN DESIGN BRANDS S.p.A. IS THE ITALIAN HUB IN THE FIELD OF HIGH-QUALITY FURNITURE AND DESIGN.

corporate acquisitions with the acquisition of an additional stake in Axolight and with the acquisition of a majority stake in **Turri Srl**<sup>2</sup>, a company headed by Turri, a historic brand operating in the very high-end furniture sector.

At the close of 2023, the Group, headquartered in Milan, now has a total of 11 operating subsidiaries. As mentioned above, it is organised in four different strategic areas: “Furniture” –

interior and exterior furniture – with Gervasoni, Meridiani, Saba, Gamma and Turri; “Lighting” – the production of lamps and creation of lighting projects – with Davide Groppi, Flexalighting and Axolight; “Luxury Contract” - production and installation of custom-made luxury furniture – with Cenacchi and Modar; and “Kitchen & Systems” – design, production and marketing of modular kitchens and systems, with Cubo.

## 2015-2023 - Our history, our commitment

<p>2015</p> <p><b>IDB Group is established</b></p> <p><b>Gervasoni S.p.A.</b> Joins IDB Group</p>	<p>2016</p> <p><b>Meridiani S.r.l.</b> Joins IDB Group</p>	<p>2017</p> <p><b>Cenacchi International S.r.l.</b> Joins IDB Group</p>
<p>2018</p> <p><b>Davide Groppi S.r.l.</b> <b>/Saba Italia S.r.l.</b> Join IDB Group</p>	<p>2019</p> <p><b>Modar S.p.A.</b> Join IDB Group</p>	<p>2020</p> <p><b>Flexalighting S.r.l.</b> Join IDB Group</p>
<p>2021</p> <p><b>Axolight S.r.l.</b> Join IDB Group</p>	<p>2022</p> <p><b>Gamma Arredamenti International S.p.A.</b> <b>/Cubo Design S.r.l.</b> Join IDB Group</p>	<p>2023</p> <p><b>IDB</b> Debut in Piazza Affari</p> <p><b>Turri S.r.l.</b> Join IDB Group</p>

\* Agreement for the acquisition of a majority stake signed in 2022, legally concluded in January 2023.

- It should be noted that Turri Srl was acquired in September 2023 and, therefore, personnel and regulatory compliance data were included in the Non-Financial Statement. The Group is committed to fully integrating the acquired company within the scope of its 2024 Sustainability Reporting.

## The Group's mission and vision

### IDB aims to increasingly become a benchmark in the high-end furniture, lighting, and design sector.

A hub where excellent companies can direct and accelerate their growth and development process, yet maintain their distinctive identity, creativity, and entrepreneurial spirit, all the while benefiting from the support of a non-invasive corporate structure and a culture of sharing and synergy with the other companies within the Group.

With this goal in mind, IDB's business model is based on the interaction of:

#### EXTERNAL GROWTH

based on a proactive approach to the market by

seeking new acquisition opportunities which are highly synergistic with other portfolio companies.

#### INTERNAL GROWTH

through a combination of independent entrepreneurs and structures to keep the company DNA and the uniqueness of brands and products intact, and the support and coordination of strategic activities and processes such as digitalisation, internationalisation, organisational development, and the effective management of company resources.

The Group's vision rests on the philosophy and values that unite and drive its management. Together, they form the Group's identity, which can be distilled into five key concepts:



#### Entrepreneurial DNA and distinctive group approach

The Group as a "platform" able to attract new talent while preserving DNA and entrepreneurial vision and, at the same time, accelerating development through a common strategic vision and the use of sharing as a tool for growth and dialogue.



#### High-end positioning and complementarity of styles and products

The creation and maintenance of a portfolio of premium brands that grants exposure to different market segments, offering a broad complementarity of products, styles, and specialisations.



## Mission

REPRESENT THE EXCELLENCE OF ITALIAN DESIGN AND CRAFTSMANSHIP ACROSS THE WORLD, CREATING A VIRTUOUS CONTEXT IN WHICH EACH COMPANY CAN ACCELERATE ITS COMPETITIVE ADVANTAGE, WHILE MAINTAINING ITS DISTINCTIVE IDENTITY, CREATIVITY, AND ENTREPRENEURIAL SPIRIT.



### Global and diverse presence

The assertion of an international presence and maintenance of a balanced exposure across channels and geographies, with a view to market developments and the ability to seize the opportunities they offer.



### Management support and organisational development

The introduction of structured methods and processes to improve business efficiency and effectiveness, fostering organisational development and, where necessary, supporting gradual generational transitions.



### Strong economic performance and efficient financial management

The maintenance of an optimal growth profile, as well as excellent profitability and financial soundness, guaranteed by the performance of all Group companies and by the centralised management of the resources used to make new investments in the Group's growth.



Furniture

**GERVASONI** | VERY WOOD Lord 02  
Design Lucidi Pevere



## 1.1.2 Companies

### Preserving the culture, identity, and DNA of each company has always been a priority for the Group.

This goal is also of particular importance when we look at the specific history and characteristics of each company, as described in the table below.

#### GERVASONI

1882

Founded in 1882 and based in Pavia di Udine (Udine Province), Gervasoni is managed by two brothers, Giovanni and Michele Gervasoni. The company designs, manufactures, and markets furniture solutions, both indoor and outdoor, for the home and contract sector (luxury hotels, restaurants, and ships) through the brands

Gervasoni, Gervasoni Outdoor and Very Wood. The Gervasoni brands offer armchairs, sofas, beds, tables, chairs, and storage boxes, in collaboration with international designers. Very Wood designs elegant chairs, armchairs, sofas, and stools for hospitality environments, in collaboration with world-class designers.

#### MERIDIANI

Meridiani was founded in 1996 in Misinto (Monza-Brianza Province) by Renato Crosti, an entrepreneur with over 40 years of experience in the sector, inspired by a simple and passionate idea from his wife: to imagine, design, produce, and distribute a new home collection. The brand

offers collections for living and sleeping areas with a sophisticated and international design, composed of sofas in refined precious fabrics, and accessories that play with the volumes of marble and brass, as well as a line of outdoor products.

#### CENACCHI INTERNATIONAL

Cenacchi was founded in 2003 in Bologna by Carl Gherardi and Eugenia Cenacchi, who decided to focus their business on important international clients. Cenacchi is a company specialised in the production and installation of

luxury furniture for shops, showrooms, offices, hotels, and luxury homes the world over. The furniture is custom-made in collaboration with architects and designers working both within and outside the company.

## davide groppi

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Since the late 1980s, Davide Groppi, based in Piacenza, has been inventing and producing lamps and lighting projects. Simplicity, lightness, emotion, inventiveness, and amazement are the five key components of every lamp and project. Over time, creative and entrepreneurial independence has allowed the firm to develop original and highly recognisable projects across

the globe. The use of direct, indirect, and diffuse lighting typical of each product elicits profound sensations and emotions. Davide Groppi's iconic products represent an excellence recognised with various publications and awards such as the double XXII ADI Golden Compass in 2014 for the lamps Nulla and Sampei and the ADI Golden Compass honourable mention at TeTaTeT in 2016.

## saba

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Saba is a company based in S. Martino di Lupari (Padua Province), which since 1987 has devoted its design research to the culture of relaxation. A design journey in which products move and change configurations through delicate, feminine gestures. The style of the sofas, dressed in vibrant

colours and welcoming textures, is nurtured by this research. Saba's design is "custom-made", with the possibility of choosing from a vast and refined inventory of textiles that gives the end customer the opportunity to customise his or her choice as much as possible.



Modar, a company specialising in fine custom-made furniture projects based in Barlassina (Monza-Brianza Province), was founded in 1971 by the entrepreneur Dante Malagola. The company boasts over fifty years of producing furniture for luxury shops, residences, hotels, and offices. It accompanies clients from the

design phase to the delivery of the project, and it distinguishes itself for the high quality of its products and customer service. Modar has always collaborated with prestigious international architecture firms, thereby providing a successful example of the synergy between design and industry.

## FLEXALIGHTING

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Flexalighting, based in Pontassieve (Florence Province), is a young and dynamic company founded by Modena-born architect and lighting designer Roberto Mantovani who, after working in product and light design, founded the company according to his own vision of

the architectural use of LED technology. In just a few years, the company has grown rapidly, posting significant and constant growth rates, with products distributed in more than sixty countries.





▽ Lighting

AXOLIGHT | U-light pendant lamp, design Timo Ripatti



Furniture

SABA | Metis sofa  
Design Nicola Pavan



## Axolight

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Axolight is a lighting company based in Scorzè (Venice) that designs, develops, and manufactures high-end design lamps. Each Axolight product is unique, whether it forms part of a serial production or a custom request, and each product is designed, developed, tested, and assembled by hand. Axolight has over time embarked on an industrial journey to bring together, through its creations, the

elements that underpin its corporate vision: design, technology, and functionality. From a small table lamp to a monumental suspension, Axolight solutions are suitable for any type of environment, using expert Italian craftsmanship and the most advanced technologies in the lighting field to illuminate and decorate globally prestigious public and private spaces.



## GAMMA

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Gamma was born in Forlì in 1974 from the friendship and the common passion for design and furniture between Gabriele Ghetti and Carla Botti. A leader in the leather upholstery sector, the company is represented in the best showrooms and furniture studios the world over. Gamma's success is based on a careful

search for exclusive leathers to create new combinations inspired by the world of design, fashion, and art to accentuate the character and image of the products by creating a well-defined living concept that meets the needs of international designers.

## TURRI®

The Italian way to beauty

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With roots dating back to 1925 in Carugo (Como Province), Turri is today a leading company, as well as a historically recognised synonym of the excellence of Made in Italy in the furnishing of very high-end interiors. The constant attention to detail and quality, as well as the modern and innovative interpretation of the furniture

that has never forsaken its roots in a sense of craftsmanship make each piece not only functional, but also a statement of style that adds distinction to homes and environments, "bringing the art of living and the beauty of Italy to homes all over the world".



Cubo was founded in 2006 in the province of Teramo, the result of the lengthy experience of its founder, Antonio Arangiario, in the field of modular kitchens. Cubo Design has in a short time conquered the Italian market, succeeding in establishing itself as a major player in the

international market as well. The company operates through the Binova brand, which has for over 60 years represented excellence in the high-end kitchens sector, acquired by Cubo in 2016, and Miton Cucine.

## The Group’s presence in Italy and the world

**IDB is present both in Italy and internationally with a far-reaching presence of more than 4,500 points of sale and 58 mono-brand stores**

The stores are located in Europe, North America, Central and South America and Asia, and the points of sale, throughout the world.

The mono-brand stores in the world are branded by the individual companies. In particular, of the 58 mono-brand stores, 4 are branded Gervasoni, 11 are branded Meridiani, 9 are branded Davide Groppi, 3 are branded Saba, 17 are branded Cubo Design, and 14 are

branded Turri. Modar and Cenacchi are active in the design of bespoke luxury furniture at a predominantly B2B level, and for this reason they do not operate through direct sales shops. Flexalighting and Axolight do not have single-brand stores, and instead distribute their products through a network of 260 stores and 60 points of sale worldwide.



€ 310.8 million<sup>3</sup>  
production value  
in 2023



● EUROPEAN AREA (Italy excluded)

31.9%

● NORTH AMERICA

20.9%

● ITALY

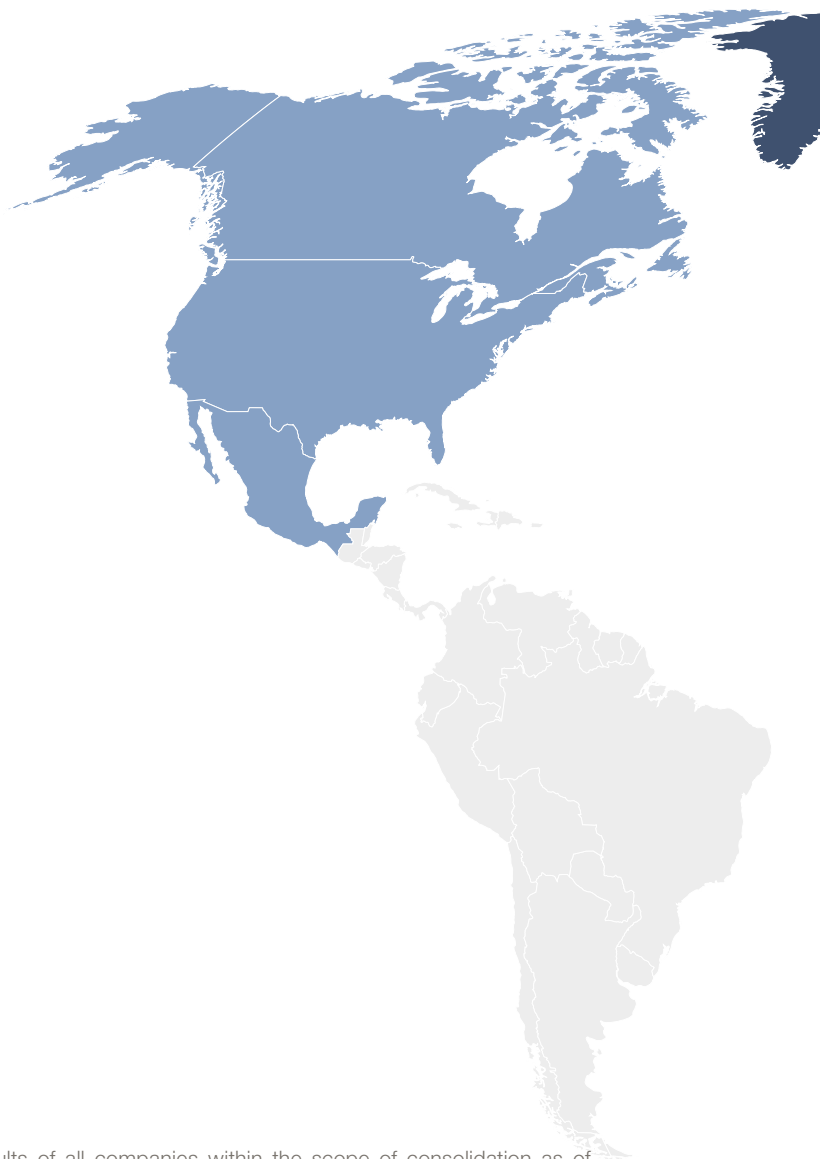
26.0%

● REST OF THE WORLD

16.7%

● CHINA

4.6%



3. Consolidated figures drawn up considering the results of all companies within the scope of consolidation as of 31.12.2023 as of 1 January 2023, regardless of the date of actual entry of the Group.

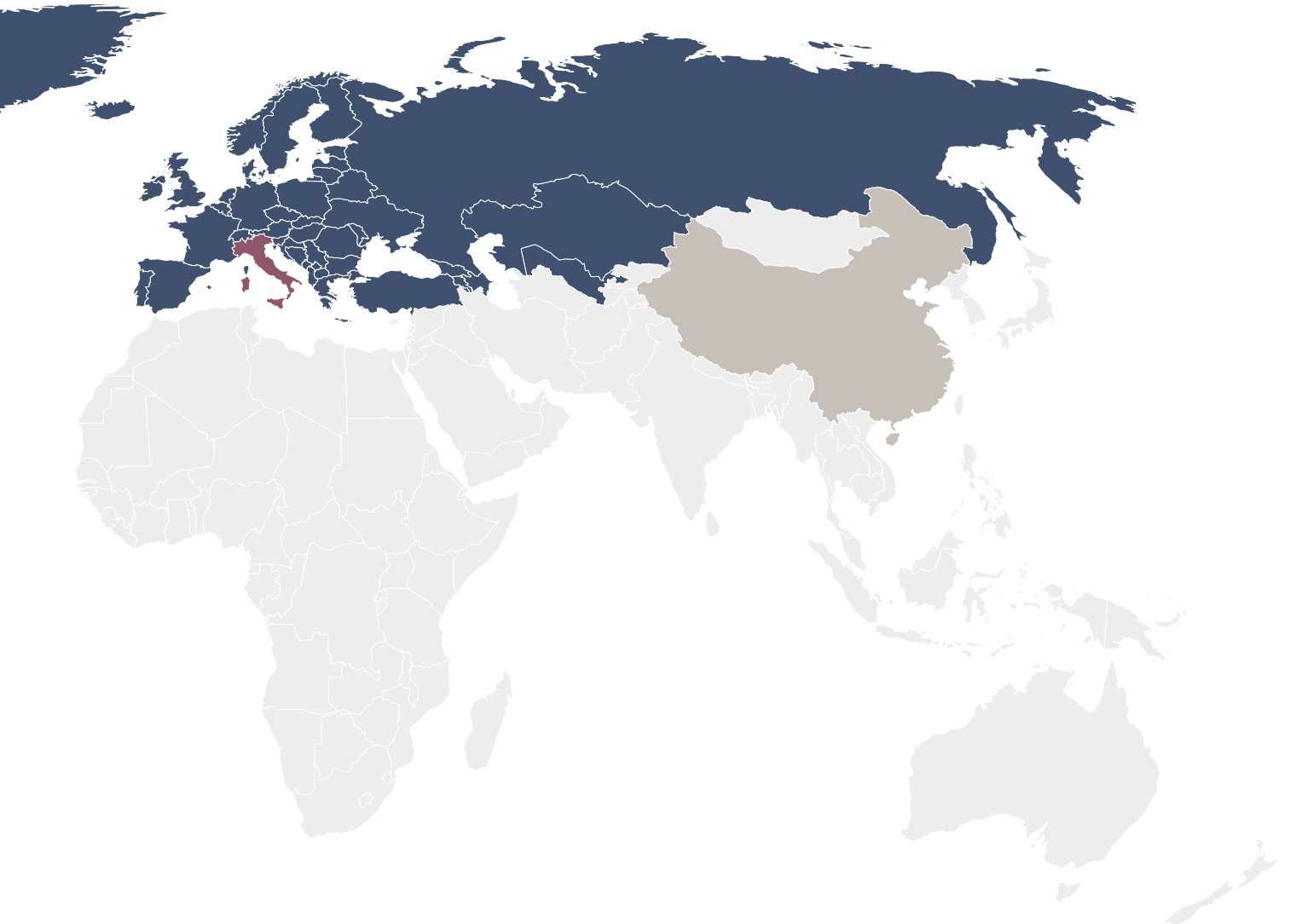


## Group presence by revenue per geographic area

In terms of production value, the Group generated more than 310 million euros<sup>3</sup> in 2023, of which 26% was generated in the Italian market, an area that grew by more than 4% compared with 2022. The largest share of revenues comes from the European area (excluding Italy), at around 31.9%. North America is also an important market for IDB, accounting for 20.9% of its revenues in 2023. The remainder of the

revenues for the year comes from territories under Chinese influence (4.6%), and from the rest of the world, which generates 16.7% of revenues.

In line with the past year, the Group's presence is concentrated in Europe and Italy. However, the role of North America is increasingly important, as is the contribution of locations around the world.



## To expand its global presence further and provide Group companies with the opportunity to establish a direct presence in complex and remote markets, IDB established three foreign sales subsidiaries, entirely owned by the parent company.

The first of these was a branch in Suzhou, near Shanghai, IDB Suzhou Co. Ltd., in early 2020. It primarily acts as a cultural translator, as well as a commercial centre for the development of new business opportunities to assert the presence of the Group's brands in this part of the world.

In 2021, IDB opened a subsidiary in London, Italian Design Brands UK Ltd., to promote the development of the Group's brands in the UK, an important market not just for its domestic demand, but above all because of London's importance as a global hub for the definition of furniture and lighting projects for the whole world.

In May 2022, the Group opened a new commercial office in the United States, in New York, named IDB USA Corp. The company operates, similar to IDB Suzhou's subsidiary, as a hub for the commercial development of IDB brands in North America. In October 2023, the Group opened in New York, in addition to the new branch office, two new flagship stores for Meridiani and Davide Groppi.

The 500 square metre, two-level showroom is located at Lexington Avenue and 32nd Street. It is designed to be a meeting place for industry professionals and to give them the opportunity to experience the quality, craftsmanship, and heritage of these brands. The opening of this

space, jointly by Meridiani, Davide Groppi, and the local team of IDB USA Corp., is an expression of IDB's mission to increase competitive strength while maintaining the distinctive identity of each brand.

The Group's internationalisation strategy is furthered by the international presence of the individual operating companies.

For example, in 2022, Flexalighting acquired control of Flexalighting North America, its first overseas office in Vancouver, founded in 2017, to increase the integration of its North American business, which since the creation of this subsidiary has shown excellent growth opportunities. Gamma and Axolight each have a division in the United States: Gamma US, located in North Carolina, which purchases from the Italian company to maintain a high level of service to local customers, and Axolight US, which opened a new logistics centre in New Jersey and an agency office in the heart of Manhattan in 2023, coordinated by the branch head, IDB USA Corp. The Group's international ambitions are also shared by the new acquired company, Turri. The company directly operates a single-brand shop in London (Turri UK Ltd.), and two foreign agency offices in the United States (Turri USA Corp.) and in China (Shanghai Turri Furnitures).



GROUP HIGHLIGHTS (2023)



€ 293 million  
Production value



74%  
Export



807  
People



98%  
Permanent employees



2.25  
Recordable  
accident rate



4,333 GJ  
Electricity from  
photovoltaic panels



Furniture

MERIDIANI | Renè sofa, design Andrea Parisio

## The sectors and main products offered

**As explained above, the Group is active in the furniture and lighting sector.**

**The 11 companies can be divided into four strategic areas: “Furniture”, “Lighting”, “Luxury contract”, and “Kitchen & Systems”.**

Gervasoni, Meridiani, Saba, Gamma, and Turri operate in the Furniture business area, offering a wide range of products for interior and exterior furniture. The Lighting business area includes the companies Davide Groppi, Flexalighting, and Axolight. In the Luxury contract business area, Modar and Cenacchi focus on creating

bespoke, prestigious furniture for luxury shops, showrooms, residences, hotels, and offices. The "Kitchen & Systems" business area features only Cubo; it is dedicated to the design, manufacture and marketing of modular kitchen solutions and systems.



○ Kitchen & Systems

CUBO DESIGN | Miton





## □ Furniture

**GERVASONI**  
1882

Furniture, sofas, sofa beds, rockers, lamps, beds, benches, armchairs, poufs, chairs, stools, tables, end tables

**MERIDIANI**

Sofas, armchairs, benches and poufs, chairs and stools, tables, coffee tables, writing desks and consoles, storage cabinets, beds, nightstands, accessories, outdoor products

**saba**

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

  
**GAMMA**

Sofas, armchairs, poufs, beds, tables, nightstands, lamps, accessories

**TURRI**  
The Italian way to beauty

Sofas, armchairs, sideboards, tables, chairs, end tables, beds, nightstands, benches and poufs, consoles, accessories, lighting, office

## ○ Kitchen & Systems

  
**CUBO  
DESIGN**

Kitchens, storage cabinets, accessories

## ▽ Lighting

**davide groppi**

Suspended, ceiling, wall, table, and floor lamps, recessed lamps, outdoor lamps

**FLEXALIGHTING**

Indoor lamps and suspensions to various types of recessed lamps, path markers, projectors, linear systems, ceiling and wall systems, RGB systems, and outdoor lamps (ceiling, recessed, and ground lighting, path markers, ceiling and wall lighting, projectors, bollards)

**Axolight**

Designer chandeliers, wall lamps, table lamps, pendant lamps, wall and ceiling lamps, floor lamps.

## ◇ Luxury Contract

**CENACCHI**  
INTERNATIONAL

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

  
**MODAR**

Furnishings for luxury shops, residences, hotels, and offices

## B2B and B2C markets

### **IDB supports the commercial structures of its companies and promotes growth through expansion into new areas and markets.**

In 2023, the majority of IDB revenue was generated from the B2C market, due to the presence of the above-mentioned multi-brand stores located in more than 130 countries that feature the Group's brands. The remaining share

of revenues comes from the B2B or “contract” channel, in which IDB companies have specific expertise in various professional sectors, such as luxury retail, residential, high-end hospitality, and boating.



Furniture

**GERVASONI** | Divano Saia  
Design David Lopez Quincoces

## 1.2 GOVERNANCE

**To respond effectively to market challenges, IDB has developed an organisational structure that helps the Group's companies achieve maximum synergy and pool certain skills and crucial activities to be able to compete internationally.**

### 1.2.1 Group corporate structure

Net of the 27.48% of floating capital after the listing on 18 May 2023, the main shareholders of IDB at the end of the year are Investindesign S.p.A. for 67.78% (in turn acquired, at the same time as the listing, for 50.77% by Tamburi Investment Partners S.p.A. and, subsequently, for a further 20.0% by Club Design S.r.l.), Fourleaf S.r.l., with 5.02%, and Elpi S.r.l. for 4.92%. These last two companies are respectively attributable to Michele and Giovanni Gervasoni, Managing Directors of Gervasoni S.p.A.

IDB S.p.A. owns 100% of IDB Suzhou Co. Ltd., IDB UK Ltd., IDB USA Corp., Gervasoni S.p.A., Meridiani S.r.l.<sup>4</sup> (wholly owned by Meridiani France SARL), Saba Italia S.r.l., Davide Groppi,

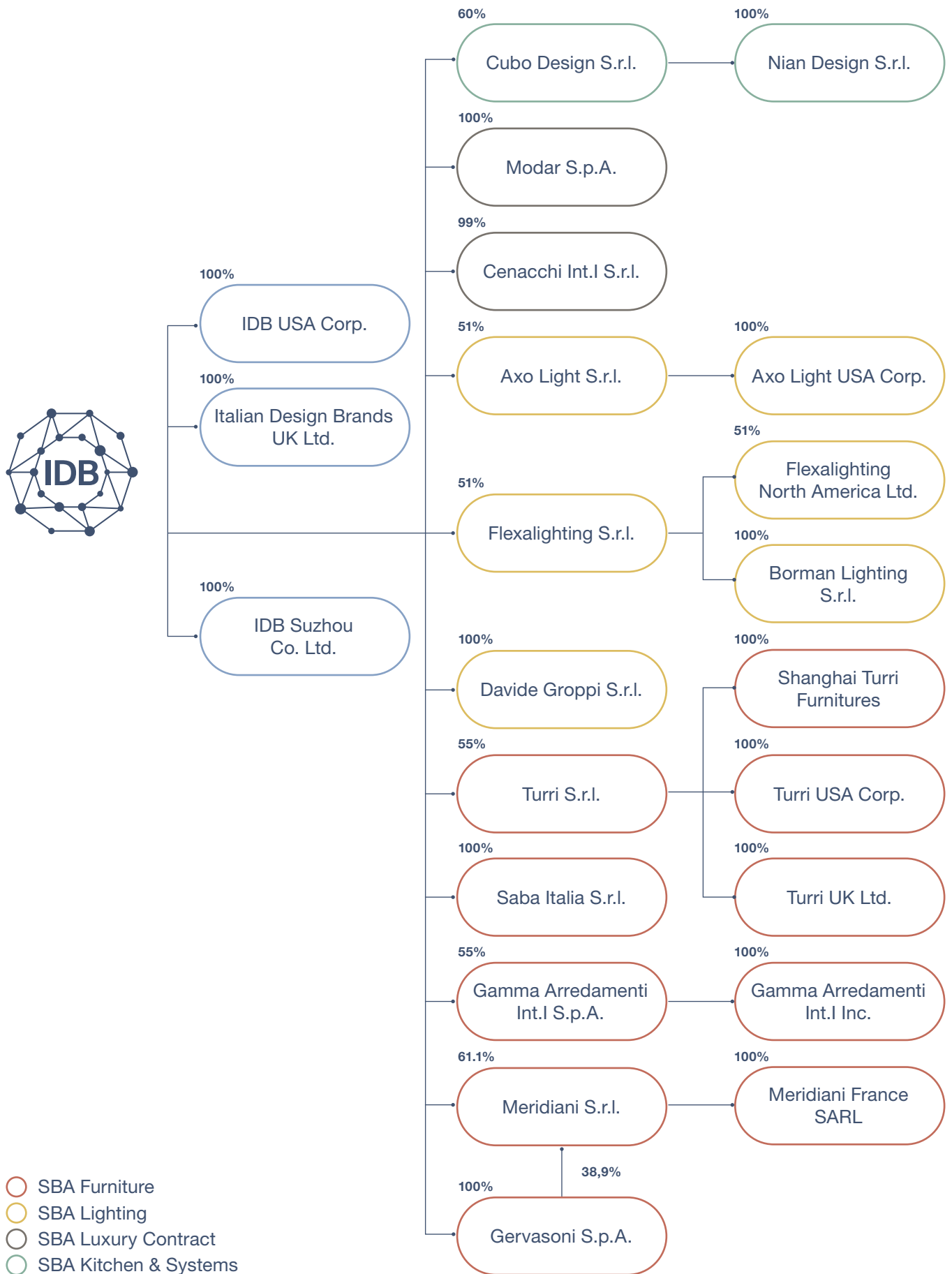
and Modar S.p.A. It also owns 99% of Cenacchi International S.r.l., 55% of Gamma Arredamenti International S.p.A., which in turn wholly owns Gamma Arredamenti International Inc. and 51% of Flexalighting S.r.l., which in turn wholly owns Borman Lighting S.r.l. and 51% of Flexalighting North America Ltd.

Since 2023, IDB S.p.A. also holds the majority of shares (51%) of Axo Light S.r.l., which in turn holds 100% of Axo Light USA., 60% of Cubo Design S.r.l., which holds 100% of Nian Design S.r.l., and 51% of Turri S.r.l., which consolidates 100% Shanghai Turri Furnitures, Turri USA Corp. and Turri UK Ltd.

4. Meridiani S.r.l. is directly owned by IDB for 61.1% and indirectly owned by IDB through Gervasoni S.p.A. for the remaining 38.9%.



Below is an organisational diagram of IDB S.p.A. Group as at 31.12.2023.



## 1.2.2 Corporate Governance

**The corporate governance system adopted by the IDB Group seeks to create synergies between companies and is geared toward ensuring a responsible and transparent management of the company to create and distribute value to all stakeholders.**

Following the listing, IDB adhered to the Corporate Governance Code of listed companies approved in January 2020 by the Corporate Governance Committee of Borsa Italiana. Therefore, its governance model consists of a Board of Directors (BoD), which is responsible for managing the company, supported by the Board of Statutory Auditors, a supervisory body responsible for monitoring compliance with the law and company rules, in addition to ensuring the adequacy of the company's internal oversight systems and organisational departments that monitor the directors' compliance with the by-laws and the law.

The BoD pursues the objective of creating sustainable value for the long term by defining the strategies of the Group and its member companies and by monitoring, through regular update meetings, the implementation and impacts of its management on the company. The Board is also called upon to deliberate whenever the Company assesses an opportunity for external growth, to ensure its adherence and consistency with the Group's development strategy.

As of 31 December 2023, the Board of Directors of the Group, unanimously appointed by the

ordinary shareholders' meeting on 9 May 2023 and which took office after the completion of the listing on 18 May 2023, consists of eleven members, six men (55%) and five women (45%), of which 36% belong to the age 30-50 group, and the remaining 64 %, to the 50+ age group. As shown in the table below, three members of the Group Board of Directors are independent. In addition, there is an Honorary Chairman, who has the right to participate in all Council meetings, but without the right to vote.

The Board of Statutory Auditors is composed of 5 members<sup>5</sup>, two of whom are women. 40% of members are in the 30-50 age group, and 60% are in the 50+ group.

Andrea Sasso, Chairman of the Board of Directors, also holds the position of Chief Executive Officer. This position was confirmed unanimously at the meeting on 23 May 2023, the first meeting held after the effective appointment of the new Board of Directors. The appointment of Giorgio Gobbi as Managing Director and of the remaining members of the supervisory bodies was also confirmed. These are composed of the following people.

5. Of which two *alternate auditors*, as explained in the table below.



## IDB GOVERNANCE AS OF 31.12.2023

<b>The Board of Directors</b>	<b>Role</b>
Sattin Fabio	Honorary Chairman
Sasso Andrea	Chairman of the Board of Directors
Gobbi Giorgio	Executive Director
Colonna Paolo	Director
Generali Piero	Director
Gervasoni Giovanni	Director
Rollandi Alessandra	Director
Stea Alessandra	Director
Tamburi Giovanni	Director
Lavitola Lea Lidia	Independent director and Lead Independent Director
Finocchi Mahne Cristina	Independent director
Mungo Paola	Independent director
<b>Board of Statutory Auditors</b>	
Annunziata Filippo	Chairman of the Board of Statutory Auditors and Standing Auditor
Buttignon Fabio	Standing Auditor
Nicelli Marzia	Standing Auditor
Boidi Michela	Alternate Auditor
Marzuillo Vincenzo Maria	Alternate Auditor

The interests of the stakeholders, the diversity within the Board of Directors, and the competencies of its members were deemed by the aforementioned shareholders' meeting to warrant the appointment of the current Board, which will remain in office until the approval of the financial statements as at 31.12.2025. This same shareholders' meeting also discussed the remuneration policies that apply to the Board of Directors. These were established by considering a total compensation of the Board of Directors equal to a gross annual amount of 1,695,000.00 euros, of which 1,325,000 is a fixed component and 370,000 is a variable component, depending on the achievement of the company's objectives. The shareholders' meeting also established a further variable gross compensation of up to a maximum of 8,750,000.00 euros for one or more directors holding particular positions, including executive duties.

As regards the incentivising and long-term retention of top management with strategic responsibilities, the company also adopted a 3-year reference period plan, which provides for a cash settlement amounting to a total of 150 % of the gross fixed annual salary.

Further governance bodies established downstream of the IDB Group's listing process are the Appointments Committee, the Human Resources, and Remuneration Committee and the Control, Risk, Related Party Transactions, and Sustainability Committee. As of 1 January 2024, the first two committees will be managed in a single committee under the name of the Appointments, Human Resources, and Remuneration Committee.

<b>The Appointments Committee</b>	<b>Role</b>
Lea Lidia Lavitola	Chairperson – Independent Director
Cristina Finocchi Mahne	Independent Director
Giovanni Tamburi	Director
<b>The Human Resources and Remuneration Committee</b>	
Lea Lidia Lavitola	Chairperson – Independent Director
Cristina Finocchi Mahne	Independent Director
Giovanni Tamburi	Director
<b>The Control, Risk, Related Party Transaction, and Sustainability Committee</b>	
Cristina Finocchi Mahne	Chairperson – Independent Director
Lea Lidia Lavitola	Independent Director
Paola Mungo	Independent Director

In particular, the Control, Risk, Related Party Transactions, and Sustainability Committee supports the Board of Directors in defining the guidelines for sustainability, with the support of an internal delegated function and possibly also in collaboration with external professionals

appointed on any given occasion, in line with the company’s strategies and with a view to promoting and disseminating an appropriate culture in this field across all levels of the organisation.





## The Organisation and Management Model

**For IDB, ethical, environmental, social sustainability and the issue of health and safety in the workplace are guiding principles that are becoming part of all of the Group's activities. This helps it maximise opportunities in the areas of innovation and sustainable technologies and predict and mitigate risks in its operational and business performance**

Thus, as part of its corporate governance system, IDB has adopted an Organisation and Management Model<sup>6</sup> in compliance with the requirements of Italian Legislative Decree 231/2001, which governs the administrative liability of legal entities and associations. The model was approved by IDB's Board of Directors on 13 May 2022, and was subsequently adopted by the other companies in the Group<sup>7</sup>. By decision of the Board of Directors dated 11 March 2024, the scope of the model was extended to include market abuse crimes and the fulfillments required by Legislative Decree No. 24/2023 for whistleblowing.

The Model's implementation reflects the company's conviction that any element that promotes the propriety and transparency of management is worthy of attention and can contribute positively to the company's image and to the protection of the interests of the company's stakeholders. In addition, the company believes that, together with the

additional corporate governance elements, the Model can constitute an awareness-raising tool to facilitate the dissemination of ethical and socially responsible behaviour by all entities acting on the company's behalf.

In particular, the Model also identifies and assesses the company risks in relation to the offences provided for in the Decree, implements a preventive control system, specifies rules to prevent unlawful conduct contrary to the company's interests, and establishes a permanent supervisory body.

This guarantees the independence of the members of the Board of Directors and the Chief Executive Officer. In addition, in the context of the organisation model, improvement actions have been envisaged to further mitigate the risks set forth in Legislative Decree 231, including the introduction of a task-sharing mechanism to better manage conflicts of interest.

6. Organisation, Management and Control Model 231 Group: [www.italiandesignbrands.com](http://www.italiandesignbrands.com) section "Investors/ Governance/Documents-and-procedures".

7. The newly acquired companies Cubo Design, Axolight, Gamma and Turri are currently implementing the Model and, consequently, the Code of Ethics as well. They will conclude their adoption in 2024.



▽ Lighting

**AXOLIGHT** | Pivot  
Design Ryosuke Fukusada



## The Code of Ethics

**To draw up the Model, the Company has also compiled a Code of Ethics, which identifies the general principles and rules of conduct that are recognised as having a positive ethical value.**

The four main values that inspire the company are:



### ENHANCEMENT

development, and protection of human resources



### QUALITY

product safety, and innovation



### PROTECTION OF HEALTH

and safety in the workplace



### RESPONSIBILITY

social

“THE COMPANY IS COMMITTED TO PROTECTING THE ENVIRONMENT, WORKING TO ENSURE THAT PRODUCTION AND WORK TAKE PLACE IN FULL RESPECT OF LOCAL TERRITORIES AND TO IMPLEMENT, AS MUCH AS POSSIBLE, A PROGRESSIVE REDUCTION OF THE ENVIRONMENTAL IMPACTS DUE TO ITS ACTIVITIES”

In setting goals for the company, IDB's administrative body is guided by the principles contained in the Code of Ethics that it has approved. Its provisions are binding on the conduct of all company directors, managers, employees, advisors, and anyone working with the company on an independent basis. This means that the recipients of the Code of Ethics must respect professional rules and to exercise due diligence and care, and to always act in accordance with the criteria of transparency,

integrity, and fairness in the actions carried out in the company's interest.

According to the Code of Ethics, recipients must avoid situations in which conflicts of interest may arise by refraining from promoting business opportunities that may result in personal gain. Anyone working in conflict of interest situations is encouraged to immediately notify the Chief Executive Officer or the Managing Director, the Board of Directors, his/her direct superior, and

refrain from performing such a conflict of interest activity until further notice. The informed party must then inform the Supervisory Body which, after carrying out the appropriate investigations, evaluates the actions and decisions to be taken by the Board of Directors and the company's management to maintain compliance with this Code and the company's internal procedures.

The Code was approved by the IDB Board of Directors on 13 May 2022 and was subsequently adopted by the other Group companies<sup>8</sup>. In addition, it is disclosed to all internal and external stakeholders involved in the company's mission through communication and training activities. Compliance with the contents of the Code, published on the company's website<sup>9</sup>, is an integral part of the general rules governing employment relationships.

Any doubts over the Code's application must be promptly discussed with the Board of Directors and the Supervisory Board as the body responsible for monitoring its application. In addition, any breach of the Code by the recipients must be promptly reported to the Supervisory Board at the email address specifically created and reserved to the Supervisory Board: odv@italiandesignbrands.com.

All the procedures and instruments adopted have helped ensure that no corruption occurred within the corporate area in the three-year period of 2021-2023, and there were no episodes of non-compliance with laws and regulations<sup>10</sup>.

The Group has also adopted a reporting management process, even in anonymous form, to help prevent unlawful acts, irregularities, or conduct in breach of its Code of Ethics, the Organisation, Management and Control Model pursuant to Legislative Decree No 231/2001, its business procedures and applicable legislation and which is likely to damage or impair the IDB Group, including its image or reputation.

For the sending and management of reports, Italian Design Brands S.p.A. has structured a specific whistleblowing procedure and a dedicated IT platform accessible through its website, in full compliance with today's GDPR and data management regulations.

The companies controlled by Italian Design Brands S.p.A. have adopted autonomous reporting systems which are available on their individual company websites.

8. The newly acquired companies Cubo Design, Axolight, Gamma and Turri are currently implementing and will conclude their adoption of the 231 Model and consequently the Code of Ethics in 2024.

9. Group Code of Ethics: [www.italiandesignbrands.com](http://www.italiandesignbrands.com) section "Investors/Governance/Documents-and-procedures".

10. In 2023, 77 Group employees were trained in anti-corruption policies and procedures, including 65 employees, 8 executives, and 4 managers.



 Furniture

**MERIDIANI** | Italo  
Design Andrea Parisio

## 1.2.3 The value generated and distributed

### Despite the natural decline in demand in the wood and furniture sector in Italy, the value generated and distributed by the Group in 2023 increased over the previous period.

Total revenues in the Italian Furniture Macrosystem in 2023 amounted to approximately 28 billion euros, a decrease of about 3.5% compared to 2022<sup>11</sup> which affected, within a range of a few percentage points, all the segments included in it.

This result was the effect of both the performance of the domestic market, (-3.2 percent) and exports (-3.6 percent), whose share of total sales remained stable at 53 percent, with sales in nearly 220 different markets<sup>12</sup>. France is confirmed as the main one among them, with positive export performance up by about 1.1 %, but weighed down by declining sales to the United States, down by about 11%, China, a drop in the '20% range, and Germany (-5%). There is, however, an opposite trend in the UAE, which saw, between January and October 2023, a growth in sales of Italian-made furniture goods and an increase in exports of 6.8 %.

One of the factors that has caused the decline in the sector as a whole is also an anticipated decline in domestic demand after two years of exceptional growth. This is due to the loss of the momentum that construction bonuses had given to the sector, whose gradual downsizing will continue to have a negative impact on the results of the wood furniture sector.

The sector, which is highly export-oriented, has been affected by the impact of current wars, changes in geopolitical balances, and the recent Suez Canal crisis. Exports of the

wood furniture sector along the Red Sea route amount to around 2.5 billion, while imports are worth around 1.9 billion<sup>13</sup>. These factors have had a significant effect on crucial aspects, including a tripling of container costs, which inevitably increase the price of finished goods.

As mentioned above, the value generated and distributed by the Group in 2023 increased compared to the previous period, despite the weight of inflation in the last year. In the graph below, 2021 represents the first year exiting from the pandemic, marked by a strong recovery in the Furniture and Lighting business areas.

2022 saw further growth in the economic value generated of 206,177,000 euros, 31.8% higher than in the previous year. It should be noted that the value retained by the Group, on the other hand, fell from about 18 million euros to 2 million euros.

This change was mainly due to the negative economic effects of the restatement of put & call options linked to the purchase of certain minority shareholdings in the subsidiaries and the anticipation of their exercise as a result of the start of the listing process.

In 2023, the Group also exhibited excellent growth, with an increase of about 50% in the economic value generated and about 30% in the distributed value. In this year as well, the economic value distributed is influenced by financial management, specifically by several

11. Preliminary data 2023 prepared by Centro Studi FederlegnoArredo.

12. Preliminary data 2023 prepared by Centro Studi FederlegnoArredo.

13. UNINDUSTRIA data 2023.



positive economic effects, in this case, related to the restatement of put & call options.

Overall, the Group generated a value of 308,990,596 euros, attributable both to the organic growth of the companies within the

scope of consolidation at the end of the year 2022 and to the acquisition of new Italian companies and their foreign subsidiaries, which expanded the Group's network and international presence.



**+50%**  
Economic value generated

**+30%**  
Economic value distributed

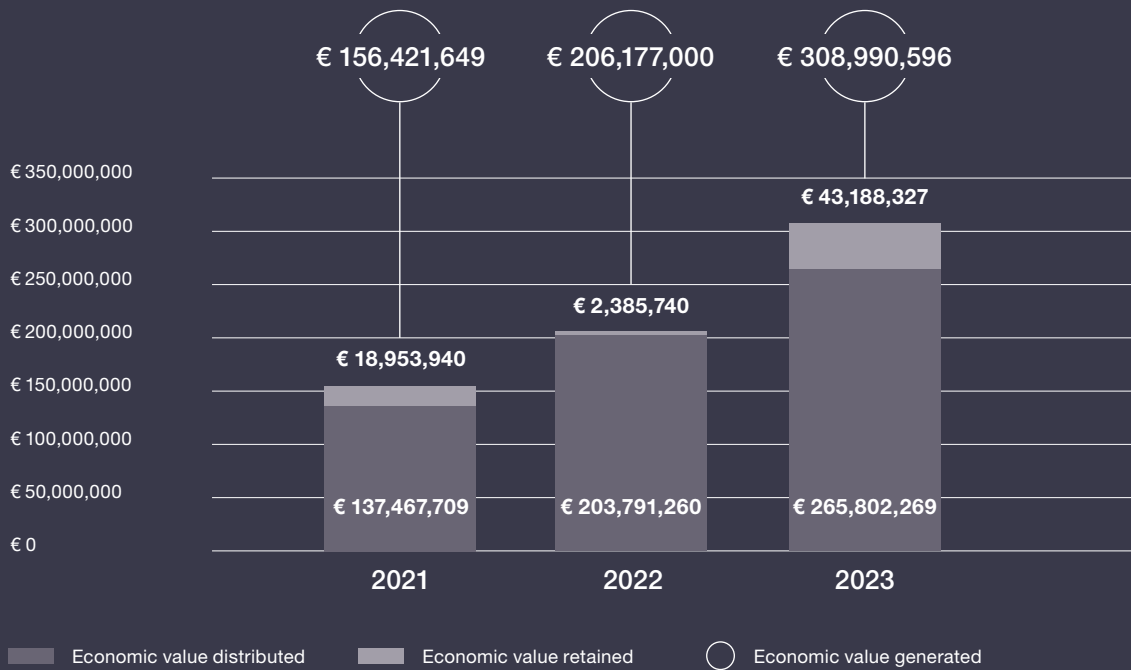


 **Kitchen & Systems**

**CUBO** | Anuba, design Miton

14. For the data perimeter, please refer to the methodological note.

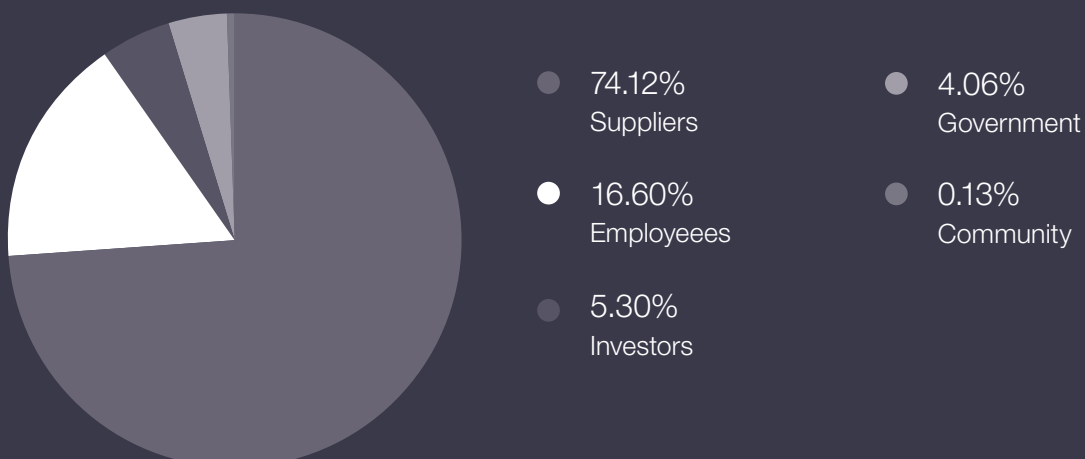
### DISTRIBUTED, RETAINED AND GENERATED VALUE



In 2023, the items and the distribution of economic value remained largely unchanged. The most significant portion of the economic value distributed refers to suppliers of raw materials and services (73.64%, or more than 195 million), while the workforce occupied more than 44 million, including remuneration, benefits,

retirement costs, and severance payments. 5.3% of the value distributed was used for the return on the capital provided, in the form of interest and other financial charges. Finally, the value regarding the government was about 10.7 million euros, and a value of 351,122 euros was used for community investments.

### DISTRIBUTION OF DISTRIBUTED VALUE (2023)







▽ Lighting

FLEXALIGHTING | PLEXUS lamp

## Creating value in local areas

**Although IDB offers partner companies an opportunity to be more competitive in the international orbit, relations with local communities and respect for their territory have always represented cornerstones for the Group’s companies.**

Individual companies have long promoted and supported a variety of sponsorships for initiatives, donations, or projects in their local areas.

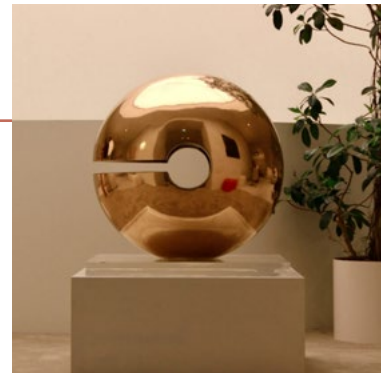
The interest in, and support for, local communities is evidenced by the renewed involvement of several IDB companies in social projects in which they also participated in previous editions.

This is the case of **Gervasoni’s** collaboration with the Cultural Association Maravee, Saba’s collaboration with the social enterprise “I Bambini delle fate”, Modar’s collaboration with the non-profit organisation AVSI, Davide Groppi and the cooperative “Lavoro e Solidarietà” (CLS), Meridiani’s renewal of its support for the cooperative society “Il Volo” and the Italian League for the Fight against Cancer (LILT).

### IDB FOR ARTS

During 2023, IDB launched the “IDB FOR ARTS” project to enhance the link between design and art. In testimony to the guiding principle that links the excellence of the Group’s brands to art, a path has been launched to bring the different souls of the companies close to iconic works of art. After an initial collaboration undertaken by Davide Groppi with the Peggy Guggenheim Collection in Venice and the participation of several IDB brands in the “Quirinale Contemporaneo” Project, the journey continues with the purchase of a prestigious work by Arnaldo Pomodoro made in 1968; “Rotante Massimo, III”, a sphere with a diameter of 80 cm, was exhibited in the new flagship store of Meridiani in Via Manzoni, Milan and subsequently in the new flagship stores of Meridiani and Davide Groppi that were inaugurated in New York in November 2023.

IDB FOR ARTS will give impetus and prominence to initiatives that the Group will promote for the enhancement of Italian and international cultural and artistic heritage. The dialogue between art and design has always been alive in the collective imagination, and the harmonious synergy between creativity, design, and craftsmanship strengthened by this project will give new life to the appreciation of art within the Group’s excellences, enabling cultural experiences of the highest level within our showrooms and flagship stores. IDB FOR ARTS is proof of both IDB’s commitment to aggregating and shaping the future of Italian design, and its desire to leave an indelible mark on the invaluable landscape of the Made in Italy sector.





The Cultural Association Maravee organises a festival of contemporary art to offer architecture and territories new horizons of conscious visionariness. Since 2011, Gervasoni has been a sponsor, guest, and witness of the Maravee Festival. Through its support, the company wants to bolster the commitment of the institutions, associations, and the local area in bringing contemporary art to a wide audience through the staging of different artistic disciplines.

**Cenacchi** has turned its efforts toward supporting the mobility of disadvantaged people. The Emilian company has renewed its sponsorship for the year 2023 to the “Mobility 2019 and 2020 Project” undertaken by the Municipality of Ozzano nell’Emilia, which in previous years had guaranteed the transport of the elderly, the disabled, and of people in difficulty. Cenacchi has also signed an agreement with the municipality to implement the “Bike to work” project, an initiative to encourage the use of bicycles for its employees’ home-work journeys.

IL VOLO Onlus is a cooperative that pursues social and healthcare goals. It manages social health and educational services of prevention, intervention, and the social reintegration of people who face psychiatric challenges. **Meridiani** supports the cooperative by providing products for the auctions the cooperative organises, the proceeds of which are donated to the creation of internships for reintegration in the therapeutic community. **Davide Groppi** also supported VOLO Onlus as a sponsor in 2023 of the charity auction “Scusate il disturbo”, organised by the cooperative itself.

The Group companies distinguish themselves for their contributions to two other associations. Through donations and financial contributions, **Meridiani** supports LILT, the Italian League for the Fight against Cancer, with some 400 clinics located throughout Italy. **Flexalighting** has made a large grant to the Casa Marta

Foundation, which was created to support the creation of the first “Casa Marta” Paediatric Hospice in the Tuscany Region. I Bambini delle Fate is a social enterprise that has been providing economic support to social inclusion projects run by local partners for the benefit of families with autism and other disabilities since 2005. **Saba** has also provided its support for this organisation in the Veneto Region in 2023, for which it received a certificate of recognition and thanks.

AVSI, a non-profit organisation founded in 1972, carries out development cooperation and humanitarian aid projects in 38 countries, including Italy. Its vision: to work for a world in which every person is the protagonist of his or her integral development and of his or her community, even in emergency settings. This is the vision that **Modar** has embraced as it contributes to the development of the carpentry shop at the St. Kizito vocational school in Nairobi and by supporting 25 children from different countries through this organisation. Children are accompanied on site by AVSI staff, who manage contributions, activities, educator training, and the preparation of updates sent periodically to those who have decided to adopt a child.

CLS – “La Cooperativa Lavoro e Solidarietà” has as its primary objective giving the dignity of work to persons with disabilities and promoting integration in a shared working environment. **Davide Groppi** renewed its support for CLS also in 2023 by contributing to its charitable goals.

As part of its charitable commitment, the company took part in the annual “Be the Hope” auction, sponsored by the Robert F. Kennedy Human Rights Italia association and managed by the renowned auction house Christie’s. To support the initiative, the company offered the *Anima* lamp, which for this special occasion was made with an elegant blue finish.

IDB expresses its interest in local territories in other ways besides its cooperation with local associations. The Group also includes members of the local community among its senior managers to better understand the

territory in which it operates and to increase the efficiency of its operations. 40% of the Group's senior managers were hired from within the local community in 2023.

	Unit	2021*	2022*	2023**
Total number of senior managers	no.	11	10	43
Managers hired from within the local community	no.	4	5	17
<b>Percentage of senior executives hired from within the local community</b>	<b>%</b>	<b>36%</b>	<b>50%</b>	<b>40%</b>

\* For the 2021 and 2022 data perimeter, please refer to the methodological note.

\*\* The significant increase in the “total number of senior managers” for 2023 is due to a methodological change, which saw the inclusion of executives, in addition to managers, in the counting of “senior managers” of the companies.

In addition to its relations with local territories, IDB recognises the importance of membership and participation in associations that play a role of representation and cooperation in their sectors. The following is a list of the associations to which the individual companies belong<sup>15</sup>:

Company	Industry Associations
	<ul style="list-style-type: none"> <li>FederlegnoArredo</li> <li>Confindustria Udine</li> </ul>
	<ul style="list-style-type: none"> <li>FederlegnoArredo</li> <li>Assolombarda</li> </ul>
	<ul style="list-style-type: none"> <li>FederlegnoArredo</li> <li>Confindustria Veneto Est</li> </ul>
	<ul style="list-style-type: none"> <li>FederlegnoArredo</li> <li>Assil</li> <li>Altagamma</li> <li>ADI (Associazione Disegno Industriale)</li> </ul>
	<ul style="list-style-type: none"> <li>FederlegnoArredo</li> <li>Consorzio Ecolight</li> </ul>
	<ul style="list-style-type: none"> <li>Assolombarda</li> <li>FederlegnoArredo</li> </ul>
	<ul style="list-style-type: none"> <li>Rete PMI</li> <li>Cna</li> <li>FederlegnoArredo</li> </ul>
	<ul style="list-style-type: none"> <li>FederlegnoArredo</li> <li>Assoluce</li> </ul>
	<ul style="list-style-type: none"> <li>FederlegnoArredo</li> </ul>

15. Cenacchi, Gamma and Cubo Design are not members of any industry association.



○ Kitchen & Systems

CUBO DESIGN | Binova Cucina Bluna

## 1.2.4 European taxonomy - Introduction

### In line with the objectives of the UN 2030 Agenda, to achieve climate neutrality by 2050, the European Union has defined a number of strategies and initiatives to direct capital flows toward investments in assets and activities deemed sustainable

With this in mind, European institutions introduced Regulation (EU) 2020/852 (hereinafter referred to as the “Regulation”), which aims to provide reliable and shared criteria and tools to identify sustainable economic activities and to ensure greater comparability for financial institutions and investors as to the degree to which an investment is environmentally sustainable.

Article 3 of the Regulation has introduced a system for the single classification (“Taxonomy”) of economic activities which, to be defined as “environmentally sustainable”, must contribute to the achievement of one or more of the following environmental goals:

- Climate change mitigation;
- Climate change adaptation;
- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control;
- Protection and restoration of biodiversity and ecosystems.

Article 8 of the Regulation defines Taxonomy reporting requirements, which are currently applicable to non-financial corporations subject to the Non-Financial Reporting Directive.

Article 3 of the Regulation defines an economic activity as “environmentally sustainable” when it is eligible and aligned:

- **Eligible:** an economic activity is eligible if it is listed in the delegated acts of the Regulation in accordance with one or more environmental objectives. If eligible, the activity has the potential to contribute substantially to the reference objective;
- **Aligned:** An economic activity is aligned if, in addition to being eligible, it is carried out in compliance with technical screening criteria and minimum safeguards. This means that it must:
  - comply with the **criteria for substantial contribution** established, on a scientific basis, for each taxonomic activity. Compliance with those criteria shall ensure that an activity **contributes substantially** to the achievement of at least one or more of the six environmental objectives;
  - **do no significant harm** to any of the remaining five environmental objectives;
  - be carried out in compliance with **minimum safeguards**, that is to say, ensuring respect for human rights and international standards relating to workers' rights, taxation, fair competition, and corruption.

For non-financial undertakings, the application of the Regulation has been gradual:

- For the first year of application of the legislation in 2021, companies had to report the share of revenue (turnover), operating costs (OpEx)



and capital costs (CapEx) of eligible assets for the taxonomy for climate change objectives – climate change mitigation and adaptation – without having to verify compliance with the technical screening criteria set out in the Climate Delegated Act<sup>16</sup> (EU Delegated Regulation 2021/2139) and the minimum safeguards.

- Starting in the financial year 2022, companies were also required to report their share of turnover, operating costs, and capital costs related to Taxonomy-aligned activities, or eligible assets that also meet the technical screening criteria set out in the Climate Delegated Act and that are in line with the minimum safeguards.
- In June 2023, the Environmental Delegated Act<sup>17</sup> was published, which defines the

eligible activities against the four non-climate objectives of the Taxonomy, and the related technical screening criteria. For this first year of the Environmental Delegated Act, non-financial undertakings are required to report only the share of Turnover, CapEx and OpEx *eligible* for the Taxonomy's four non-climate objectives contained in the Regulation. As of 1 January 2025, the shares of taxonomic KPIs referring to *aligned* economic activities will also have to be reported. Delegated Regulation (EU) 2023/2846 also establishes an obligation for non-financial undertakings to disclose the level of eligibility and alignment with environmental objectives, including the specific alignment with each environmental objective of activities contributing substantially to the different objectives.

## The analysis and assessment of compliance with the Regulation of economic activities carried out by IDB

In 2023, the IDB Group was for the first year ever required to report on its environmentally sustainable activities.

It should also be noted that the economic activities covered by the Regulation concern sectors or technologies that currently have the greatest environmental impact. European legislation has sought to pay attention to those economic activities which, if not aimed at meeting certain technical criteria, have the greatest impact on Europe's medium- and long-term environmental objectives.

In this respect, the economic activities pursued by IDB are barely concerned by the Regulation and its Delegated Acts. Nevertheless, the Group carried out analyses of its eligible activities to assess its contribution to the Regulation's six objectives and to identify activities aligned with them. In addition, a mapping was made of any CapEx and OpEx related to asset efficiency improvements, as well as the purchase of products or services related to eligible and/or aligned economic activities.

The results of the taxonomy analyses are shown below.

<sup>16</sup>. Taxonomy-related activities concerning the goals of climate change mitigation and adaptation are included in Annexes I and II to the Climate Delegated Act, Delegated Act 2139/202.

<sup>17</sup>. EU Delegated Regulation 2023/2486.

## Eligibility analysis

In carrying out the analyses on economic activities under the Delegated Regulations, the Group identified eligible activities among those pursuing the objectives of climate change mitigation and the transition to a circular economy. In detail, in relation to the climate change mitigation objective, the analysis identified as eligible the following economic activities carried out by the companies of the Davide Groppi Group, Flexalighting and Axolight:

**ACTIVITY 3.5 Manufacturing of devices for the energy efficiency of buildings:** in relation to Turnover, CapEx and OpEx of the technical-functional design and assembly of lighting devices, the core business of the companies in the “Lighting” business area. The identification of the sale of these products as *eligible assets* results from a joint interpretation of the description of the asset and one of the expected substantial contribution criteria (point g), which includes the category of light sources classified in the two highest energy efficiency classes, in accordance with Regulation (EU) 2017/1369.

In addition, the following economic activities have been identified as eligible for the Group companies in relation to the transition to a circular economy goal:

**ACTIVITY 5.1 Repair, requalification, and remanufacturing:** with reference to the Turnover deriving from the repair and requalification of certain products initially intended for exhibitions, to be able to allocate them to the market (activity carried out by Meridiani);

**ACTIVITY 5.2 Sale of spare parts:** in relation to Turnover related to the production and sale of spare parts, which mainly concerns the products in the “Kitchen & Systems” business area (an activity carried out by Cubo).

Furthermore, the eligibility analysis also covered the identification of CapEx and Opex incurred for the purchase of products or services resulting from Taxonomy-eligible economic activities and individual measures to reduce the company's emission profiles. The target economic activities concern the climate change mitigation goal and are the following<sup>18</sup>:

Activity	Group companies concerned	Eligibility factors
6.5 - Transportation by motorcycles, passenger cars and light commercial vehicles	All the companies in the Group	Costs related to the purchase of hire or lease of N1-category passenger cars, approved as Euro V or Euro VI, which form part of the company's fleet.
7.3 - Installation, maintenance, and repair of energy-efficient devices	Axolight / Cenacchi / Gamma / Gervasoni	Costs for the installation of energy-efficient components and systems on own buildings.
7.4 - Installation, maintenance, and repair of charging stations for electric vehicles	Turri	Costs incurred for the installation of charging stations for electric vehicles at their own premises.
7.6 - Installation, maintenance, and repair of renewable energy technologies	Cubo / Gervasoni / Gamma	Costs for the installation and maintenance of photovoltaic installations at their own premises.

18. It should be noted that, as the gas and nuclear sector activities covered by the Complementary Delegated Act (Delegated Regulation 2022/1214) were not eligible, the relevant tables are not published.





## Alignment Analysis

For the economic activities identified as eligible in relation to the pursuit of the climate change mitigation goal, an analysis was carried out to verify compliance with the technical screening criteria, i.e. the criteria for substantial contribution and “do no significant harm” (hereinafter also “DNSH”).

## Climate change mitigation

### ACTIVITY 3.5 MANUFACTURING OF ENERGY EFFICIENCY DEVICES IN BUILDINGS

#### Substantial contribution to climate change mitigation

Delegated Regulation 2021/2139 identifies as a criterion of substantial contribution the manufacturing of light sources that fall within the most efficient energy classes set out in Regulation (EU) 2019/2015. Davide Groppi Group companies manufacture devices that align with the above criteria.

#### Do no significant harm (DNSH)

Annex I to the Climate Delegated Act establishes that the remaining environmental objectives must meet the following DNSH criteria:

- for climate change adaptation: An analysis is required to identify and assess the vulnerability of chronic and acute physical climate risks that have an impact on the economic activity analysed. The Group companies have not yet carried out such detailed analyses. For these reasons, the DNSH criterion is not covered;
- for the transition to a circular economy model: techniques to promote recycling and reuse of materials, environmentally sustainable design, waste management to promote the recovery of second raw materials are required, where possible. Where technically possible, Group companies will adopt practices to reuse materials and engage in circular waste management. Therefore, the criterion is considered to be fulfilled;
- for the sustainable use and protection of water and marine resources: An environmental risk analysis is required to achieve good water status and a water management and use plan. The Group considers it appropriate to take a prudential approach and consider the business not to comply with this DNSH criterion;
- for the prevention and control of pollution: this provides for a ban on the use of certain substances considered hazardous. With respect to this criterion, the Group companies consider it appropriate to take a prudent approach and consider that they do not comply with the criterion;
- for the protection and restoration of biodiversity and ecosystems: this criterion requires the performance of an environmental impact assessment or equivalent review. The environmental impact assessment was carried out for each site to obtain the permit to operate. Therefore, the criterion is considered fulfilled.

## ACTIVITY 6.5 TRANSPORTATION BY MOTORCYCLES, PASSENGER CARS, AND LIGHT COMMERCIAL VEHICLES

### Substantial contribution to climate change mitigation

As regards the costs incurred for the purchase and leasing of Euro V and Euro VI vehicles that make up the company fleet, the criterion of substantial contribution requires that these vehicles fall within the emission limits of 50 grams of CO<sub>2</sub> per kilometre. The Group considers that this parameter is met only in relation to the fully electric vehicles in its fleet, and, therefore, for a limited number of vehicles in its fleet.

### Do no significant harm (DNSH)

Annex I of the Climate Delegated Act provides for DNSH criteria in relation to three other goals:

- Climate change adaptation: The Delegated Regulation requires an analysis to identify and assess the vulnerability of chronic and acute physical climate risks that have an impact on the activity. With regard to the investments in the company fleet made in 2023, the Group has taken a prudent, conservative approach when considering alignment with this parameter, as the analysis is carried out by the vehicle manufacturer. As no information was available, the Group considered that the activity did not comply with the DNSH criterion.
- Transition to a circular economy: The Delegated Regulation requires vehicles to have certain characteristics of reusability and recyclability and measures for waste management at both the use (maintenance) and end-of-life stages. As no information could be found from the vehicle manufacturers in this regard, the Group considered that the criterion was not covered, and, therefore, it adopted a prudent, conservative approach.
- Pollution prevention and control: The Delegated Regulation requires vehicles to comply with certain parameters in terms of conformity, type approval, emissions, and efficiency. With regard to this criterion, the vehicles of the Group's car fleet comply, as the parameters and characteristics under consideration are required by the European Union for all newly registered vehicles.

## ACTIVITY 7.3 INSTALLATION, MAINTENANCE, AND REPAIR OF ENERGY EFFICIENT DEVICES

### Substantial contribution to climate change mitigation

The companies of the Axolight, Cenacchi, Gamma and Gervasoni Groups incurred expenses for the installation of solar shields, windows, and fixtures on their buildings. The performance of those elements has been established as being aligned with the minimum requirements for components and systems laid down in Directive 2010/31/EU, leading to the payment of an "ecobonus". Therefore, the criterion of substantial contribution was considered to be met.

### Do no significant harm (DNSH)

Annex I of the Climate Delegated Act provides for DNSH criteria for the activity in relation to two other goals:



- Climate change adaptation: For this activity, an analysis is required to identify and assess the vulnerability of chronic and acute physical climate risks that have an impact on the activity. The Group companies have not yet carried out such detailed analyses. For these reasons, the DNSH criterion is not covered.
- Prevention and reduction of pollution: The criterion provides for the prohibition of the use of certain substances deemed hazardous. With respect to this criterion, no information on the use of components and materials meeting the criteria set out in Appendix C of Delegated Regulation 2021/2139 could be found from the manufacturers of the installed systems. Therefore, the Group decided to take a prudent approach and consider the activity not to comply with this DNSH criterion.

#### **ACTIVITY 7.4      INSTALLATION, MAINTENANCE AND REPAIR OF ELECTRIC VEHICLE CHARGING STATIONS**

##### **Substantial contribution to climate change mitigation**

Turri incurred costs for the installation at its premises of charging stations for electric vehicles, in accordance with the criteria for a substantial contribution.

##### **Do no significant harm (DNSH)**

The only DNSH requirement required for the target activity is related to the environmental goal of adaptation to climate change and consists of conducting a vulnerability investigation of chronic and acute physical climate risks that have an impact on the analysed economic activity. The analyses of the physical climate risks referred to in Appendix A of Delegated Regulation 2021/2139 could not be carried out due to the particular complexity and interpretative uncertainties concerning the survey criteria and methodologies. Therefore, the DNSH criterion was considered not to be covered.

#### **ACTIVITY 7.6      INSTALLATION, MAINTENANCE AND REPAIR OF RENEWABLE ENERGY TECHNOLOGIES**

##### **Substantial contribution to climate change mitigation**

The companies Gervasoni, Gamma and Cubo incurred costs for the installation and maintenance of renewable energy technologies that meet the requirements of Art. 9 of the Decree of the Ministry of Economy and Finance of 19 February 2007, as demonstrated by the technical affidavit. Therefore, the economic activity is aligned with the criteria for substantial contribution.

##### **Do not significant harm (DNSH)**

The only DNSH criterion provided for in the Regulation in relation to Activity 7.6 is for the goal of adaptation to climate change and consists in carrying out an investigation into the vulnerability of chronic and acute physical climate risks that have an impact on the economic activity analysed. The companies in the Group have not yet carried out such analyses; for these reasons, the DNSH criterion is not covered.

## Minimum Safeguards

Finally, in relation to the eligible activities, IDB has carried out an analysis to determine compliance with the minimum safeguard criteria set out in Art. 18 of Regulation (EU) 2020/852, in accordance with the provisions of Article 18 of the Regulation. In particular, the OECD Guidelines for multinational enterprises, the UN Guidelines on Business and Human Rights and the principles and rights set out in the eight fundamental conventions identified in the International Labour Organisation (ILO) Declaration and the International Charter of Human Rights were considered.

The survey covered the governance tools and policies of the Group and individual companies. IDB is committed to ensuring equal opportunities,

respect for human rights, and combating discrimination as further specified in Sections 1.2 Governance and 3.1 Employee Validation and Well-Being. However, while acting in full compliance with Italian and European legislation on tax, competition, corruption, and respect for human rights, the IDB Group considered, on a conservative and prudent basis, that adherence to the minimum safeguards was not fully met.

IDB is committed to strengthening its control over the issues through the formalisation of *ad hoc* procedures and policies, including documents it has already adopted, such as the Code of Ethics and the Whistleblowing Procedure.

## Accounting policies

This paragraph summarises the assumptions and methodologies used to calculate the regulatory required KPIs (Turnover, CapEx, OpEx), based on the Annexes to the Disclosure Delegated Act<sup>19</sup> by categorising the information according to eligible and possibly aligned activities. For each KPI, there is a discussion of its calculation methodology, its structure in relation to the different activities of the EU Taxonomy, and the process used to quantify the items included in the numerator. In accordance with the Regulation, the analysis excludes intercompany items from the calculation of the indicators. The processing of the indicators involved the Group's

administrative and accounting departments, which, on the basis of the information contained in Annex 1 to Delegated Act 2178/2021, identified the accounting items to be associated with the different KPIs, based on items in the consolidated financial statements. With regard to the requirements specified in Section 1.1.2.2 of Annex 1 to the Disclosure Delegated Act, for a plan to expand Taxonomy-aligned economic activities or to allow eligible economic activities to be aligned with the Taxonomy, it is hereby clarified that the two KPIs of CapEx and OpEx do not include any elements concerning such considerations<sup>20</sup>.

### Turnover

In accordance with the Disclosure Delegated Act, the Turnover KPI has been calculated as the ratio of the part of the net revenues obtained from the sale of products or services, tangible

or intangible, associated with Taxonomy-aligned economic activities (the numerator) and Group net revenues (the denominator). In accordance with IAS 1.82(a) quoted in the Regulation,

19. Delegated Regulation (EU) 2021/2178.

20. Please note that, as the gas and nuclear activities covered by the Complementary Delegated Act (Delegated Regulation 2022/1214) were not eligible, the relevant tables are not published.



any revenue item generated by the sale of intercompany products was excluded from the KPI's calculation to avoid double counting. As a result, the denominator of the Turnover KPI corresponds to the item "Revenue from sales of goods and services" in the consolidated income statement and is equal to 287.350 million euros.

With reference to the numerator of the Turnover KPI, the Group considered the share

of revenues included in the denominator that refers to Taxonomy-eligible and/or aligned economic activities. Specifically, for the purposes of quantifying the Group's eligible revenues, specific numbers were extracted by the companies in the scope of consolidation in relation to the following economic activities: (I) 3.5 Manufacturing of energy-efficient equipment for buildings, (ii) 5.1 Repair, upgrading and remanufacturing, and (iii) 5.2 Sale of spare parts.

## CapEx

Under the Regulation, the calculation of the denominator of the CapEx KPI must include increases to tangible and intangible assets, including those arising from business combinations, considered before depreciations, amortisations, write-downs, and any revaluation, including those arising from restatements and impairments, excluding changes in fair value.

In accordance with Annex I to the Delegated Act 2021/4987, the denominator of the CapEx KPI was calculated using the increases recorded in the year and reported in Note 4 Tangible assets, Note 2 Intangible assets excluding goodwill, and Note 3 Rights of use to cover accounting references required by IAS16, IAS38, and IFRS16. On the basis of these considerations, the denominator of the CapEx KPI was 114.152 million euros, whose composition is itemised below with reference to the asset categories mentioned:

- Intangible assets with a finite useful life: 57.957 million euros;
- Tangible assets: 42.699 million euros;
- Rights of use: 13.496 million euros.

As defined in Section 1.1.2.2 of Annex I to the

Disclosure Delegated Act., the numerator of the CapEx KPI is the proportion of investments considered in the denominator involving: (i) assets or processes associated with Taxonomy-aligned economic activities, and/or (ii) the purchase of products resulting from Taxonomy-aligned economic activities and individual measures that enable target activities to achieve low carbon emissions of greenhouse gas reductions.

To quantify the eligible investments, the Group carried out a detailed analysis of asset movements on the basis of individual company data within the scope of consolidation.

The extracted numbers have been allocated to the following CapEx generating activity for the Group: (I) 3.5 Manufacturing of devices for the energy efficiency of buildings. The remaining assets involve purchases of Taxonomy-eligible assets: (I) 6.5 transport by motorcycles, passenger cars and light commercial vehicles, (ii) 7.3 Installation, maintenance, and repair of energy efficiency devices, (iii) 7.4 Installation, maintenance, and repair of charging stations for electric vehicles, (iv) 7.6 Installation, maintenance, and repair of renewable energy technologies.

## OpEx

For the calculation of OpEx KPI, the Group's chart of accounts was carefully analysed to identify those cost items that fall within the categories defined in Annex I to the Disclosure Delegated Act, which are the following:

- Uncapitalised research and development,
- Building renovation measures,
- Short-term leases,
- Maintenance & repairs,
- Day to Day servicing of assets.

With reference to the FAQs<sup>21</sup> published by the European Commission, the expenses incurred by Group for cleaning assets were included in the calculation of the denominator with reference to the category "any other direct expenditure related to the daily maintenance of property, plant and equipment". Based on these considerations, the denominator of OpEx KPI was 4,030,354 euros.

In accordance with the methodology used to

quantify the numerator of the CapEx KPI, the analysis of the OpEx KPI numerator considered the expenses incurred by the Group as defined in the denominator associated with (i) assets or processes associated with Taxonomy-aligned economic activities, and/or (ii) the purchase of products resulting from Taxonomy-aligned economic activities and individual measures that enable target activities to achieve low carbon emissions of greenhouse gas reductions. On the basis of the eligible assets, the numbers were extracted and allocated to the numerator from the data of the individual companies within the scope of consolidation.

The activities included in the numerator of the OpEx KPI are the same as the ones mentioned for the CapEx KPI with the addition of the activity: (I) 5.3 Preparation for the reuse of end-of-life products and product components related to the expenses incurred by Group companies for end-of-life product remanufacturing activities.

21. FAQ published in Commission Notice C (2022) 385/01 of 06.10.2022.



Furniture

**GAMMA** | Sunset sofa  
Dandy Home Collection

FINANCIAL YEAR 2023	YEAR			CRITERIA FOR SUBSTANTIAL CONTRIBUTION				
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Revenue share of expenses – year 2023 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	
		€	%	YES;NO; N/A M	YES;NO; N/A M	YES;NO; N/A M	YES;NO; N/A M	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>								
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>								
Turnover from environmentally sustainable activities (Taxonomy-aligned) (A.1)								
of which enabling								
of which transitional								
<b>A.2 Taxonomy-eligible but non-environmentally sustainable activities (non-Taxonomy-aligned activities)</b>								
Manufacture of energy efficiency devices for buildings	CCM 3.5	28,377,606.00 €	9.88%					
Repair, Requalification and Remanufacture	CE 5.1	344,421.00 €	0.12%					
Spare parts sales	CE 5.2	131,808.65 €	0.05%					
<b>Turnover from taxonomy-eligible but non-environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)</b>		<b>28,853,835.65 €</b>	<b>10.04%</b>					
<b>TOTAL (A.1 + A.2)</b>		<b>28,853,835.65€</b>	<b>10.04%</b>					
<b>B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY</b>								
Turnover from activities not eligible for taxonomy (B)		258,496,164.35 €	89.96%					
<b>TOTAL (A + B)</b>		<b>287,350,000.00 €</b>	<b>100.00%</b>					





Economic activities (1)	Code(s) (2)	YEAR		CRITERIA FOR SUBSTANTIAL CONTRIBUTION				
		Absolute capital expenditure (3)	Share of capital expenditures – year 2023 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	
		€	%	YES;NO; N/A M	YES;NO; N/A M	YES;NO; N/A M	YES;NO; N/A M	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>								
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>								
Capital expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)								
of which enabling								
of which transitional								
<b>A.2 Taxonomy-eligible but non-environmentally sustainable activities (non-Taxonomy-aligned activities)</b>								
Manufacture of energy efficiency devices for buildings	CCM 3.5	65,933 €	0.06%	AM				
Transport by motorcycles, passenger cars and commercial vehicles	6.5	106,367 €	0.09%					
Installation, maintenance, and repair of energy efficiency devices	7.3	692,593 €	0.61%					
Installation, maintenance, and repair of charging stations for electric vehicles in buildings	7.4	2,032 €	0.00%					
Installation, maintenance, and repair of renewable energy technologies	7.6	135,197 €	0.12%					
<b>Capital expenditure of Taxonomy-eligible but non-environmentally sustainable activities (non-Taxonomy-aligned activities) (A.2)</b>		<b>1,002,122 €</b>	<b>0.88%</b>					
<b>TOTAL (A.1 + A.2)</b>		<b>1,002,122 €</b>	<b>0.88%</b>					
<b>B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY</b>								
Capital expenditure of non-Taxonomy eligible activities (B)		113,149,878 €	99.12%					
<b>TOTAL (A + B)</b>		<b>114,152,000 €</b>	<b>100.00%</b>					



Economic activities (1)	Code(s) (2)	YEAR		CRITERIA FOR SUBSTANTIAL CONTRIBUTION				
		Absolute operating expenses (3)	Share of operating expenses – year 2023 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	
		€	%	YES;NO; N/A M	YES;NO; N/A M	YES;NO; N/A M	YES;NO; N/A M	

**A. TAXONOMY-ELIGIBLE ACTIVITIES**

**A.1 Environmentally sustainable activities (Taxonomy-aligned)**

<b>Operational expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>							
of which enabling							
of which transitional							

**A.2 Taxonomy-eligible but non-environmentally sustainable activities (non-Taxonomy-aligned activities)**

Manufacture of energy efficiency devices for buildings	CCM 3.5	415,690 €	10.31%				
Preparing for reuse of end-of-life products and product components	CE 5.3	193,000 €	4.79%				
Transport by motorcycles, passenger cars, and commercial vehicles	6.5	152,656 €	3.79%				
Installation, maintenance, and repair of energy efficiency devices	7.3	3,920 €	0.10%				
Installation, maintenance, and repair of charging stations for electric vehicles in buildings	7.4	192 €	0.00%				
Installation, maintenance, and repair of renewable energy technologies	7.6	5,250 €	0.13%				
<b>Operational expenditure of activities eligible for taxonomy but not environmentally sustainable (non-taxonomy aligned) (A.2)</b>		<b>770,708.47 €</b>	<b>19.12%</b>				
<b>TOTAL (A1+A2)</b>		<b>770,708.47 €</b>	<b>19.12%</b>				
<b>B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY</b>							
<b>Operational expenditure of activities not eligible for Taxonomy (B)</b>		<b>3,259,646 €</b>	<b>80.88%</b>				
<b>TOTAL (A+B)</b>		<b>4,030,354 €</b>	<b>100%</b>				



**Share of Turnover/Total Turnover**

	<b>Taxonomy-aligned goal</b>	<b>Taxonomy-eligible goal</b>
CCM	0%	0%
CCA	0%	0%
WRT	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%


**Share of CapEx/Total CapEx**

	<b>Taxonomy-aligned goal</b>	<b>Taxonomy-eligible goal</b>
CCM	0%	0%
CCA	0%	0%
WRT	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

**Share of OpEx/Total OpEx**

	<b>Taxonomy-aligned goal</b>	<b>Taxonomy-eligible goal</b>
CCM	0%	0%
CCA	0%	0%
WRT	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%



 Furniture

**MERIDIANI** | Harold Sofa  
Design Andrea Parisio

# 1.3 OUR JOURNEY TO SUSTAINABILITY

## 1.3.1. Non-Financial Consolidated Statement and Materiality Analysis

**IDB has long recognised the importance of operating responsibly and sustainably in both the medium- and long-term.**

For this reason, the Group’s commitment to sustainability was renewed in 2023 with the preparation of the first Non-Financial Consolidated Statement (hereinafter also the “Non-Financial Statement” or “Statement”) to comply with the obligations set out in Articles 3 and 4 of Legislative Decree No. 254/2016, in implementation of Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014. According to this Decree, the Group, as a public-interest entity since 18 May 2023, is required to draw up this document, and to include the main policies enacted, the management models and the main business activities carried out by the Group during the year 2023 with reference to the areas expressly referred to in Legislative Decree No. 254/2016 (environmental, social, personnel-related, respect for human rights, and the fight against corruption), as well as the main risks identified in relation to these issues<sup>22</sup>.

With regard to policies and management models, the Group does not adopt centrally established procedures. It leaves these to the individual companies, especially with regard to small companies, which are inspired by what the larger Group companies have implemented. For example, Gervasoni is certified 14001 and 9001, as are Saba and Flexalighting. Please also note that all companies within the Group’s scope of consolidation as at 31 December 2023, net of Turri, IDB Suzhou, IDB UK, IDB USA., and Flexalighting

North America are ISO 14064 certified.

The “fight against corruption” is addressed at the Group level through the adoption of the Management and Organisational Model pursuant to Legislative Decree No. 231/2001.

As regards the main business activities, reference is made to the relevant chapters of this Non-Financial Statement.

The Non-Financial Statement is drafted according to the GRI Sustainability Reporting standards, the most recent and widely used international non-financial reporting standards.

In accordance with the 2021 update of the GRI standards, the Non-Financial Statement focuses on the description of the Group’s environmental, social and governance (ESG) impacts and performance, and it provides a tool for communicating them to stakeholders. In fact, IDB strongly believes in building fair and lasting relationships with all its stakeholders, with whom its sharing of an approach and commitment to sustainable business practices is a key component.

In addition to the obligations provided for by Legislative Decree No. 254/2016, IDB has decided to develop a Sustainability Plan for the three-year period of 2025-2027 to improve its ESG performance. This activity, which will take place during the year 2024, will be described in detail in the coming years.

<sup>22</sup>. See in this regard Section 1.3.2 “Internal audit and risk analysis”.

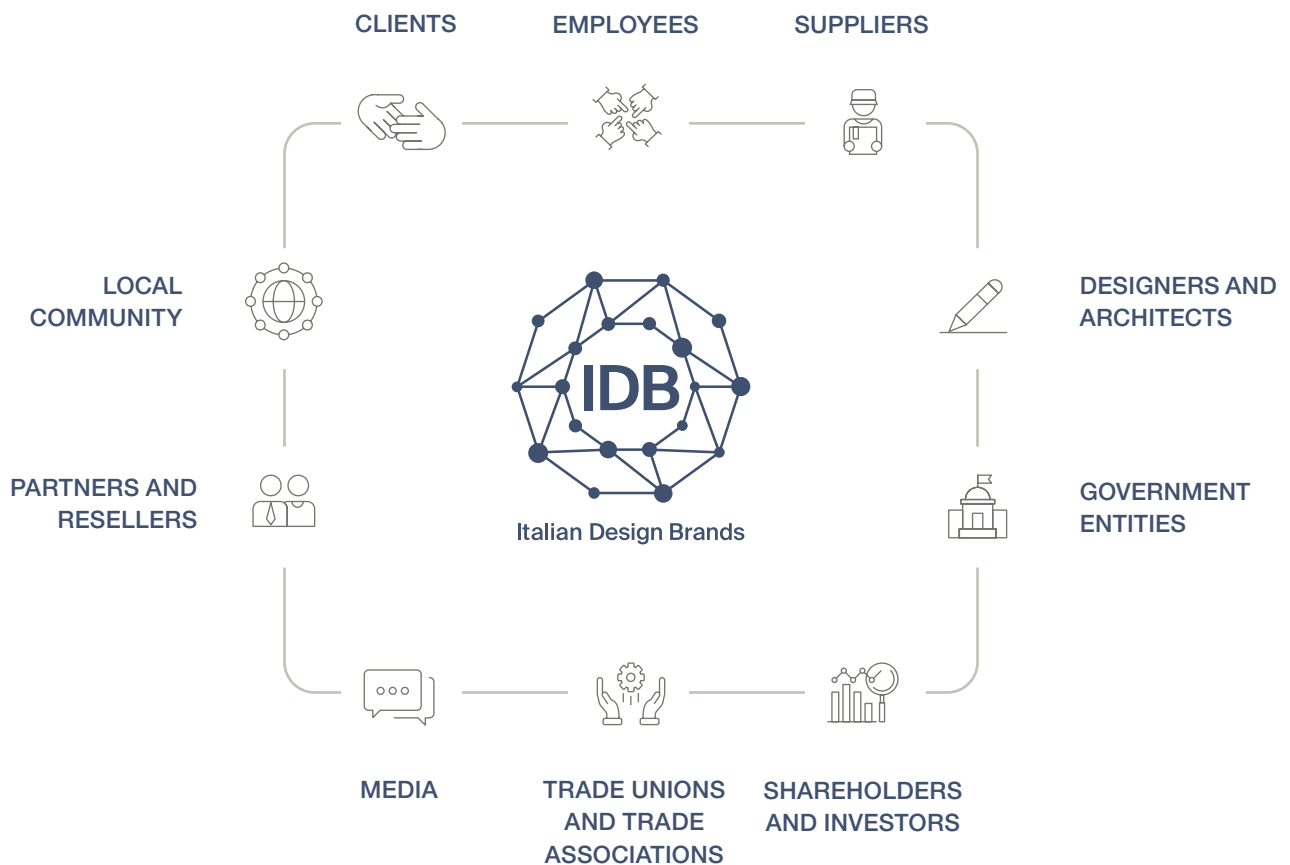




## Relevant stakeholders

**IDB has identified its stakeholders with a benchmark analysis of a panel of companies operating in the same or similar sectors to those of the Group.**

This process has been instrumental in recognising the stakeholders who are impacted by IDB. The analysis revealed a first list of stakeholders, from among whom Top Management selected the relevant ones based on the relevance and dependency that stakeholders have toward the organisation.



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

Stakeholder categories	Main channels of dialogue
 <b>CLIENTS</b>	<ul style="list-style-type: none"> <li>• Company website and social channels</li> <li>• Company Profile</li> <li>• Events and trade shows</li> </ul>
 <b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>• Internal communications (newsletters, intranet)</li> <li>• Company policies</li> <li>• Company meetings</li> <li>• Communication channels to the Supervisory Body under the 231 Model</li> </ul>
 <b>SUPPLIERS</b>	<ul style="list-style-type: none"> <li>• Direct contact</li> <li>• Qualification and monitoring</li> </ul>
 <b>DESIGNERS AND ARCHITECTS</b>	<ul style="list-style-type: none"> <li>• Collaborations on specific projects</li> <li>• Continuous cooperation on the research and development of new products</li> </ul>
 <b>GOVERNMENT ENTITIES</b>	<ul style="list-style-type: none"> <li>• Document exchange</li> </ul>
 <b>SHAREHOLDERS AND INVESTORS</b>	<ul style="list-style-type: none"> <li>• Shareholders' meeting</li> <li>• Annual and half-yearly financial statements and additional quarterly financial information</li> <li>• One-to-one meetings, conference calls, and participation in conferences for the financial community</li> </ul>
 <b>TRADE UNIONS AND TRADE ASSOCIATIONS</b>	<ul style="list-style-type: none"> <li>• Dialogue</li> <li>• Document exchange</li> </ul>
 <b>MEDIA</b>	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Press releases</li> <li>• Interviews with management</li> </ul>
 <b>PARTNERS AND RESELLERS</b>	<ul style="list-style-type: none"> <li>• Direct contact</li> </ul>
 <b>LOCAL COMMUNITY</b>	<ul style="list-style-type: none"> <li>• Company website and social media</li> <li>• Donations and sponsorships</li> </ul>



▽ Lighting

FLEXALIGHTING | Dig projectors

## Definition of the Materiality Analysis and the Materiality Matrix

**In continuity with previous years, a materiality analysis (which refers to the process of selecting and evaluating significant topics deemed “material”), was carried out for the preparation of the IDB Group’s first Non-Financial Statement.**

In accordance with the 2021 GRI standards, the topics identified for the 2023 Non-Financial Statement reflect the organisation’s impacts, both positive and negative, on the economy, on the environment, and on people, including impacts on their human rights.

To determine these impacts, a study was carried out to understand the Group’s business environment, specifically a benchmark analysis of a panel of companies operating in IDB’s sector or in similar sectors, an analysis of industry trends, an analysis of global macro-trends, and a media analysis that focused on the communication of the Group’s business activities and impacts.

This yielded a preliminary list of current – therefore already occurring – and potential impacts, which may be associated with the Group’s activities, but which are not certain. The significance of the

impacts identified was then assessed through a quantitative and qualitative analysis, while applying a critical and professional judgment at the same time, to arrive at a classification of impacts as negligible, moderate, significant, or very significant. The evaluations were made in accordance with the GRI standards, which require companies to consider factors such as: scale of severity, scope, irreparability, and probability. In the light of these assessments, the impacts resulting as moderate, significant, or very significant were considered material and thus traced back to a list of material topics that are significant for the Group.

Lastly, the topics identified were submitted to the Top Management of the Group’s companies, who recognised and approved them. The Board of Directors has also subsequently approved this Non-Financial Statement.

**The analysis revealed 11 material topics**, consistent with the previous reporting year, which can be classified according to the following themes:



### GOVERNANCE

Business ethics, market presence, support to local communities.



### PRODUCTS

Product safety and sustainability, product marketing and labelling, supply chain management.



### PEOPLE MANAGEMENT

Health and safety in the workplace, employee value and well-being, diversity and equal opportunities.



### ENVIRONMENT

Circularity and efficient use of resources, combating climate change.



## MATERIAL TOPICS FOR THE IDB GROUP

<b>BUSINESS ETHICS</b>	Ensure 360-degree ethical business conduct, fight corruption, and comply with socioeconomic and environmental regulations while ensuring business continuity.
<b>MARKET PRESENCE</b>	Contribute to the economic development of the local areas and communities in which the company operates by helping to create jobs.
<b>SUPPORT LOCAL COMMUNITIES</b>	Support local communities by sponsoring local initiatives and projects, and through donations.
<b>HEALTH AND SAFETY IN THE WORKPLACE</b>	Ensure a safe and healthy workplace by promoting structured health and safety management procedures and programmes.
<b>EMPLOYEE VALUE AND WELL-BEING</b>	Establish a welcoming, stimulating, and positive work environment, ensuring work-life balance, provide welfare programmes for employees, and promote effective training and skills-building programs.
<b>DIVERSITY AND EQUAL OPPORTUNITIES</b>	Ensure equal opportunities and combat all forms of discrimination (i.e., gender, religion, political opinion, nationality, etc.).
<b>PRODUCT SAFETY AND SUSTAINABILITY</b>	Ensure product quality and safety by encouraging innovation and the development of sustainable products.
<b>PRODUCT MARKETING AND LABELLING</b>	Ensure correct product information and labelling and engage in accurate and appropriate communication on the positive and negative economic, social, and environmental impacts of products.
<b>SUPPLY CHAIN MANAGEMENT</b>	Promote sustainable supply chain management, taking into account environmental and social criteria in the selection of suppliers and favouring the provision of goods and services from suppliers within the local community.
<b>CIRCULARITY AND EFFICIENT USE OF RESOURCES</b>	Guarantee transparency in the choice of materials used, ensure compliance with quality standards and limiting environmental impacts, optimise production processes to promote efficient waste management, optimise water consumption, and maximise recycling and reuse.
<b>TACKLING CLIMATE CHANGE</b>	Limit energy consumption, encouraging efficient solutions and the uptake of the culture of energy saving to reduce of the Group's overall impact on climate change.

## 1.3.2. Internal Audit and Risk Analysis

### Following its listing by the Borsa Italiana stock exchange in May 2023, the IDB Group has embarked on a process of assessing and managing the risks associated with its business activities

With this in mind, the Internal Audit role has been centralised. It has received a specific mandate from the IDB Board of Directors, which has defined its roles, responsibilities, organisational structure, and activities. This mandate was approved by the Board of Directors at its meeting on 23 May 2023 and, at the request of the administrative bodies, its role was extended to all subsidiaries.

The Internal Audit role has been entrusted to an external consultant, which conducted an initial mapping of business risks in accordance with the predefined Risk Assessment process<sup>23</sup>. At the end of this process, an audit plan was drawn up, which received a favourable opinion from the Control, Risk, Related Party Transactions, and Sustainability Committee, as well as the approval of the Board of Directors. The plan, which will be implemented during 2024, includes both risk mitigation actions and initiatives to improve the operational effectiveness of the controls of business risks.

The Risk Assessment process carried out during 2023 first identified the risks and then assessed their probability and impact<sup>24</sup>. In addition, the following criteria were taken into account considering a time horizon of 3 years: economic, reputation, and strategic market goals.

Among those identified, the following ESG risks emerged as material:

- risk of emerging diseases;
- compliance risk with laws and regulations;
- risk of relationships with third-party producers;
- climate change risk;
- fraud risk.

A detailed document has been prepared for each risk, which includes the category and description of the risk. These documents also describe the mitigation actions that are being planned and implemented to contain potential negative impacts.

23. The Risk Assessment process is based on the following internal documentation: the Information Prospectus, the Memorandum on the Management Control System (SCG Memorandum), the Financial Statements as at 31/12/2022, the 2022 Sustainability Report, the 231 Organisation and Management Model and the 262 Control Model. The Risk Assessment process also considered as an external source, the Global Risk Report published by the World Economic Forum, which provides an overview of the global risk landscape in the short-term (2 years) and the long-term (10 years).

24. Probability: The possibility of an identified event occurring within 3 years of the assessment. Impact: Definition of the areas in which the risk acts and the quantification of the resulting harm to society, both in quantitative and qualitative terms.



The Risk Assessment analysis mapped the risks inherent to Italian Design Brands' activities and business. For being subject to the non-financial reporting obligation, the Group investigated the risks and the related safeguards for their management for each area governed by Legislative Decree 254/20216. The table below summarises these aspects.

SCOPE OF THE DECREE	IDENTIFIED RISKS	SAFEGUARD
<b>Fight against active and passive corruption</b>	<ul style="list-style-type: none"> <li>• Commission of unlawful acts and in particular acts of corruption by members of the organisation</li> <li>• Inappropriate or ignored delegations of authority</li> <li>• Non-compliance or violation of applicable law</li> <li>• Failure to obtain or loss of certifications, approvals, or authorisations to operate</li> <li>• Risks of corporate crimes</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of an Organisation and Management Model pursuant to Legislative Decree 231/2001 and management of the respective information flows to the Supervisory Board</li> <li>• Adoption of a Group Code of Ethics to address anti-corruption issues</li> </ul>
<b>Human resources and human rights</b>	<ul style="list-style-type: none"> <li>• Increased turnover and loss of skilled and key personnel</li> <li>• Increased injuries</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of a Group Code of Ethics to address personnel and human rights issues</li> <li>• Adopt a strategy for the appropriate succession of key management figures</li> <li>• Training and professional development opportunities within the Group</li> <li>• Economic retention and corporate welfare programmes</li> <li>• Health and safety management systems for workers (already adopted by Cenacchi, Flexalighting, Gervasoni, and Meridiani).</li> <li>• Belonging to the Italian context, characterised by regulations related to the health and safety of workers, as a guarantee of the application of the aforementioned directives.</li> </ul>
<b>Social aspects</b>	<ul style="list-style-type: none"> <li>• Non-compliance of product disclosures</li> <li>• Customer dissatisfaction due to non-compliance with quality standards and laws</li> <li>• Economic recession and/or political instability at the Italian, European, and international level</li> <li>• Introduction of new products on the market and new marketing strategies by competitors</li> <li>• Failure to implement its industrial, commercial and distribution strategy</li> <li>• Termination of relations with third-party producers responsible for producing the products sold by the Group</li> </ul>	<ul style="list-style-type: none"> <li>• Adopt a Group Code of Ethics to address social and product compliance issues</li> <li>• Constantly monitor new regulatory developments for the protection of property and industrial rights with the support of specialised professionals</li> <li>• Implement a geographic diversification strategy by increasing its commercial presence in international markets with the opening of new branches in China and North America</li> <li>• Develop marketing and distribution skills to understand customers' tastes with the support of architects and specialised professionals</li> <li>• Monthly monitoring of key growth KPIs by Top Management and implementation of an acquisition strategy</li> <li>• Localise production mainly in Italy with Made in Italy guarantee and preference of certified suppliers (LWG, FSC, EPD)</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>• Adverse effects on activities arising from climate change</li> <li>• Adverse effects on activities arising from emerging or more stringent legislation</li> <li>• Inability to properly align the GHG strategy being developed with the business, e.g. with regard to customer requests</li> <li>• Increased energy supply costs</li> </ul>	<ul style="list-style-type: none"> <li>• ISO 14064 certification obtained by all the companies belonging to the Group</li> <li>• Implement a path to reduce environmental impacts, including installation of photovoltaic installations and other energy efficiency systems</li> </ul>







# OUR PRODUCTS

**Furniture**

**MERIDIANI** | Norton sofa  
Design Andrea Parisio

## 2.1 THE SAFETY, QUALITY, AND SUSTAINABILITY OF OUR PRODUCTS

**IDB's mission is to represent the excellence of Italian design and craftsmanship in the world by creating a virtuous context in which each company can accelerate its competitive advantage, while maintaining its distinctive identity, creativity, and entrepreneurial spirit.**

The Group's mission results in the central role that the product plays in each company's activities. Every detail of the design and manufacturing phases is addressed to create a unique, high-quality product.

The products made by the Group's companies may vary considerably, but the search for excellence, quality of design, and attention to detail remains a common denominator throughout the value chain.

In addition to quality, the Group pays increasing attention to product safety. Through ad hoc procedures, it has committed to ensure compliance with current legislation both in Italy and abroad. The following chapter summarises

the main initiatives undertaken and procedures adopted by individual companies to ensure that their products are increasingly sustainable, without compromising their high quality and safety standards.

As regards the "Furniture" business area, **Gervasoni** has an internal policy to monitor the risk of non-compliance of each individual product and a management process that ensures compliance with both applicable regulations and customer requirements. In particular, the Management System provides for the daily analysis of non-compliances to correct errors, whether repeating or random, in a timely manner and to ensure their swift and definitive resolution.

### THE QUALITY OF GERVASONI'S PRODUCTS

Gervasoni's management considers the quality improvement of its products of primary importance through the enhancement of the artisanal component, accompanied by internal technical knowledge. The most important action taken in this regard was the implementation of a Quality Management System in accordance with ISO 9001:2015, which sets specific objectives, monitors their achievement, and clearly defines responsibilities. The quality policy is another useful tool that renders the company's commitment explicit and which includes the guidelines of the Management System. The policy's core objectives include a commitment to periodically renew collections and products, optimise customer service, with particular attention to the handling of complaints, the working relationships with the main suppliers, and the level of staff involvement and participation in achieving these goals.



The company is also FSC® (Forest Stewardship Council®<sup>25</sup>) certified for the Very Wood brand, which comprises a collection of chairs, armchairs, sofas, and stools.

For **Meridiani**, product safety translates to the attention and compliance with the different regulatory requirements of the numerous markets in which it operates. With regard

to product quality, the company has always focused its efforts on the pursuit of excellence and quality, for example through its choice of materials. As further evidence of the company's commitment, in 2023, Modar implemented a Quality Control System and the subsequent adoption of new procedures, appointing a person to oversee these issues.

25. The Forest Stewardship Council® (FSC®) is an international, non-profit NGO that offers an internationally recognised forest certification system. For further information, please refer to the "FSC® (FOREST STEWARDSHIP COUNCIL®) CERTIFICATION" box on page 82.



Furniture

**MERIDIANI** | Plinto table, winner of the Wallpaper\* Design Award for the "Best of the rest" category in 2016



○ Luxury contract

CENACCHI | Fashion Flagship Store



The constant commitment is confirmed and rewarded by the different prizes received over the years: from 2016 to 2018, Meridiani received one of the most prestigious media awards in the design sector, the Wallpaper\* Design Award, for three Andrea Parisio-designed products; in 2016, the Plinto table won the prize in the “Best of the rest” category and in 2017, the Ludwig sideboard won for the “Best Colada Parlour” category; finally, in 2018 the Zoe armchair won in the “Best weaves” category.

For **Saba**, assessing product safety is closely linked to the certifications required by various European and international regulations. The most influential ones for Saba concern formaldehyde emissions, with particular reference to the American market, and flame retardants, with reference to the Italian, American, and English markets. To verify compliance, the company carries out a number of tests, such as tests on the fire resistance of fabrics and static load and fatigue tests on structures. One of these tests is called “Crib 5” – also known as “Ignition Source 5” – which refers to materials or furniture that have been tested to exceed UK fire regulations and which determines the potential ignition risk to ensure the safety of the material or furniture.

Customer satisfaction is the primary factor that the company monitors to approve the quality of its products. It pursues a high standard of satisfaction through its search for a continuous evolution in the personalisation of consumers’ homes and its adaptation of all internal processes, with constant attention to the principles of quality and ergonomics. To achieve these goals, the company has implemented a Quality Management System in accordance with UNI EN ISO 9001:2015, and has adopted a Quality Policy, which is disseminated to all company levels through a training and information process. It also provides for a series of internal audits to verify the correct functioning of the production processes and to prepare a clearly defined improvement plan in the event of any errors.

In 2023, Saba's quality was also recognised when its Metis seating system won the 2023 Archiproducts Design Awards in the “Furniture” category, for the second year in a row. The company has also been recognised as a global pioneer in originality, research, and innovation, which highlight the emotional impact and functionality of a project.

For **Gamma** as well, assessing product safety is closely linked to European and international standards. For example, low formaldehyde emission materials are used for the American market, and with regard to flame-retardant certifications, the regulations in force in the various countries to which the products are exported are carefully considered. To certify exports to the UK, for example, the company holds a 1M certification, and for California, it holds a TB 133 certification<sup>26</sup>.

For companies in the “Lighting” business area, customer health and product safety are closely linked to compliance with the European regulations that govern this sector.

**Davide Groppi** performs all the hazard analyses required by the regulations in accredited laboratories, as well as tests on Class 3 products, for which there is no legal obligation, however. The products supplied to Davide Groppi are also compliant with EC “REACH” Regulation 1907/2006 and the EU Directive 2011/65/EU RoHS II, which restricts the use of certain hazardous substances in electrical and electronic equipment.

Product quality is a core part of Davide Groppi’s identity. It has implemented quality control processes for its goods and raw materials, as well as sample checks of the finished product, assembled by subcontractors. As evidence of this, Davide Groppi’s work has been repeatedly recognised through publications and awards. In 2023, the Magia, Post Prandium and Vis a Vis lamps won the **2023 Archiproducts Design Award** in the Lighting category. In the

<sup>26</sup>. Please note that the information for Turri was not included in “Chapter 2. Our products”, as the company entered the Group’s perimeter in October 2023. For this reason, it was decided to include only data on personnel and regulatory compliance related to anti-corruption issues. The Group will include the missing information in its 2024 sustainability reporting.

same year, the Anima lamp was selected by the Permanent Design Centre to be exhibited within the exhibition **ADI Design Index 2023**, the annual publication of ADI Associazione per il Disegno Industriale which features the best Italian design. This product, together with the Anima lamp selected in 2022, will compete for the prestigious **Golden Compass Award**, which is given every two years and will be held in 2024. Since 2019, the company has also been part of Fondazione Altagamma, a creative and cultural ecosystem that is the most important accelerator of Made in Italy. On the occasion of the Italian Design Day 2023, whose theme was “the quality that illuminates – the energy of design for people and the environment”, the company, as an example of the excellence of Italian know-how, was selected for the **photographic exhibition curated by the magazine INTERNI** for the Ministry of Foreign Affairs and International Cooperation, organised with the aim of promoting the Made in Italy brand.

In 2023, Davide Groppi was honoured with the **2023 Courageous Entrepreneur Award**, organised by Capital (Class Editori), which celebrates and recognises the value of the most daring entrepreneurs.

As for Davide Groppi, for **Flexalighting**, the issue of product safety falls within the European legislative framework, which includes many regulations that apply to the company, including Directive 2011/65/EU RoHS II and Directive 2014/35/EU, known as the Low Voltage Directive, which serves to unify the various laws of the Member States on electrical equipment designed for use within certain voltage limits. Regulations require that products undergo a series of laboratory tests carried out by an external accredited body. 100% of Flexalighting products have been tested to assess their health and safety impacts.

As regards quality, Flexalighting products are characterised by their great attention to optical quality and reliability, which translates into

high-level solutions that can be renewed, that respond ever more effectively to customer needs, and which meet their expectations. The company has also guaranteed the success of its products in compliance with its high standards for quality and customer satisfaction by implementing a Quality Management System, which follows the requirements of the UNI EN ISO 9001:2015 standard. It applies to all relevant company processes that have a direct influence on the quality of the entire process and product produced by Flexalighting. The management has also drafted a Quality Policy and Goals to disseminate the guidelines and goals among the employees, which also sets forth its commitment to the continuous improvement of the Quality Management System. It should be noted that all product requirements (mandatory, customer, and company requirements) have been met, which has contributed to the achievement of annual quality targets. It should also be noted that the continuous improvement of the quality of production activities and its maintenance of a considerable reputation for product quality on the market are the result of the Quality Management System’s effectiveness.

Quality for **Axolight** derives from the manual assembly of the individual components of the finished products, which guarantees the level of care and attention to detail that is typical of Made in Italy. This approach ensures that every item produced is of the highest quality and reflects the brand’s distinctive craftsmanship and skill. The company stands out not only for the aesthetic and functional quality of its products, but also for its strong commitment to service, which has distinguished it within its market niche as one of the most reliable partners for lighting designers, architects, and developers in general.

For the “Luxury contract” business area, the nature of the custom market means that companies must pay particular attention not only to the regulations in force in the country where the products are installed, but also to the specific requirements of the customer in terms of health and safety. For **Cenacchi**, regulatory



requirements mean the timely verification during the acceptance phase of substances, mixtures, and items to comply with the EC REACH 1907/2006 Regulation<sup>27</sup>. The purpose of this Regulation is to improve the protection of human health and the environment from the risks and impacts that chemicals may pose to them. The company also focuses on the use of flame-retardant materials by suppliers, who are required to self-certify in the methods used to make their wood panels flame-retardant.

Cenacchi is recognised in its sector for the quality of its achievements and for its high level of technical know-how. The company, in fact, produces products that combine a craftsmanship-level finish, representative of an Italian tradition recognised throughout the world, with an industrial approach that enables the success of multiple projects conducted in parallel.

With regard to **Modar**, the most widespread requests for legislation concern the use of flame-retardant and low formaldehyde materials and the use of water-based paints. Customers are demanding the use of FSC<sup>®</sup> certified (Forest Stewardship Council<sup>®</sup>) wood, which seeks to ensure proper forest management and traceability of all related products.

Modar ensures quality at every stage of the project, starting from the product's design phase, in which customers and designers are provided with every type of assistance, with the guarantee of an active collaboration with architects and designers to stimulate the search

for new horizons and to foster a continuous exchange and integration of knowledge and technical details. In the production phase, the highest quality is guaranteed by the industrialised processes and rigorous controls. In the assembly phase, this is ensured through a direct management of logistics, with a view to optimising costs and manufacturing times. The final phase concerns the implementation of the installation by specialised teams who are trained by experienced personnel and directed by the project manager in collaboration with local technicians and general contractors.

Representing the "Kitchen & Systems" business area, **Cubo** guarantees the quality of its products through the well-known brands Milton Cucine and Binova. The latter, acquired by the Group in 2016, has a history of over 60 years and constitutes a benchmark in the high-end kitchen sector. These two brands work together to offer customers a wide choice of high-quality products that combine practicality with sophisticated design.

The company has formalised its commitment to quality by obtaining the ISO 9001:2015 certification, as a guarantee of its products and services meeting both customer as well as regulatory and legal requirements.

The correct and advanced management of the topic by the individual Group companies has meant that there have been no episodes of non-compliance in the three-year period involving the health and safety impacts of products and services.

<sup>27</sup>. EC Regulation No 1907/2006 of the European Parliament and of the Council approved on 18 December 2006, called the REACH Regulation ("Registration, Evaluation, Authorization and Restriction of Chemicals") requires all substances produced or imported into the European Union to be registered in quantities of more than one ton per year.

## Product labelling and marketing communications

**Product labelling is an increasingly subject to specific national and international laws and regulations. For this reason, Group companies do more than just comply with the relevant legislation on product labelling; they also pay great attention to the issue by providing a transparent communication together with the product sold that accurately describes its characteristics<sup>28</sup>.**

The information provided to the customer regarding the sustainability of the products purchased must be clear and transparent so that the decision to purchase is informed and based on a relationship of mutual fairness. Davide Groppi's initiatives in this area are especially worth noting, as the company has implemented a product traceability system consisting of a QR code which makes it possible to trace the production order. This initiative has the potential to trace the entire value chain down to the raw materials. This is being planned for implementation in the near future.


Group companies are also careful to engage in fair and responsible marketing, to communicate transparently on the impacts of the products sold, and thus to avoid making misleading, false, or discriminatory statements.

The increasing focus has enabled the IDB Group to avoid non-compliance in the area of information and labelling of products and services, as well as in the area of marketing communications during the three-year period of 2021-2023.

<sup>28</sup>. This does not apply to companies in the "Luxury contract" business area, which cannot resort to standard product labelling because they create custom furniture at the customer's request.





 Furniture

**TURRI** | Drum sofa  
Design Giuseppe Viganò

## 2.2 THE MATERIALS USED

**The careful selection of materials is the key element in the quest for quality that characterises the IDB Group's DNA.**

Each company, in fact, carefully selects suppliers of raw materials and semi-finished products – mainly in Italy – to produce objects of excellence that help maintain the quality reputation of the Made in Italy brand throughout the world.

**Gervasoni's** main activity is the production of furniture and furnishing accessories. This requires different areas for each phase: a dedicated carpentry area set up at different work centres; a painting area equipped with sanding machines; and an assembly, packaging, and shipping area. As a result, the company's most widely used raw material is wood, which is combined with ceramics and other types of materials, both traditional and state-of-the-art, to create Gervasoni's products. In 2021, the company obtained FSC® certification, demonstrating its attention to the responsible sourcing of raw materials from sustainably managed forests or plantations.

**Meridiani** focuses mainly on the purchase of raw materials and semi-finished products from suppliers that it selects for the quality of their products, thus making a limited use of raw materials. The core of the company's activities lies in the craftsmanship that distinguishes Meridiani by giving the product the sense of style and identity that are unique to the brand.

The raw materials purchased by **Saba** consist mainly of wood, marble, iron, down feathers, and leather, while the semi-finished products purchased are made of plastic and methacrylate, rubber, paint and plating, and fabrics. Saba has

always preferred using natural materials for its textile collection; for example, during its initial launch of linens for the home, in partnership with the company Lanerossi, bed linen sets were selected that were made from 100% linen, a completely sustainable yarn.

Saba has recently also begun adopting sustainability criteria in its choice of raw materials, preferring recycled fabrics to complement the current textile collection.

Saba was also the first customer company of Superevo for the production of the product "Valentine" in Polimex®, a composite material ideal for creating load-bearing structures for upholstered furniture that consists mainly of expanded polystyrene and, to a lesser degree, structural polyurethanes. Compared to traditional padding, Polimex® products require less padding or foam, which translates into a noticeable reduction in raw material consumption. Polimex® is currently used in the Valentine collection, which, also due to the absence of accessory components, is easily recyclable, and in the Geo collection (armchair and sofa), which is also used extensively in Contract projects.

The raw materials purchased by **Gamma** consist mainly of wood, marble, iron, down feather, leather, and textiles. In particular, with regard to leather, the company selects suppliers who can provide a product that is LWG certified (Leather Working Group), which is the world's first environmental certificate for the leather manufacturing industry.



Furniture

SABA | Geo armchair and sofa in Polimex<sup>®</sup>, design Paolo Grasselli

As regards the sustainability of **Davide Groppi**'s products, the company has been designing them for a long time by including increasingly efficient light sources and ensuring the easy replacement of components by end-users. This commitment will be further strengthened following the entry into force of the new European Eco-Design Regulation. This legislation, in addition to introducing requirements on the efficiency of light sources (i.e., ensuring a luminous flux intensity of 110 lm/W), will contribute to the implementation of circular economy principles. The direct consequence of the Regulation for Davide Groppi products will be that only products with removable light sources and switches clearly labelled with indications for their disposal can be placed on the EU market.

**Flexalighting's** consumption of materials is very limited as the company, born around LED technology, focuses mainly on the design and planning phases. Only the phases for the products' assembly, the lead-free tin wire soldering, resination, and finishing are done

in house, while semi-finished products are purchased from external suppliers.

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

Like Cenacchi, **Modar** relies on a diversified selection of materials to satisfy the needs and requests of each individual customer. For this reason, the production phase is the meeting place of traditional and innovative materials, advanced technologies, and classic workmanship, where specialised craftsmen transform and assemble wood, metal, glass, plastics, leather, and fabrics to create original and exclusive furniture. Modar also supplies FSC® certified wood materials.

### **FSC® (FOREST STEWARDSHIP COUNCIL®) CERTIFIED**

FSC® (Forest Stewardship Council®) is an international, non-profit NGO established in 1993 to promote responsible forest and plantation management and offer an internationally recognised forest certification system. Its members include NGOs such as WWF and Greenpeace, social partners, forest owners, industries involved in the trade and processing of wood and paper, large retail store groups, and researchers and technicians, with a total of almost 900 members.

The FSC® trademark seeks to guarantee the correct management of forests and the traceability of products made with this raw material. It ensures that lumber is sourced from forests managed according to defined principles of sustainable supply and chain of custody certification. The IDB Group is increasingly focusing on the supply of sustainable wood raw materials, and among the Group's companies, Modar and Gervasoni use the FSC® brand in their wood products, with the goal of ensuring the sustainability of the supply of this material.



As described above and as shown in the table below, furniture producers such as Gervasoni, Meridiani, Saba, and Gamma predominantly use wood, textiles, plastics, and metals. Cenacchi and Modar, which are in the “Luxury contract” business area, mainly use wood, glass, and metals. The “Lighting” business area mainly uses metals and glass, due to the nature of its

products. Finally, Cubo and Nian Design, in the “Kitchen & Systems” business area, use wood, metals, plastic, glues, and varnishes.

As part of its continuous efforts to improve, IDB is trying to report its use of raw materials in greater detail.

Materials used	Unit	Total			Furniture			Lighting			Luxury Contract			Kitchen & Systems**
		2021*	2022*	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2023
Wood	ton	2,163	2,401	12,692	1,330	1,534	1,806	0	0	16	833	867	1,225	9,645
Glass	ton	132	103	333	36	35	27	2	3	192	93	65	114	0
Iron / metal	ton	352	429	1,851	259	308	368	37	40	1,041	56	80	139	303
Textiles	ton	243	264	246	238	259	241	0	0	0	5	5	5	0
Skins	ton	23	31	150	23	31	150	0	0	0	0	0	0	0
Marble	ton	167	183	144	167	178	137	0	0	6	1	5	1	0
Plastic***	ton	805	951	858	793	932	677	0	0	68	11	19	27	86
Brass	ton	46	49	138	46	49	138	0	0	0	0	0	0	0
Ceramic	ton	19	22	189	19	22	189	0	0	0	0	0	0	0
Glues and paints	ton	30	43	138	16	25	25	0	0	0	14	18	21	92
Down feather	ton	71	106	102	71	106	102	0	0	0	0	0	0	0
<b>TOTAL</b>	ton	<b>4,050</b>	<b>4,581</b>	<b>16,841</b>	<b>2,997</b>	<b>3,478</b>	<b>3,860</b>	<b>40</b>	<b>44</b>	<b>1,324</b>	<b>1,013</b>	<b>1,059</b>	<b>1,532</b>	<b>10,126</b>

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.

\*\* The data for the “Kitchen & Systems” business area are stated only for 2023 as they refer to the company Cubo, acquired in that same year.

\*\*\* Plastic includes synthetic materials for padding.

Overall, the total materials used by IDB for processing increased in 2023, in line with the Group’s expansion and acquisition of new companies. The most commonly used material is wood (75%), followed by iron and metals for components (11%).

In particular, when analysing the values for each business area, it should be noted that the

companies belonging to “Furniture”, “Luxury Contract” and “Kitchen & Systems” mainly used wood, while the “Lighting” business area uses 79% iron or other metals such as steel and aluminium, due to the nature of its products. It is also noted that the amount of plastic used decreased by 10%, from 951 tons in 2022 to 858 tons in 2023.



□ Furniture

SABA | Teatro Magico table  
Design 967Arch



## Packaging

As regards the materials used for product packaging, Group companies use mainly wood, paper, and cardboard, and, to a lesser degree, plastic.



9%

of plastic of the total materials used for packaging



89%

use of wood out of the total packaging material for companies in Luxury Contract

In detail, compared with a plastic consumption of 157 tons in 2023, the companies used 868 tons of paper and paperboard and 597 tons of wood. Plastic consumption in 2023 is in line with the three-year period in absolute terms and corresponds to about 9% of the total materials used for packaging in 2023. In particular, the analysis of the values for each business area shows that the companies in the “Luxury Contract” area mainly use wood, which represents 89% of the total material used for packaging, whereas paper and paperboard were used mostly by companies in the “Furniture” business area (48%), the “Lighting” business area (66%) and the “Kitchen & Systems” business area (85%). The “Luxury Contract” area exhibited an increase in the use

of wood for packaging, from 263 tons in 2022 to 293 tons in 2023.

The replacement of plastic in packaging with renewable packaging, such as paper and cardboard, was a deliberate choice that some companies, such as Davide Groppi, made to reduce its use of plastic. The company has, in fact, greatly reduced plastic consumption in recent years. In 2023, it embarked on a project to reduce single-use packaging used to contain raw and semi-finished components prior to production. With this in mind, the company has created reusable blister wrap and is working on new solutions that are still under development to minimise waste and reduce the use of single-use packaging.

Packaging materials*	Unit	Total			Furniture			Lighting			Luxury Contract			Kitchen & Systems**
		2021*	2022*	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2023
Paper and cardboard	ton	306	389	868	264	340	279	39	46	75	2	3	14	279
Wood	ton	329	467	597	194	263	272	0	0	25	135	204	293	7
Plastic	ton	47	50	157	30	31	37	3	2	14	14	17	23	82
<b>Total</b>	ton	<b>681</b>	<b>907</b>	<b>1621</b>	<b>488</b>	<b>635</b>	<b>588</b>	<b>42</b>	<b>48</b>	<b>115</b>	<b>151</b>	<b>224</b>	<b>329</b>	<b>590</b>

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.

\*\* The data of the “Kitchen & Systems” business area refer to the companies Cubo and Nian, acquired in 2023.

## 2.3 SUPPLY CHAIN MANAGEMENT

**The IDB Group’ relationship with its suppliers is based on the principles of professionalism, cooperation, and mutual fairness.**

The Group is aware of the crucial role suppliers play in the value chain and the impact on product quality standards and on compliance with the legal requirements that IDB aims to achieve and comply with. For this reason, the Group has implemented procedures for selecting and monitoring suppliers based on their expertise, cost-effectiveness, and quality.

It should be noted that the companies in the “Luxury Contract” segment, Cenacchi and Modar, are linked to suppliers that depend on the requests of individual customers, which, therefore, vary according to their needs. However, suppliers of products and services are still subject to the screening and analysis criteria described in these Group procedures, and they must comply with the quality standards sought by both the customer and the companies themselves.

One of IDB’s most important criteria for selecting suppliers is their geographical origin. To maintain a high standard of quality and to contribute to the development of the local communities in which it operates, the Group prefers working with suppliers from the Italian production network that guarantee the quality for which the Made in Italy brand is known all over the world.

IDB Group spending on local suppliers, where companies have used suppliers in their own region or adjacent provinces<sup>29</sup>, has decreased slightly compared to 2022. This percentage stands at 40%, while spending on the Italian perimeter as whole is 81%. The companies target foreign suppliers mainly for the procurement of non-standard products, such as special customer requests.

### Proportion of expenditure on local suppliers

	Unit	2021*	2022**	2023
Total procurement budget spent on suppliers	K€	79,156	114,922	<b>168,425</b>
Total procurement budget spent on local communities	K€	38,584	52,738	<b>66,813</b>
Total procurement budget spent in Italy	K€	68,836	94,100	<b>136,014</b>
<b>Total procurement budget spent on local suppliers</b>	%	<b>49%</b>	<b>46%</b>	<b>40%</b>
<b>Total procurement budget spent on Italian suppliers</b>	%	<b>87%</b>	<b>83%</b>	<b>81%</b>

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.

\*\* Please note that the figure for 2022, published in this document, differs from the figure included in the 2022 Sustainability Report, in that the proportion of expenditure on Gamma’s local suppliers has been added, which was not previously available for 2022.

29. Respectively: the Lombardy Region for Meridiani and Modar, Emilia-Romagna for Cenacchi, Veneto for Saba, Tuscany for Flexalighting, and Friuli-Venezia Giulia for Gervasoni; hereinafter, the provinces of Piacenza (PC), Cremona (CR), Parma (PR), Milano (MI), Monza Brianza (MB), Reggio Emilia (RE), Lecco (LC) for Davide Groppi, the province of Teramo (TE) for Cubo Design and Nian, and the provinces of Treviso (TV), Padua (PD) and Venice (VE) for Axolight.





Looking at the individual business areas, it should be noted that the largest proportion of company spending on local suppliers is in the "Luxury Contract" segment, which represents

47% of the total. Considering the entire Italian perimeter, the largest share belongs to the "Kitchen & Systems" business area, which totalled 87% in 2023.

Percentage of spending on local suppliers	Unit	Furniture			Lighting			Luxury Contract			Kitchen & Systems
		2021	2022	2023	2021	2022	2023	2021	2022	2023	2023
Total procurement budget spent on local suppliers	%	40%	42%	41%	60%	49%	44%	57%	50%	47%	28%
Total procurement budget spent on Italian suppliers	%	88%	88%	84%	98%	68%	78%	81%	81%	74%	87%

In addition to initiatives at the Group level, the individual companies are also striving for a more sustainable value chain. For example, **Gervasoni** is collaborating with a supplier to make its best-selling sofa fully recyclable, for which a feasibility study is underway. It should also be noted that in the context of FSC certification, suppliers are compulsorily selected from the list of accredited FSC suppliers.

During 2023, however, there was an increase in the share of materials purchased in the Far East by **Daive Groppi**. This increase was limited to suppliers with whom the company has established solid, long-term business relationships to ensure the sustainability of its supply chain. In terms of logistics, it has adopted environmentally friendly transport solutions, such as the use of rail freight, and it continues to work on reducing the ecological impact of its operations.

All original **Meridiani** products are certified "100% Made in Italy". This means that the quality standard is guaranteed by a series of accurate checks along the entire product value chain and throughout the entire production cycle, which by definition must take place in Italy.

For **Flexalighting** as well, territoriality, combined with economic conditions, is a criterion for selecting suppliers, with the aim of reducing

the impacts on transport and facilitating the socio-economic development of the local area in which the company operates.

As evidence of the company's constant focus on sustainability, **Gamma** pays particular attention to the selection of raw material suppliers. The main ones are Dani and Resina Forlivese. The former is a leather supplier, and the first tannery in the world to have achieved the Environmental Product Declaration & Process (EPD) and Carbon Footprint certification of the product, with a 100% Made in Italy production. The latter is an expert in the supply of polyurethane padding with a Certipur certification concerning the environmental sustainability, safety, and health of the polyurethane foam used in the production of mattresses and upholstered furniture elements.

Finally, **Saba** exhibits an exemplary commitment to the search for sustainable raw materials, as explained in the box below.

Supply chain and production processes have come increasingly under the scrutiny of (European and Italian) lawmakers and the end consumer. The impetus in this respect is toward a new productive and social paradigm that reduces negative impacts on the environment and on people to make man's coexistence with both society and nature sustainable in the long-term.

Each society tries, in its own small way, to effect that transformation, which is not just hoped for, but also necessary. The Group's initiatives carried out in 2023 should be understood in this sense, such as the approval of the **IDB Group Code of Ethics**, its ongoing adoption by the

individual companies, and the request for its adoption by suppliers as a necessary condition for the initiation and continuation of the report, all in demonstration of IDB's intention to address these issues.

### SABA'S SELECTION OF SUPPLIERS

Saba pays particular attention to sustainability when selecting raw material suppliers, with whom it works constantly to design and create increasingly sustainable end products. Among the main collaborations worth mentioning is the one with Sartori, an Italian carpet manufacturer, which has been selected as the main partner for the first collection of Saba carpets made with recycled PET, released in autumn 2021. CC-Tapis, a supplier of recycled fabrics, was also selected as part of this same project. Among the fabric suppliers, Limonta, a high-value-added textile company, uses certified fibres from pre-consumer and post-consumer recycled material, as well as natural yarns such as cotton, linen, silk, and wool.

The company's commitment to finding suppliers of sustainable raw materials is not limited to textiles alone: leather is another material requiring special attention due to the high impacts it can have on the environment if the production process is not diligently managed. Dani is a leather company that has obtained several product and environmental management certifications, including the Environmental Product Declaration & Process (EPD), which discloses the environmental impacts generated by its products and services, and the "Leather from Italy Full Cycle" certification according to UNI EN 16484, which certifies that all production processes are made in Italy.

Another supplier selected by Saba is ECOMAT s.r.l., a company specialising in the research and development and distribution of surface products, whose inventions include ECOMALTA®, a water-based mono-component that does not contain cement, epoxy resins and other substances toxic to humans and the environment. ECOMALTA has been used for the finishing and coating of the Teo table, available to customers since 2022.



○ Kitchen & Systems

CUBO DESIGN | Binova kitchen Bluna





# OUR PEOPLE

## Lighting

**AXOLIGHT** | Blown glass production for Mountain View lamp,  
design Dima Loginoff

# 3.1 EMPLOYEE VALUE AND WELL-BEING

## 3.1.1. Human resources management

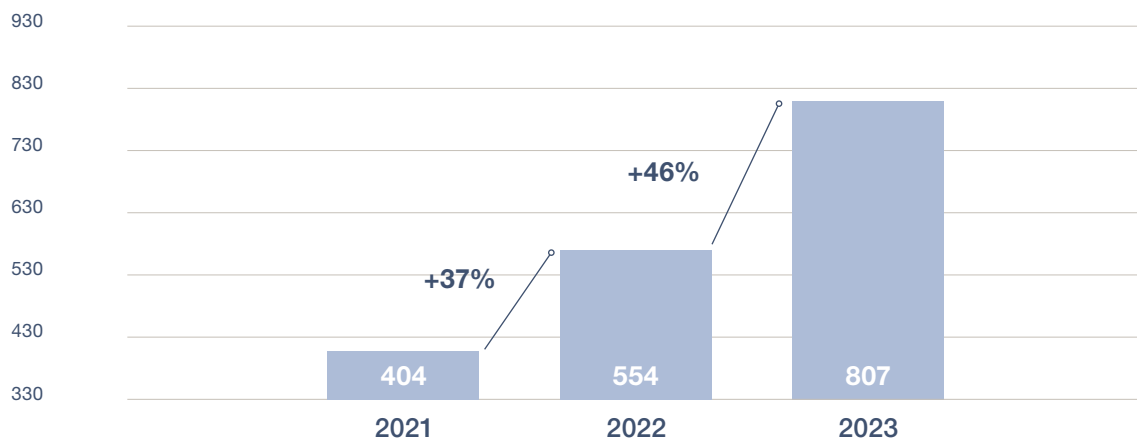
Attention to detail and product excellence are a key part of the IDB Group’s identity. But neither characteristic would not be achievable without the know-how and experience of individual employees who are crucial to the success of the business. For this reason, IDB devotes a great deal of attention to recruitment and management, as well as to creating a collaborative and motivating work environment.



**807 employees**  
+46% vs. previous year

As of December 31, 2023, the workforce consisted of 807 employees, up 46% from the previous year. This considerable growth is mainly due to the integration of the employees of the newly acquired companies into the Group’s perimeter: Axolight, Cubo, and Turri, which respectively employ 25, 101, and 86 people. In any event, there has been a general increase in the number of staff of all the companies within the Group.

TOTAL NUMBER OF STAFF 2021, 2022, AND 2023





**44% employees**  
women



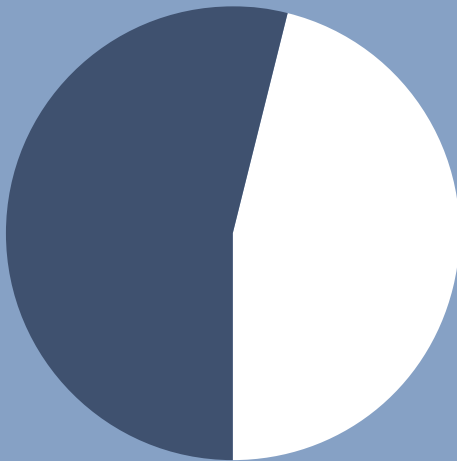
**56% employees**  
between 30-50 years

By joining the “Furniture” business area, Turri has contributed to the increase in number of employees in the largest section of the Group. In fact, with its 421 employees, the “Furniture” business area employs 52% of IDB’s workforce, while 15% is employed in the “Lighting” business area, which Axolight joined, 17% in the “Luxury Contract” business area, and 13% in the “Kitchen Systems” business area. The remaining 4% is employed at the IDB “Corporate” offices.

With regard to employee gender and age, women account for 44% of the total workforce, in line with 2022 figures, demonstrating the Group’s continued willingness to foster an inclusive work environment.

As regards employee age, a majority of workers (56%) are in the age 30-50 group, similar to the previous year. The 50+ year-old group accounts for 32% of the total workforce, while the employees less than 30 years old account for 11% of the workforce.

WORKFORCE BY GENDER (2023)



● 56% Men      ● 44% Women

WORKFORCE BY AGE GROUP (2023)



● 11% > 30 years      ● 56% Between 30-50 years  
● 32% > 50 years

In terms of gender differences between the different categories of employment, men represent the majority in the categories for "executives" (92%), "managers" (67%), and "workers" (69%), while women make up 60% of the total for "employees".

		2021*	2022*	2023
Executives	Men	89%	83%	92%
	Women	11%	17%	8%
Managers	Men	57%	64%	67%
	Women	43%	36%	33%
Employees	Men	37%	42%	40%
	Women	63%	58%	60%
Workers	Men	75%	65%	69%
	Women	25%	35%	31%
		2021*	2022*	2023
Executives	< 30 years old	0%	0%	0%
	Between 30 and 50 years old	56%	67%	62%
	> 50 years old	44%	33%	38%
Managers	< 30 years old	3%	3%	3.9%
	Between 30 and 50 years old	60%	67%	66.7%
	> 50 years old	37%	30%	29.4%
Employees	< 30 years old	13%	14%	15.2%
	Between 30 and 50 years old	60%	62%	59.2%
	> 50 years old	27%	24%	25.5%
Workers	< 30 years old	10%	10%	9%
	Between 30 and 50 years old	49%	48%	52%
	> 50 years old	41%	42%	39%

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.





 Furniture

SABA | Pan Flute bench  
Design Paolo Grasselli



## 98% employees

with permanent contract

As already mentioned, the Group has always invested in creating a positive and motivating work environment to promote the professional development of employees and to enable them to develop their skills properly. More than 98% of the Group's workforce (788 employees) has a permanent employment contract, in demonstration of the Group's commitment to valuing its human resources.

This focus on employees also extends to workers outside Italy, such as the 11 employees at the subsidiaries Shanghai Turri Furnitures and IDB Suzhou in China, the 3 employees of IDB UK in the UK, the 13 employees of Flexalighting North America in Canada, and the 17 at IDB USA Corp, Gamma US, Axolight US, and Turri US in the United States, also working under permanent employment contracts. The IDB Group believes in creating an inclusive working environment, enabling the skills of all workers to be enhanced, regardless of their nationality or geographical location.

	2021*		2022*		2023	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Men	213	6	291	10	444	9
Women	179	6	238	15	344	10
<b>Total</b>	<b>392</b>	<b>12</b>	<b>529</b>	<b>25</b>	<b>788</b>	<b>19</b>

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.

	2021*		2022*		2023	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Italy*	379	12	499	25	744	19
China	7	0	8	0	11	0
UK	3	0	3	0	3	0
France	2	0	2	0	0	0
USE**	1	0	4	0	17	0
Canada**	0	0	13	0	13	0
<b>Total</b>	<b>392</b>	<b>12</b>	<b>529</b>	<b>25</b>	<b>788</b>	<b>19</b>

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.

\*\* For the sake of a more accurate geographical representation, the Canadian area is also reported this year. As a result, Flexalighting North America workers, originally included in the US region, have now been associated with the Canadian region for the years 2022 and 2023, thus redefining the North American geographical area.



In demonstration of the attention paid to protecting the rights of the Group's workers, 96% of IDB employees are covered by collective labour agreements. This percentage that has remained stable over the three-year period, going from 97% in 2021 to 95% in 2022, and up to the current figure of 96%.

In line with the company's policy, which is geared toward flexibility and the well-being of its employees, the Group has implemented several measures to help reconcile work commitments with the family and personal needs of its workers. These include part-time contracts for 50 employees, or 6% of the total workforce, one percentage point lower than for 2022.

	2021*		2022*		2023	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Men	217	2	298	3	448	5
Women	157	28	217	36	309	45
<b>Total</b>	<b>374</b>	<b>30</b>	<b>515</b>	<b>39</b>	<b>757</b>	<b>50</b>

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.

Even at international sites, the preferred mode of work is full-time, with the exception of Canada, where Flexalighting North America employed 2 part-time employees in 2022.

	2021*		2022*		2023	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Italy	361	30	487	37	713	50
China	7	0	8	0	11	0
UK	3	0	3	0	3	0
France	2	0	2	0	0	0
USA**	1	0	4	0	17	0
Canada**	0	0	11	2	13	0
<b>Total</b>	<b>374</b>	<b>30</b>	<b>515</b>	<b>39</b>	<b>757</b>	<b>50</b>

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.

\*\* For the sake of a more accurate geographical representation, the Canadian area is also reported this year. As a result, Flexalighting North America workers, originally included in the US region, have now been associated with the Canadian region for the years 2022 and 2023, thus redefining the North American geographical area.

With regard to non-employee workers, the figures in the table below show a significant increase in temporary contract workers, mainly due to the companies that came to be included within the scope of this document as of this year. Specifically, Cubo employs 74% of all temporary workers in the Group. It should also be noted that Turri UK does not have employees; it instead contracts temporary employees from third parties, who are therefore included in this statistic. Furthermore, Meridiani France has also been employing exclusively temporary staff since April.

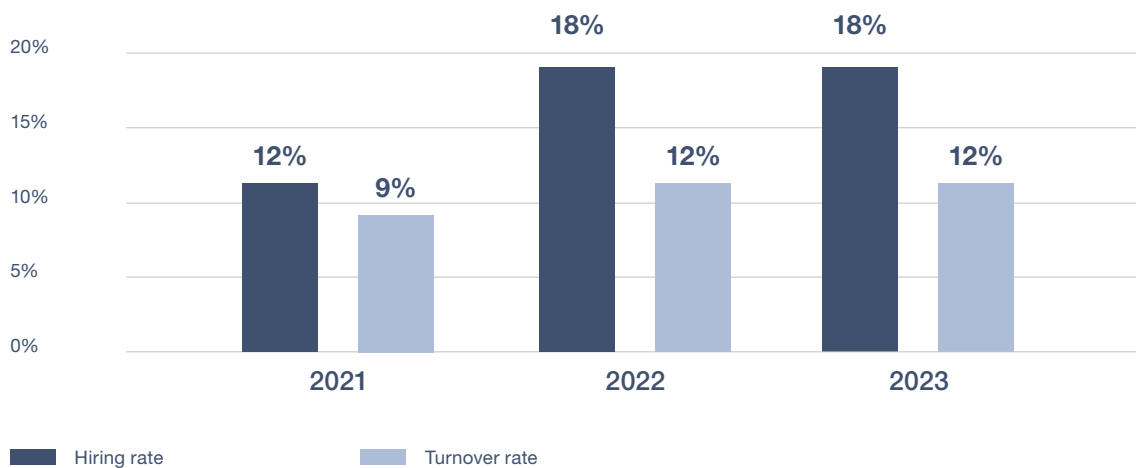
2021*			2022*			2023		
Temporary workers	Trainees	Other categories	Temporary workers	Trainees	Other categories	Temporary workers	Trainees	Other categories
15	13	0	13	6	0	102	20	1

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.

The process of attracting talent and selecting personnel is entrusted to the individual Group companies, which rely on temporary worker agencies and companies specialising in personnel recruitment and selection to ensure the best performance. In relation to these processes, the Group experienced a considerable increase in recruitment in 2023, with the new companies acquired, which though not comparable to the post-COVID-19 recovery, saw recruitment increase from 100 in 2022 to 148, with a stable hiring rate of 18%<sup>30</sup>.

In terms of employee retention, the turnover rate has remained constant at 12%, a sign that, despite its rapid growth, the Group has succeeded in fostering strong relationships with its employees. The Group also decided to maintain some of the rules initially put in place to mitigate turnover during the pandemic, such as the use of remote working, where possible.

### HIRING AND TURNOVER RATES



30. The recruitment (or turnover) rate is calculated as the number of recruitments (cessations) that occurred during the year divided by the number of staff at 31/12.



Looking further at employee turnover by age group and gender, the category of employees under the age of 30 had the highest recruitment rate of 52%. With a total of 91 employees under the age of 30, 47 joined the Group during 2023, a trend that grew compared to 2022. The recruitment rate for employees in the 30-50 year old age group is 18%, with 80 new hires out of a total of 454 employees in this age group. These data shed further light on the Group's focus on the different age groups and their inclusion in the workforce. In particular, the achievement of a high recruitment rate indicates the Group's attractiveness as a working environment to both younger generations and more experienced professionals.

Gender recruitment data show a slightly higher recruitment rate for women than men, with 20% and 17%, respectively, reflecting the Group's efforts to create a fair and inclusive environment. Looking at the turnover rate, men post a higher rate (13%), while among age groups, the highest turnover (18%) is among employees under the age of 30.

		Age group			Gender		Total	
		< 30 years	Between 30 and 50	> 50 years	Men	Women		
2021*	New hires	Number	11	30	6	28	19	<b>47</b>
		Rate (%)	26%	13%	4%	13%**	10%	<b>12%</b>
	Turnover	Number	5	18	12	27	8	<b>35</b>
		Rate (%)	12%	8%	9%	12%	4%	<b>9%</b>
2022*	New hires	Number	32	61	7	56	44	<b>100</b>
		Rate (%)	51%	20%	4%	19%	17%	<b>18%</b>
	Turnover	Number	18	35	14	36	31	<b>67</b>
		Rate (%)	29%	11%	8%	12%	12%	<b>12%</b>
2023	New hires	Number	47	82	19	79	69	<b>148</b>
		Rate (%)	52%	18%	7%	17%	20%	<b>18%</b>
	Turnover	Number	16	50	29	57	38	<b>95</b>
		Rate (%)	18%	11%	11%	13%	11%	<b>12%</b>

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.

\*\* The figure has been restated following a change in the calculation methodology.

Since the Italian sites are the ones with the most employees, it is natural that the highest number of recruitments and terminations in absolute terms is in Italy. Similarly, the high recruitment and turnover rates of foreign offices appear to be much higher than those of Italy due to their disproportionately smaller number of staff.

			Division by region						
			Italy	China	UK	France	USA	Canada**	Total
2021*	New hires	Number	44	1	1	0	1	0	<b>47</b>
		Rate (%)	11%	14%	33%	0%	100%	0%	<b>12%</b>
	Turnover	Number	34	0	1	0	0	0	<b>35</b>
		Rate (%)	9%	0%	33%	0%	0%	0%	<b>9%</b>
2022*	New hires	Number	85	5	1	1	1	7	<b>100</b>
		Rate (%)	16%	63%	33%	50%	25%	54%	<b>18%</b>
	Turnover	Number	55	4	1	1	0	6	<b>67</b>
		Rate (%)	10%	50%	33%	50%	0%	46%	<b>12%</b>
2023	New hires	Number	126	2	0	0	9	11	<b>148</b>
		Rate (%)	17%	18%	0%	0%	53%	85%	<b>18%</b>
	Turnover	Number	83	1	0	0	1	10	<b>95</b>
		Rate (%)	11%	9%	0%	0%	6%	77%	<b>12%</b>

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.

\*\* For the sake of a more accurate geographical representation, the Canadian area is also reported this year. As a result, Flexalighting North America workers, originally included in the US region, have now been associated with the Canadian region for the years 2022 and 2023, thus redefining the North American geographical area.

### 3.1.2 Training and Skills Development

**IDB has always believed in continuous training and growth as a key driver for employee skill development and a guarantee of legislative compliance.**

With this principle in mind, training programs are targeted at all employees and are adapted to provide everyone with the level of knowledge best suited to their role and skills. This helps employees acquire the necessary skills to do their jobs effectively and efficiently, thereby improving product quality and workplace safety.

The **IDB Academy** initiative demonstrates the importance accorded to the training and engagement of people in the IDB Group. Although it was created to address the most critical phases of the COVID-19 pandemic, it is still very much alive within the Group, and it has been upgraded several times to promote greater platform utilisation. In particular,



during the year 2023, this initiative underwent a content migration to “Learnworlds”, an online platform specialised in delivering training content that is accessible to all Group employees. Specific courses on the topic of cyber security and data protection, as well as several trainings on commercial group tools (for example, centralised Customer Relationship Management – CRM software) and specific markets such as China have also been added to the available content.

As regards the normal training activities, in 2023 the individual companies provided different types of courses to improve technical skills, such as courses on product and process quality, English, IT, courses on specific programs such as Excel and AutoCAD, and courses on specific subjects or new business developments, based on training needs as they arise. Companies have also provided the activities required by legislation in the field of health and safety in the workplace.

In continuity with the previous year, in 2023 the Group continued with the provision of part of the training activities online; at the same time, it sought to reintroduce part of the in-person courses, thus ensuring the delivery of the trainings in hybrid mode. These activities resulted in an average of 6.70 hours of training per employee in 2023, a slight decrease from 8.14 hours in 2022, and in line with the year 2021.

It should be noted that the figure stated refers only to the mandatory training data, mainly related to health and safety issues, for which staff participation and the total number of hours provided are regularly monitored. The Group carries out other training initiatives as well, such as the aforementioned IDB Academy and specific sessions dedicated to the sales force, for which there is currently no monitoring of attendance and the total hours devoted to the training activities and for which, consequently, no detailed figures are available.

	Unit	2021*	2022*	2023
<b>Average hours of training per employment category</b>				
Executives	man/h	0.72	7.60	5.12
Managers	man/h	9.07	3.91	12.26
Employees	man/h	5.52	7.64	8.04
Workers	man/h	6.55	14.33	4.68
<b>Average hours of training per gender*</b>				
Men	man/h	8.04	8.13	6.46
Women	man/h	3.74	8.15	7.01
<b>Average training hours per employee</b>	<b>man/h</b>	<b>6.07</b>	<b>8.14</b>	<b>6.70</b>

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.



▽ Lighting

AXOLIGHT | Paralela  
Design Nahrang Studio





## 3.2 HEALTH AND SAFETY IN THE WORKPLACE

**The protection of health and safety in the workplace is a key aspect for IDB, as demonstrated by the many initiatives and procedures adopted by the Group's companies to monitor potential health and safety issues and ensure compliance with legal requirements.**

As a result, IDB has developed a series of occupational health and safety prevention and control policies to foster responsible conducts that comply with the current laws and regulations in force, with particular attention to risk management, accident prevention, and promoting a climate of safety within the working environment.

The main guarantor of the health and safety principles for IDB is the 231 Organisation and Management Model, which applies to all companies in the Group, excluding foreign subsidiaries and the recently acquired companies, for which extension activities are ongoing in the year 2024. The 231 model addresses specific aspects related to worker protection, including health and safety conducts as prevention elements.

To further ensure the safety and health of their employees at work, the Group companies have drawn up a Risk Assessment Document specific to their business situation. The system provides for constant monitoring by the employer, the Head of the Prevention and Protection Service, and the Workers' Safety Representative. Regular meetings are held to continuously evaluate and improve the processes implemented. If workers encounter work-related hazards or dangerous situations, they can report them to the Workers' Safety Representative and the appropriate managers.

With regard to the initiatives implemented by

the individual companies, **Gervasoni** decided in 2021 to implement an integrated "Quality, Safety and Environment" system, for which it obtained ISO 9001, ISO 45001, and ISO 14001 certifications respectively. Among these, UNI ISO 45001:2018 defines the parameters for the implementation of Workplace Health and Safety Management Systems, taking into account the minimum standards of best practices for the protection of workers. In 2022, Gervasoni was therefore subjected to certification maintenance checks, thus demonstrating its continued commitment to maintaining a Management System that complies with ISO standards.

The principles governing health and safety management have been included in the company's Workplace Health and Safety Management Policy, in which the company reiterates its commitment to periodically monitoring the context in which it operates and to plan actions to address identified risks. In addition, Gervasoni has agreed to comply with the legislation governing Workplace Health and Safety Management by supplementing its updates and submitting to the audits by the inspection bodies. Finally, the company annually reviews the operations of the Workplace Health and Safety Management System to optimise its results and, at the same time, it holds meetings with employees to train them on emergency management and to involve them through their representatives.

**Meridiani** has also implemented a workplace

health and safety management system inspired by the principles of ISO 45001, and which guarantees compliance with Legislative Decree No. 81/2008. The company ensures a careful assessment of the tasks performed by workers, taking into account risk and repetitiveness, and ensuring the quality of processes through continuous employee training.

As of September 2016, **Cenacchi** implemented a Workplace Health and Safety Management System to ensure compliance with A rt.30 of Legislative Decree No. 81/2008. Before the introduction of a Group 231 Model, the company had already adopted its own 231 Model based on the reference guidelines of the UNI ISO 45001 standard, in line with what Gervasoni had done. To ensure the quality of processes and the competencies of the persons performing them, the company engages in routine monitoring and provides ongoing training to staff. In addition to continuously assessing and improving the Workplace Health and Safety Management System, regular audits and an annual safety meeting are conducted to draw up a maintenance and improvement plan. The Group also pays close attention to the reporting of hazards and hazardous situations in the workplace by providing employees throughout the Group with the possibility of contacting the Supervisory Body directly through the whistleblowing channel. Finally, also with the goal of protecting workers, on raw materials and semi-finished products supplied by third parties are inspected to verify their compliance with current regulations.

Since starting its business, **Modar** has implemented a Workplace Health and Safety Management System to ensure compliance with Legislative Decree No. 81/2008 and which is inspired by the principles of ISO 45001 for managing the risk of accidents related to woodworking, minimising the likelihood of workplace accidents. To achieve this goal, the company has developed a six-step process: collecting up-to-date information, investigating risks specific to the sector and the job, prioritising risk reduction actions, recording results, informing stakeholders, and

monitoring regulatory compliance. The quality of the process is managed through specific and periodic audits, staff training, and by fostering accountability among the managers.

Like Cenacchi and Meridiani, **Flexalighting** implemented a Management System in accordance with the legal obligation deriving from Legislative Decree No. 81/2008 and that is inspired by the principles of ISO 45001. The system covers all employees, production and assembly activities, office, company headquarters, and the off-site warehouse. The company has also prepared a Risk Assessment Document containing general information on the safety organisation. Specialised external consultants were employed to oversee the correct application of the system, while the company issued documents and guidelines and provided trainings for managers and employees to ensure the quality of the processes.

Companies integrated in 2023, though not equipped with a Workplace Health and Safety Management System, must comply with the legal standards and principles of the 231 Model, thus ensuring the prevention and identification of health and safety risks. Specifically, **Turri** relies on assigned personnel (Prevention and Protection Manager, occupational physician, managers, executives, and employees in charge of emergency management) to perform the risk assessment, of which visits to the operational departments are a fundamental part. Similarly, **Cubo** and **Nian** detailed the risk assessment criteria within their Risk Documents and also drew up a plan of prevention and protection measures, with monitoring of the progress achieved.

**Gamma** also relies on a Prevention and Protection Manager, a Worker's Safety Representative and the competent medical practitioner to identify work-related hazards. The company also has an internal health protocol, established on the occasion of the Covid-19 healthcare emergency, which is the result of a joint committee for the formal management of worker health and safety, which meets in extraordinary circumstances.



## Workplace health, worker consultation, and accidents

In addition to the above, the Group companies are committed to promoting worker health through voluntary services and programmes, for example by encouraging access to non-professional medical and health services through contributions to funds such as Metasalute, Sanimoda, and the Altea Fund. The Group companies also offer workplace healthcare services to identify and eliminate hazards and minimise the risks of occupational illnesses. In addition, employees have the possibility of scheduling medical examinations with the competent doctor to consult them for any need. All of the above actions are carried out with a guarantee of the privacy of personal information.

As already mentioned, the Group companies consider the worker participation and consultation in the field of workplace health and

safety to be a key asset. In companies with a management system, workers are represented by their Worker's Safety Representative or by trade union representatives. The latter communicate decisions and updates on workplace health and safety issues to the workers.

In 2023, there were 15 workplace accidents involving employees, none of which had serious consequences, an increase compared to 2022. The reason for this growth is primarily the increase in the number of employees from 529 in 2022 to 788 in 2023. As a result, the accident rate<sup>31</sup> increased to 2.25 in 2022. No accidents occurred among non-employees.

There was only one case of occupational illness in 2023: an episode of inflammation and tendinopathy.

### Accident indices

	2021*	2022*	2023
<b>Hours worked</b>	<b>671,021</b>	<b>719,857</b>	<b>1,330,472</b>
<b>Total number of recordable workplace accidents</b>	<b>13</b>	<b>7**</b>	<b>15</b>
of which with serious consequences	0	2**	0
of which resulting in deaths	0	0	0
<b>Recordable accident rate</b>	<b>3.87</b>	<b>1.94**</b>	<b>2.25</b>
Rate of work-related accidents with serious consequences	0	0,55**	0
Death rate	0	0	0
Occupational illnesses	0	5	1

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.

\*\* The 2022 figures have been restated from the previous reporting to include the Gamma figures, which were not available at the time of the previous reporting.

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





# OUR CONCERN FOR THE ENVIRONMENT

○ **Kitchen & Systems**

**CUBO DESIGN** | Miton, Mènta kitchen

**The IDB Group believes that sustainable development is a factor for growth and success and is, therefore, a guarantor of prosperity in the long-term. This is why the Group is paying more and more attention to the potential impact of its activities on the environment.**

This is why the Group is paying more and more attention to the potential impact of its activities on the environment. It expresses this commitment primarily in its compliance with existing laws and regulations, as well as its desire to implement initiatives to reduce any material environmental impacts.

The Group's first Non-Financial Statement responds to the requirements of Legislative Decree 254/2016, but it forms part of a context of continuity with the Sustainability Report published in 2022 and 2023. Once again, with this document, the IDB Group demonstrates its continuous commitment to the conscious management of its production activities, made possible also through the constant monitoring of its environmental performance.

Gervasoni serves as a prime example of the attention that Group companies pay to environmental issues: the company has adopted an Environmental Management System certified according to the UNI EN ISO 14001:2015 standard. This certification provides a regulatory framework to monitor and continuously improve

the management of environmental issues in the company, including through the definition of goals and responsibilities in the management of its impacts. The other Group companies have set up similar management systems for the continuous monitoring and implementation of their performance.

In particular, in 2023, the Group concretised its desire to reduce its environmental impact by focusing its efforts on combating climate change through two initiatives:

- Obtaining ISO 14064 certification, which has enabled the quantification, monitoring and reporting of GHG emissions through the expansion of the Group's inventory of direct (scope 1) and indirect (scope 2 and 3) GHG emissions;
- The decision to offset CO<sub>2</sub> emissions through the purchase of carbon credits.

These initiatives are described in detail in the chapter "The Group's choice for carbon neutrality".



## 4.1 THE GROUP'S IMPACTS ON CLIMATE CHANGE

**The first step in calculating the GHG emission inventory is to monitor energy consumption to maintain control of emissions from the activities carried out by companies.**

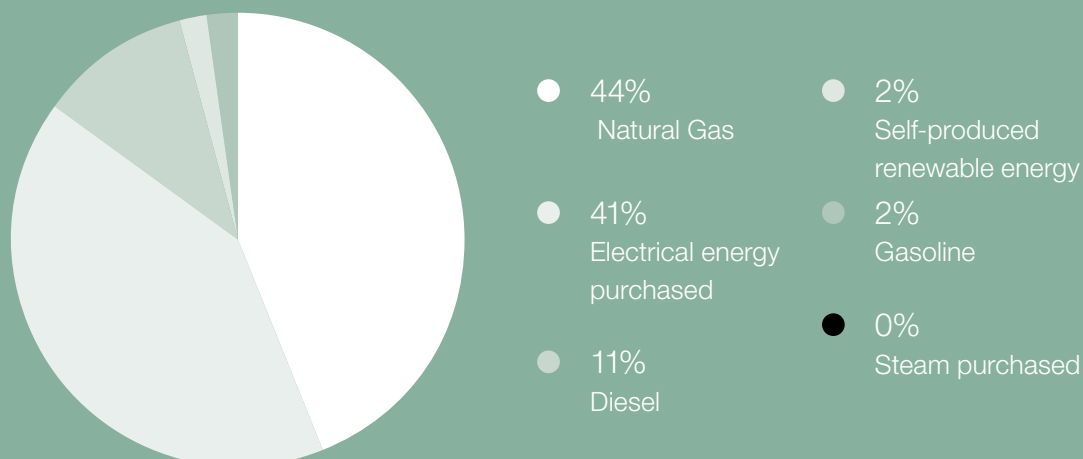
The monitoring of energy consumption and climate change emissions is the basis of the strategy for reducing climate change and, therefore, complying with the international climate agreements set out in the 2015 Paris Agreement.

### 4.1.1 Energy consumption

In recent years, Group companies have taken several initiatives to improve their energy efficiency. One of the main actions has been the replacement of high-consumption lamps with LED technology in both offices and production areas. In 2011, a photovoltaic system was installed, consisting of 2,346 photovoltaic solar panels capable of producing about 90% of Gervasoni's energy consumption. In 2023, Gamma also installed one with a power of 94.4

KW that has already produced about 60 MWh of renewable electricity. In 2023, Gervasoni also invested in energy efficiency projects, such as the installation of new windows and blackout curtains in one of the production buildings. At the same time, awareness-raising campaigns have been launched among employees to reduce energy waste in partial compensation for the significant increase in energy prices in 2022.

#### ENERGY SOURCES (2023)



Natural gas is the energy source that contributes the most to the Group’s consumption. This fossil source, which provides 44% of the energy, is mainly used to heat offices and production sheds by all companies except Meridiani France, IDB UK, and Flexalighting, which use heat pumps. Electricity consumption for lighting, heat pumps and the operation of production machinery and tools represents 41%, of which 86% is purchased directly from the grid and about 5% comes from photovoltaic sources. Diesel fuel consumption accounts for 11% of consumption, while the use of gasoline is minor (2%). These two fuels encompass the uses of the company’s fleet, net of a small share dedicated to emergency diesel generators. The remaining 6% of self-produced energy is generated through the photovoltaic systems of Gervasoni and Gamma and the Cubo trigenerator. The latter uses a natural gas

trigenerator to cover part of its electricity, heat, and cold water consumption. The generation of electricity from trigenerators represents about 565 MWh and satisfies about one fifth of the electricity demand, while a small portion (3.6 MWh) is distributed to the national electricity grid.

Total energy consumption increased by 61% compared to 2022, during which the increase was already 22% over 2021. The significant increase is mainly due to the entry of new companies into the Group (Cubo and Nian) and to a lesser extent, to the increase in the production volumes of the respective companies.

The entry of Cubo in 2023 led to a sharp increase in energy consumption as the “Kitchen & Systems” business represents 43% of total consumption.

Energy source*	Unit	Total**			Furniture		
		2021	2022	2023	2021	2022	2023
Diesel	GJ	2,690	4,220	5,007	1,462	2,725	2,673
Gas	GJ	489	662	843	293	309	120
Natural gas	GJ	12,069	14,596	20,487	8,093	10,711	7,758
Electricity purchased	GJ	6,408	8,091	18,851	3,250	4,712	4,444
Steam purchased	GJ	102	102	89	-	-	-
Self-produced renewable energy	GJ	2,277	2,297	2,296	2,277	2,297	2,296
Of which consumed	GJ	1,072	1,087	1,143	1,072	1,087	1,143
Of which sold	GJ	1,205	1,210	1,154	1,205	1,210	1,154
<b>Total</b>	<b>GJ</b>	<b>22,830</b>	<b>28,759</b>	<b>46,419</b>	<b>14,170</b>	<b>19,543</b>	<b>16,138</b>

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.

\*\* Electricity supply data for the Furniture business area was restated for 2022 following the recalculation of the figure.

\*\*\* Data for Axolight Italia (for natural gas) and Axolight US are estimated from the economic data in their utility bills.





<i>Lighting</i>			<i>Luxury Contract</i>			<i>Kitchen &amp; Systems</i>			<i>Corporate</i>		
<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
821	670	1,132	406	678	674	-	-	372	-	148	155
32	26	30	153	166	167	-	-	132	10	161	394
734	562	1,159	2,944	3,220	2,145	-	-	9,322	298	103	103
505	579	1,097	2,579	2,658	3,119	-	-	10,055	75	142	136
-	-	-	-	-	-	-	-	-	102	102	89
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<b>2,092</b>	<b>1,837</b>	<b>3,418</b>	<b>6,082</b>	<b>6,722</b>	<b>6,105</b>	<b>-</b>	<b>-</b>	<b>19,881</b>	<b>485</b>	<b>657</b>	<b>877</b>

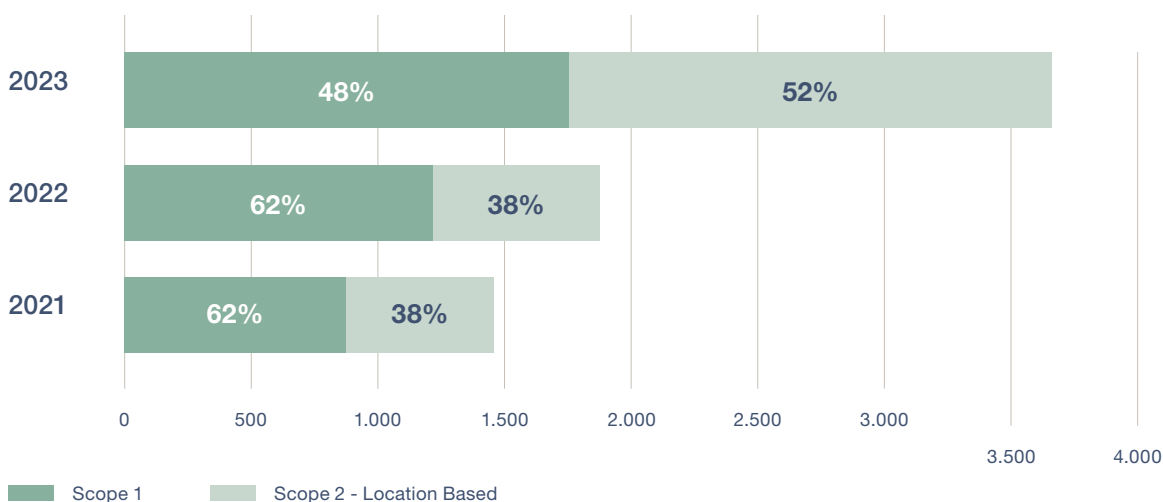
## 4.1.2 GHG emissions

### The IDB Group began monitoring GHG emissions from its activities in 2020.

The Group reports both direct and indirect emissions: the first are from the use of natural gas for heating, fuels used by the company’s fleets and, finally, from climate change emissions caused by the dispersion of refrigerant gases into the atmosphere (scope 1); indirect emissions are derived from the purchase of electricity from the national grid and the purchased steam (scope 2). Similarly to energy consumption and, therefore,

as a result of the entry of new companies into the Group, emissions are in sharp growth compared to 2022, a year also characterised by a growth in consumption, largely for the same reasons. Scope 1 direct emissions account for about 48% of total emissions in 2023, a decrease compared to the previous three years (61% in 2021, 62% in 2022) due to the entry of the “Kitchen & Systems” business area.

#### GHG EMISSIONS

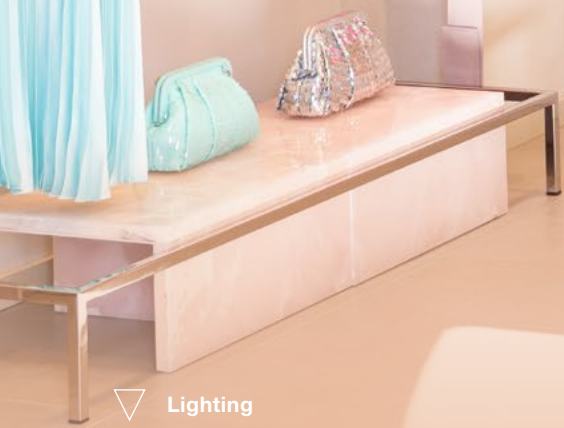


The business area that contributes the most to the Group’s emissions is “Kitchen & Systems” (about 47% of Scope 1 and Scope 2 location-based emissions), followed by “Furniture” (approximately 31% of Scope 1 and Scope 2 location-based emissions<sup>32</sup>). Specifically, the companies in these sectors have the highest

energy consumption due to their production processes of wood cutting, painting, and component assembly.

Below is a breakdown of the different categories reported: Scope 1, Scope 2 location based, Scope 2 market based and finally Scope 3 for the 2023 reporting year only.

**32.** Location-based method: based on the average emission factors related to energy generation on a regional, sub-regional or national basis.  
Market-based method: Based on CO<sub>2</sub> emissions generated by electricity suppliers from which the organisation procures energy, or on factors related to the relevant market.



▽ Lighting

FLEXALIGHTING | Jos PR6 projector

Co <sub>2e</sub> Emissions*		Total	Furniture	Lighting	Luxury Contract	Kitchen & Systems	Corporate
<b>Scope 1</b>	tCO <sub>2e</sub>	<b>917</b>	587	105	207	-	18
Stationary combustion	tCO <sub>2e</sub>	<b>681</b>	456	41	166	-	17
Mobile combustion**	tCO <sub>2e</sub>	<b>236</b>	130	64	41	-	1
Process-related	tCO <sub>2e</sub>	<b>0</b>	0	0	0	-	0
Fugitive	tCO <sub>2e</sub>	<b>0</b>	0	0	0	-	0
<b>Scope 2 – location based</b>	tCO <sub>2e</sub>	<b>565</b>	280	44	226	-	16
<b>Scope 2 – market based</b>	tCO <sub>2e</sub>	<b>816</b>	407	64	328	-	16
<b>Scope 1+2 location based</b>	tCO <sub>2e</sub>	<b>1,482</b>	866	149	433	-	33

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.  
 - Insignificant changes in data 2022 are due to changes in energy consumption.  
 \*\* 2021-2022 data also includes very limited diesel consumption for emergency generators.

Co <sub>2e</sub> Emissions*		Total	Furniture**	Lighting	Luxury Contract	Kitchen & Systems	Corporate
<b>Scope 1</b>	tCO <sub>2e</sub>	<b>1,172</b>	821	82	242	-	28
Stationary combustion	tCO <sub>2e</sub>	<b>823</b>	604	32	181	-	6
Mobile combustion**	tCO <sub>2e</sub>	<b>349</b>	216	50	60	-	23
Process-related	tCO <sub>2e</sub>	<b>0</b>	0	0	0	-	0
Fugitive	tCO <sub>2e</sub>	<b>0,4</b>	0	0,4	0	-	0
<b>Scope 2 – location based</b>	tCO <sub>2e</sub>	<b>710</b>	405	51	233	-	22
<b>Scope 2 – market based</b>	tCO <sub>2e</sub>	<b>1,021</b>	585	73	337	-	25
<b>Scope 1+2 location based</b>	tCO <sub>2e</sub>	<b>1,882</b>	1,225	132	474	-	50

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.  
 - Insignificant changes in data 2022 are due to changes in energy consumption.  
 \*\* 2021-2022 data also includes very limited diesel consumption for emergency generators.



Co <sub>2e</sub> Emissions*		Total	Furniture	Lighting	Luxury Contract	Kitchen & Systems	Corporate
<b>Scope 1</b>	tCO <sub>2e</sub>	<b>1,723</b>	660	160	186	678	41
Stationary combustion	tCO <sub>2e</sub>	<b>1,276</b>	450	80,3	123	618	6
Mobile combustion***	tCO <sub>2e</sub>	<b>423</b>	210	79,4	63	36	35
Process-related	tCO <sub>2e</sub>	<b>24</b>	0	0	0	24	0
Fugitive	tCO <sub>2e</sub>	<b>0</b>	0	0	0	0	0
<b>Scope 2 – location based</b>	tCO <sub>2e</sub>	<b>1,891</b>	447	111	305	1,022	6
<b>Scope 2 – market based</b>	tCO <sub>2e</sub>	<b>2,365</b>	562	136	384	1,275	8
<b>Scope 1+2 location based</b>	tCO <sub>2e</sub>	<b>3,614</b>	1,106	271	490	1,700	47
<b>Scope 3</b>	tCO <sub>2e</sub>	<b>68,837</b>	20,880	7,414	10,374	30,153	16
<b>Scope 1 + 2 (LB) + 3</b>	tCO <sub>2e</sub>	<b>72,451***</b>	21,986	7,685	10,864	31,853	63

\* Data for IDB UK, IDB Suzhou, and Flexalighting North America are excluded from the reporting perimeter for 2023.

### 4.1.3 The Group's choice of carbon neutrality

**The Group's companies are sensitive to the pressing issue of climate change and have implemented initiatives and strategies over the years to reduce their GHG emissions, or at least contain their growth, which risks being driven by robust revenue growth.**

Cenacchi has been a pioneer in this regard, having undertaken and achieved, from the end of 2020, the path to obtaining ISO 14064 certification and having been the first to set itself the goal of carbon neutrality in its activities.

The company purchased carbon credits to offset its climate-altering emissions (Scope 1 and 2) in both 2021 and 2022 through the purchasing tool managed by the Clean Development Mechanism (CDM). This is a flexible mechanism born of the Kyoto Protocol that seeks to develop projects that guarantee a reduction in emissions in addition to the reduction that would already be achieved through social, economic, and environmental development. The additionality feature gives the projects managed by the CDM the ability to generate additional carbon credits that represent effective reduction actions.

With Cenacchi's example, the IDB Group has pursued its mission of responsibility by certifying itself according to the ISO 14064 framework. This decision reflects the willingness to proactively address the environmental impact of its activities, while demonstrating a first step toward decreasing the Group's climate change emissions. The inventory of its carbon footprint provides a solid basis for identifying priority areas for intervention and reduction.

The next step in reporting emissions was

to compensate for almost all emissions by purchasing carbon credits equivalent to 70,884 tonCO<sub>2</sub> for reforestation projects and the installation of a photovoltaic installation. A brief description of the two initiatives is given below:

- The first concerns the installation of a 10 MWp photovoltaic installation<sup>33</sup>, the energy of which is transferred to the grid to replace the fossil energy. The installation is located in India in the region of Rajasthan;
- The second concerns the reforestation of an area of 21,291<sup>34</sup> hectares previously deforested and used for grazing animals. The project, located in Uruguay, is also certified by the Rainforest Alliance and the Forest Stewardship Council (FSC).

These two initiatives reflect the Group's dual intentions: not only to mitigate its impact on the climate by purchasing carbon credits, but also to contribute positively to local development.

The certification is a signal to all stakeholders and the community in which the Group operates to demonstrate its commitment to climate impact management. The Group is aware of the increasing importance that climate change mitigation is acquiring for long-term sustainable economic, social, and environmental development, and it will continue to pursue the path of reducing its impacts in the years to come.

<sup>33</sup>. The purchase of carbon credits related to this project does not finance the entire construction of the installation, but only a minor part.

<sup>34</sup>. The purchase of carbon credits related to this project does not finance the reforestation of the entire area, instead only of a minor part.



Furniture

TURRI | Luxury house

## 4.2 WATER RESOURCE MANAGEMENT

**The Group’s water consumption is mainly linked to the use of support services (toilets and changing rooms) and is used for production activities only by some Group companies.**

Water is used as a means of dust abatement in the paint booths of companies involved in painting and woodworking processes and in the cutting processes for companies in the “Kitchen & Systems” business area. All companies draw water from the municipal aqueduct, with the exception of Cubo which draws water from the reclamation consortium where the Tordino river flows<sup>35</sup>.

The “Kitchen & Systems” business area accounts for 50% of consumption, while the “Furniture Area” accounts for 34%, followed by “Luxury Contract” for 12%. The usage of the “Lighting” business area is negligible at about 4% of the total, as water is not used in production processes, instead only in support services.

The total water intake was 24,492 m<sup>3</sup> in 2023, a marked increase compared to 2022 due to the entry of companies belonging to the “Kitchen & Systems” business area.

It should also be noted that two hidden water losses occurred: The first was identified in 2021 by Flexalighting; the second was found by Gervasoni at its Pavia di Udine plant. Both losses were promptly identified and repaired, having led to an increase in consumption of about 3,500 m<sup>3</sup> in the three-year period of 2021-2023. In addition to the hidden losses, Saba's consumption was higher in 2021 (+100%) than in 2022-2023 due to the construction works of the new plant, built near the existing one.

Water usage*	Unit	Total**			Furniture		
		2021	2022	2023	2021	2022	2023
<b>Total usage</b>	<b>m<sup>3</sup></b>	<b>10,138</b>	<b>10,361</b>	<b>24,492</b>	<b>5,323</b>	<b>5,440</b>	<b>8,424</b>
From surface water	m <sup>3</sup>	131	139	8,402	0	0	0
From groundwater	m <sup>3</sup>	0	0	0	0	0	0
from municipal aqueduct	m <sup>3</sup>	10,007	10,222	16,090	5323	5440	8,424

\* Please refer to the methodological note for the 2021 and 2022 data perimeter.  
All water used is considered to be fresh water, i.e. with a total concentration of dissolved solids <= 1.000 mg/L.

35. Water usage is 11% from areas of low to medium water stress, 6% from areas of medium to high water stress, 22% from areas of high water stress, and the remaining 61% from areas of extremely high risk.





○ Kitchen & Systems

CUBO DESIGN | Binova Bluna Vogue

<i>Lighting</i>			<i>Luxury Contract</i>			<i>Kitchen &amp; Systems</i>		
2021	2022	2023	2021	2022	2023	2021	2022	2023
938	499	909	2,146	2,753	2,871	0	0	12,288
0	0	360	0	0	0	0	0	8,042
0	0	0	0	0	0	0	0	0
938	499	549	2,146	2,753	2,871	0	0	4,246

## 4.3 WASTE MANAGEMENT

All IDB companies monitor and manage waste generation and disposal in full compliance with legal requirements. The companies responsible for the transport and disposal of waste are selected on the basis of both economic and technical assessments, considering the most appropriate ways of disposal for each type of waste.



**99%**  
is non hazardous  
waste

Almost all of the waste generated by the Group's companies is non-hazardous waste (about 99%). The predominant type of waste is wood, a type of waste closely linked to the production activities of most of the Group's companies. It represents the largest percentage of waste produced, about 66% of the total, while the second largest quantity category is "mixed material packaging".

Waste generated*	Unit	Total*			Furniture		
		2021	2022	2023	2021	2022	2023
Wood	ton	381	459	2,053	48	49	82
Mixed packaging	ton	184	216	432	82	95	123
Chemicals	ton	81	69	110	25	29	29
Paper	ton	81	98	123,6	81	98	109
Plastic	ton	23	23	28,6	23	23	28
Metals	ton	12	11	38	2	2	25
Small appliances	ton	4	1	5	3	1	3
Other	ton	2	19	71,8	1	19	1
Textiles	ton	0	0	1	0	0	1
Glass	ton	0	0	3	0	0	3
Inert (stone, marble)	ton	0	0	246	0	0	0
<b>TOTAL</b>	<b>ton</b>	<b>768</b>	<b>896</b>	<b>3,112</b>	<b>265</b>	<b>314</b>	<b>404</b>

\* Please refer to the methodological note for any perimeter exclusions and for 2021 and 2022 data.



64% of the waste produced by the Group is attributable to the “Kitchen & Systems” business area, followed by “Luxury Contract”.

The economic activities of these sectors make extensive use of wood for the construction of finished products; therefore, the waste consists mainly of wood-processing waste and wood chips, metal waste, or textile scraps in the case of the “Luxury Contract” and “Furniture” business areas. Hazardous waste, which accounts for approximately 1% of the total, includes chemicals such as residues, paint, and solvent containers, and small appliances. As with the other environmental indicators, the

entry of Cubo and Nian into the IDB Group led to a visible increase in the weight of the materials purchased and consequently in the waste generated.

With its environmental policy that acts as guarantor of effective practices, Gervasoni monitors the management and disposal of waste safely and in compliance with current legislation. Environmental policies are one of the benefits of the certification of the environmental management system according to ISO 14001, which also allows for a progressive improvement in waste management.

<i>Lighting</i>			<i>Luxury Contract</i>			<i>Kitchen &amp; Systems</i>		
2021	2022	2023	2021	2022	2023	2021	2022	2023
0	0	0	333	409	496	-	-	1,475
0	0	0	102	121	111	-	-	198
0	0	0	57	40	47	-	-	34
0	0	13,6	0	0	1	-	-	0
0	0	0,6	0	0	0	-	-	0
0	0	0	10	9	9	-	-	4
0	0	1	1	0	1	-	-	0
1	1	0,8	0	0	20	-	-	50
0	0	0	0	0	0	-	-	0
0	0	0	0	0	0	-	-	0
0	0	0	0	0	0	-	-	246
<b>1</b>	<b>1</b>	<b>16</b>	<b>502</b>	<b>580</b>	<b>685</b>	<b>-</b>	<b>-</b>	<b>2,007</b>





# METHODOLOGY NOTE

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Design Andrea Parisio

# METHODOLOGY NOTE

This document constitutes the first Non-Financial Consolidated Statement (hereinafter also the “Non financial Statement” or “Statement”) of the Italian Design Brands S.p.A. Group (hereinafter also “IDB Group”), based in Milan at Corso Venezia 29, The NFD was drawn up with the aim of continuously and transparently communicating the company’s commitment to sustainable development and to a business model respectful of the social, environmental, and economic reality in which the company operates.

The report regards the 2023 financial year (1 January to 31 December), and the figures are compared with the results of 2022 and 2021. The document, published annually, has been prepared in accordance with Legislative Decree No. 254/2016 and in accordance with the GRI Sustainability Reporting Standards (hereinafter, the “GRI standards”), updated in 2021 by the GRI – Global Reporting Initiative, according to the “in accordance” option. This NFD was approved on 11 March 2024 and is subject to limited assurance engagement according to the International Standard on Assurance Engagements principle ISAE 3000 (revised) by EY S.p.A.

## The reporting perimeter

As regards the reporting perimeter, the IDB Group’s Non-Financial Statement is aligned with the reference perimeter of the consolidated financial statements as at 31 December 2023, which transposes the data of the subsidiaries listed in the following table:

### NON-FINANCIAL STATEMENT PERIMETER 2023

ITALY	UNITED STATES	UNITED KINGDOM	CHINA	FRANCE	CANADA
<ul style="list-style-type: none"> <li>• Gervasoni S.p.A.</li> <li>• Meridiani S.r.l.</li> <li>• Saba Italia S.r.l.</li> <li>• Gamma Arredamenti Int. S.p.A.</li> <li>• Turri S.r.l.</li> <li>• Davide Groppi S.r.l.</li> <li>• Flexalighting S.r.l.</li> <li>• Axo Light S.r.l.</li> <li>• Cenacchi Int.S.r.l.</li> <li>• Modar S.p.A.</li> <li>• Cubo Design S.r.l.</li> <li>• Nian Design S.r.l.</li> </ul>	<ul style="list-style-type: none"> <li>• IDB USA Corp.</li> <li>• Gamma Arredamenti Int. Inc.</li> <li>• Turri USA Corp.</li> <li>• Axo Light USA Corp.</li> </ul>	<ul style="list-style-type: none"> <li>• Italian Design Brands UK Ltd.</li> <li>• Turri UK Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• IDB Suzhou Co. Ltd.</li> <li>• Shanghai Turri Furniture</li> </ul>	<ul style="list-style-type: none"> <li>• Meridiani France SARL</li> </ul>	<ul style="list-style-type: none"> <li>• Flexalighting North America Ltd.</li> </ul>



The data for the two-year period of 2021-2022 do not include the companies Axolight, Cubo, Nian, Turri and their subsidiaries, as their acquisition took effect in 2023. In addition, IDB UK, IDB US, Flexalighting North America, Gamma, and Gamma US are excluded from the 2021 data perimeter, as they were acquired in 2022.

It should be noted that Borman Lighting S.r.l. is not included in the 2023 data perimeter as it is not relevant due to the absence of a site and active employees.

In addition to what was stated in the previous paragraph, the environmental data perimeter includes the following perimeter limitations:

- IDB US is excluded from environmental indicators due to the unavailability of data for 2023; however, since the company is a trading company, without any production activities, the exclusion is not relevant to the total environmental data;
- Turri and its subsidiaries are excluded from all environmental indicators because, following the recent acquisition in October 2023, the data are not material;
- Water usage (GRI 303-3): Data for the corporate companies (IDB Italia, IDB UK, IDB US, IDB Suzhou) and other commercial companies were excluded from the reporting because they were not productive and were not considered material;
- Waste (GRI 306-3): Data for the corporate companies (IDB Italia, IDB UK, IDB US, IDB Suzhou) and other trading companies were excluded from the reporting because they were not productive and were not considered material.

As regards the perimeter of data on product safety and labelling and the percentage of expenditures on local suppliers, only data from production sites were collected. Although Turri S.r.l. is a production site, it has been excluded from the scope of these indicators because, following the recent acquisition in October 2023, the data are not significant. Additional perimeter exceptions are specified within the Report.

## The contents of the Non Financial Consolidated Statement

This Statement has been drafted in accordance with the principles set out in the GRI standards, such as the framework for sustainability, completeness, accuracy, balance, clarity, comparability, verifiability and timeliness. This Statement reports IDB’s results and performance in relation to the issues identified as material in the materiality analysis, representing the company’s

impacts on the economy, the environment, and people, including impacts on human rights. For more details, please refer to Chapter 1.3 “Our path to sustainability”. The process leading to the preparation of the 2023 *Non Financial Consolidated Statement* involved the corporate management of all Group companies.

### IDB MATERIAL TOPICS

TOPIC	MATERIAL TOPIC	GRI DISCLOSURE
Governance	Business ethics	201: Economic performance 205: Anti-Corruption
	Market presence	202: Market presence
	Support local communities	413: Local communities
People management	Health and safety in the workplace	403: Workplace health and safety
	Employee value and well-being	401: Employment 404: Training and education
	Diversity and equal opportunities	405: Diversity and equal opportunities
Products	Product safety and sustainability	416: Customer Health and Safety
	Product marketing and labelling	417: Marketing and labelling
	Supply chain management	204: Procurement practices
Environment	Circularity and efficient use of resources	301: Materials 303: Water and water discharges
		306: Waste
	Combating climate change	302: Energy 305: Emissions

The preparation of the Non-Financial Statement is based on a reporting process that begins with the involvement of the business areas responsible for the relevant sectors and the data covered by the Report. They were asked to help identify and assess the significant impacts, projects, and initiatives to be reported within the document, as well as the data collection, analysis, and consolidation phase, to verify and validate all the information contained in this

document, each for their own area of expertise. The data and information collected are derived from the corporate information systems used for the management and accounting of the Group companies and from a system of data collection sheets, especially prepared to meet the requirements of GRI standards. The data was processed using extractions and calculations. Any details of the calculations can be found within the document in the relevant chapters.





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## Main calculation criteria

### The methodological indications on how some indicators reported in the Non-Financial Statement are calculated are as follows:

#### Power consumption

The IDB Group's energy consumption (natural gas, electricity, diesel, gasoline) was calculated in terms of Giga Joules (GJ). To standardise the different energy carriers, conversion factors were used from the UK Department for Environment, Food & Rural Affairs (DEFRA) table "UK Government GHG Conversion factors for Company Reporting – Fuel properties" for the years 2021, 2022 and 2023.

#### Climate-altering emissions

The greenhouse gas emissions (Scope 1, Scope 2 location-based, and Scope 3) were calculated in accordance with UNI ISO 14064-3 for the year 2023. The certification was received by Bureau Veritas on 7 March 2023. Scope 2 market based greenhouse gas emissions in the NFD are not certified according to UNI ISO 14064-1:2018.

#### Direct (Scope 1) and indirect (Scope 2) emissions for the years 2021 and 2022

Greenhouse gas emissions were calculated in line with the standard published by the Greenhouse Gas Protocol Initiative in terms of CO<sub>2</sub> equivalents.

The following sources for emission factors were used to calculate **direct emissions (Scope 1)**:

- **Fuels (natural gas):** "UK Government GHG Conversion factors for Company Reporting – Fuel properties" of the UK Department for Environment, Food & Rural Affairs (DEFRA) for the years 2021 and 2022, from the "Fuels" table.
- **Fuels (petrol):** "UK Government GHG Conversion factors for Company Reporting – Fuel properties" of the UK Department for Environment, Food & Rural Affairs (DEFRA) for the years 2021 and 2022, from the table "Fuels" and "Passenger vehicles".
- **Fuels (Diesel):** "UK Government GHG Conversion factors for Company Reporting – Fuel properties" of the UK Department for Environment, Food & Rural Affairs (DEFRA) for the years 2021 and 2022, from the table "Fuels" and "Passenger vehicles".
- **Refrigerant gases (F-gases):** "UK Government GHG Conversion factors for Company Reporting" of the UK Department for Environment, Food & Rural Affairs (DEFRA) for the years 2021 and 2022, from the table "Refrigerant & other".

To calculate **indirect emissions (Scope 2)**, electricity consumption was converted according to location-based and market-based approaches, using the following sources for emission factors:

- For the **location-based approach**, calculated on the basis of the percentage composition of the national mix of each country (Italy, France, the United Kingdom, China, and the United States), the emission factor shown in Table 49 – Main socio-economic and energy indicators was used, as published by Terna in the section International Comparisons, published in its most recent version in 2020 for data relating to the years 2021 and 2022;
- For the **market-based approach**: for European sites the document "European Residual Mixes 2021" published in 2022 by the Association of Issuing Bodies (AIB) was used for 2022 data, and



the version published in 2021 was used for 2021 data. For US locations, "E-Grid", published in 2020 by the United States Environmental Protection Agency (EPA), was used for 2022 data. For the purposes of calculating emissions for the Chinese site, at the time of writing, the Residual Mix emission factors are not publicly available from accredited sources; for this reason, the same emission factors applied according to the location-based methodology, as published by Terna in the document "International Comparisons 2020", were used.

- For the calculation of emissions from purchases of network steam, it was assumed that the combustion of natural gas is used to bring the water into gaseous state. The emission factor values used are therefore those for natural gas as reported in the UK Government GHG Conversion factors for Company Reporting of the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2022, 2021 from the table "Fuels".

### Indirect emissions (Scope 3) for 2023

Indirect greenhouse gas emissions (Scope 3) were calculated in accordance with UNI ISO 14064-1:2018 for the year 2023.

All major greenhouse gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PFC, SF<sub>6</sub> and other fluorinated gases) were considered in the quantification. These were then translated into units of CO<sub>2</sub> equivalent (CO<sub>2</sub>eq) thanks to emission factors published by the International Panel on Climate Change (IPCC)<sup>36</sup>.

The categories included in the inventory are listed below as defined in the reference standard ISO 14064-1, for each category the sources of the emission factors used are given:

- 3.1 – Emissions relating to the transport of supplying of raw materials, semi-finished products, marketed products and packaging: calculated based on transported materials and driven distances (tons\*kilometres), using the Ecoinvent and Exiobase databases as the source for emission factors<sup>37</sup>.
- 3.2 – Emissions relating to the transport for the distribution of the finished product: the same calculation method was used for this category as for Category 3.1.
- 3.3 – Internal logistics emissions between facilities or between the company and subcontracted companies: the same calculation method was used for this category as for Category 3.1.
- 4.1 – Emissions related to energy uses and proprietary vehicles: related to climate change emissions tied to fuel supply stages (gasoline, diesel, and natural gas) and electricity. The source of the emission factors used is the Ecoinvent database.
- 4.2 – Emissions related to imported energy: the same calculation method was used for this category as for Category 4.1.
- 4.3 – Emissions from the procurement of raw materials, semi-finished products, marketed products and purchased packaging: related to emissions from the production of raw materials, semi-finished products, marketed products and purchased packaging. The activity data for quantifying impacts is expressed either as a mass or in terms of economic expenditure for the purchase. A specific emissions factor has been associated with each item reported by the company, the sources of which are Exiobase, Ecoinvent, and the Environmental Product Declaration (EPD) library.
- 4.4 – Emissions from outsourced production activities: related to emissions from outsourced production activities. Each item reported by the company has been associated with an emission factor whose sources are the *Ecoinvent and Exiobase databases*.

36. <https://www.ipcc.ch/>.

37. <https://www.exiobase.eu/>.

- 4.5 – Emissions related to the treatment of waste generated at its own facilities: related to emissions generated by the disposal of waste generated at the Group's facilities. In accordance with the end-of-life allocation approach, waste destined for recovery is associated only with the impact of transport to the treatment plant; for the disposal share, Ecoinvent emissions factors were used that take the average distribution between landfill and incineration into account.
- 5.1 – End-of-life emissions of products sold: the same calculation method was used for this category as for Category 4.5.

### **Health and safety**

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

The major accident frequency index is calculated as the ratio of the total number of accidents with a number of days absent of more than 180 to the number of hours worked in the same period, multiplied by 200,000.

### **Employees**

Employee data are represented as personnel at 31 December of the reference periods, and not as FTE (Full-time equivalent) data.

### **Information and contacts**

For further information on the IDB Group's sustainability strategy and the contents of this NFD, please write to the following address:

[investors@italiandesignbrands.com](mailto:investors@italiandesignbrands.com).



▽ Lighting

**AXOLIGHT** | Salina  
Design Francesca De Giorgi

# GRI CONTENT INDEX

Statement of use	IDB submitted reporting in accordance with the GRI standards for the period 01.01.2023-31.12.2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	There are currently no GRI sector standards that are relevant to the IDB Group's activities

GRI standard/ Other source	Disclosure	Location	Omission			Notes
			Requirement(s) Omitted	Reason	Explanation	
GENERAL DISCLOSURES						
GRI 2: General Disclosures 2021	2-1 Organisational Details	1.1.1 Group 1.1.2 The companies 1.2.1 Group corporate structure				
	2-2 Entities included in the organization's sustainability reporting	1.1.2 Companies				
	2-3 Reporting period, frequency and contact point	Methodology note				
	2-4 Restatements of information	GRI Content Index				Any restatements are indicated by means of appropriate notes below the tables for GRI indicators.
	2-5 External Assurance	Auditor's report				
	2-6 Activities, value chain, and other business relationships	1.1.2 Companies 2.1 The safety, quality, and sustainability of our products 2.3 Supply Chain Management				
	2-7 Employees	3.1.1 Human resources management				
	2-8 Workers who are not employees	3.1.1 Human resources management				
	2-9 Governance structure and composition	1.2.2 Corporate Governance				
	2-10 Nomination and selection of the highest governance body	1.2.2 Corporate Governance				
	2-11 Chair of the highest governing body	1.2.2 Corporate Governance				



GRI standard/ Other source	Disclosure	Location	Omission			Notes
			Requirement(s) Omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	1.2.2 Corporate Governance				
	2-13 Delegation of responsibility for managing impacts	GRI Content Index				There is no delegation of responsibility for impact management.
	2-14 Role of the highest governing body in sustainability reporting	1.3.1 Non-Financial Consolidated Statement and Materiality Analysis				
	2-15 Conflicts of interest	1.2.2 Corporate Governance				
	2-16 Communication of critical concerns	1.2.2 Corporate Governance 1.3.1 Non-Financial Consolidated Statement and Materiality Analysis Methodology note				
	2-17 Collective knowledge of the highest governance body	GRI Content Index				In 2023, no measures were implemented to further expand the collective knowledge of the highest governing body on sustainable development.
	2-18 Evaluation of the performance of the highest governing body	GRI Content Index				There is currently no system in place to assess the performance of the highest governing body in overseeing the management of impacts on the economy, the environment, and people.
	2-19 Remuneration policies	1.2.2 Corporate Governance				
	2-20 Process to determine remuneration	1.2.2 Corporate Governance				

GRI standard/ Other source	Disclosure	Location	Omission			Notes
			Requirement(s) Omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	N/A	2-21 a, b, c	Information not available/incomplete.	The data was not reported due to data retrieval restrictions	
	2-22 Statement on sustainable development strategy	A message to our stakeholders				
	2-23 Policy commitment	1.2.2 Corporate Governance				In 2023, the precautionary principle is not applied to policy commitments.
	2-24 Embedding policy commitments	1.2.2 Corporate Governance				
	2-25 Processes to remediate negative impacts	A message to our stakeholders 1.2.2 Corporate Governance				
	2-26 Mechanisms for seeking advice and raising concerns	1.2.2 Corporate Governance Methodology note				
	2-27 Compliance with laws and regulations	GRI Content Index				During 2023, there were no cases of non-compliance with laws and regulations.
	2-28 Membership in associations	1.2.3 The value generated and distributed				
	2-29 Approach to stakeholder engagement	A message to our stakeholders 1.2.2 Corporate Governance 1.3.1 Non-Financial Consolidated Statement and Materiality Analysis				
	2-30 Collective bargaining agreements	GRI Content Index				100% of employees in Italy are covered by collective bargaining agreements.





GRI standard/ Other source	Disclosure	Location	Omission			Notes
			Requirement(s) Omitted	Reason	Explanation	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.3 Our journey to sustainability Methodology note				
	3-2 List of material topics	1.3 Our journey to sustainability Methodology note				
<b>ECONOMIC INDICATORS</b>						
<b>ECONOMIC VALUE GENERATED AND DISTRIBUTED</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 The value generated and distributed Methodology note				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.2.3 The value generated and distributed				
<b>MARKET PRESENCE</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 The value generated and distributed Methodology note				
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	1.2.3 The value generated and distributed				
<b>PROCUREMENT PRACTICES</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3 Supply Chain Management Methodology note				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	2.3 Supply Chain Management				
<b>ANTI-CORRUPTION</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.2 Corporate Governance Methodology note				
GRI 205: Anti- Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	1.2.2 Corporate Governance				
	205-3 Confirmed incidents of corruption and actions taken	1.2.2 Corporate Governance				
<b>ENVIRONMENTAL INDICATORS</b>						
<b>MATERIALS</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	2.2 The materials used Methodology note				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	2.2 The materials used				

GRI standard/ Other source	Disclosure	Location	Omission			Notes
			Requirement(s) Omitted	Reason	Explanation	
<b>ENERGY</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	4.1.1 Energy consumption Methodology note				
GRI 302: Energy 2016	302-1 Energy consumed within the organisation	4.1.1 Energy consumption				
<b>WATER AND WATER DRAINAGE</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	4.2 Water resource management Methodology note				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	4.2 Water resource management				
	303-2 Management of water discharge-related impacts	4. Our concern for the environment				
	303-3 Water withdrawal	4.2 Water resource management				
<b>EMISSIONS</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	4.1.2 GHG emissions Methodology note				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.1.2 GHG emissions				
	305-2 Energy indirect (Scope 2) GHG emissions	4.1.2 GHG emissions				
	305-3 Other indirect (Scope 3) GHG emissions	4.1.2 GHG emissions				
<b>WASTE</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	4.3 Waste management Methodology note				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	4.3 Waste management				
	306-2 Management of significant waste-related impacts	4.3 Waste management				
	306-3 Waste generated	4.3 Waste management				
<b>SOCIAL INDICATORS</b>						
<b>EMPLOYMENT</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1.1 Human resources management Methodology note				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	3.1.1 Human resources management				



GRI standard/ Other source	Disclosure	Location	Omission			Notes	
			Requirement(s) Omitted	Reason	Explanation		
<b>OCCUPATIONAL HEALTH AND SAFETY</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	3.2 Health and Safety in the workspace Methodology note					
	403-1 Occupational health and safety management system	3.2 Health and Safety in the workspace					
	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	3.2 Health and Safety in the workspace					
	403-3 Occupational health services	3.2 Health and Safety in the workspace					
	403-4 Worker participation, consultation, and communication on occupational health and safety	3.2 Health and Safety in the workspace					
	GRI 403: Occupational health and Safety 2018	403-5 Worker training on occupational health and safety	3.2 Health and Safety in the workspace				
		403-6 Promotion of worker health	3.2 Health and Safety in the workspace				
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.2 Health and Safety in the workspace				
		403-9 Work-related injuries	3.2 Health and Safety in the workspace	403-9 b.	Information not available/incomplete	The data on non-employee workers for 2023 is not available	
		403-10 Work-related ill health	3.2 Health and Safety in the workspace				
<b>TRAINING AND EDUCATION</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1.2 Training and Skills Development Methodology note					
	GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	3.1.2 Training and Skills Development				
<b>DIVERSITY AND EQUAL OPPORTUNITIES</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.2 Corporate Governance Methodology note					
	GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	1.2.2 Corporate Governance 3.1.1 Human resources management				

GRI standard/ Other source	Disclosure	Location	Omission			Notes
			Requirement(s) Omitted	Reason	Explanation	
<b>LOCAL COMMUNITIES</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 The value generated and distributed – the creation of value in the territory Methodology note				
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	1.2.3 The value generated and distributed – Creating value in local areas				
<b>CUSTOMER HEALTH AND SAFETY</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	2.1 The safety, quality, and sustainability of our products Methodology note				
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2.1 The safety, quality, and sustainability of our products				
<b>MARKETING AND LABELLING</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	2.1 The safety, quality, and sustainability of our products				
GRI 417: Marketing and labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	2.1 The safety, quality, and sustainability of our products – Product labelling and marketing communications				
	417-3 Incidents of non-compliance concerning marketing communications	2.1 The safety, quality, and sustainability of our products – Product labelling and marketing communications				



○ Kitchen & Systems

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## Independent auditor's report on the consolidated disclosure of non-financial information in accordance with article 3, par. 10, of Legislative Decree 254/2016 and with article 5 of Consob Regulation adopted with Resolution n. 20267 of 18 January 2018 (Translation from the original Italian text)

To the Board of Directors of  
Italian Design Brands S.p.A.

We have been appointed to perform a limited assurance engagement pursuant to article 3, par. 10, of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and article 5, par. 1. G) of Consob Regulation adopted with Resolution n. 20267/2018, on the consolidated disclosure of non-financial information of Italian Design Brands S.p.A. and its subsidiaries (hereinafter "Group" or "IDB Group") for the year ended on 31<sup>st</sup> December 2023 in accordance with article 4 of the Decree, and approved by the Board of Directors on 11<sup>th</sup> March 2024 (hereinafter "DNF").

Our limited assurance engagement does not cover the information included in the paragraph "European Taxonomy" of the DNF, that are required by art. 8 of the European Regulation 2020/852.

### Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), identified by them as a reporting standard.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

### Auditor's independence and quality control

We are independent in accordance with the ethics and independence principles of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA)

EY S.p.A.  
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Sede Secondaria: Via Lombardia, 31 - 00187 Roma  
Capitale Sociale Euro 2.800.000,00 i.v.  
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi  
Codice fiscale e numero di Iscrizione 06434000584 - numero R.E.A. di Milano 806158 - P.IVA 00891231003  
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

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Code) issued by *International Ethics Standards Board for Accountants*, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. Our audit firm has applied the *International Standard on Quality Control 1 (ISQC Italia 1)* and, as a result, has maintained a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

### Auditor's responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the DNF with the requirements of the Decree and of the GRI Standards. Our work has been performed in accordance with the principle of "*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. This principle requires the planning and execution of work in order to obtain a limited assurance that the DNF is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the *ISAE 3000 Revised* ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, documents analysis, recalculations and other procedures aimed to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant matters in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied.
2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;
3. comparison of the economic and financial data and information included in the DNF with those included in the IDB Group's consolidated financial statements;
4. understanding of the following aspects:
  - Group's management and organization business model, with reference to the management of the matters indicated in the article 3 of the Decree;
  - policies adopted by the Group related to the matters indicated in the article 3 of the Decree, results achieved and related key performance indicators;
  - main risks generated or suffered related to the matters indicated in the article 3 of the Decree.

With regard to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 5. a) below.



5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.

In particular, we have conducted interviews and discussions with the management of Italian Design Brands S.p.A. and with the personnel of Gamma Arredamenti International S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the DNF.

Furthermore, for significant information, considering the Group activities and characteristics:

- at Group level:
  - a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidences;
  - b) with reference to quantitative information, we performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- for Gamma Arredamenti International S.p.A., that we have selected based on its activities, relevance to the consolidated performance indicators and its location, we have carried out site visits during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

## Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the DNF of the IDB Group for the year ended on 31<sup>st</sup> December 2023 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

Our above conclusions on the DNF of the IDB Group do not refer to the information included in the paragraph "European Taxonomy" of the DNF itself, that are required by art. 8 of European Regulation 2020/852.

## Other aspects

The comparative data disclosed in the DNF for the years ended on 31<sup>st</sup> December 2021 and on 31<sup>st</sup> December 2022 were not subject to verification.

Treviso, 26<sup>th</sup> March 2024

EY S.p.A.  
Signed by: Mauro Fabbro, Auditor

*This report has been translated into the English language solely for the convenience of international readers.*





Editorial Project Coordination  
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Art direction and graphic project  
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