

Make your space

responsible

2018–2019

Sustainability report

Table of contents

Letter from the Management Board	02	4 Together we are a team	49
We set goals	04	4.1 Our employees	50
We deliver on promises made in 2016–2017	06	4.2 Recruitment	54
Nowy Styl in figures	08	4.3 First moments at Nowy Styl	58
1 About Nowy Styl	11	4.4 Work rules	62
1.1 How and where we operate	11	4.5 Safety culture	66
1.2 Our development is founded on values	14	4.6 A good place for personal development	71
1.3 Organisational culture	15	4.7 Health and team building	75
1.4 Company management	15	5 Building a sustainable supply chain	81
1.5 Business strategy	17	5.1 Setting standards	83
1.6 Continuous development	20	5.2 Caring about joint growth	84
1.7 We have been recognised	22	5.3 Nowy Styl's supply chain	85
2 We care about relationships	25	6 Concern for climate change	91
2.1 Impact areas	26	6.1 Consumption of raw materials and consumables	93
2.2 Stakeholder mapping	27	6.2 Reducing emissions	98
2.3 Dialogue with stakeholders	28	6.3 Waste management	102
2.4 Organisations and associations	30	6.4 Waste water	105
3 We design spaces furnished with responsibility	33	6.5 Towards green energy	105
3.1 We know how to make your space	34	6.6 Water management	107
3.2 Well-planned space	35	7 Spurring local development	109
3.3 For the sake of health	37	7.1 Our social commitment	110
3.4 Acoustic comfort	39	7.2 Support for education	111
3.5 Long product life	40	7.3 Our input in culture	114
3.6 We care about the quality and safety of products	43	7.4 In the spirit of fair play	116
3.7 Design awards	46	8 About the report	119
		Assurance report	122
		GRI Index	124

Letter from the Management Board

GRI
102-11

GRI
102-14

GRI
102-15

Dear Sir or Madam,

Today, we are giving you the latest edition of *Nowy Styl Sustainability Report*. Although it is concerned with our activities in 2018–2019, we worked on the report at a peculiar time, when the whole world was anxiously following the rise of the coronavirus pandemic. It has threatened our health and lives in the first place, but it has also caused enormous turbulence in the economy. As is the case with abnormal climate conditions, such as the more and more devastating droughts, floods and whirlwinds, it is hard not to perceive this epidemic as a serious warning signal, perhaps one of the last ones sent to man by nature, rebelling against his actions. Although not really, as calling it a rebellion actually puts nature in the role of an aggressor, while in fact it simply acts in self-defence.

We believe that our response to that warning should be an enhanced sustainable development policy, which is exactly about that: reducing and countering disastrous practices and implementing initiatives to protect our planet and its inhabitants. Therefore, we did our best not to lose sight of the idea of corporate responsibility even for a moment, even though those two years were a time of exceptionally hard work, which gave Nowy Styl a strengthened market position as an industry leader in comprehensive office and public space arrangement. We kept that idea in mind as we acquired three more companies: Kusch+Co, Stylis and Majencia, and entered into a strategic partnership with HNI Corporation, which opened up even greater prospects for our global growth. We were also guided by that same idea as we started a number of initiatives to reorganise our internal structure and improve customer service, the most important being the processes of segmentation and rebranding, which have been initiated. Finally, we had it in mind when we came to our offices and plants every day to perform our daily duties. Every time we did, we thought to ourselves: ‘Make your space responsible’, paraphrasing the motto of our company.

We are aware that we still have a lot of work ahead of us. So, looking humbly at our achievements in 2018–2019, today we are setting ourselves new ambitious goals in this area. We want to be able to say with full responsibility in our next report that our products, our solutions and the way we work have become even more environmentally, and people, friendly.

One of the most important challenges we are about to face in the next two years is to develop our portfolio in a way ensuring that we can offer even better ergonomics, and thus more effective protection of users’ health, and incorporating circular economy to reduce the volume of consumables and raw materials used in production. In the customer service area, we will strive to better understand the needs of our partners and customers, so as to be able to respond to their needs more effectively. We intend to introduce solutions that will make contacting us easier, reduce

the time of service and allow intuitive use of our online tools. We will also promote a culture of health and safety at work, as well as continue to build a sense of belonging to one organisation founded on mutual respect and tolerance among our employees based in many different countries. Finally, we will continue our engagement in the lives of local communities, and in doing so, we aim to target our support more precisely than before, focusing on those activities that will provide the most needed and effective support.

At the same time, we are aware there is a period of great uncertainty ahead. We do not know when the coronavirus pandemic is going away, and what lasting impact it is going to have on both our industry and our daily lives when it does. Therefore, perhaps the biggest challenge we are facing today is to respond appropriately to the changes taking place. We are already working to expand our range of home office products, which are likely to become more popular. On the other hand, we are keeping a close eye on the problem of safe return to workplaces, to which we have devoted a report titled *Welcome Back... to the Office!*. As far as business strategy planning is concerned, COVID-19 forces us to be much more cautious. However, we must not let it freeze us completely. We need to find a golden mean, so as to stay protected if the situation takes a bad turn, but also to continue developing.

Nevertheless, one thing is certain: as humanity, we must not delay taking decisive action to protect our climate and environment. The disasters reported by the media almost every day make one think. Reduction of CO₂ emissions is a key issue here, as is our company's commitment for the coming years. We plan to achieve this objective primarily by increasing the share of green energy in the mix of energy sources our factories and offices use for day-to-day operation. Integration of our IT systems and development of videoconferencing tools, on the other hand, will allow us to reduce the number of business trips in the company, which we hope will contribute to cutting our carbon footprint. These are, of course, just a few of the areas where we are going to work hard in order to counteract the degradation of our planet.

Meanwhile, we invite you to read this report and find out more about our past achievements in sustainable development. We are ready for dialogue, so we will be more than happy to hear your opinion about them, whether good or critical. Should you have any questions, we are always here for you.

Nowy Styl Management Board

We set goals

Nowy Styl's business is founded on the assumption that our activities should be successful, efficient and friendly. It is part of our mission statement, which reads:



With great passion and respect for the natural environment, we help people arrange offices and other public spaces. We make sure they respond to people's needs concerning health and comfort, increase job satisfaction and efficiency, and fulfil individual requirements regarding ergonomics and aesthetics. We want them to serve people as best they can.





In order to fulfil the company's mission, achieve a competitive market position and strengthen our customers' trust, thus ensuring business continuity, we focus on achieving objectives consistent with the **Sustainable Development Goals** based on the guidelines described below.

We provide our clients with comprehensive services and meet their ever growing expectations.



We regularly improve the usability, ergonomics and durability of our products.



We guarantee continuous development of the company by expanding to international markets and increasing our global and local responsibility.



We eliminate potential threats by identifying, analysing and assessing risks and opportunities in processes and workplaces.



We provide safe and hygienic working conditions to prevent injuries and diseases.



We protect the health and safety of people staying on our premises, as well as customers and subcontractors.



We engage our employees and stakeholders in building a culture of safety.



We identify and monitor environmental aspects, thereby minimising the negative impact on the natural environment.



We care about rational consumption of natural resources, using technologies that reduce production waste.



We design products in line with the circular economy model.



We train employees to raise awareness of their impact on the environment, quality and safety.



We achieve compliance with applicable regulations and comply with other requirements.



We deliver on promises made in 2016–2017



We have managed to fully or partially deliver on as many as 22 out of 24 of the commitments. Delivery of the remaining two is underway.

Commitment delivery rate (24)



Realised 80–100%

Customers and products	We will continue to facilitate implementation processes and the flow of knowledge concerning products, by transferring the internal certification procedure for products and the base of certificates to the product lifecycle management system (PLM).
Environment	With a view to improving the working conditions of the employees at the Wood Processing Plant and reducing the electric energy consumption, we will replace the dust collection system in two production halls in Rzepedź with a system that will have a higher efficiency of extract air filtration.
Environment	We will continue the process of changing the lighting in the production and storage halls to LED light sources.
Environment	We will use an alternative packaging method on the German market. For the furniture range, we will use “L-shaped” pallets to make better use of the loading space, and for grupage orders, we will replace the stretch film with PP tape and limit the use of plastic packaging.
Environment	We will continue the implementation of advanced IT systems (Track&Trace, EDI, WMS), which facilitate logistics processes and reduce the number of printed documents.
Environment	We will create a logistics model that will include reverse logistics, which takes into account the second lifecycle of products; we will carry out a pilot project on the Dutch market.
Environment	We will develop a new logistics model that will include the use of the special corletta load carriers for transporting furniture.
HR	We will be present on recruitment portals.
HR	We will create a professional “Career” tab on our website.

Realised 80–100%

HR	We will continue the Talent Program for employees who will take part in interdisciplinary training courses and implement projects.
HR	We will maintain internal communication with employees through our “Spinacz” magazine, the Intranet, the organisation of Open Days, etc.
HR	We will develop our communication with international employees.
BHP	We will improve the workplace safety in our factories by conducting professional training courses on qualified first aid for employees, creating rescue teams and equipping our plants with R1 medical bags, as well as by providing employees who need them with corrective safety glasses.
BHP	For guests visiting our factories, we will create a video presenting the principles of safety.
BHP	With the health and comfort of employees working in the Office Furniture Factory in mind, we will create a “First Aid Room” for those who require it, as well as a “Rest Room” for pregnant women and nursing mothers.
Local communities	We will support the passion and development of talented young people.
Supply chain	We will continue to develop purchase strategies for individual categories.
Supply chain	We will create and implement purchasing processes on the IT platforms.
Supply chain	We will deal with the optimisation of the following commercial parameters: LT, MOQ, payment deadlines and purchase cost.

Realised 50–79%

HR	We will develop our cooperation with higher education facilities in order to match educational programs to the needs of employers and build relationships with potential employees.
Ethics / Organisational culture	We will organise events and prepare materials promoting cultural diversity for employees and the local community.
Supply chain	We will implement specifications of purchasing requirements for materials and components of the products designed for the project market in our purchasing procedure.

Realised under 50%

Customers and products	We will create an internal knowledge base that will include the requirements of standards and certifications for groups of materials, products and components that are binding on particular markets.
Ethics / Organisational culture	We will expand the program of ethics training courses for employees.

Nowy Styl in figures

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The biggest

manufacturer of office
furniture in Europe

461 m EUR

in sales revenues

Showrooms in

33 cities

and departments in

16 countries

in Europe and the Middle East

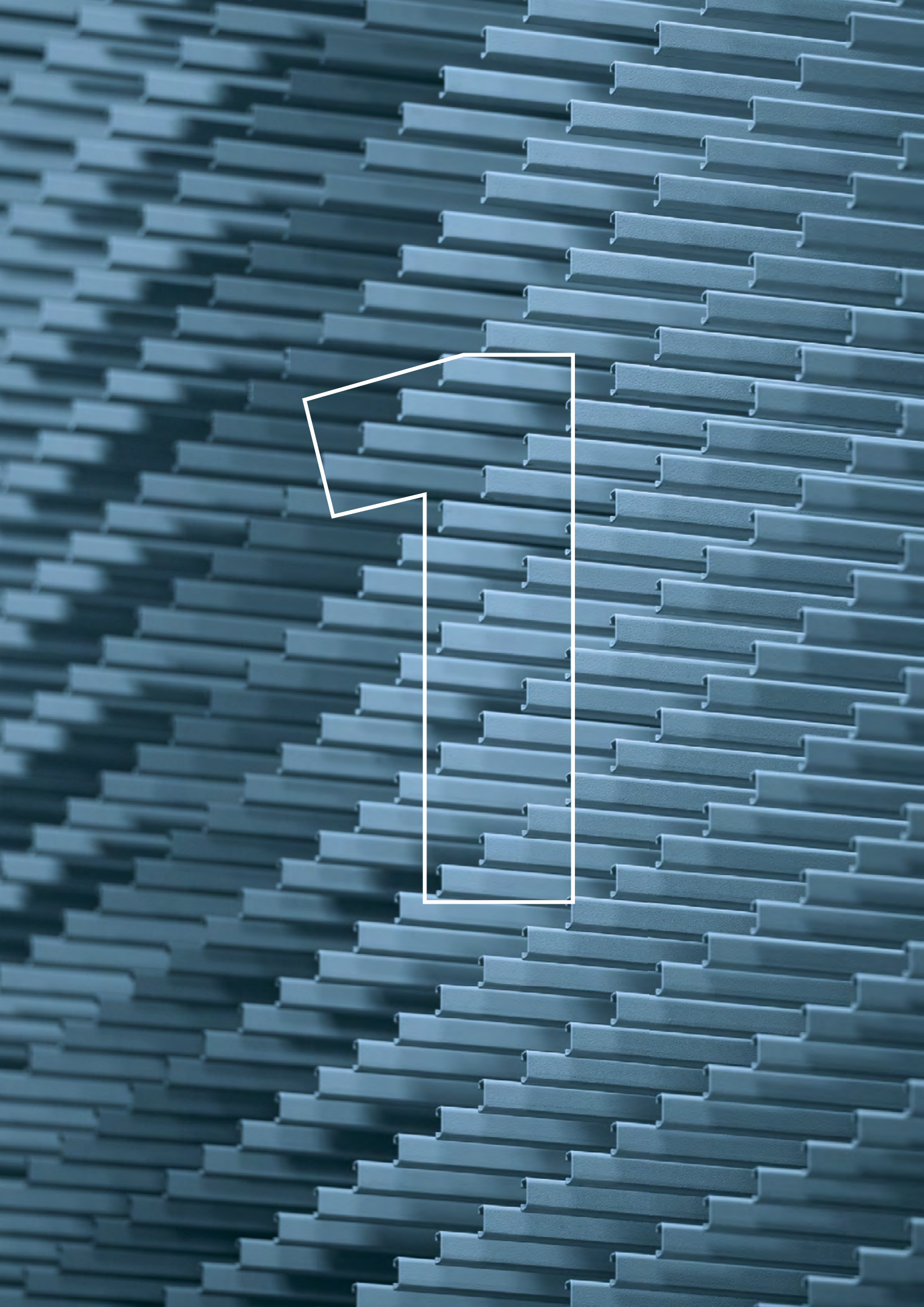


220,000 m²
of production space in
7 countries

Almost
107,000 m²
of warehouse space
in various European countries

Products delivered to over
100 countries

Founded in
1992



1 About Nowy Styl

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Almost 30 years have passed since brothers Adam and Jerzy Krzanowski assembled the first several café chairs with their own hands, and loaded them into the back of a passenger car. Then, they travelled across Poland, showing those first chairs to potential customers, hoping

for their interest and first contracts. Over the course of three decades, almost everything has changed at Nowy Styl. Almost, because we persistently insist on keeping certain things the way they were at the beginning.

1.1 How and where we operate

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In 1992, the brothers worked in a makeshift assembly plant manned by seven people, including themselves. It was based near Krosno, a small town in south-eastern Poland.

Today, more than **7,000 people** work in our factories and offices in 16 countries, including our joint-ventures. Our employees come from about 50 countries in 5 continents. This gives us the ability to respond to any needs, and adapt to any local conditions.

Through our companies, branches and sales departments, **products and solutions offered by Nowy Styl are distributed all over the world – to a total of about 100 countries.** Our achievements over the last quarter of a century are best summed up by our industry leader position in the comprehensive arrangement of offices and public spaces: stadiums, halls, cinemas, theatres, passenger terminals and hotels.



Nowy Styl globally

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Our headquarters:

Krosno – headquarters and the Board's office

Jasło – main production location

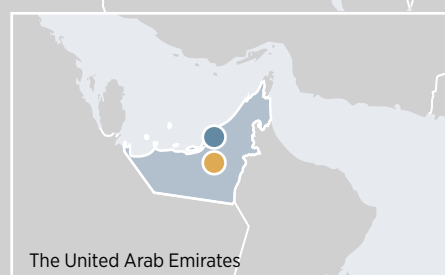
Cracow – the Board's office

Legend:

- Branches
- Factories
- Showrooms

Our representative offices are located in:

Austria
Belgium
Czech Republic
France
Germany
Great Britain
Hungary
Kazakhstan
Poland
Russia
Slovakia
Switzerland
The Netherlands
The United Arab Emirates
Turkey
Ukraine





The **Capital Group of Nowy Styl** is composed of: Nowy Styl Sp. z o.o. as the parent company, subsidiaries, jointly controlled entity, and joint ventures. Selected companies have been shown in the table below.

Our *Sustainability Report* focuses only on companies that carry out production (Nowy Styl Sp. z o.o., Nowy Styl GmbH, Rohde & Grahl GmbH, Sitag AG, Kusch+Co GmbH, Nowy Styl – Majencia SAS).

Nowy Styl's structure



1.2 Our development is founded on values

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In the course of our dynamic development, we have not forgotten the fundamental values on which the Krzanowski brothers started building their business. Business history knows many examples of progress, which has been paid for with the loss of values. At Nowy Styl, values have always come first, and no decision has

ever been made to contradict them. Therefore, even though our payroll has grown a thousandfold, we want the atmosphere at the company to be the same as before, when there were only seven of us: breathing healthy ambition, honesty, mutual trust, care for one another's safety, respect and simply – friendliness.

Our values



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Values are inherently linked to our organisational culture, which in turn determines the **Code of Ethics**, published in 2017 (its update is planned for 2020). It defines ethical standards in place at Nowy Styl in the following areas: intra-company relations, company property, personal data protection, customer and supplier relations, material benefits, conflict of interest, competition, health and safety at work, natural environment, and local community. It is one of the first documents anyone starting work in our organisation will become familiar with.

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A special role in enforcing the Code is played by **Ethics Officers**, three of whom have been appointed in Poland (in the Podkarpacie region and Cracow), as well as their counterparts in each of our international companies. Any questions and concerns, as well as any violations of the *Code of Ethics* can be reported to them. In Poland, we have also set up an **Ethics Council**, which brings together the Ethics Officers and representatives of the various departments. The Council meets at least once a year to address broad ethical, environmental and social issues in an interdisciplinary circle. Tasks of the Council include:



[Click to view the Code of Ethics](#)

- make sure ethical standards in the company are observed,
- exchange best practices between the companies,
- carry out internal social audits,
- report training needs/initiate communication on ethical topics,
- prevent situations reported to the Officers from recurring.

1.3 Organisational culture

Education, humility and lesson-learning are other underlying qualities of Nowy Styl's organisational culture. Their immediate ramifications include our company's growing focus on research and development – developing our own technologies and methods to improve performance. In that spirit, a sustainability policy has emerged and become disseminated across our company. When we look back to the early 1990s, we must honestly admit that the issues of corporate responsibility were not discussed particularly loudly in Poland at that time. We were one of the first companies to expand business in Western Europe, and we were fo-

cused on exploring local markets, so we quickly noticed the important role of aspects such as ecology there. Ever since, we have been constantly adapting and transplanting best practices to other markets, trying to infect our partners with them and thus expanding the value chain. For this is how we understand responsibility and its role in everything we do, most importantly in providing our customers with products and services that will allow them to develop with respect and care for the environment, local communities and their own employees.

1.4 Company management

“A leader is someone people will follow, someone people want to work with and someone they trust. Someone genuine. Someone who has good contact with employees and sets an example for them,” said Adam Krzanowski for Forbes in mid-June 2020. Krzanowski is the president of Nowy Styl and the winner, along with his brother Jerzy, of the Forbes magazine's 21st Century Leaders award in 2019. It is not by accident that we are quoting him on that

here. At Nowy Styl, managerial titles are used for formality's sake only. In practice, the Management Board strongly believe in real leadership, a partnership based on dialogue, not dictatorship. Of course, they do run our business and the company's development, but they try to confirm with their day-to-day decisions that theirs is far from an authoritarian approach.








Photo: Forbes

This democratic leadership model dates back to the Management Board appointed in 2008, composed of five members who shared out competences, making each member responsible for different areas of the business. Nevertheless, decisions are always taken in joint discus-

sions and consultations. Even if one of the members dis-sents on a specific issue, they fully accept majority opinion and share the responsibility. The top management's team spirit penetrates our entire organisation, reaching all of its levels.







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Flow chart showing the division of responsibilities among the members of the Management Board:

PRESIDENT	VICE-PRESIDENT	VICE-PRESIDENT	MEMBER OF THE BOARD	MEMBER OF THE BOARD
				
Adam Krzanowski	Jerzy Krzanowski	Rafał Chwast	Dariusz Frydrych	Roman Przybylski
Ethics HR Workplace Research and Consulting Domestic Sales Production and Supplies Planning Quality Technology	Investment Strategic Procurement Administration Eastern Markets	Finance IT Customer Service Business Process Analysis Legal Department M&A	Production	International Sales Product Management Brand Management Forum Seating Sales

To streamline our operations and for a better insight into Nowy Styl's projects, we have also set up an Extended Management Board which complements the head manage-

ment team in key business areas. Members of the Extended Management Board have the following competences:

					
Tomasz Bardzik	Bartosz Karasiński	Józef Leszczyński	Małgorzata Naparło	Paweł Smaś	Mariusz Sobociński
Production Planning and Supply Division Director, Quality Division Director	Export Sales Director	Domestic Sales Department Director	Customer Service Department Director	Technical Division Director	IT and Business Analyst Director

Taking key environmental, economic and social decisions is the responsibility of the Ethics Board, chaired by the President of the Management Board.

1.5 Business strategy

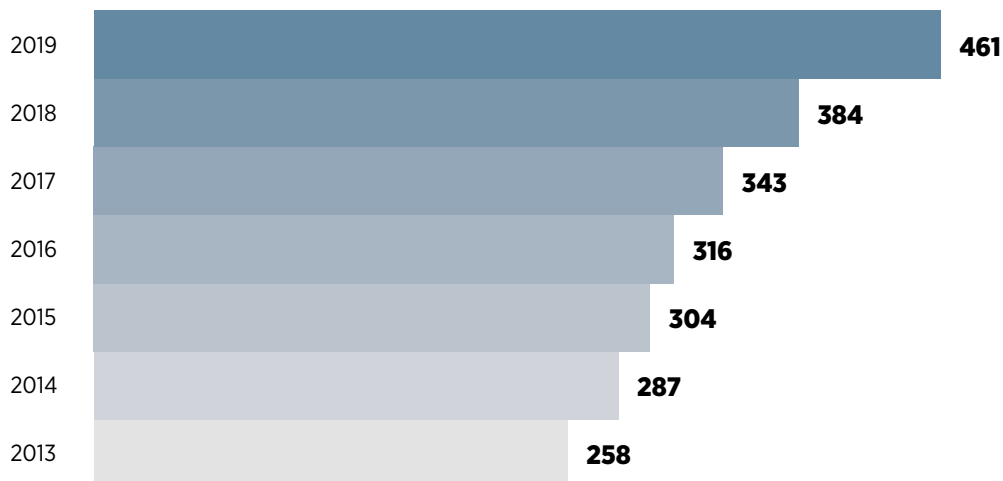
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Compared to 2017, our sales revenues grew by EUR 41 million (from EUR 343 m to 384 m) after 12 months, and by further EUR 77 million a year later (up to EUR 461 m). This significant growth was possible thanks to Nowy Styl's business strategy, followed

consistently for many years. Its main goal is to combine organic development with acquisitions of companies whose portfolios will complement our offer and allow us to expand our business in new sectors.

Revenue from sales together with joint-venture (EUR m)



Nowy Styl Capital Group's financial results (EUR thousand)

Financial results	2018	2019
Direct economic value generated		
Net revenues from the sale of products and services	309,731.1	385,558.6
Economic value distributed		
Operating costs without employee wages and benefits	190,707.4	238,476.5
Employee wages and benefits	82,336.9	107,452.4
Payments to investors	5,390.3	4,811.9

The financial results are presented based on consolidated data for all of Nowy Styl, i.e. for those member companies of the Capital Group in which we have a 100% stake and the Hungarian company Telmex-Nowy Styl Zrt., which we run together with a Hungarian partner (50% stake), without breaking them down into the countries of operation. This is the way we analyse data for our internal purposes too. It is useful, because it allows us to measure the value we generate for the customer at the Group level.

This kind of consolidated data is presented in this report.

To us, organic growth is primarily about strengthening existing sales structures in the individual countries, continuously improving customer relations, building a global image, making choices to concentrate more forces and resources in key markets and leading segments, investing in production and logistics, and finding partners with whom we can gain a competitive advantage. Finally, we place increasing emphasis on an extremely important aspect, which is a sustainability policy.

Looking back at the years 2018–2019 from the angle of organic growth, what comes to the fore are our activities aimed at the reorganisation of internal structures combined with the harmonisation of our external image and building a better model of cooperation with key customers in the project market.

Nowy Styl Group

NowyStyl

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One of the most important projects of 2019 was the **rebranding** process, started in the autumn. We decided that after several years of very dynamic development and gaining shares in new markets, something we achieved through several different brands operating under the banner of Nowy Styl Group, it was time to harmonise our perception-building activities and start building a single, strong brand. We decided it would be called Nowy Styl, a direct reference to the early days of our company. We thought the name best embodies the entrepreneurial spirit and, above all, the set of values that underpin our company. *“Nowy Styl stands for innovative thinking – all the time, every day,”* says Adam Krzanowski.

But the rebranding is not only about changing the name and designing a new logo. It is all about reorganising our portfolio – harmonising product names, marketing materials and labelling – and a much deeper integration of employees. Finally, it is about a much better use of synergies between our companies, departments and production plants. We started the process in October 2019 on the Polish market, planning out its full implementation for the next dozen months or so.

As far as customer relations go, we focused on **segmentation**. Seeing the growing share of the project market (commercial furniture) in our business, we decided to clearly define the scope of our services based on the size of the customer. Before 2018, when we first started testing segmentation in practice, we did not differentiate between customers. As a result, virtually every customer, whatever their contract value, could expect a wide range of services such as mock-up production and free customisation of products ordered. This way, we inadvertently inflated the level of service provided to smaller customers, at the expense of those who brought the biggest profits. It had to be sorted out.

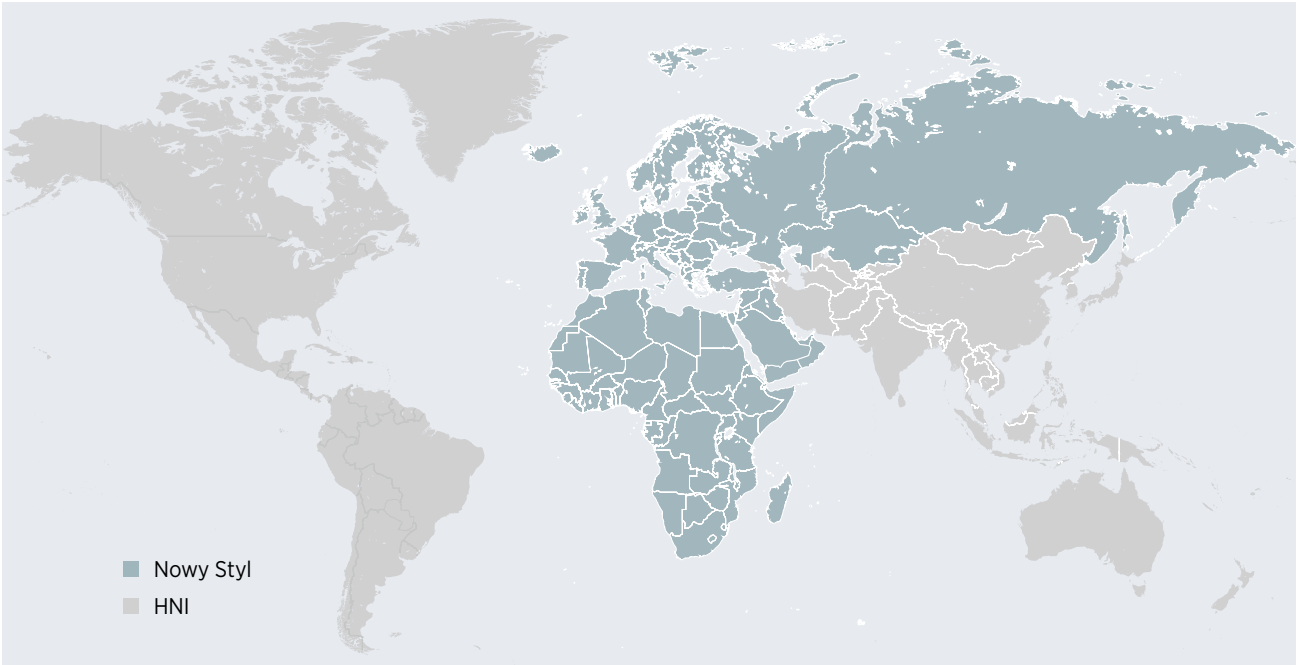
In short, after introducing the segmentation, we now have clearly defined packages for specific customers. This enables us to provide better service to our most important partners and build strong relationships with them. On the other hand, we make every effort to ensure that smaller customers still feel they are a very important partner for us.



**Click to find out more
about the rebranding**

With global customers in mind, in mid-2018 we partnered with **HNI Corporation**, a leading supplier and manufacturer of office solutions operating in the North American, Asia Pacific and Australian markets. Together with HNI, we are able to come forward with a comprehensive offer for

international customers with a network of branches and agencies in many countries. As a rule, such corporations are interested in organising global tenders. The joining of forces has opened up a number of perspectives for us in this regard.



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Acquisitions continue to be the second driving force of our development. We made the first one in Germany in 2011 (the Grammer Office brand), and five more brands have joined Nowy Styl ever since, three of them in 2018–2019. These were: Stylis (we acquired 60% of shares in the company in February 2018) – a company based in Dubai whose core business is furnishing hotels, but it also serves as a base for the development of our office business in the Middle East; Kusch+Co (acquisition in

January 2019) – a German family-owned company with a well-established position among architects, famous for its designer solutions for a number of sectors such as transport (passenger terminals) and healthcare; Majencia (which joined us in May 2019) – one of the office solutions industry leaders in France for a number of years, the acquisition of which is expected to help us gain a greater share in the local market.



Each of the companies was selected based on very careful analysis, where we checked which new sectors of business were worth investing in and which markets had growth potential. Above all, we calculated the maximum potential synergies with the companies that had already

been part of our organisation (taking advantage of the production, logistics and sales potential to create a complementary offering). In this way, we shape a valid business model that is based in equal parts on organic growth and acquisitions.

With every year, an increasingly important role in this model is played by our **sustainable development policy**. Our company has been built based on responsibility and values right from the beginning, but those rules remained unwritten for many years – which was, of course, also the case for other companies out there. As we grew and expanded the scope of our business, we started paying attention to a number of new issues. The first sustainability report we published covered the period of 2012–2013. It is worth noting that it was one of the few publications of this type in Poland at that time. We drew patterns from the West, where responsibility policy had played a huge role by then. Transplanting it to home soil

became one of our priorities very soon, which is why publishing sustainability reports every two years became a standard for our company. This was reflected in the subsequent publications: for 2014–2015, 2016–2017 and the current one, which describes what our company did for the past two years. As mentioned above, in 2018–2019 we initiated some large-scale reorganisation and harmonisation processes, which also applied to our sustainable development policy. We wanted it to have an increasing impact on our daily decisions, which involved a lot of effort on our side. As a result of that work, an updated policy will appear in 2020.

1.6 Continuous development

Talking about business strategy and sustainable development policy, we have to mention our research and development projects. They greatly influence the pace and direction of our company's growth. Products advanced in terms of technology and ergonomics, faster data processing, process automation, reducing environmental burden (products made in line with circular economy guidelines, reduction of industrial waste, reduction of energy and raw materials consumption) and strengthening the safety culture among our employees and colleagues – these are the key areas that we focused on in 2018–2019.

The Xilium swivel chair is the perfect example of a product that guides the development of our portfolio.

We have equipped the model, created in tandem with the designer Martin Ballendat, with modern mechanisms offering users an unprecedented level of comfort and, most importantly, ergonomics. These include our patented X-MOVE mechanism, which enables dynamic movement in the frontal plane and activates fine torsional movement of the lumbar section of the spine. We consider Xilium to be a groundbreaking design for one more reason: we have designed it in line with the guidelines of circular economy. It is the first model in our offer that has been very carefully screened in terms of materials from which it is made. In the future, we are definitely going to follow the road paved in the making of this chair.



*Click to find out more
about the Xilium*



Our in-house **Research and Development Centre**, developed with EU funding, will certainly help us achieve that goal. We modernised a floor space of over 1,500 square metres in an existing office building in Jasło, and we converted it into an in-house research laboratory. There, we built 102 modern workstations for R&D personnel, and purchased a range of specialised machinery, research equipment and software to accelerate the prototyping of new products and continuous improvement of existing ones in terms of their ergonomics, environmental impact as well as the efficiency of deployment and manufacturing.

Cutting down product deployment and modification times was another important element that has strengthened our competitive advantage. Automation of product customisation process was one answer to the changing needs of our customers. Parametric data models, integration of the CAD and ERP environment as well as implementation of the PLM platform have all become part of Industry 4.0, a concept we have been developing for a long time, which helps deliver data to machines automatically in a very short time. Technical and production data prepared in advance help dramatically reduce the time from a customer's order to the delivery of finished products.

Laboratory facilities are not the only area where we bring in innovations. We are gradually modernising our plants, adjusting them to environmental and other requirements. Our modern powder coating line MLO2, completed in 2018–2019, is an example of such an investment. It has helped optimise production processes in three main areas: reduction of coating powder consumption standards by using a recirculation process to reclaim paint which could not be recovered in the older technology; increasing production capacity by about 60% for the powder-coating process; and reducing the consumption of chemicals thanks to the use of bath filtration systems in the process that prepares parts for coating.

At the Wood Processing Plant at Rzepedź, we have implemented two projects to help protect the environment by reducing the consumption of energy and raw materials. The first one was the launching of a new dust collection system which uses vacuum instead of overpressure, which has reduced the energy needed to power the system by more than 50%. After consulting with customers, our specialists have also distinguished a new quality class of wood veneer, which is the essential raw material processed in the plant, obtained from tree trunks. The new Class Q2 veneer has properties between Classes 1 and 2, and it can be used as Class 1. This has resulted in a significant reduction in demand for wood (we can obtain a higher percentage of veneer considered top class from the same amount of raw material).

It is worth noting that we have been gradually changing the layout and operation of all our plants over the last decade, to match the standards of lean management. In this way, all our plants have uniform operating and safety procedures, which are essential for lean tools. These in turn are closely connected with our proprietary H&S training sessions. As a result of these efforts, our accident rate is getting lower. It is noteworthy that several of our plants have already celebrated a full year without an accident. One of them is the plant in Rzepedź (with the 12-month accident-free period falling at the turn of 2019), which is really unique considering how many risks wood processing involves.

The **safety culture** we have been building consistently has a direct impact on the development of our company. Our employees and subcontractors can work at our plants without fear for their own health and life. This, of course, translates into their efficiency and satisfaction.

Projects aimed at streamlining work which have a positive impact on the environment have also been carried out in Nowy Styl offices. Introduction and popularisation of the **Avaya** system was the flagship project here. Avaya is a kind of portal for setting up video meetings, both for internal needs and meetings with external companies. Any employee, as well as anyone from outside the company holding a valid authorisation can join a video conference, teleconference or online presentation using a computer, or a mobile or landline phone. All Nowy Styl offices and showrooms are provided with special video conferencing rooms that can be booked using a business calendar.

In 2019 alone, 5,982 calls lasting 6,900 hours, equivalent to a whopping 287 days were made through Avaya. That modern communication tool has greatly reduced the need for business trips and accelerated a number of processes.

1.7 We have been recognised

Our activities have been appreciated

and awarded in Poland and internationally:

- **Man of the Year 2017** in the Meble Plus – Product of the Year 2018 competition. Adam Krzanowski was awarded for his bold business decisions and skilful management of an enterprise which achieved global success in a short time, as well as his social activities and caring to run a “business with a humane face”.
- Nowy Styl’s growing activity in the Middle East market has won recognition in business circles. The company won a prestigious award in the **European Leadership Awards** competition for creating a new brand Stylis there in January 2018. We won in the Global Success Leader category.
- **Polish Company – International Champion** is a competition for the biggest Polish exporters and companies investing abroad. The Chapter looked at our investment activity in 2015–2017: the bold investment in the Swiss market, the establishment of Stylis Dubai, the entry into the Middle East hotel market and the constant development of manufacturing infrastructure and showrooms in European locations. Not only did our company not slow down the pace of expansion in those years, but it continued to work consistently, in accordance with its adopted development objectives.
- **The Golden Hundred of Subcarpathia 2018** – a plebiscite organised by the Polish Economic Society, which is an important source of information on the condition and development of business entities in Subcarpathia. In the main category of the ranking, which honours companies that influence the dynamic development of the region, Nowy Styl was ranked 3rd.
- Kusch+Co joined the elite group of Germany’s most famous brands. The company was recognised for its services to the development of the country’s design. The German Design Council listed Kusch+Co in its latest volume of the legendary publication **Die großen deutschen Marken** describing the most famous local brands.
- **Winner of Investment Diamonds** in the category Polish Global Investor. The jury of the competition recognised the company for building its position based on innovation, a good understanding of customers’ needs and a consistent international expansion, the last success of which was the acquisition of Majencia.
- **Polish Ambassador** – a title we were awarded in Wprost weekly’s ranking of 200 Biggest Polish Companies. The value of exports we achieved in 2018 placed us at the top of the podium in that category. Importantly, among many Polish exporters who are winning international markets with good value for money, our company has built its own, strong and internationally recognisable brand.
- Adam and Jerzy Krzanowski were honoured with **BrandMe CEO**, an award for authentic, transparent and brave CEOs. Last year’s edition of the award held by the Forbes magazine was themed Leaders of the 21st Century. The Chapter of the award appreciated the brothers’ courage in decision-making. Winners needed to show an expressive style of management, and their management vision and style had to be consistent. The CEOs’ impact on their environment was also an important criterion.
[Click to find out more](#)
- **Transaction of the Year, M&A of the Year** is an award our company received for its last year’s acquisitions of the German company Kusch+Co and the French company Majencia.
[Click to find out more](#)



CSR awards:

- **EcoVadis** – in its assessment, the platform uses 21 criteria blocked into four areas: Labour and Human Rights, Environment, Ethics and Sustainable Procurement. Our approach to CSR management was assessed as structured and proactive. In the 2019 assessment, Nowy Styl won a silver medal, while Rohde & Grahl, a company operating on the German market which was also assessed individually, won a platinum medal. Nowy Styl was classified among the top 19% of all audited companies, which gives it an above-average EcoVadis score.
[Click to find out more](#)
- **Ranking of Responsible Companies** – prepared by Prof. Bolesław Rok of the Kozminski Academy's Centre for Business Ethics, Deloitte and Dziennik Gazeta Prawna daily. In 2018, we finished 16th and managed to keep the place a year later, in spite of the growing requirements.
[Click to find out more](#)
- **Responsible Business in Poland. Best Practices** – a publication of the Responsible Business Forum. In the 2019 edition of the Report, as many as 11 practices of Nowy Styl were described, which was a record number.
- **Leader of Sustainable Development** – a title awarded for business responsibility, care for social interests and environmental protection by the jury of Responsible Business Awards. The competition is organised by the Executive Club.
- **CSR Leaves** – the POLITYKA weekly evaluates companies in six categories defined in line with the international social responsibility standard ISO 26000. In 2018, we were among the winners of Polityka's Silver CSR Leaf, and in 2019 – White Leaf. In addition, we were recognised for designing in line with circular economy guidelines and manufacturing the Xilium chair, which can be adjusted to the individual needs of its users.





2 We care about relationships

The essential tool we use for corporate responsibility management is our biannual sustainability report called CSR Code. In addition to figures, the report also describes our strategic objectives and commitments for the following years, which we then scrupulously account for.

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Our sustainable development is consistent with the **UN Global Compact** initiative, to which we are a signatory, and the “UN Guiding Principles on Business and Human Rights.” Our strategic objectives are in line with selected UN Sustainable Development Goals for 2030, which we present below. We refer our actions to these goals, which have been described in more detail in the following pages of this report.

Commitments for 2020–2021:



- We will develop our activities in areas such as environment, employment practices, raw material sourcing and business practices to obtain a Gold medal under EcoVadis assessment.



- We will update our *Code of Ethics* and introduce an *Policy and Procedure counteracting mobbing and discrimination*.



- We will consolidate our IT system operating in six production plants and more than a dozen distribution centres with respect to data security, standardisation of production automation and streamlining of logistics and financial operations.

2.1 Impact areas

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We are responsible for the impact we have on the environment. That is why we aim to actively shape a world that is friendly to future generations.

Key areas of Nowy Styl's impact and value creation:



Economic impact

- > Dominant employer in the region – creating jobs
- > Collaboration with local suppliers – our partners grow and develop with us
- > Employee wages and benefits
- > Taxes that support the growth of national and regional economies
- > Sponsorship – culture, sports, design and modern business services
- > Polish Confederation Lewiatan, Podkarpacki Business Club, Association of Family-Owned Businesses, industry organisations – creating and promoting good business practices



Social impact

- > Health and safety – education about healthy workstations; H&S activities and building a culture of safety in people's own workplaces
- > Making ergonomic chairs that improve working comfort
- > Wellbeing – better quality of life and wellbeing thanks to healthy and effective workplaces
- > Talent development – employee training and development programmes, collaboration with universities, internship programmes and dissertations; scholarships for talented young people
- > Social engagement – support for the development of culture, sports, healthcare and groups at risk of social exclusion



Environmental impact

- > Emissions of CO₂ and greenhouse gases
- > Emissions of harmful substances
- > Production and recycling of waste
- > Energy and water consumption
- > Consumption of materials (wood, leather, wool, steel and plastics)

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Thanks to the consistent enforcement of the company's ethics policy, as in previous years, we recorded no violations of free competition, fair free-market competition or any corrupt conduct. Nor have we been subject to any penalties for non-compliance with the law or any social or economic regulations.

To minimise business risk, we commit ourselves to develop and introduce an *Policy and Procedure counteracting mobbing and discrimination*, and to update the *Code of Ethics* based on topics that are important to us and our customers.

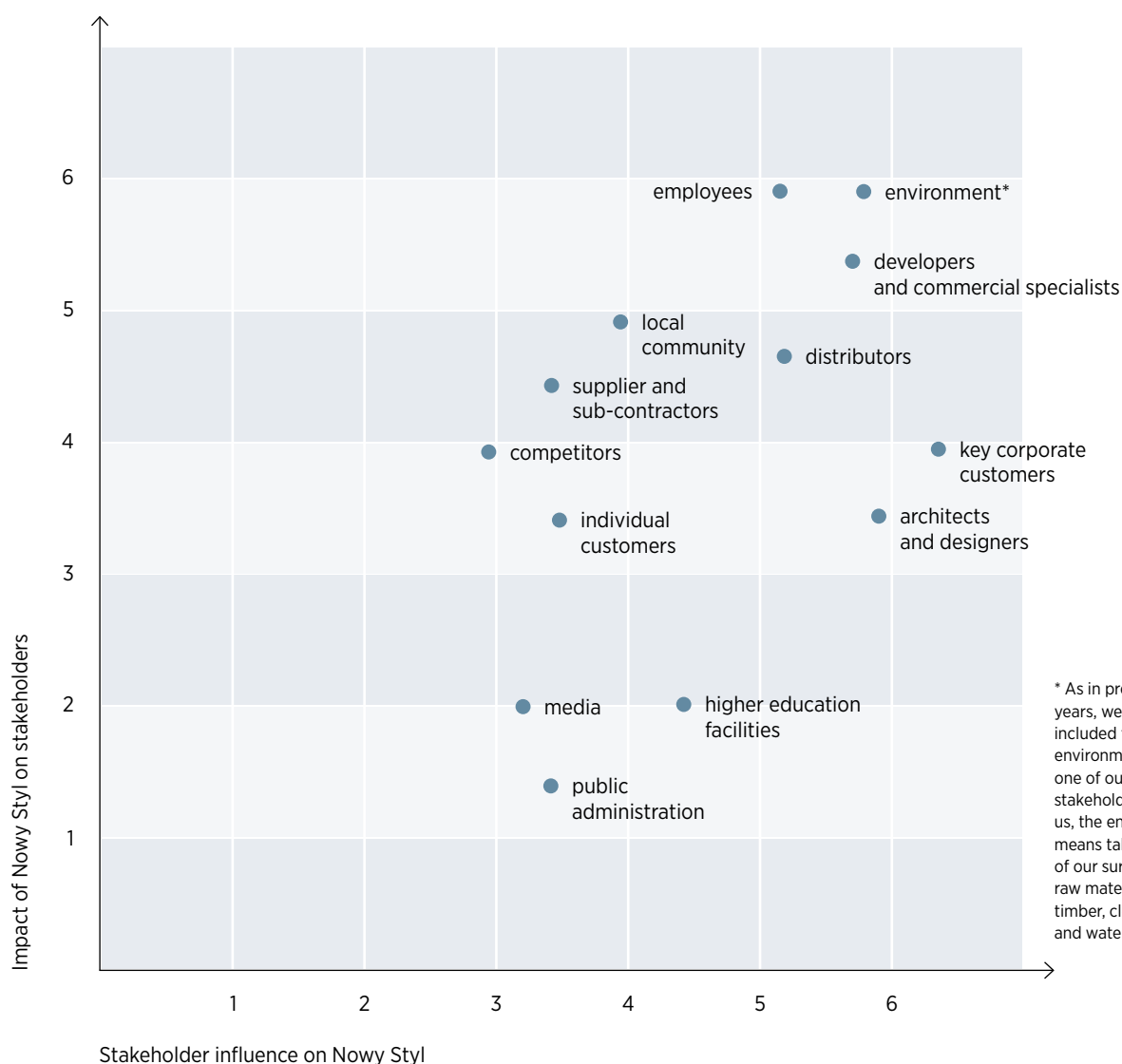
2.2 Stakeholder mapping

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Humility is one of Nowy Styl's four values. We believe that listening attentively to our environment is the key to our success and sustainability. The intensity of dialogue with individual **stakeholder** groups depends on the level of their impact on our organisation and our impact on their functioning.

The following stakeholder map is the result of an internal stakeholder mapping process. The process was conducted internally with the participation of Przemysław Różowicz – Brand Management, PR and CSR Director. In accordance with the current business strategy, we listed the following clients: distributors, individual clients, key corporate clients, developers and commercialisers, as well as architects and designers.

Stakeholders of Nowy Styl



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At Nowy Styl, we attach great importance to building responsible communication with our stakeholders. We continually expand our website www.NowyStyl.com, available in several languages. It offers news about our products, projects and the life of our company, as well as a lot of inspiration and expert information. It also has a special tab called Knowledge, where, in addition to many articles, we publish our reports on the current needs of the market, case studies and our company magazine UPstream. The latter is dedicated to architects and designers, as well as all those looking for interesting contents related to design and furnishing offices and public spaces. All publications on our website are available free of charge. The internet is not the only place where we share our knowledge. We also give comments for magazines (Forbes, Harvard Business Review, Outsourcing&More), and our owners and experts are happy to take part in discussion panels, conferences and congresses (European Economic Congress, Milan Design Week, BSS Forum, 4 Design Days).

We are helped to stay in regular touch with customers by our monthly newsletter we send out to subscribers, and our continuous activity on social media. We also share information that can be valuable to our stakeholders on Facebook, LinkedIn and Instagram.

Our B2B activities also include meetings, held both individually and at industry events. In this way, we keep regularly in touch with most of our stakeholders and we talk with them about their needs, and what they expect of our organisation. Our business partners, especially in the real-estate sector, are important observers of Nowy Styl's development.

We ask our partners and employees for feedback regularly and systemically, using the following survey tools:

- post-trade fair polls,
- surveys of our PL distributors,
- analysis of the flow of website users.

As in previous years, dialogue with our environment has been an important element in the preparation of this report. In a survey prepared specifically for this publication in April 2020, we asked key stakeholders: employees, architects, suppliers, journalists and members of the local community to evaluate our previous Sustainability Report (2016–2017) and share their expectations and ideas about the company's sustainability efforts. We received 149 completed survey forms.

2.3 Dialogue with stakeholders

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Almost 100% of those surveyed consider Nowy Styl to be a responsible company, and have given us a high or the highest rating in this respect. Compared to the previous report, the percentage of the most positive assessments grew by 15 percentage points.

The number of positive reviews of the previous Sustainability Report also went up, from 66% to as much as 100%. Moreover, the vast majority of respondents see that the publication of sustainability reports brings a positive impact. Almost half of those surveyed believe that the previous report lent credibility to the company. One in three people are convinced that the company is perceived as more transparent thanks to the report.

On the other hand, the number of people who are not familiar with the report has gone up (from 13% to 41%). This may be due to the acquisitions, and the recent significant growth of the number of our employees. This result tells us we should promote the report within the company even better, and not only at the time of its release.


By far the best feedback was given to our responsibility for the product. Also ethics and the supply chain were assessed well. The respondents had a less favourable opinion of our engagement for local communities, which was in many cases indicated as an area that cannot be called a strength of the company. In view of the wide range of support provided by Nowy Styl, this may mean we need to improve our communication activities around the social projects.

Respondents continue to be most interested in issues related to products, new technologies and environmentally-friendly solutions in manufacturing, as well as the impact of the company on the development of its environment and the economy.

On the other hand, like in previous years, respondents pay relatively little attention to quantitative data such as water consumption and sewage and waste management. They also do not look for information about employee benefits and social benefits in the report. We think it is a signal we should emphasise the importance of green action more strongly in our communication. It also tells us that our employees are well informed about initiatives targeted at them.

The vast majority of respondents read the previous sustainability report in an electronic format, learning about the publication from Nowy Styl's social media and e-mailing, which is a hint for us on how to promote the report online and what distribution methods to use for our future publications.

The survey shows that in 2018–2019 Nowy Styl did not lose its position as a responsible company, established in the previous years. However, there are still areas for improvement, communication being one of them. Conclusions

from the analysis will be taken into account in the implementation of ongoing activities and operational plans for the coming years. We took these findings into account in assessing the relevance of specific aspects described in this report, and selecting them ( [Click to find out more](#)).

In the survey, we asked respondents about their ideas for new CSR initiatives. We rewarded the most interesting responses, and here are one of them:



Introduce a component replacement service. Offer the renovation or replacement of worn out components to customers, instead of purchasing new products. In addition, introduce a calculator to help customers decide until when such replacement is still cost-effective. This will make our offer even more customer-oriented. For Nowy Styl, on the other hand, this will bring expansion of the segment and an additional service to be performed by mechanics and assemblers. Environmental upsides would include generation of less waste and space savings in transport.



Grzegorz Kurtyka
Business Process Analyst
Nowy Styl

2.4 Organisations and associations

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Both Nowy Styl and our companies operating in the individual national markets are involved in initiatives and organisations that set and help maintain standards for products and business practices.

International organisations:

- **UN Global Compact Initiative** – We have been a member of Global Compact since 2012. It is an international platform bringing together companies and institutions which observe UN's universal policies on human rights, labour standards, environmental protection and corruption prevention.
- **European Office Furniture Federation (FEMB)** – In 2013, Nowy Styl joined the group of FEMB associates, which is an organisation providing reliable business information on the development of the office furniture industry and working for the standardisation of the industry in Europe. We are very proud of this distinction because privately-held companies are very rarely accepted into the FEMB ranks.

Poland:

- **Polish Confederation Lewiatan** – One of the most influential Polish business organisations, member of the Social Dialogue Council. It brings together more than 4,100 companies with a total of more than 1 million employees.
- **Executive Club** – A business organisation that brings together the managers of the biggest companies in Poland.
- **Pro Progressio Club** – It brings together organisations from the modern business services sector and their immediate and external environment.
- **Family Business Association** – An organisation of family business owners, as well as experts and academics supporting their community. Believing that family businesses are the backbone of European business, Adam and Jerzy Krzanowski join in that discussion by taking part in discussion panels and closed business meetings.
- **Podkarpacki Business Club** – An organisation that brings together entrepreneurs and employers of the Podkarpacie region. Jerzy Krzanowski, Vice-President of the Board is one of its founders.
- **Polish-Ukrainian Chamber of Commerce** – A self-regulatory business organisation representing the interests of its Polish and Ukrainian member businesses before the governments and NGOs of both countries.
- **Polish Business Roundtable** – A business association bringing together owners and key managers of the biggest Polish companies, as well as international companies operating in Poland.

Germany:

- **IBA** (Industrieverband Büro und Arbeitswelt e.V.) – A German organisation of office furniture manufacturers which conducts research and keeps statistics for the industry, promoting its members and representing the industry before standardisation institutions, as well as initiating sectoral projects.
- **DNB** (Deutsches Netzwerk Büro) – An association that supports and promotes healthy and ergonomic office work.
- **German Design Council** – Since autumn 2017, we have been a member of the German Design Council, one of Europe's leading design development organisations.

France:

- **Ameublement Français** (the National Chamber of French Furniture Industry)
- **ARSEG** (an association of workplace managers)

Netherlands:

- **MVO Nederland** (CSR Netherlands) – The MVO Nederland network of companies is a place where entrepreneurs and experts develop tools together and share good CSR practices.
- **VIP** (Vereniging van Interieur Professionals) – An organisation of office design and arrangement specialists. Nowy Styl is one of the main companies behind a document on the development of circular economy signed by the members of the organisation.
- **BNI** (Bond voor Nederlandse Architecten) – A Dutch organisation of interior architects, supporting and promoting them in the Netherlands and around the world.
- **NEN** (The Royal Netherlands Standardization Institute) – A non-profit organisation serving the Netherlands Standardization Committee. Hans Bloemendaal, a Sustainability Manager at Rohde & Grahl, is the chairman of a Committee preparing a new circular economy standard for furniture – NPR 8313.

Switzerland:

- **«möbelschweiz»** (Swiss Association of Furniture Companies – Verband Schweizer Möbelhandel und -industrie)



5

3 We design spaces furnished with responsibility

Commitments for 2020–2021:



- We want to obtain the “Wellbeing Quality Certificate 2020,” so will work to analyse our products in an effort to improve their ergonomics and impact on users’ wellbeing.
- We will develop our products for the healthcare segment, introduce antibacterial finishes and products supporting employee safety.
- We will develop our offer dedicated to people working remotely and in the home office system.



- We will pay special attention to intuitive operation, reducing unnecessary or obscure features in our products.
- We will introduce products that respond to the changing style of work in offices – *Agile*. That furniture will be easy to use, mobile and multitasking.
- We will prepare a library of BIM projects for all new product lines, and we will share their model databases.



- To optimise the duration and number of business trips and, therefore, to reduce our carbon footprint, we will develop an e-learning platform and online training for our employees and partners in the countries in which we operate.

The journalists of one industry magazine have recently said that the Krzanowski brothers have “seated the whole world.” Although a metaphor, it perfectly captures the scale of Nowy Styl’s business. Since the moment the company’s founders assembled the first chair with their own hands, we have launched hundreds of products, most of which

have gone to offices and public facilities. Some of them, continuously modernised, have stayed in the company’s portfolio for a long time. This clearly shows that we make robust and timeless solutions. At the same time, we always keep working on better products, perfectly tailored to the dynamically changing needs and trends.

3.1 We know how to make your space

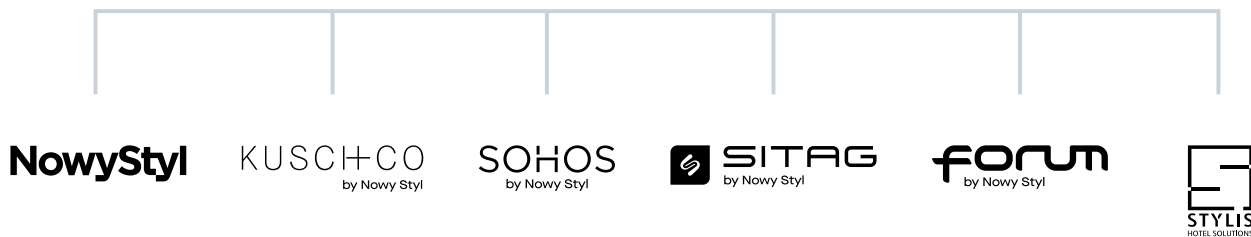
Our history of completed projects is our pool of experience. After many years in the business and several successful acquisitions, we can furnish the office of a large corporation,

a small executive office, a sports stadium, a hospital or an airport. We do not only supply products, but also offer rich know-how about furnishing specific types of spaces.

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After brand restructuring, Nowy Styl’s portfolio consists of the following brands:

NowyStyl



- **Nowy Styl** with a new visual identity – the main and key international brand in professional markets, which is also becoming the “group brand,” taking over the role of Nowy Styl Group.
- **Kusch+Co** by Nowy Styl – an international brand of designer furniture targeted primarily at architects, also offering specialised products for passenger terminals and the healthcare sector.
- **SOHOS** by Nowy Styl – a new international brand covering products with basic functionalities, offering excellent value for money.
- **Sitag** by Nowy Styl – a professional brand (the equivalent of Nowy Styl) operating exclusively on the Swiss market.
- **Forum** by Nowy Styl (before: Forum Seating) – an international brand offering solutions for auditoria, cinemas and stadiums.
- **Stylis Hotel Solutions** – a local brand for countries of the Middle East, offering solutions for hotels.

Over the coming months, the following brands will be gradually merged with Nowy Styl and phased out: BN Office Solution, Rohde & Grahl, Majencia and Grammer Office.

The portfolio of our company is managed by the Product Management Department. It oversees development and certification in all geographic markets, for all product brands. It also consults new projects with a Council composed of our representatives from all the countries where we operate. A major role in customising products to the needs of specific workplaces is also played by the Workplace Research and Consulting Department. It is composed of experienced interior designers and architects, as well as psychologists, sociologists and analysts. The department

can conduct various studies and be consulted about office arrangement questions, taking into account the needs of employees and organisations.

Nowy Styl cares about quality and ergonomics alike, creating products that can boast numerous certificates. We also work to extend the product life of our furniture and reduce its negative impact on the environment throughout the life cycle. We care about attractive design, which is appreciated in international competitions. **We create an extended product**, as defined by T. Levitt, i.e. one that provides additional benefits such as proven safety, availability of replacement parts or additional services.

We will discuss the processes and actions behind Nowy Styl's products later in this Section.

3.2 Well-planned space

We guide our customers through the process of furnishing a new office from A to Z. We prepare an offer and product layout design based on needs analysis, we manufacture the furniture, and then we deliver and assemble it, taking into account the logistics and organisational capacity of the building. Customer's company is covered by after-sales care, which includes product training, fast-track ordering of additional accessories and, if necessary, efficient service. This process involves many of our specialists, including a project manager, architects, interior designers, acousticians and analysts.

We have hundreds of large, complex projects under our belt. Nevertheless, we approach every new office change project very seriously. We realise it will have an impact on the day-to-day work of entire teams. Well thought-out organisation of space helps companies develop and achieve their next goals. Poor solutions, on the other hand, make employees' work difficult and frustrating, thus resulting in lower performance. It is a proven fact.

79% of ideas

are born somewhere else than the desk, as a result of interaction with colleagues

71% of communication

within the office takes place in two-person meetings

40% of respondents

say availability of a standing meeting area in the office is important

59% of the employees surveyed

say availability of a chillout room is important

54% of office users

say the availability of a telephone booth is very important



“The shoemaker always goes barefoot” says a Polish proverb, of which we would hate to be an example. Therefore, aware of the growing need to integrate our employees from several offices in Cracow, we decided to prepare a single space for all of them, tailored to their needs. More than a hundred people, previously scattered between three offices, have been working together at one location, 9 Jas-nogórska Street, since the second half of 2018. The office is furnished with ergonomic furniture and has many support zones, such as a number of meeting rooms, focus rooms, brainstorming areas and telephone booths. A warmly decorated kitchen is at its heart. The office is our showcase project, and we happily show it to our customers as we meet with them. We wrote more about it in our **dedicated case study Nowy Styl Office in Cracow**.

In another publication, about a **j-labs office in Cracow**, we discussed how to ergonomically furnish a space while bringing in a more relaxed climate. We provided the customer with comfortable workstations, conference furniture, acoustic solutions, sofas and even swings suspended from the ceiling.



***Click to find out more
about our office in Cracow***



***Click to find out more
about j-labs office***

3.3 For the sake of health

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Office ergonomics is not only about a comfortable chair – it is a holistic approach that helps to adapt equipment and tools to the physical and mental features of man. Our contribution into this field

starts when we design furniture with a beneficial effect on final users' health in mind. That is why we make sure our furniture conforms to the essential standards and certificates ([Click to find out more](#)).

Sit comfortably

Our strong position is particularly well seen in the segment of office chairs, which are often called a 'strict examiner', as they test a company's product competencies. Chairs are the essence of design. To design and manufacture a chair, you need to combine knowledge from a number of specialised fields, such as engineering, ergonomics and technology.

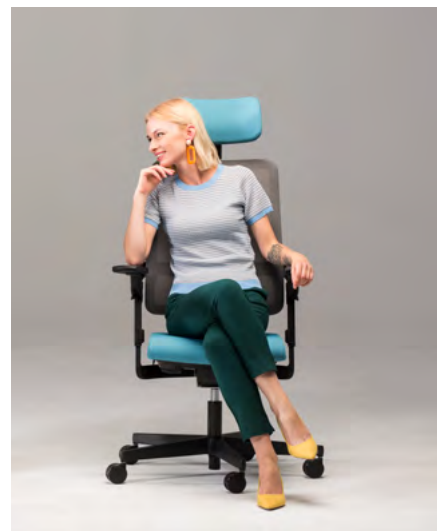
We have developed a whole range of innovative **ergonomic systems** for our chairs, such as:

- **GLIDE-TEC** – a patented solution that allows you to safely change the shape of your back from straight to rounded while sitting,
- **Duo-Back** – a backrest that does not press directly on your vertebrae and disks and reduces pressure on the spine to 50%,
- **S-MOVE** – a mechanism with a mobility system which automatically adapts to the user's weight,
- **X-MOVE** – a moveable link between the backrest and the seat, patent pending,
- **AirShaped** – a patented solution featuring a 4-chamber backrest-to-back adjustment system,
- **AirCare** – a system of air chambers inside the seat, which provides dynamically responsive support.

We also have several products that particularly stand out in terms of ergonomics. One of them is the Xilium chair line, which was developed when Nowy Styl's best design engineers, technologists and experts joined forces. Xilium can grow or shrink by as much as 30% when adjusted. It also supports daily exercise, as it can move in three planes and greatly relieve your spine when you sit.

Kusch+Co is our expert in furniture solutions for the healthcare sector on the German market. The experience we have been building up continuously since 2006 has allowed us to create a dedicated offer called Kuschmed. It is based on close collaboration with experts and major German institutions. As a result, we have introduced products that are very popular with the medical sector, such as 2000 uni_verso and 3600/3650 Arn. Internal technical implementation and the use of proven and tested components (e.g. for disinfection) allow us to provide customers with comprehensive solutions that meet the requirements of this market sector.

We also design chairs for people with rare conditions, such as the Arthrodesenstuhl with Footrest and MediTre from our brand Rohde & Grahl. Some of our models are dedicated for people with a body weight of up to 150 kg (Xenium, Denuo, Xpendo Plus) and for 24/7 use (Operator24, Sonata 24/7, Orlando-UP 24/7).



Desks that move (you)

On a perfect working day, from the vantage point of your health and exercise, you should only sit for half of the time you spend in the office. The remainder of the time should be divided evenly between standing and walking. In practice, in most offices it is very difficult to even slightly reduce sitting time. It is different when employees can work while standing up at an adjustable desk.

Fortunately, in recent years there has been a growing awareness of how important height-adjustable desks are for building an ergonomic workplace. In 2018–2019, we worked on two models of such desks, which went on the market the following year. These are: a budget desk – eUP,

and a version for the more demanding customers – eModel 2.0. Both products have electrical height adjustment and allow the user to perform daily work in a sitting or standing position, relieving the muscles of the spine and neck.

When it comes to product ergonomics, knowledge is crucial – both at the design stage, product selection and the final use of the product. Therefore, every office worker in our company undergoes a short training where they learn how to adjust the chair they use every day. We also provide the same training to our distributors, customers and end users.



The number of people who attended Nowy Styl training on ergonomics and products in 2019


Product training



Ergonomic training



Training for business partners



100 persons

3.4 Acoustic comfort

Sound is the backdrop of our daily events. But sometimes it turns into noise, making it hard to gather your thoughts and affecting concentration and efficiency. This often hap-

pens in offices, where dozens of conversations, phone calls and printer noise overlap.



As many as 85% of people who work in open space offices find them too loud. We want to change this. By performing acoustic measurements, we try to identify problems in offices and suggest new solutions. Sometimes it is enough to use products with improved acoustic absorption, but sometimes a new, comprehensive furniture arrangement is needed.



Adam Stelmach

Acoustics Specialist
Nowy Styl

In 2018–2019, we opened an **acoustic laboratory** where we can conduct computer simulations using our products. We have also initiated a number of R&D projects to develop new products that would meet the privacy requirements for open spaces (ISO 3382-3, VDI 2569). We introduced three types of Sileo wall panels with variable absorption characteristics. These products can be easily matched to the frequency range that a specific space needs the most.

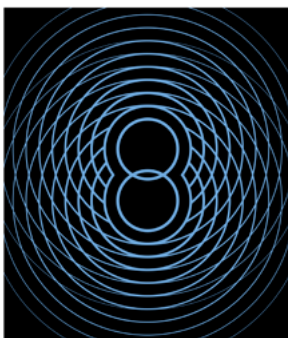
We carry out both in-house training and external training for our business partners. Our experts are happy to share their knowledge by speaking for the trade press (Harvard Business Review, Outsourcing&More, BusinessLife).

We have also prepared a special report, available for all, on **facts and myths about interior acoustics**.

At the same time, we continue to **cooperate with other research organisations**. Together, we have developed a sound-absorbing non-woven fabric made from production waste from Nowy Styl plants. We are also continuing our long-standing cooperation with the AGH University of Science and Technology in Cracow and the ITB Building Research Institute in Warsaw. In the coming years, we plan to initiate further R&D work and strengthen our position of an expert in acoustics.

8 Myths about Acoustics
8 mitów o akustyce

NowyStyl



How to design well something you cannot see?

We have collected answers to this question in a special report prepared in 2019: **8 Myths about Acoustics**. The report debunks myths which have arisen around acoustics. We set them side by side with facts confirmed by research and proven methods of fighting noise in the office.



Click and read our report

3.5 Long product life

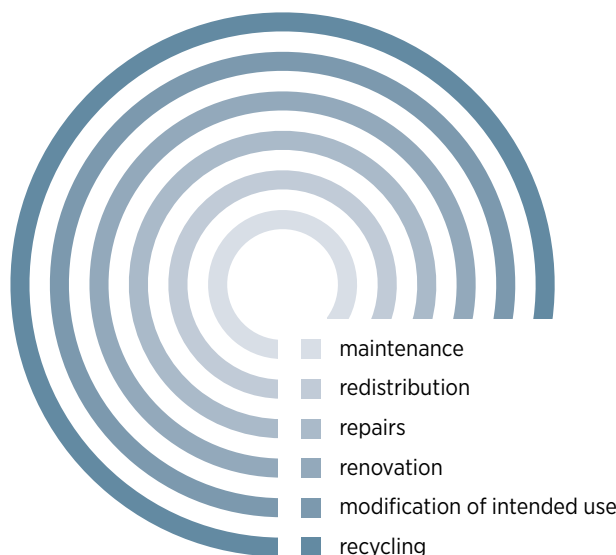
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Over the years, the availability of natural resources decreases. Climate change is becoming more severe. Aware of the damage that man has been causing

to the environment over the years, we want to gradually change our business model from a linear economy to a much more nature-friendly circular economy.

Circular Economy is a concept that involves rational and efficient use of resources and reduces the adverse environmental impact of manufactured products. It assumes that raw materials and products will remain in circulation for as long as possible, so that their value can be maximised. As a result, the extraction of natural resources and the production of waste will be reduced, and any waste still produced will be reused for production purposes.

6 loops of circularity



We have already completed the first pilot projects. We were supported in them by Turntoo, a consulting firm owned by the visionary architect Thomas Rau. Based on the 6 loops of circularity model, we extended the life cycles of thousands of pieces furniture, and we gave new functions to some of them. Where other solutions were not possi-

ble, we recycled the materials. In the model, each loop has a specific meaning: the smaller it is, the lesser the energy, materials and emissions of the solution it represents. For example, if a piece of furniture is maintained, the impact on the environment is much smaller than if it was recycled.

In our projects for the Dutch Government, we took action on each of those loops:

- **Maintenance** – regular tightening and lubrication of components and thorough cleaning of seats. Periodic preventive maintenance significantly extends product life and reduces the frequency of repairs. In 2018–2019 we maintained 12,000 pieces of furniture for the Ministry of Infrastructure and the Netherlands Tax and Customs Administration.
- **Redistribution** – a way to find furniture a new owner. Moving the furniture is often the responsibility of our customers, while we support them with disassembly.
- **Repairs** – many of our products have a modular design, and the reason for this is that they can be repaired with standard tools, without having to replace the entire piece. Where necessary, we can also repair products from other brands, acting in the spirit of circular economy.
- **Renovation** – in practice, this means we restore chairs, adjust frames in tables and countertops, cover them with a new colour or put on a different surface finish. Where possible, renovation also involves making improvements to the product. In the years covered by the study, we renovated more than 1,000 pieces of furniture.
- **Modification of intended use** – this happens when an original product or its parts are given a new function. Here too, thanks to modularity, we can easily disassemble parts of our furniture and find them a new application.
- **Recycling** – when it is no longer possible to use a product, we try to recycle the materials from which it was made. In 2019, we entered into cooperation with Unilin, which is a supplier of chipboards made from wood waste. Their chipboards consist of about 85% of wood salvaged from recycled pallets, packaging and old furniture. About 15% is wood obtained from thinning operations, sourced through sustainable forest management, and pre-consumer wood supplied by the timber industry. With Unilin's help, we recycled 20,000 kg of wood as part of the desktop replacement operation, and we added 100% recycled desktops to our offer. Thanks to the partnership we established, we can proudly say that we are able to fully close the circuit of wooden panels.

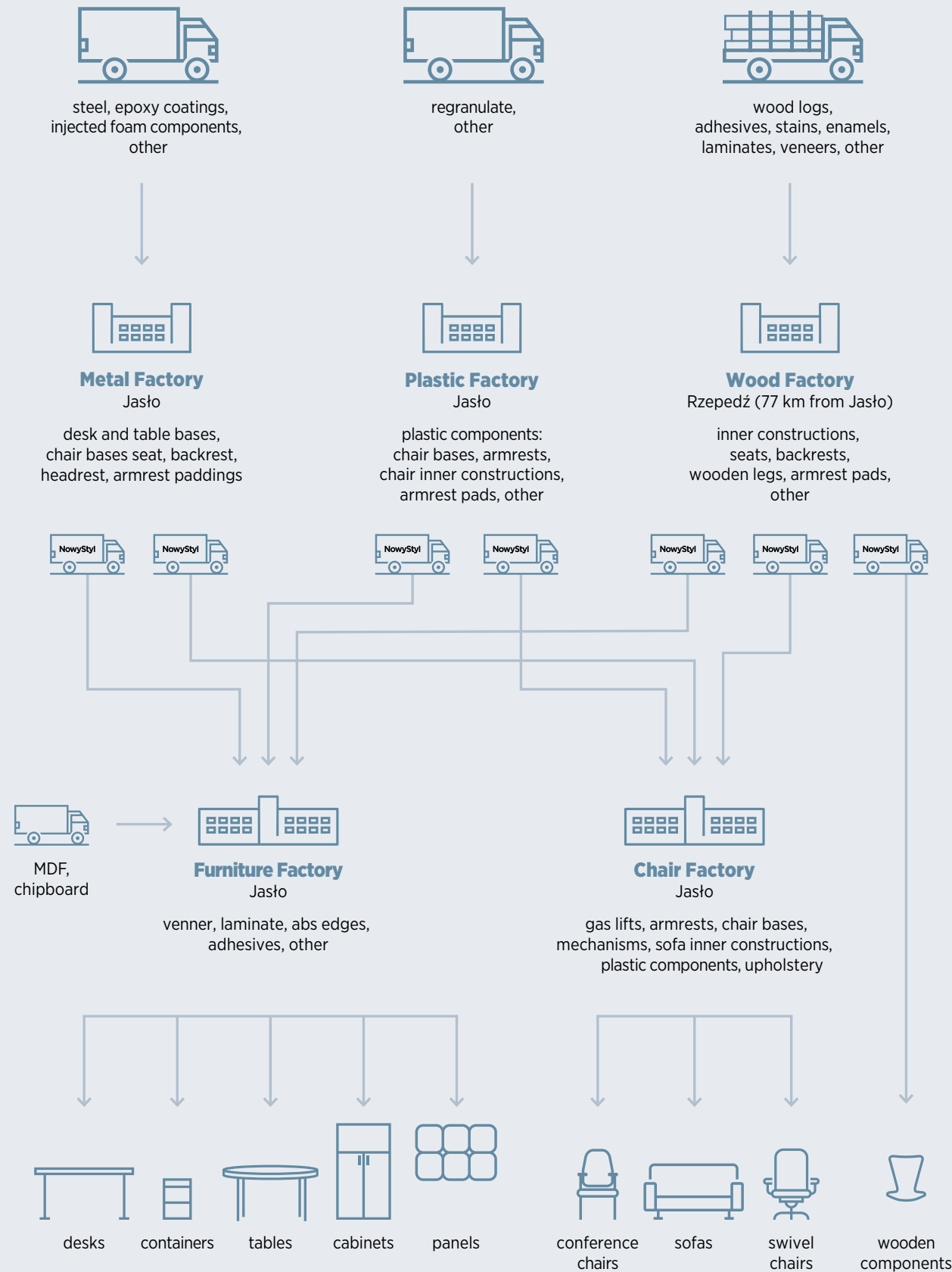
The contracts from the Netherlands government, which we delivered under our brand Rohde & Grahl, allowed us to learn the principles of circular economy. We plan to apply them in our future projects, and ultimately develop a business model based on them. In 2018, we launched an international project group made up of our employees, which is working to gradually improve our performance in the field

of circularity, CO₂ footprint and eco-design. Thanks to its activity, we were awarded the **CO₂ Performance Ladder certificate** in 2019, and prepared **EPD documents** for our leading products. We are working on subsequent Environmental Product Declarations in which we describe in detail the environmental impact of a product throughout its life cycle (LCA).

Type III Environmental Product Declaration (EPD) is an independently verified and registered document that provides transparent and comparable information on the environmental impact of products at different stages of production and throughout the life cycle.

A chart included in our EPD documents, showing the flow of raw materials through our manufacturing locations is presented below.

Production schedule



In recent years, the number of projects where we work in line with circular economy guidelines has gone up. One of them, completed recently, involved the **conversion of**

an obsolete technology hall at the Twente University into a modern TechMed Centre, tailored to students' needs.



[Click to find out more about project](#)

3.6 We care about the quality and safety of products

GRI 103-2 We can maintain the quality, safety and environmental standards of our processes and technologies thanks to the management systems we have implemented. They are based on the quality management system ISO 9001 standard, Factory Production Control, the ISO 14001 environmental management system and the FSC® (selected factories), occupational health and safety management systems ISO 45001. Our plants operate in accordance with these regulations.

GRI 416-1 All our products undergo internal tests in our own Poland-based research centre, and they are tested by certified external research labs in Poland and other countries. Furniture covered by the European Union New Approach Directive, i.e. tables and desks with electric height adjustment, and telescopic stands and electrically driven mobile stands also hold the required external tests and a CE declaration. We keep all approvals, test reports, certificates and declarations in one place, for our employees to be able to easily reach for them to obtain up-to-date knowledge at any time.

GRI 416-1 Standards met by our products

	Stationary chairs	Swivel chairs	Office desks	Storage furniture (cabinets, pedestals)	Café and conference tables
Resistance, durability and safety	EN 16139 EN 1728 EN 1022 EN 14703 EN 12727 EN 1729-2	EN 1335-2 EN 1022	EN 527-2	EN 14073-2 EN 14073-3 EN 14074	EN 15372 EN 1730
Dimensions	EN 1729-1	EN 1335-1	EN 527-1		

Certificates

Strength, durability, safety		
	Certification bodies	Country
GS Certificate (Geprüfte Sicherheit)	TÜV Rheinland, TÜV SÜD, Intertek Deutschland GmbH	Germany
NF Office Excellence Certificate	l'Institut Technologique Forêt Cellulose Bois-construction Ameublement – FCBA	France
Certificates and test reports confirming standards for furniture and chairs	Instytut Nadzoru Technicznego (Technical Supervision Institute)	Poland
	Instytut Technologii Drewna (Wood Technology Institute)	Poland
	Szutest (Engineering Test Institute)	Czech Republic
Quality Office Certificate	Qualitätsforum	Germany
Ergonomic requirements		
	Certification bodies	Country
Ergonomie Geprüft Certificate	TÜV Rheinland	Germany
Certificate of conformity with the Dutch standard NPR 1813	TÜV SÜD	The Netherlands
Ergonomics Approved Certificate	TÜV SÜD	Germany
Ergonomic Assessment Protocols	Nofer Institute of Occupational Medicine	Poland
Safety in the context of hazardous substances, volatile organic compounds and formaldehyde emissions		
	Certification bodies	Country
Schadstoffgeprüft Certificate (Toxproof) Click to find out more	TÜV Rheinland, TÜV SÜD	Germany
Blue Angel Certificate	RAL GmbH	Germany
Hygienic Certificates – confirmation of national safety requirements for public spaces in Poland	Medical University of Gdańsk – Department of Environmental Toxicology	Poland
	National Public Health Institute – National Institute of Hygiene	
Test reports confirming hygiene class E1 (formaldehyde emissions) and compliance with the strict German requirements in this regard (German ChemVerbotsV Formaldehyde class E1)	Ośrodek Badawczo-Rozwojowy Przemysłu Płyt Drewnopochodnych (Research & Development Centre for Wood-Based Panels)	Poland
No content of hazardous substances and reducing the environmental impact of our upholsteries		
	Certification bodies	Country
EU Ecolabel Certificate Click to find out more	European research bodies authorised to certify in this field	
Oeko-Tex® Standard 100 Certificate Click to find out more	European research bodies authorised to certify in this field	
Confirmation of environmental requirements		
	Certification bodies	Country
NF Environnement	l'Institut Technologique Forêt Cellulose Bois-construction Ameublement – FCBA	France
FSC® Certificate Click to find out more		
EPD Cards Click to find out more		



Blue Angel

Already 10 of our product lines, including the Xenium and Denuo chair lines, hold this longest-established environmental mark in the world. The Blue Angel certificate means our products have significantly better environmental characteristics compared to competitors, and support sustainable consumption efforts.

Forum Seating

Under its Forum Seating brand, Nowy Styl provides seats and telescopic stands for stadiums and sports halls, concert halls, cinemas, theatres and auditoriums. Furniture in these kind of places must meet special safety standards. Therefore, we always have them tested for strength and safety by independent institutions (according to EN 12727, EN 16139, EN ISO 9227, EN 13200-4, EN ISO 3385, EN 1728, Hygienic Certificate).

In addition, we check the following:

- heavy metal levels,
- emissions of toxic combustion products (armchairs to be sold on the Polish market according to the PN-B-02855 standard),
- emissions of volatile organic compounds (VOCs) (plywood, polyurethane foams and upholsteries holding external manufacturers' tests),
- flammability (all products classified as flash resistant, according to regional standards, including EN ISO 11925-2, EN 1021-1 and EN 1021-2, EN 13501-1; ISO 13823; ISO 1716, NF D 60-013, DIN 4102; DIN 53438, BS 5852),
- acoustics – sound absorption tests in a reverberation chamber (according to ISO 11654; ISO 354),
- discolouration of plastics in reaction to light e.g. according to EN ISO 4892-2.



We want our customers to see us as a reliable partner and manufacturer. Therefore, we attach great importance to the compliance of our products with the applicable regulations, and clear marketing communication. Our caution

in this area is confirmed by the fact that in 2018–2019 **no fines were imposed on Nowy Styl** for non-compliance with regulations or self-regulatory codes covering the impact of products and services on health and safety. We did not record any infringement involving the labelling of products and services, the accuracy of marketing information or compliance with social and economic laws or regulations.

3.7 Design awards

At a time when technology allows literally every idea to be put into effect, and the market is full of products nobody needs, the greatest challenge for the world of design is to design only what has a real impact on human life, helping people do their daily work or protecting their health.

To achieve this, Nowy Styl enlists the collaboration of renowned designers. They are top professionals in the field

of office furniture design, **the winners of many design awards**, including the Red Dot, known as the “Oscars of the industry.”

Our joint work is often rewarded, recently with awards such as: Iconic Award (Xilium, Play&Work Soft seating), German Design Award (Play&Work, Denuo, Xilium, LinkUP, CS5040) and German Innovation Award (Xilium).

Chosen awards



Designers



WertelOberfell



Andreas Krob



Mac Stopa



Martin Ballendat



2DODESIGN



Daniel Figueroa



Jens Korte



Ray Carter



Hilary Birkbeck



Bernd Crabus



Jerzy Langier



Claudio Bellini



Norbert Geelen



Rebecca Stewart



Arkadiusz Kulon



Luigi Colani



Armin Sander



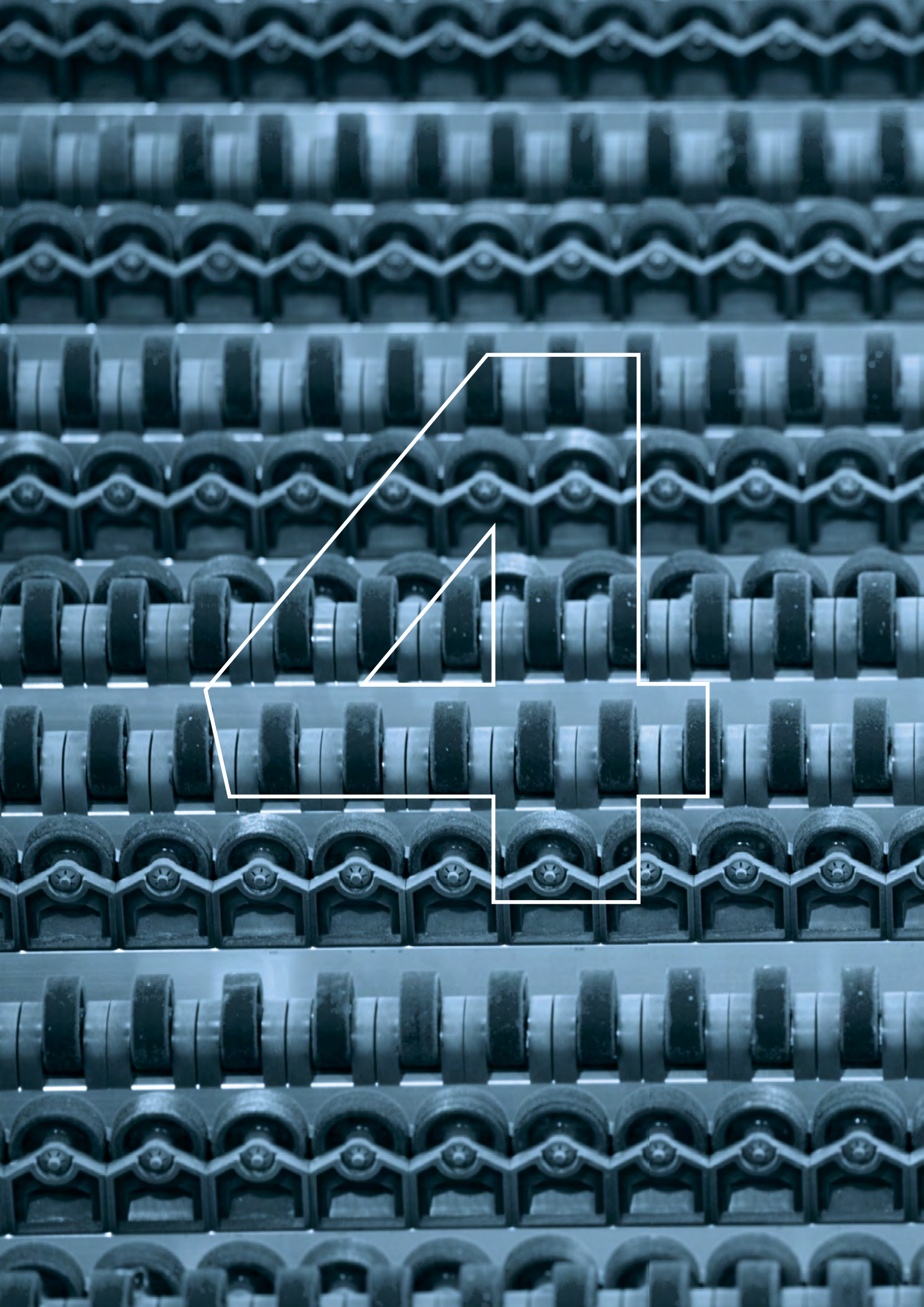
Françoise-Hélène Jourda



Oscar Buffon



Vincent van der Horst



4 Together we are a team

Commitments for 2020-2021:



- We will introduce development programmes aimed at potential succession opportunities and/or taking important roles in the organisation for office and production workers.
- We will develop a programme for students of local technical and vocational schools of the 1st and 2nd tier, offering them an opportunity to complete their compulsory apprenticeship. The programme will include a recruitment process, onboarding and additional development activities for specific positions.
- We will introduce managerial onboarding for those taking a managerial role for the first time. We will prepare them to manage the work of a team through a series of trainings in basic managerial skills.



- We will simplify the remuneration system for direct and indirect production workers, and develop a transparent evaluation system.
- We will implement a new formula for periodic evaluation based on the values and features of organisational culture in the following Divisions: Technical and Production and Supply Planning.



- With workplace safety in mind, we will implement the requirements of ISO 45001:2018 and certification in the Chair Factory and the Office Furniture Factory.
- We will audit compliance with legal requirements for health and safety at work and fire protection in the Metal Factory.

Nowy Styl started from three chair models and seven employees almost thirty years ago. Today, we are a leading manufacturer of office furniture in Europe. Our investments in technology and development, and the construction of modern plants and a research centre have helped us, of course. But Nowy Styl's success has always been founded on people: ambitious, creative and committed.

In this Section, we will talk about how we make a team. We will count our numbers and see how diverse we are.

We will tell you how we look for employees, and what their first days in the new workplace look like. We will discuss the policies in place at Nowy Styl, our code of ethics, salaries, benefits and employee evaluation. We will also focus on safety, and opportunities for development in our company. Finally, we will tell you how we socialise, what we do after hours and how we look after our health at the company.

4.1 Our employees

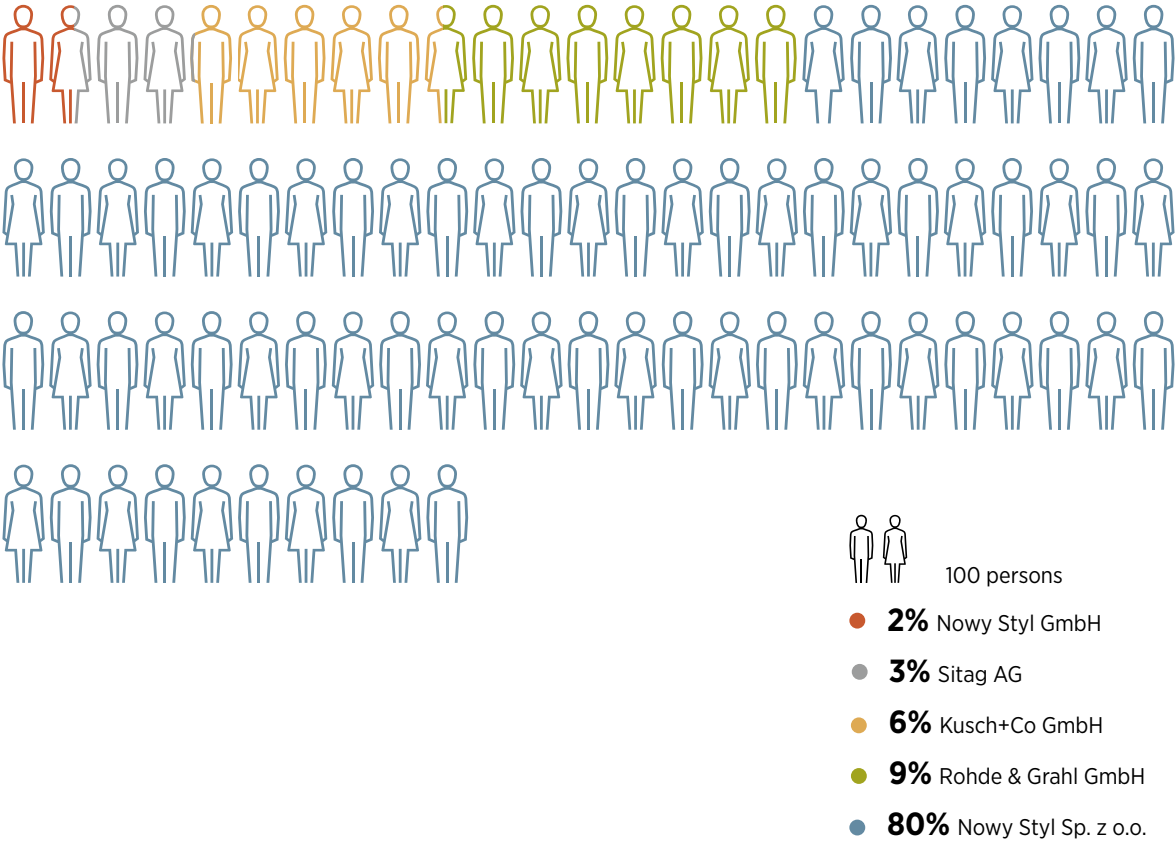
GRI 102-8

A total of **4,254** people worked at the Nowy Styl companies covered by this report at the end of 2019. We hire most of our employees locally (in the region where our individual units operate). The majority of our

workers – 3,414 people – are employed in Poland, of which 95% are in the Podkarpackie province, which is where our biggest plants are located. We are one of the major employers in that region.

GRI 102-8

The number of Nowy Styl employees



As it was impossible for us to provide certain data for the recently acquired company Nowy Styl – Majencia SAS

its statistics are not included in the tables in Subsections Our Employees, Recruitment and Work Rules.

We employ workers under employment contracts. Those in self-employment and employed under civil law contracts constitute only a small group of our employees. In accordance with the law of the European Union, we do not employ any children.

Most of our workforce are men. They make up more than 70% of all employees, and the vast majority work in production facilities. The prevalence of men is due to the

physical requirements that need to be met in order to undertake work in many factory positions. Of course, in our plants we employ women too. We have prepared a relaxation room for pregnant employees and nursing mothers at the Office Furniture Factory and the Chair Factory, where they can relax and express breast milk ([Click to find out more](#)).

GRI
102-8

Employment structure by type of contract

2018	Gender		Type of contract				Total	Temporary workers
	Women	Men	full-time contract	part-time contract	indefinite term contract	definite term contract		
Nowy Styl Sp. z o.o.	911	2,376	3,277	10	2,515	772	3,287	0
Nowy Styl GmbH	38	61	82	17	99	0	99	n/a
Kusch+Co GmbH	68	169	207	30	222	15	237	n/a
Rohde & Grahl GmbH	91	288	330	49	279	100	379	n/a
Sitag AG	32	86	104	14	118	0	118	n/a
Total	1,140	2,980	4,000	120	3,233	887	4,120	0

2019	Gender		Type of contract				Total	Temporary workers
	Women	Men	full-time contract	part-time contract	indefinite term contract	definite term contract		
Nowy Styl Sp. z o.o.	1,014	2,400	3,404	10	2,586	828	3,414	14
Nowy Styl GmbH	38	62	83	17	99	1	100	n/a
Kusch+Co GmbH	74	170	211	33	236	8	244	n/a
Rohde & Grahl GmbH	86	291	332	45	300	77	377	n/a
Sitag AG	31	88	104	15	119	0	119	n/a
Total	1,243	3,011	4,134	120	3,340	914	4,254	14

No data for the company Nowy Styl – Majencia SAS.

Respect for diversity

GRI
103-2

We look at our employees' various cultures, languages, ages, type of work performed, knowledge and experience as a shared treasure. Despite many differences, we are united by one mission and values: **ambition, honesty, humility and tolerance**. At Nowy Styl, we strive to create working conditions that make all employees feel respected and capable to develop their potential to the fullest.

We work in an international environment, but in line with the 'Think Globally, Act Locally' motto **we follow a policy of local recruitment**. 99% of our employees work locally. As a result, our organisation is close to our customers, but we also contribute to the development of the labour market in the regions where we operate. For the same reason, foreigners make up only a small proportion of our workers, with the employment rate below 2%.

GRI
406-1

In 2018–2019, none of our companies recorded any case of discrimination.

GRI
405-1

Foreigners employed at Nowy Styl (within the meaning of people working outside their country of origin)

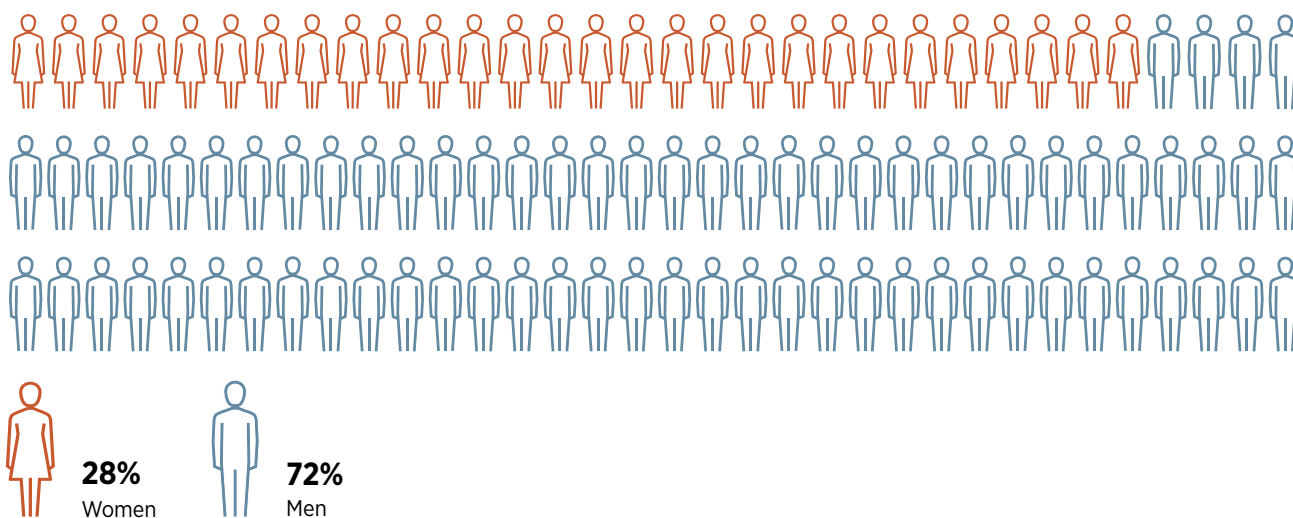


The structure of the workforce shows some inequalities between women and men. This is due to the specific nature of production – most of our employees are working directly in the production of chairs and furniture.

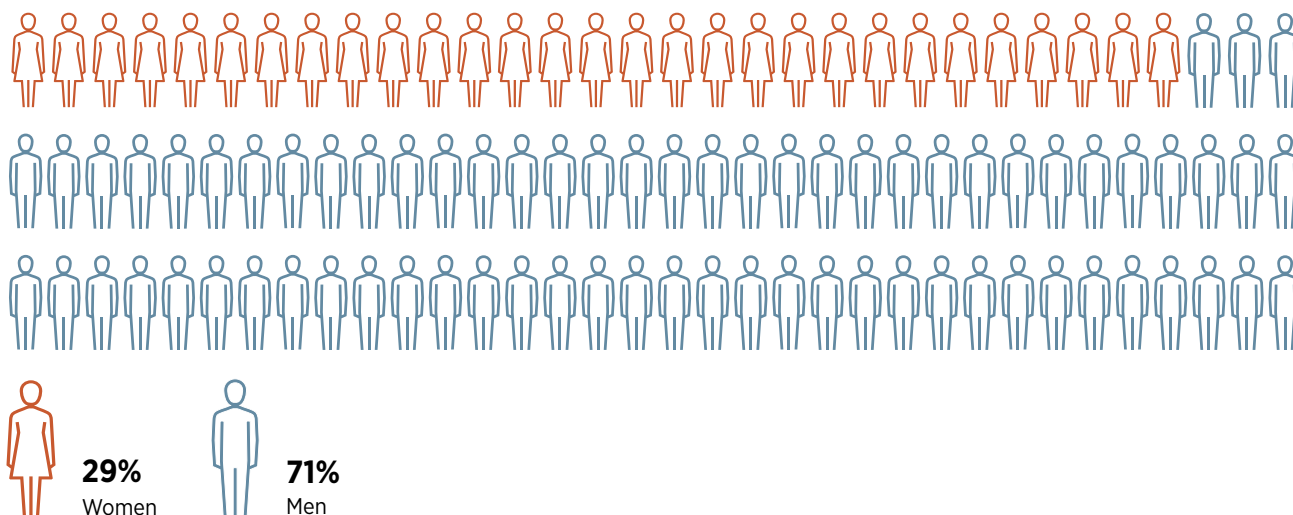
GRI
405-1

Employment structure by gender

2018



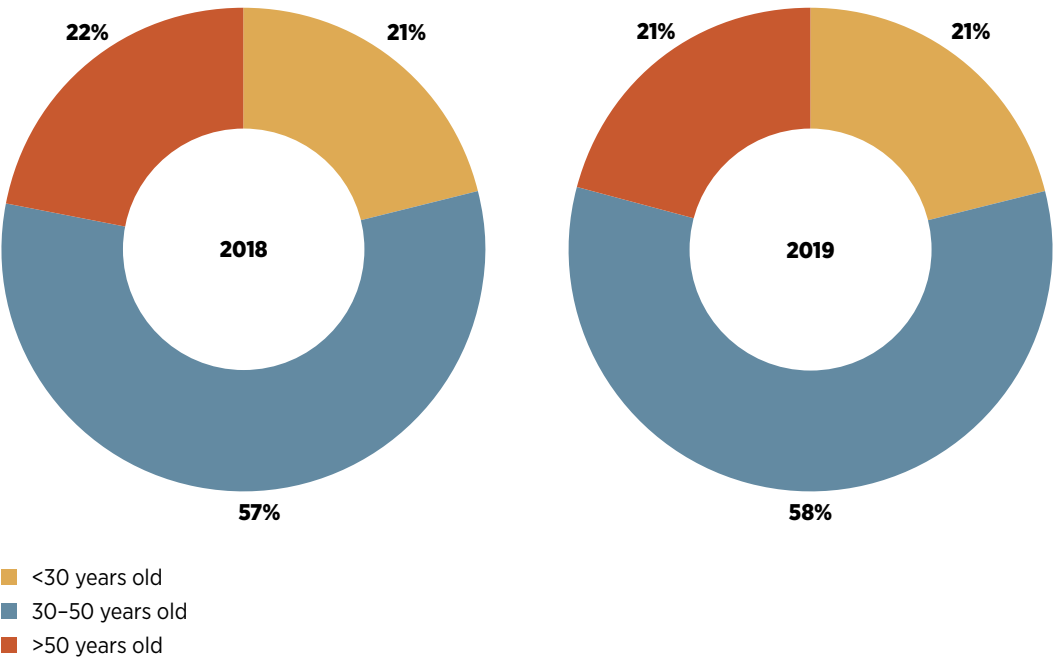
2019



We are an international organisation that is committed to diversity. In Nowy Styl we employ people of different age groups. This is why we constantly learn from each other and achieve very good results.

GRI
405-1

Employment structure by age

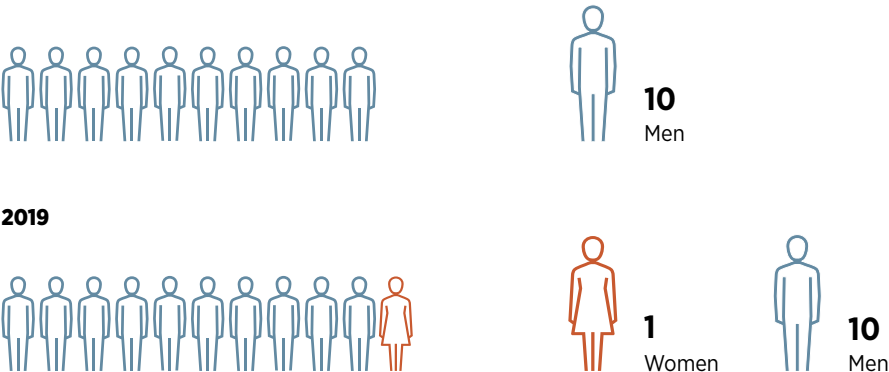


The company's management board consisted of 10 people in 2018 and 11 in 2019, as per the break-down below.

GRI
405-1

Employment structure of management

2018



Composition of management board	2018	2019
Workers under 30 years of age	0	0
Workers in the 30-50 years of age	5	6
Workers over 50 years of age	5	5

4.2 Recruitment

To be able to grow, we need to work with the best. That is why it is so important that we can reach the right employees. We look for them in many ways, often using the local labour market. We also share experience and knowledge with the young generation. We allow them to get acquainted with the structure of the company, the environment and organisational culture, and the best students are offered a job.

In 2018, we conducted 110 recruitment processes, and in 2019 – 116. We have also prepared a handbook on good recruitment and selection practices for managers. To ensure equal opportunities and prevent discrimination, every person taking part in a recruitment process is assessed with regard to the same pre-defined set of skills for a job

specification. We have also introduced a standardised job interview form, which includes standard items as well as questions specific for a particular post and business expectations. The document has been developed based on previously worked out stages:

- identification of skills and knowledge necessary for the job – job specification,
- awarding points on a candidate assessment matrix based on the job specification criteria,
- setting up a call script for a preliminary phone interview carried out before inviting the candidate to a meeting,
- the STAR method – a competence interview based on behavioural questions.



At Nowy Styl, we show each other respect and understanding. In this context, feedback from people who have taken part in our recruitment processes are particularly important to us – here is one: “I very much appreciate the fact that, although our talks were not continued, you informed me about the completion of the recruitment process. This rarely happens. It confirmed my belief that Nowy Styl is a place where people, candidates, employees and customers are respected”.



Karolina Bolesta
HR Specialist
Nowy Styl

How do we look for employees?

- We work with universities, contributing to building specialised courses related to the industry,
- we conduct a variety of internal recruitments, offering development opportunities for employees,
- we post job advertisements on our website,
- we organise tours of our factories for students of schools and universities, where they can become familiar with our technologies, also in the context of undertaking similar work in the future,
- we take part in job fairs,
- we support students in writing their dissertations,
- we offer apprenticeships and internships,
- we post job offers on job search sites.

We help to educate experts

Since 2016, we have been **cooperating with the Carpathian State University in Krosno** (formerly known as Stanisław Pigoń State Higher Vocational School). We contribute to a dual course in the field of mechanics and mechanical engineering, specialty: designing and manufacturing in a vir-

tual environment. Thanks to the cooperation, students can combine theory with practical vocational training and have more opportunities to become highly qualified engineers. In 2018 and 2019, we hosted a total of 60 students, 30 each year in induction internships.

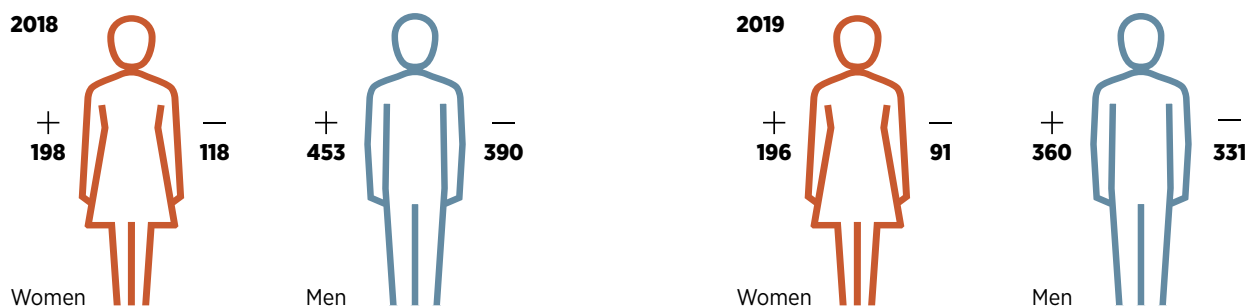
New hires and resignations

Most of the recruits who joined Nowy Styl team in 2018–2019 are under 30 years of age, and about 6% of new hires

are between 30 and 50 years old. Most resignations were by workers under the age of 30.

GRI
401-1

New hires and resignations



GRI
401-1

Hires

2018	New employees (expressed as the number of people) in particular groups	% of new employees	New employees (expressed as the number of people) in particular groups	% of new employees	New employees (expressed as the number of people) in particular groups	% of new employees	New employees (expressed as the number of people) in particular groups	% of new employees	New employees (expressed as the number of people) in particular groups	% of new employees
	Gender				Age					
	Men		Women		<30		30–50		>50	
Nowy Styl Sp. z o.o.	381	16%	166	18%	271	36%	242	12%	34	7%
Nowy Styl GmbH	2	3%	1	3%	1	8%	1	3%	1	2%
Kusch+Co GmbH	3	2%	11	16%	6	22%	4	5%	4	3%
Rohde & Grahl GmbH	58	20%	13	14%	32	33%	27	19%	12	9%
Sitag AG	9	10%	7	22%	4	33%	12	22%	0	0%
Total	453	15%	198	17%	314	35%	286	12%	51	6%

No data available for Nowy Styl – Majencia SAS.

GRI
401-1

Hires (cd.)

2019	New employees (expressed as the number of people) in particular groups	% of new employees	New employees (expressed as the number of people) in particular groups	% of new employees	New employees (expressed as the number of people) in particular groups	% of new employees	New employees (expressed as the number of people) in particular groups	% of new employees	New employees (expressed as the number of people) in particular groups	% of new employees
	Gender				Age					
	Men		Women		<30		30-50		>50	
Nowy Styl Sp. z o.o.	303	13%	175	17%	237	32%	219	10%	22	4%
Nowy Styl GmbH	5	8%	2	5%	5	28%	1	3%	1	2%
Kusch+Co GmbH	9	5%	9	12%	8	27%	7	9%	3	2%
Rohde & Grahl GmbH	29	10%	9	10%	22	22%	13	9%	3	2%
Sitag AG	14	16%	1	3%	6	46%	9	16%	0	0%
Total	360	12%	196	16%	278	31%	249	10%	29	3%

No data available for Nowy Styl – Majencia SAS.

GRI
401-1

Resignations

2018	Ended contracts (expressed as the number of people) in particular groups	% of ended contracts	Ended contracts (expressed as the number of people) in particular groups	% of ended contracts	Ended contracts (expressed as the number of people) in particular groups	% of ended contracts	Ended contracts (expressed as the number of people) in particular groups	% of ended contracts	Ended contracts (expressed as the number of people) in particular groups	% of ended contracts
	Gender				Age					
	Men		Women		<30		30-50		>50	
Nowy Styl Sp. z o.o.	339	14%	98	11%	222	30%	177	9%	38	8%
Nowy Styl GmbH	1	2%	2	5%	0	0%	2	6%	1	2%
Kusch+Co GmbH	16	9%	3	4%	5	19%	3	3%	11	9%
Rohde & Grahl GmbH	25	9%	13	14%	13	13%	14	10%	11	8%
Sitag AG	9	10%	2	6%	1	8%	6	11%	4	8%
Total	390	13%	118	10%	241	27%	202	9%	65	8%

No data available for Nowy Styl – Majencia SAS.

2019	Ended contracts (expressed as the number of people) in particular groups	% of ended contracts	Ended contracts (expressed as the number of people) in particular groups	% of ended contracts	Ended contracts (expressed as the number of people) in particular groups	% of ended contracts	Ended contracts (expressed as the number of people) in particular groups	% of ended contracts	Ended contracts (expressed as the number of people) in particular groups	% of ended contracts
	Gender				Age					
	Men		Women		<30		30-50		>50	
Nowy Styl Sp. z o.o.	281	12%	73	7%	168	22%	142	7%	44	8%
Nowy Styl GmbH	4	6%	2	5%	1	6%	1	3%	4	8%
Kusch+Co GmbH	7	4%	4	5%	5	17%	2	3%	4	3%
Rohde & Grahl GmbH	28	10%	10	12%	17	17%	10	7%	11	8%
Sitag AG	11	13%	2	6%	2	15%	6	11%	5	10%
Total	331	11%	91	7%	193	21%	161	7%	68	8%

No data available for Nowy Styl – Majencia SAS.

Focus on talk



For the last couple of years, Nowy Styl has been examining the reasons for employee departures. We want to know what influenced leavers' decisions and what areas we could improve in our organisation. Previously, we used paper surveys to collect the information, but the response rate was very low (3–5%). Therefore, we have decided to change the form of feedback collection. We have developed an interview scenario in order to standardise the process and make sure information obtained is uniform. Then, we started carrying out personal or phone interviews with workers terminating employment with our organisation on their own initiative. Between December 2018 and December 2019 we conducted interviews with 95 out of 181 people who terminated their employment with us.

One of the key conclusions from those interviews was the great importance of induction for workers taking their first steps in the organisation, especially those in production. Following the interviews, we introduced an employee onboarding programme which is described later in this Section. We already know that today, after six months of the programme, the turnover rate for production workers on a trial period dropped from 35% to 23% (data at the end of 2019).

4.3 First moments at Nowy Styl

The induction process for production workers and onboarding for office workers allows them to understand how the company functions, and get to know the scale and areas of Nowy Styl's business and directions of the com-

pany's development. By actively participating in trainings and workshops, employees can also learn about our history and organisational culture and understand the importance of the values we follow.

Induction for production workers

GRI 103-2 In June 2019, we implemented a **new induction programme** in all of our five plants in Poland. Key roles in the process are played by a foreman and an instructor. The foreman, or immediate supervisor, monitors the entire induction process, and the instructor, an experienced employee specially prepared for this role, actively helps in learning new skills.

But the induction of a new worker in our production plants starts much earlier, from the moment of first contact with the employer. This is when the candidate receives an

information leaflet about the company. If they successfully go through the recruitment process, they receive a written declaration of intent to start employment, along with a description of all steps needed for this to happen. The third tool developed for the purposes of induction is a toolkit recruits are handed in as they start work, which contains a package of practical information for the new worker. The first three days are devoted to familiarising the employee with their new workplace and responsibilities:

DAY 1

Essential information and H&S training

A two-hour 'Welcome to Nowy Styl' training conducted by a HR specialist, and a six-hour H&S training.

DAY 2

Tour with a coordinator

A coordinator gives new workers a tour of the workplace, providing information on safety and organisational issues to help them find their way around the new situation.

DAY 3

On-the-job training with a foreman

A foreman shares practical knowledge about tasks and duties, monitoring the entire induction process, and assesses the new worker's skills and attitude at the end.

Preparations for the induction programme

Before launching the new employee induction programme, we trained our staff in how it works. Heads of production, coordinators, foremen and instructors went through a series of trainings in which they got to know the details of their roles in the induction process.

- Heads of production and production managers (14 people) honed their skills in assessing employee progress and providing feedback;
- coordinators (11 people) learned to motivate workers and deliver effective presentations at their plants;
- foremen (80 people) learned how to conduct job position training, evaluate work, model appropriate behaviour and delegate tasks efficiently to instructors;
- instructors (108 people) were trained in effectively transferring work-related knowledge.

A total of 213 people were trained as part of induction programme preparation and implementation.





Onboarding for office workers

We believe that to work effectively, it is essential to get to know our company from scratch. To meet the requirements of international organisations, we offer onboarding to our employees both in Poland and abroad. It lasts three days

and consists of a series of trainings and presentations. It is worth noting that trainees and interns are also covered by onboarding.

DAY 1

Basic training

We present the history of our company, our mission, values and the qualities of our organisational culture. We tell the workers about the production process and the basic facts about our company.

DAY 2

Tour of the factories

The workers take a tour of the production plants in Jasło and Rzepedź – a total of 5 factories.

DAY 3

Product training and a tour of the OIC

The workers attend a product training and are given a tour of our key showroom – the Office Inspiration Centre in Cracow.



2018:

92 office workers

trained during 10 onboarding trips

2019:

150 office workers

during 12 onboarding trips

Induction training for

272 production workers

in 42 training sessions

4.4 Work rules

In building the relations inside our company and shaping our development, we always aim to rely on these four values: ambition, humility, honesty and tolerance. Together,

they form a message which we send to employees in our documents about work for Nowy Styl, including our *Employee Handbook* and *Code of Ethics*.



Adam Krzanowski
President
of the Nowy Styl
Management Board

*Nowy Styl Code of Ethics
is the outcome of many
years of business practice
and business operation.
Our previous experience
has taught us how
important it is to develop
our moral awareness
in order to protect
our workers, but also
warn them of any
unethical conduct.*



According to our *Code of Ethics*, **all employees enjoy equal opportunities** in the areas of employment, remuneration, benefits, promotions and professional development. Decisions in this respect are taken based

on the candidate or employee's knowledge and competences, regardless of their gender, age, disability, race, sexual orientation, religion, political affiliation, origin, nationality or appearance.



[Click to see our Code of Ethics](#)

Wages



Our employee pay policy is based on equal treatment of men and women for work of equal value, and it is **aligned with local regulations**. Pay

depends on experience, education, seniority and the nature of work performed.



Entry level pay by gender in relation to the minimum wage

	Location	2018		2019	
		Women	Men	Women	Men
Nowy Styl Sp. z o.o.	Poland	143.5%	152.3%	139.6%	152.7%
Nowy Styl GmbH	Germany	177.2%	177.2%	172.8%	172.8%
Kusch+Co GmbH	Germany	162.9%	162.9%	160.1%	160.1%
Rohde & Grahl GmbH	Germany	127.2%	140.6%	123.7%	138.7%
Sitag AG	Switzerland	129.8%	168.4%	123.1%	126.8%

No data for the company Nowy Styl – Majencia SAS.



Ratio of the basic pay of men and women by category of employment

2018	Direct production employees	Indirect production employees	Specialists	Managers	Directors
Nowy Styl Sp. z o.o.	94.7%	99.8%	96.6%	105.0%	95.0%
Nowy Styl GmbH	98.7%	n/a	n/a	87.2%	n/a
Kusch+Co GmbH	95.7%	70.8%	87.3%	83.9%	n/a
Rohde & Grahl GmbH	75.9%	110.0%	91.4%	n/a	82.6%
Sitag AG	85.8%	81.5%	n/a	73.7%	n/a
Total	91.3%	93.5%	91.7%	92.0%	88.8%

2019	Direct production employees	Indirect production employees	Specialists	Managers	Directors
Nowy Styl Sp. z o.o.	93.8%	92.5%	94.6%	107.5%	108.9%
Nowy Styl GmbH	97.3%	n/a	n/a	83.5%	n/a
Kusch+Co GmbH	93.9%	71.6%	82.1%	91.9%	130.8%
Rohde & Grahl GmbH	76.2%	98.9%	100.9%	n/a	76.0%
Sitag AG	88.8%	81.9%	n/a	74.3%	n/a
Total	90.3%	87.7%	92.5%	94.3%	105.2%

No data for the company Nowy Styl – Majencia SAS.

Employee benefits



Our employees have access to a number of benefits that make life easier, and help them stay healthy and well. The benefits listed below are available to

all employees working for Nowy Styl Sp. z o.o., including those working part-time.



Life insurance and private medical care

Voluntary group insurance, which can be joined by the employee, his or her spouse/life partner and adult children. In 2019, we prepared a new insurance offer which includes private medical care.



Vaccination against flu

Voluntary and free of charge, it is offered in all of our Polish locations in autumn.



MultiSport cards

Co-financed MultiSport packages for employees. Starting from August 2019, we have added two more cards (Classic and Plus) to the package.



Christmas gifts

Vouchers worth PLN 100 presented to parents with children aged 12 years or less, to be redeemed at shops and bookstores.



Summer camps for children

Summer holiday camps for children aged 8 to 16 years. The company pays 50–90% of camp value.



Cash benefits

Extra cash benefits paid out twice a year.



Discounts on our products

40% discount on products of our brands.



Financial relief

Non-refundable financial aid for workers who have found themselves in a difficult life situation.

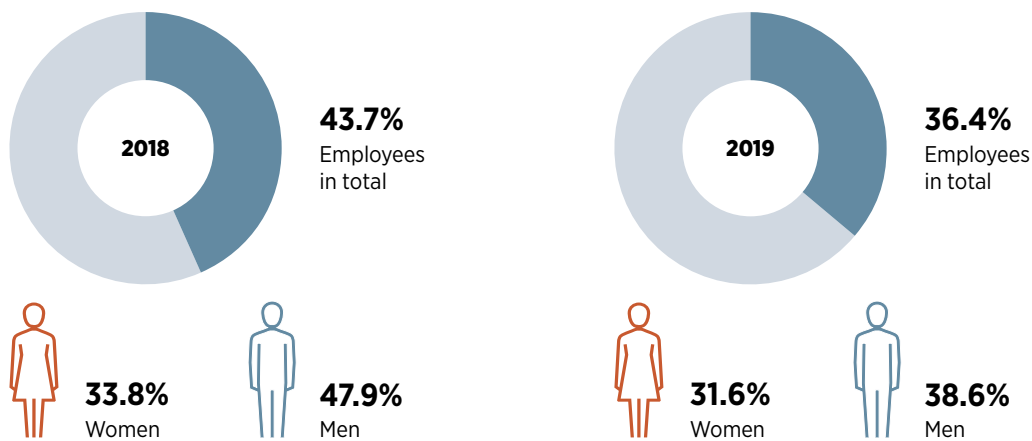
Employee assessment

GRI 404-3 We are responsible for the development of our employees. To check on their effectiveness, quality of work and preferred direction of further development, we carry out periodic employee assessments. In 2018, we developed them in the Production and Supply Planning Division and the Quality Division. In addition, we implemented the process in the Technical Division, as planned. In 2019, we examined the effectiveness of our periodic performance appraisals and decided to continue them. We also worked to adapt them to the current needs – the new

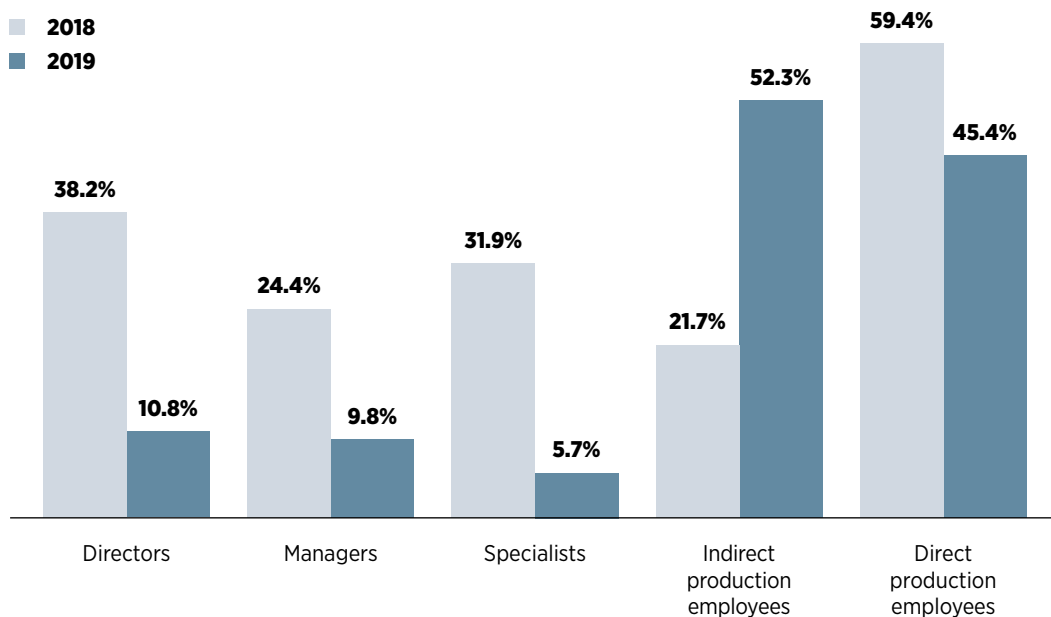
competences and strategic directions, placing an emphasis on training opportunities. We plan to implement periodic performance appraisals in the new form in 2020.

Also production workers receive feedback and assessment of their skills. Here, the assessment of skills is closely linked to a skill matrix dedicated to each production plant. This system helps employees become aware of the extent to which they already possess specific skills, and in what direction they should improve those skills.

GRI 404-3 Percentage of employees subject to regular quality of work assessments and career development reviews by gender



GRI 404-3 Percentage of employees subject to regular quality of work assessments and career development reviews by category of employment



4.5 Safety culture

We know how important safety is for everyday work. Therefore, Nowy Styl **cares about the highest standards of occupational health and safety**. We eliminate potential risks by identifying, analysing and evaluating threats and opportunities in processes and workplaces. We provide safe and hygienic conditions to prevent injuries and illnesses. We protect the health and safety of everyone staying on our premises, as well as customers and subcontractors. At the

same time, we train employees, stressing the importance of their awareness and commitment for everyone's safety.

GRI
103-2

GRI
403-1

At Nowy Styl Sp. z o.o., we manage safety based on standard ISO 45001:2018 (we received a certificate in April 2020, which replaced the previous standards PN-N 18001 and OHSAS 18001), at Sitag AG based on the ISO standard 45001:2018, and in Nowy Styl – Majencia SAS based on the standard OHSAS 18001.

Occupational Health & Safety Committees and workers' representatives

GRI
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GRI
403-3

GRI
403-4

Workers can have different representatives for health-and-safety related matters, depending on the company and the legal regulations in force in the country.

Nowy Styl Sp. z o.o.

The company has a 6-person Occupational Health and Safety Committee composed of employee and employer representatives (three people from each side). The former are elected in democratic elections and represent 100% of the workers. During consultations with employer's representatives, issues such as occupational risk assessment, allocation of protection measures, monitoring of working conditions and participation in OHS training programmes can be discussed. The representatives also give their opinion on measures taken by the employer to prevent accidents and occupational diseases. The Occupational Health and Safety Committee analyses working conditions and makes proposals for improving them, periodically assesses the state of health and safety at work and collaborates with the employer in the performance of his duties in this regard. Members of the OHS Committee convene at least quarterly.

Nowy Styl GmbH

At this company, workers' representatives represent 78% of those employed in the company. The OHS Committee is composed of four people responsible for health and safety at the company, who carry out safety checks twice a year.

Kusch+Co GmbH

The company has trade unions which represent workers. An employee-elected Works Council represents 96.7% of them. The company also has a six-person OHS Committee. Its members are elected from the individual departments in accordance with German labour safety regulations. The Committee advises on health and safety and accident prevention, assesses risks and conducts internal audits. It is also involved in proposing improvements and implementing OHS innovations. It meets at least quarterly. Safety aspects are not agreed with trade unions, but with the Works Council.

Rohde & Grahl GmbH

The company has an OHS Committee composed of 16 people in 2018, and 17 in 2019. Its composition is appointed by the employer, as is the case with employee representatives. The Committee analyses potential risks and proposes solutions, as well as looks for the causes of occupational diseases or their potential risk. The meetings involve tours of production halls to identify health and safety measures and objectives.

Sitag AG

The company has GAV in place, which is a collective employment contract of the Swiss furniture industry. Sitag has a two-person OHS Committee. Its members include employees who have completed a practical course in occupational health and safety for officers and supervisors. The Committee carries out safety checks.

Nowy Styl – Majencia SAS

The company has trade unions. Employees choose trade union members, who represent 100% of the company's employees. There is also a six-member Health, Safety and Working Conditions Committee (CSSCT), with two people representing each location. Employee representatives in the Health, Safety and Working Conditions Committee (CSSCT) are elected by a Social and Economic Committee (CSE) from among the members of that committee.

The job of the Social and Economic Committee (CSE) is to deal with health and safety and other issues. The Committee combines the functions of an OHS Committee, employee representatives and a Works Council. The role of the Committee of Health, Safety and Working Conditions (CSSCT) in the area of health and safety at work includes risk assessment, proposing measures to prevent harassment, sexual harassment and sexist action, and determining the causes and circumstances of accidents. The members of the committee carry out at least four checks per year.

Investigation of accidents at work

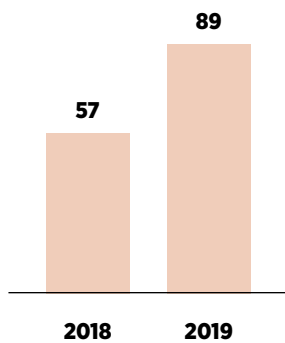
GRI
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Like in previous years, in 2018 and 2019 there were no fatalities at work in any of our plants. In most of our companies (Nowy Styl Sp. z o.o., Nowy Styl GmbH, Sitag AG, Kusch+Co GmbH), there were no serious accidents either.

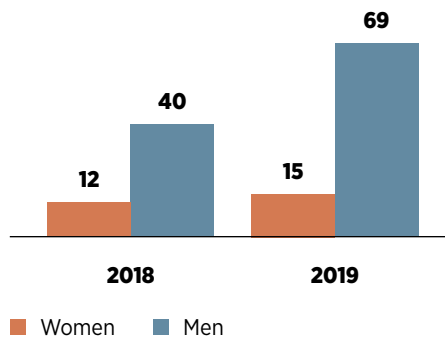
Accident reporting and analysis is carried out in accordance with applicable requirements of the labour law

of the country in which the company is located. Therefore, some companies record accidents without breaking them down into accidents at work and accidents on the way to or from work. The number of accidents is not equal to the number of those aggrieved where one person has suffered an accident more than once.

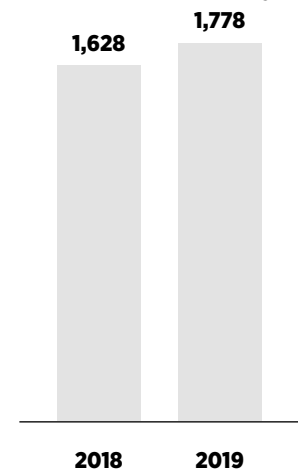
Total number of accidents causing injuries



Total number of people injured



Total number of absenteeism days



Kusch+Co GmbH and NowyStyl - Majencia SAS, which joined Nowy Styl in 2019, are missing from the figures for 2018.

We monitor workplaces at risk of health-damaging factors on an ongoing basis. We aim to reduce exposure, which is why we invest in improving working conditions, implement collective safety measures, assess risks and

train employees. We carry out a number of preventive and health-promoting activities. In our annual accident analysis, we provide indexes that help measure and monitor the level of safety in our plants:

GRI
403-2

Accident frequency index (IR)

	2018			2019		
	Women	Men	Total	Women	Men	Total
Nowy Styl Sp. z o.o.	6.59	8.00	7.61	1.97	4.58	3.81
Nowy Styl GmbH	0.00	32.30	20.00	0.00	32.80	20.00
Rohde & Grahl GmbH	43.96	55.56	52.77	1.00	44.67	37.14
Sitag AG	62.50	34.90	42.40	32.26	68.18	58.80
Kusch+Co GmbH	n/a	n/a	n/a	13.50	58.80	45.10
Nowy Styl - Majencia SAS	n/a	n/a	n/a	138.90	150.00	146.80
Total	28.26	32.67	30.69	33.05	59.84	51.95

Calculated as the total number of persons aggrieved in accidents/employment × 1,000.

Accident severity index

	2018			2019		
	Women	Men	Total	Women	Men	Total
Nowy Styl Sp. z o.o.	31.33	51.95	47.00	51.00	59.64	58.31
Nowy Styl GmbH	0.00	29.00	29.00	0.00	114.00	114.00
Rohde & Grahl GmbH	2.80	17.63	14.54	1.00	11.85	11.07
Sitag AG	1.00	14.30	7.70	12.00	33.80	30.60
Kusch+Co GmbH	n/a	n/a	n/a	23.00	20.10	20.40
Nowy Styl – Majencia SAS	n/a	n/a	n/a	14.92	0.14	4.71
Total	8.78	28.23	24.55	13.15	39.91	39.5

Calculated as the quotient of the number of days of incapacity for work due to an accident at work and total accidents.

Total number of days of incapacity for work due to accidents at work (LDR)

	2018			2019		
	Women	Men	Total	Women	Men	Total
Nowy Styl Sp. z o.o.	21.4	41.9	36.3	10.7	27.7	22.8
Nowy Styl GmbH	0	97.1	65.3	0	392.4	116.9
Rohde & Grahl GmbH	19.6	128.7	105.2	1.5	57.2	45.9
Sitag AG	10.1	53.9	42.0	41.8	248.4	194.6
Kusch+Co GmbH	n/a	n/a	n/a	14.2	332.5	101.0
Total	12.8	80.4	62.2	13.6	211.6	96.2

Calculated as an indicator of the total number of days lost relative to the number of scheduled working hours of employees in the reported period × 200,000.
No data for the company Nowy Styl – Majencia SAS.

Lost Time Injury Rate (LTI)

	2018			2019		
	Women	Men	Total	Women	Men	Total
Nowy Styl Sp. z o.o.	4.4	4.8	4.7	1.4	2.8	2.4
Nowy Styl GmbH	0	22.1	15.1	0	22.8	16.2
Rohde & Grahl GmbH	36.7	37.2	37.1	7.4	24.0	20.7
Sitag AG	58.8	21.9	31.9	20.0	42.2	36.5
Kusch+Co GmbH	n/a	n/a	n/a	4.4	142.6	37.2
Nowy Styl – Majencia SAS	n/a	n/a	n/a	n/a	n/a	96.9
Total	25.0	21.5	22.2	6.6	46.9	35.0

Calculated as the total number of accidents causing injuries × 1,000,000 relative to the total number of hours worked.

Lost Time Injury Severity Rate (LTI)

	2018			2019		
	Women	Men	Total	Women	Men	Total
Nowy Styl Sp. z o.o.	0.1	0.3	0.2	0.1	0.2	0.1
Nowy Styl GmbH	0	0.6	0.4	0	2.6	1.8
Rohde & Grahl GmbH	0.1	0.7	0.5	0	0.3	0.2
Sitag AG	0.1	0.3	0.2	0.2	1.4	1.1
Kusch+Co GmbH	n/a	n/a	n/a	0.1	2.9	0.8
Nowy Styl – Majencia SAS	n/a	n/a	n/a	n/a	n/a	0.5
Total	0.1	0.5	0.4	0.1	1.5	0.7

The number of days lost due to injuries × 1,000 relative to the total number of hours worked.

Analysis of occupational diseases

In the reported period, there were two cases of occupational diseases in all of our companies – one at Sitag AG and one at Nowy Styl – Majencia SAS.

GRI
403-2

Occupational Disease Rate (ODR)

	2018			2019		
	Women	Men	Total	Women	Men	Total
Sitag AG	0	1.5	1.1	0	0	0
Nowy Styl – Majencia SAS	0	0	0	n/a	n/a	0.5
Total	0	1.5	1.1	0	0	0.5

Calculated as the total number of occupational disease cases relative to the total number of hours worked × 200,000.

Protection against harmful agents

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We are aware that in the plants of our companies Nowy Styl Sp. z o.o., Kusch+Co GmbH and Rohde & Grahl GmbH there are workplaces where the maximum permissible levels and concentrations of the following harmful agents in working environment have been exceed-

ed: noise, industrial dust, wood dust, mechanical vibrations and chemicals. At Nowy Styl Sp. z o.o. and Rohde & Grahl GmbH, the levels and concentrations of harmful agents are measured by external institutions. At Kusch+Co GmbH, this is done by a professional association.

List of the number of people working with exposure to the following factors

2018	Noise	Wood dust/ industrial dust	Mechanical vibration	Chemicals	Workers exposed on 2 or more factors	All employees in total
Nowy Styl Sp. z o.o.	264	123	78	6	471	3,287
Rohde & Grahl GmbH	84	51	0	31	166	379

2019	Noise	Wood dust/ industrial dust	Mechanical vibration	Chemicals	Workers exposed on 2 or more factors	All employees in total
Nowy Styl Sp. z o.o.	232	120	79	4	435	3,414
Rohde & Grahl GmbH	87	40	0	42	169	377
Kusch+Co GmbH	13	12	0	4	29	244



We are committed to reducing the risks associated with working in unfavourable conditions. In all workplaces where harmful agents occur **workers are provided with workwear or protective clothing**, appropriate footwear and personal protective equipment (hearing protectors, safety goggles, masks, safety helmets etc.). In addition, **we take measures to promote health and safety**, for example: sports offers for employees, free fruit and meals in the canteen. We attach great value to health, which is why one of our companies, Rohde & Grahl GmbH, provides additional, regular employee health checks carried out by a company doctor, and offers individual counselling on ergonomics in the workplace. In addition, it has a special BGM team that promotes healthy practices in the company. There are many more measures we take for the benefit of our employees, which are described more broadly later in this Section.

4.6 A good place for personal development

Our company is formed of ambitious people with a young spirit, who keep improving the way they work and look for new solutions to achieve better results. **We hold many**

trainings and carry out development programmes to support our employees in their daily work and help them achieve both individual and business goals.

Education and training

Nowy Styl helps its employees develop specialised, leadership, and soft skills. Workers can participate in external and internal training, workshops, conferences and international fairs. Those in departments involved directly in

products and sales can use an e-learning platform, rich in training videos, presentations and other materials related to products and services.

Key training programmes in 2018–2019:

Know-how workshops

local and international meetings where we share knowledge and experience of working with customers in a given market

General development workshops

efficient meetings, public speaking, professional assessment interviews

Specialised workshops

in manufacturing, logistics, quality, trade, finance, workplace design, workplace optimisation strategy and office change project management

Training in lean manufacturing

conducted by our Continuous Improvement Process Department

Technical training

related to the introduction of innovative software used by design engineers

Sales training


trade negotiations, sales techniques

Product training

chair and soft seating offer for the project market, acoustics, product changes

Language training

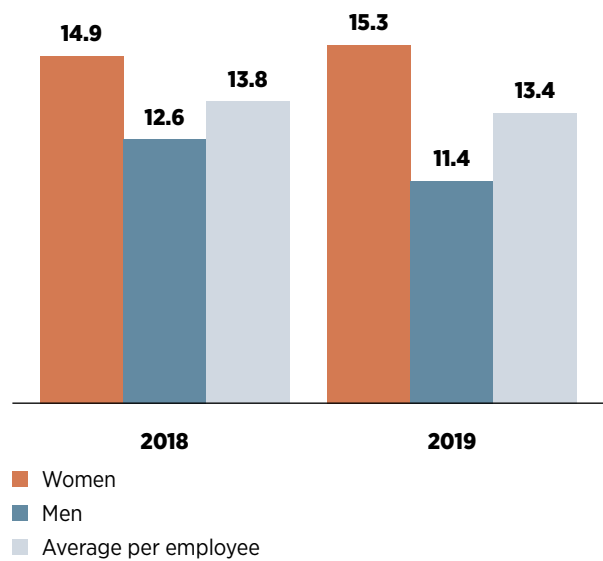
based on the demands of a specific position





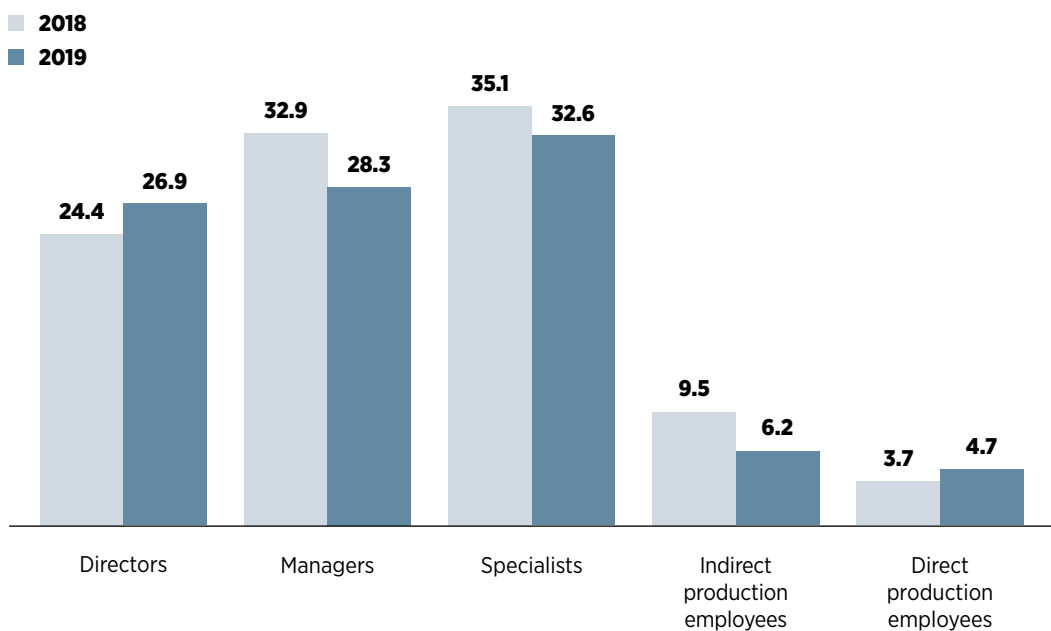
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Average number of training hours per employee at Nowy Styl Sp. z o.o.



GRI
404-1

Average number of training hours per employee by employment structure at Nowy Styl Sp. z o.o.



The table shows data for Nowy Styl Sp. z o.o. only due to the absence of standardised data collection procedures at the remaining companies.

Development programmes

In Nowy Styl, we attach great importance to employee development. We provide opportunities for individual development and improvement of professional qualifications.

The main objective of the training courses is not only to provide appropriately qualified staff, but also to support their personal development.

Therefore, while maintaining the principles of equal and universal access to training, we strive to improve the specialist knowledge required for specific positions, as well as provide opportunities to develop personal and managerial skills.

GRI
404-2

Programmes we implemented in 2018/2019

Efficient meetings	A project addressed to all employees leading or participating in inter-departmental meetings.	339 participants 37 training days
Induction programme for production workers	A special programme to train instructors, foremen and coordinators in providing effective induction for new employees. Click to find out more	213 participants 26 training days
Team of the Month Team of the Year	An incentive program for warehouse workers focused on the development of interpersonal skills and collaboration. Each month, the winning team was chosen from each unit, based on pre-determined indicators. Team of the Year was also elected, based on the annual score.	176 participants 15 units
Skill development programme for production managers	A project targeted at heads of production, supervisors and foremen. Its aim was to improve people management and managerial communication skills	150 participants 40 training days
Customer segmentation	Training for Customer Service staff to help them implement the customer segmentation process.	119 participants 13 training days
GDPR in the recruitment process	A guide for managers, along with a set of best practices and relevant documentation for soft HR activities. In addition, we have prepared a GDPR in Recruitment training for managers.	18 participants 3 training days 149 managers received the guide



Development programme: New Style of Leadership

In 2019, we started work on a new managerial skills development programme. The programme is addressed to employees selected using the Harrison Assessments questionnaire – a tool meeting the ISO 10667 standard for procedures and methods for evaluating people in organisations. We used it to choose three groups of workers for whom a dedicated development programme was prepared. The first phase of the project ended there. Further activities, launched in Q1 2020, involve specific training and workshops, mentoring and individual coaching for project participants.



Development programme: New Style of Foremanship

At the end of 2019, we started a project addressed to production workers. Its expected result is to build a reserve team of foremen. We have initiated a multi-stage recruitment process, as part of which applying candidates (44 workers) had the opportunity to attend preparatory training and show their skills and knowledge. In the next stage, after the final group of participants have been selected, a development process planned for 2020–2021 will be prepared and carried out.



4.7 Health and team building

Integrating several thousand workers from a variety of countries, cultures and backgrounds is not an easy task. Nevertheless, we do undertake a number of activities to both bring our employees closer together and promote

a healthy lifestyle. We can also see the effect of the many best practices we have introduced at Nowy Styl. Here are some of them.

Best practices

We bought **AED defibrillators**, which have been part of the equipment of our offices in Krosno and Cracow, and the Office Inspiration Centre since 2019.

Before entering our production facilities, **all visitors** are informed about potential risks and the rules they should follow during their visit. The policies and procedures are shown in the form of easy-to-watch videos.

Employee Suggestions Programme has been operating since 2014. It deals with, among other things, technological and structural improvements, maintenance, but also safety issues. In 2018, there were on average **3.4** suggestions per worker, and in 2019 – **3.3** suggestions. As many as 68% of them were immediately implemented or are in the process of implementation.

We also run a **Near Miss Reporting Programme** (ZPW). A total of 770 near misses have been reported since the start of the programme, and 324 in the years covered by this report to help prevent accidents at work.

We celebrate **365** days without an accident in all our plants.

We provided individually ordered prescription safety glasses for **854** employees.

We continued our professional Advanced First Aid training. Employees who took part in it and passed an exam (35 people in 2018) received Paramedic certificates. **Six Rescue Teams were formed** following the training, which have been equipped with emergency medical kits and are ready to provide immediate aid in case of emergency. In 2019, we conducted a refresher training for 48 employees.

All factories in Poland are covered by **layered OHS audits**. In 2018–2019, we conducted 416 of them. Their participants included production heads, foremen, technologists, maintenance and OHS workers and operatives. The audits improve workplace health and safety by strongly engaging employees in caring about common safety.

We bring employees from our factories and offices closer together by inviting them to a joint, annual **Open Doors Day**, publishing our corporate magazine **LinkUP** and sharing current news and messages in Polish, English, German and French through the company's intranet service, available to employees.



Open Day

We hold a big event called Open Door Day for Nowy Styl employees and their families every year in the summer. Employees from all locations, both production plants and offices meet in one place. We also invite the workers of cleaning and security companies whom we meet every day, but who are not directly our employees. In 2019, the event promoted health and physical activity with the motto 'Sport is Health'. More than 1,300 adults and 1,000 children took part.

An event called Family Safety Run has become a tradition of our Open Day. The route of the run leads through evacuation routes in our factories. In this way, we want to

stress that safety is our common cause. In 2019, the Family Safety Run was participated by 542 people.

Every year, we invite a blood donation bus to our Open Day. In 2019, we registered 106 blood donors as part of a campaign titled 'Make a Transfer of Life – Donate Blood!'. In total, we collected a whopping 33.3 litres of blood.

We try to ensure that our event involves some kind of new experience every year, in addition to the fixed items on the agenda. For example, in 2018 we organised a First Aid Tournament, where our trained paramedics could test their rescue skills in a simulated road accident.



Dariusz Frydrych
Member of the Management
Board and Operations
Director, Nowy Styl

We have been opening the doors of our plants for the past eight years to show the families of our employees how their fathers, mothers, sisters and brothers work. It is an opportunity to spend time together and integrate as a team, and get to know the workplace from a slightly different perspective.



„LinkUP”

This is what our corporate magazine is called, written by employees and for employees. It is published in Polish, English, German and French. It is edited by an international team who collect interesting facts about the goings-on in our companies and regions. Articles cover general topics as well as the history and culture of specific locations. In this way, our employees broaden their horizons, feel they

are closer together and get a sense of belonging to one organisation. In the first issue, we discussed the key topics of the year, such as the acquisitions and the rebranding process. To make the publication more interesting, we have broken down the contents into 'office spaces, such as Conference Room, Kitchen and Chill-Out Room – a solution appreciated by readers.



A piece of home at the factory

We have sectioned off spaces for a Relaxation Room and First Aid Room in our Office Furniture Factory and the Chair Factory. The former is intended for pregnant employees and mothers who need a place to express breast milk. This room is painted in calming pastel colours. Employees can use it to calm themselves down and relax, and a special

refrigerator is provided for mothers to store their breast milk until the end of the working day. The First Aid Room is available for everyone, and it is equipped with a first aid kit, blood pressure monitor, thermometer, medical bed and armchair for those suffering from heart conditions.

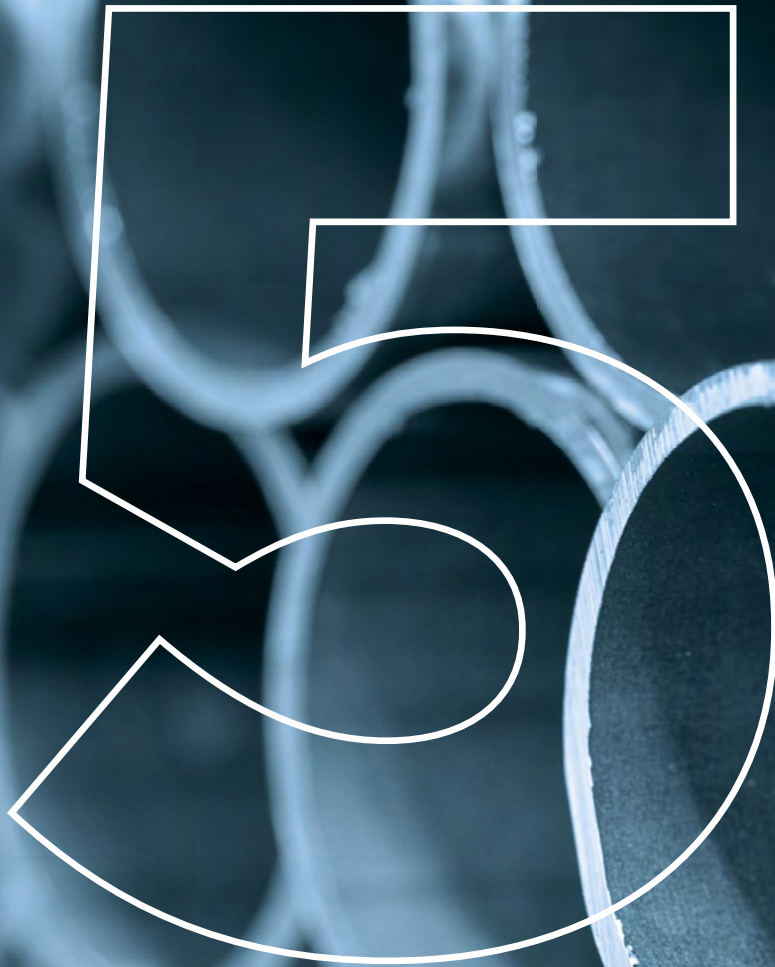


Sports Club

Passion and determination characterise the members of our Sports Club, who compete in local and international competitions every year, training together and driving one another to success. The Club is where our employees become knit together as a team, work on their physical

shape and promote a healthy lifestyle. In 2018, the members of the Club ran a total distance of 34,590 km, and in 2019 they became the team champions of the Magurski ultra-marathon, the third time in a row.





5

5 Building a sustainable supply chain

Commitments for 2020–2021:



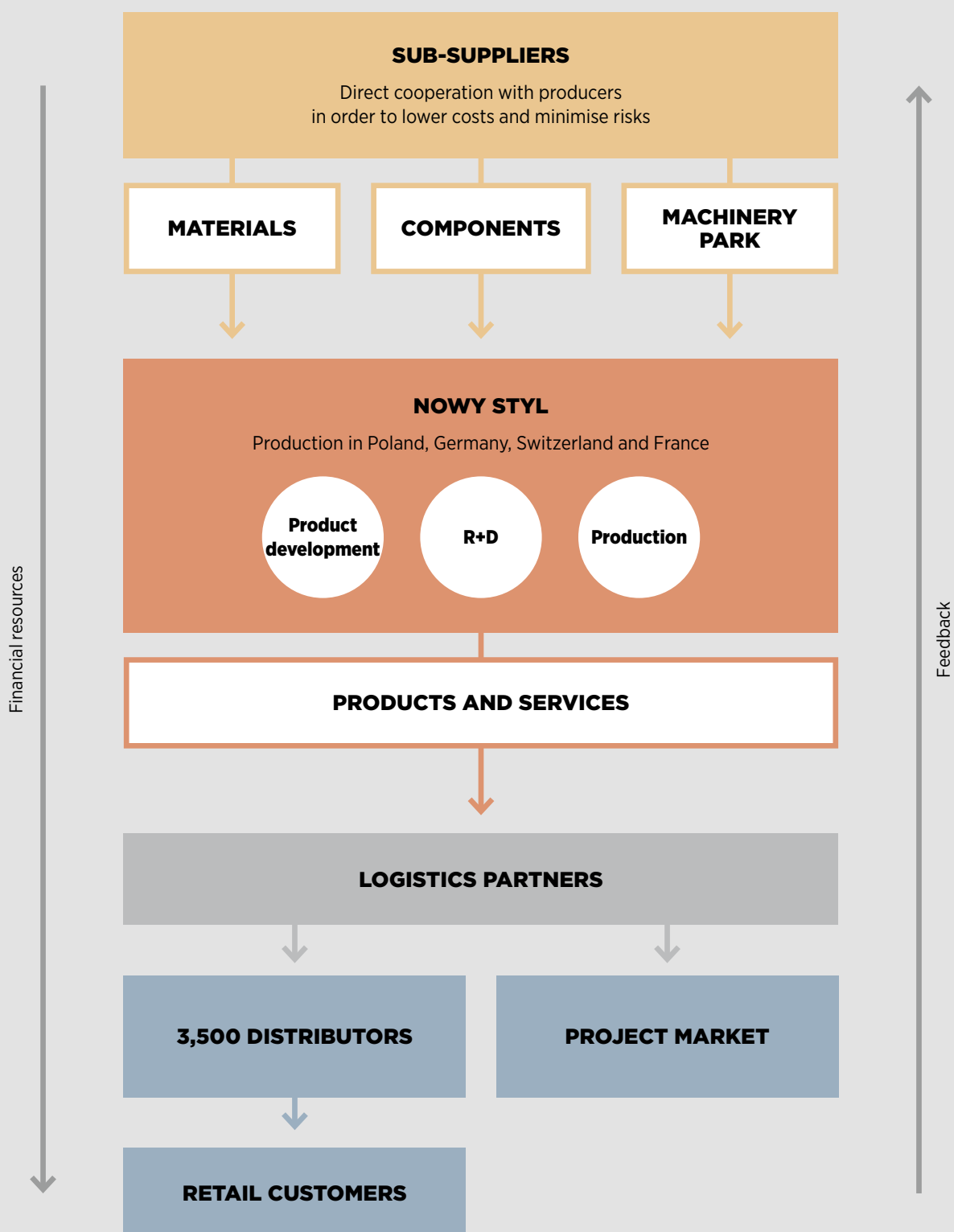
- We will update the present documents: *Nowy Styl Supplier Code of Conduct* and *General Terms and Conditions*, and we will draft a new *Procurement Policy*.
- We will increase the weight of ethical and environmental criteria in the assessment of our suppliers.
- We will be developing best practices in the supply chain area, so we will prepare for the FEMB level and Mobelfakta certification process.

GRI
102-9

GRI
103-2

The scope and scale of our activities makes us a reliable and solid business partner for customers and suppliers alike, who have a guarantee of reliable cooperation on fair terms. From the very begin-

ning, we have only cooperated with partners who share our vision and way of doing business in terms of ethical standards, respect for human rights, and anti-corruption mechanisms.



5.1 Setting standards

GRI 308-1 **GRI 414-1** We want our policies for the supply chain to be universal, and to also apply to organisations that we work with. We are therefore pleased that our partners, motivated by a sense of shared commitment to healthy business principles, show a full understanding of that approach. Our activities are based on the high requirements of the ISO 9001:2015 standard.

GRI 103-2 We have introduced the **Nowy Styl Supplier Code of Conduct** to broaden the ethical, social, economic and environmental responsibility standards for our suppliers, whose businesses are a key part of our supply chain.

Only this approach will allow us to truly balance production processes and take full responsibility for them. At the same time, we are convinced that running a business to the highest standards is a source of long-term competitiveness and security of an organisation.

The *Nowy Styl Supplier Code of Conduct* is a global document that applies to all of our suppliers. Compliance with the standards set out in the Code is one of the assessment criteria in the supplier selection process. The Code sets out

ethical standards (including social and environmental) and business practices followed by Nowy Styl employees, and it is in line with the values adopted by our company as the foundation for its development. The document has been prepared in compliance with the legislation and culture of the countries in which Nowy Styl operates.

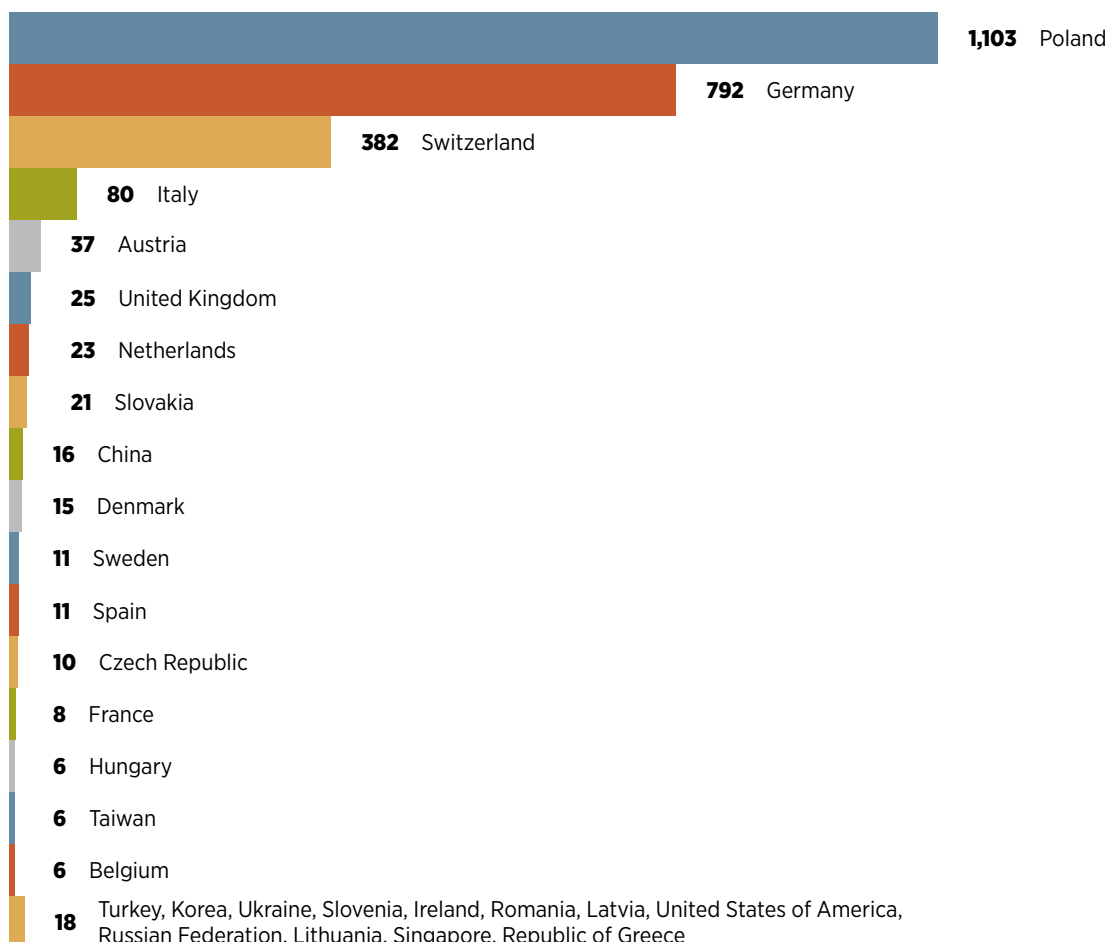
In 2018–2019, 100% of new suppliers were vetted with respect to the environmental and social criteria (9 in 2018 and 13 in 2019). At the end of 2019, we updated our supplier assessment form to increase the weight of ethical and environmental issues. Our goal is to periodically (every 2 years) check our key and most active suppliers according to the changed requirements. As a result, we maintain high environmental standards in the supply chain.

In 2019, we cooperated with 2,570 companies from all over the world.



**Click to see Nowy Styl
Supplier Code of Conduct**

Number of Nowy Styl's suppliers in 2019 by the country of origin



5.2 Caring about joint growth

GRI
204-1

Nowy Styl's continuous development, including business expansion through acquisitions, has resulted in changes in the purchasing structure as well. Organisation of the Strategic Purchasing Department has evolved towards the following policy: think globally, act locally.

The global approach is reflected in the area of direct purchasing, where managers of each category are responsible for managing the entire supplier base for all locations, forming an international team. Localness, on the other hand, is followed mainly in the area of auxiliary purchases and services such as security, cleaning and local investment.

Due to the nature of the market and our organisation, we consider local suppliers to be companies manufactur-

ing products or services in Poland and Germany (for our companies operating in that market: Rohde & Grahl GmbH, Nowy Styl GmbH, Sitag AG, Kusch+Co GmbH). In 2018 and 2019, the share of expenditures on products and services from local suppliers on the Polish market was 48% and 46%, respectively, while on the German market it stayed at 68%.

Our development is a growth accelerator for our partners too. For the purposes of cooperation with Nowy Styl, companies often introduce new solutions, thereby expanding their portfolio of services and technologies, which they can then use as they work with other customers. Wuppermann, a company selected as a supplier of tubing for electric columns used in our height-adjustable desks is a good example.



Right from the start, when Marcin Koziol (from Nowy Styl's Strategic Purchasing Department) contacted me in mid-2018, I knew we were in for an interesting project, but also plenty of creative work. As one of the leaders in the production and a recognised supplier of tubing and precision columns, Wuppermann eagerly embarked on the project. The first step was to modify the necessary tools, so as to adapt the component to Nowy Styl's product needs. Then, we launched the production of a test batch. One challenge we faced was the roughness parameter, which we finally solved by modifying the production technology. Thanks to that cooperation, we have expanded our portfolio, met new people and gained experience that will benefit us in future projects.



Jacek Olesiński
Sales Representative
Wuppermann

5.3 Nowy Styl's supply chain

GRI
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GRI
102-9

For any company, supply chain management is one of the most difficult areas of business. The longer it is, the more potential reasons for it to break. A supply chain is about more than just supplying

materials for production. It is also about organisation, storage, production planning, technological process, internal transport and shipping logistics.



Purchase of
raw materials



Procurement



Quality
control



Production



Logistics



Additional
services

Purchasing of raw materials

The purchasing of raw materials is a complex process that includes the selection of new suppliers, auditing and co-operation risk assessment, searching for new material and product solutions to meet customers' requirements, optimisation of purchasing, quality and logistical parameters, analysis of purchasing indicators and the process of complaints and supplier development.

At Nowy Styl, this element of the supply chain is the responsibility of the Strategic Purchasing Department, based in the company's head office in Poland. Details of cooperation with our company are described in **Nowy Styl Procurement Policy**, the foundation of which was prepared in the last two years. In the period covered by this report, ongoing analysis of and real-time response to all the variables became a new challenge coming from the market. To meet it, we introduced essential changes by separat-

ing individual categories from the existing structure and assigning them responsibility not only for carrying out tasks assigned to them, but most importantly for creative approach to working on purchasing strategies for each of them individually. The appointment of independent managers for the different categories has had an important effect: in addition to becoming team leaders, those individuals have brought expertise and experience from their industries into the organisation. Category managers are responsible for a global approach to the purchasing process in each of the departments.



**Click and see
Nowy Styl Procurement Policy**



Negotiations with suppliers are our daily routine, and the IT tools we use every day help us to efficiently communicate and coordinate our work with colleagues from France, Germany and Switzerland.



Bogdan Hawrot

Manager of Indirect Procurement
Nowy Styl

Procurement

For easier control of expenditures throughout the Group, we have centralised the procurement process. We benefit from the synergy effect, as our whole organisation falls under a single **purchasing strategy**. We set identical terms for all of our locations. Cooperation is made easier thanks to solutions on IT platforms in the area of purchasing processes such as: IFS management system, Office 365 communication tool and reporting systems for purchasing parameters and consolidation of purchasing data for all Nowy Styl companies.

Our specialists control and analyse logistics parameters on an ongoing basis. As a result, we can be sure that

we care for quality and optimisation along Nowy Styl's entire supply chain.

Nowy Styl is using **106,786 m² of warehouse space** in Poland, Germany, France, Switzerland, UK, Russia, Ukraine, Turkey and Hungary. In Poland, finished products and large components for export are stored in external warehouses in Pilzno and Rzeszów. We also have our own material warehouses by all the four factories in Jasło, with a combined floor area of 32,194 m². With those locations, we are able to store raw materials worth three months of stable production.

Quality control

GRI 103-2 We have implemented uniform standards across the organisation and we work in line with the requirements of **ISO 9001:2015**.

In addition to the quality of raw materials and consumables, product quality is largely determined by conditions in the working environment, e.g. understanding of processes taking place in the process hall, good flow of information

between workers, regular training, transparent pay policy and, above all, tidiness and safety.

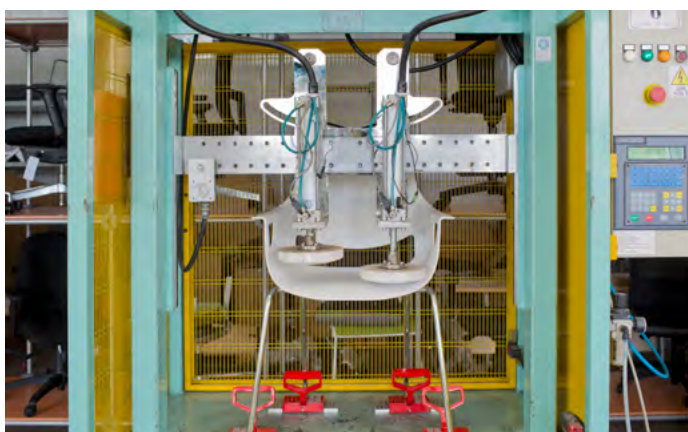
Each of these elements is covered in lean management – a concept of production process management which helps to ensure that work on the factory floor is carried out according to strict standards, guaranteeing the right quality and efficiency.

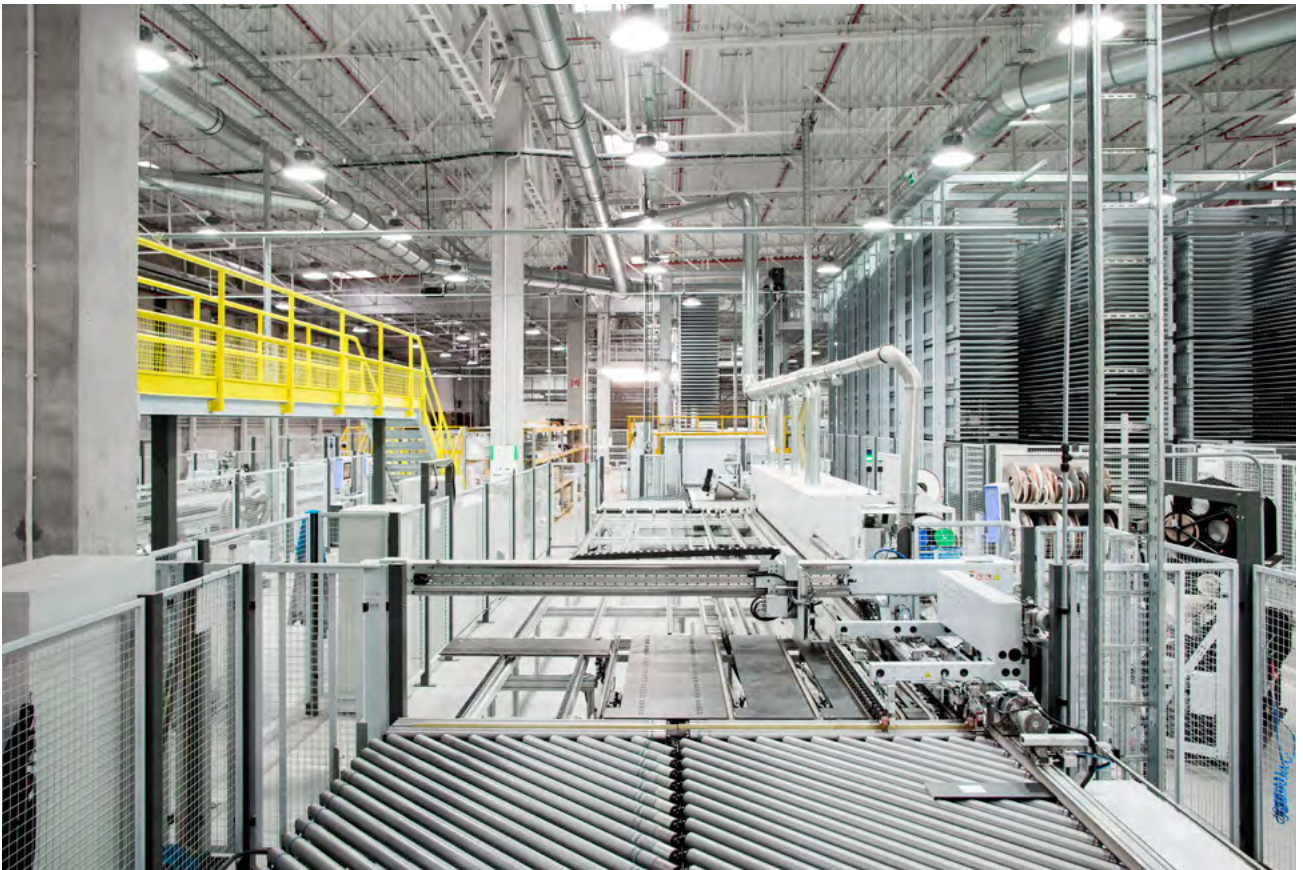
Production

Production autonomy is one of Nowy Styl's strengths. We have our own factories with a floor area of 220,000 m² located in 7 European countries. Our production is based on modern production and IT technology. We have our own tool shop and multifunctional machinery for the overall processing of wood, metals and plastics. We also have our own **R&D Centre** and we invest in fourth-generation industrial solutions, to better meet customer needs by manufacturing in a way that is efficient, environmentally friendly and perfectly tailored to customers' preferences.

Nowy Styl has been using lean tools in all of the company's factories for over a dozen years. Their implementation and compliance is supervised by an international team of experts, who have developed their own operating model tailored to our needs and aimed at boosting synergies in production.

Lean also allows us to quickly respond to a changing market situation. For example, we are currently seeing a large fragmentation of production. This is not a problem for us, as we are able to retool quickly and start working on a contract without delaying delivery.







Logistics

As one of the leading manufacturers of furniture and chairs in Europe, we arrange hundreds of thousands of deliveries to our customers around the world.

Our products are distributed to customers using both our own and third-party vehicle fleets. Nowy Styl's **transport policy** is to minimise the space occupied by transported products and avoid empty runs. By making most of the components in our own factories, we optimise transport conditions, reducing the negative impact on the environment.

Transporting products on time is crucial for our projects. Our standard procedure involves providing a trained assembly team that speaks the local language. Before starting assembly work, we pay an on-site visit to see at what stage the works of other teams are, agree the details of accessing and staying on premises with their administrators, and make arrangements with the services regarding

aspects such as the maximum tonnage of vehicles to deliver furniture. Each of these steps saves valuable time and avoids surprises. This way, we are sure that the work can be completed on time.

Until recently, packaging disposal used to be a big problem for any project. By changing our approach to packaging, we have been able to take care of the environment as well as reduce costs, delivery and assembly times. For the duration of storage and transport, furniture is protected against damage with caps for castors and armrests, and reusable protective covers. This solution is a response to the needs of those customers who see ecology and respect for the natural environment as an important issue, as well as those with a restrictive fire policy ([Click to find out more](#)).



Products secured in this way are transported in **double deck** trucks, so they can be layered on two levels. A rigid floor structure, with floor height of 2 × 180 cm, and the use of a hydraulic lift ensure that goods are securely fastened and the distribution process is efficient. In this way, we increase loading capacity for euro pallets by as much as 63%, and reduce the emission of harmful exhaust gases ([Click to find out more](#)).

Additional services

Logistics are closely related to service. In addition to delivering new products, Nowy Styl also provides additional services, such as collection of old furniture, followed by maintenance and repair ([Click to find out more](#)).



Part of our logistics know-how is the ability to coordinate the logistics chain in the processes of storage, distribution and assembly of finished products so as to efficiently handle contracts for furnishing offices, hotels, cinemas and stadiums in different parts of the world at a time.

Rafał Siwek

Logistics Director
Nowy Styl



6 Concern for climate change

Commitments for 2020–2021:



- We will increase the share of green electricity in our energy mix by 2025. Currently, the share of green energy in our plants in Poland is at 9.8%, while by 2025 we want it to grow to 30%. We will implement that process in stages, by no less than 5% annually, year by year.



- We will reduce our CO₂ emissions by 2.1% annually by 2025. This goal is linked to the company's annual turnover.
- We will build an energy-efficient warehouse hall with an area of 10,000 m². For logistics purposes, the hall is being built close to our factories (warehouse and product distribution) and it meets the energy-saving parameters (suitable wall and roof thickness, LED lighting, mechanical ventilation with heat recovery).
- We will reduce CO₂ emissions in international transport by expanding our fleet of natural gas-powered vehicles.



- We will reduce the volume of packaging materials in transport by delivering products using the BDF systems.



As a production company, we are fully aware of our impact on the natural environment, so we make every effort to minimise and ultimately eliminate any potential negative impact. Throughout our organisation, we work in accordance with the certified *Integrated Quality, Environment and Health & Safety Management System*, based on the requirements of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 (certificate received in April 2020). Our implemented and announced **Integrated Management System Policy** includes, among other things, commitments to a rational use of raw materials, use of technologies reducing production waste and minimising the negative impact on the environment, thus creating a framework for building further specific environmental goals.

In addition to the ISO 14001:2015 based environmental management system in place, our Rohde & Grahl GmbH plant in Steyerberg has also implemented a voluntary

system of **eco-management and audit EMAS**, which imposes additional requirements with regard to aspects such as active employee involvement and broadly understood transparency of actions.

Furthermore, Nowy Styl Sp. z o.o., Rohde & Grahl B.V. and Kusch+Co GmbH have the **FSC®** CoC Product Chain of Custody system in place (which is a support policy for FSC values), thus actively supporting conscious management of wood as a natural resource. In addition, Kusch+Co GmbH has a parallel product chain of custody system, implemented and certified based on the **PEFC®** standard. ([Click to find out more](#)). Thus, we contribute to the fight against trading in illegally harvested wood and wood-based products. This is also confirmed by a Due Diligence System implemented in accordance with the requirements of the **EU Timber Regulation – EUTR**.

As part of our environmental management, we periodically identify, analyse and assess environmental aspects, and we conduct risk analysis and monitoring of processes related to environmental impact. This enables us to prevent and respond quickly in the event of any nonconformities. We define our pro-environmental goals and inspect them on an ongoing basis in our Environmental Action Programmes. They include specific tasks undertaken to achieve our goals, and define responsible units and the necessary financial resources and time frames.

In 2019, in order to reduce our negative impact on the natural environment, we implemented the **CO₂ Performance Ladder** in our companies (Nowy Styl Sp. z o.o., Rohde & Grahl GmbH and Rohde & Grahl B.V.). It is a Dutch sustainability support system which helps reduce CO₂ emissions and costs, both in operations and projects, and the sales chain. As a result, we are not only able to determine energy flows and CO₂ emissions, but also set ourselves ambitious goals in terms of their reduction ([Click to find out more](#)).

We identify and meet all legal requirements for environmental protection. In 2019, we established cooperation with an independent third-party verification body that conducts regular audits to assess compliance with le-

gal requirements in the area of environmental protection, chemical substance management, occupational health and safety and fire safety.

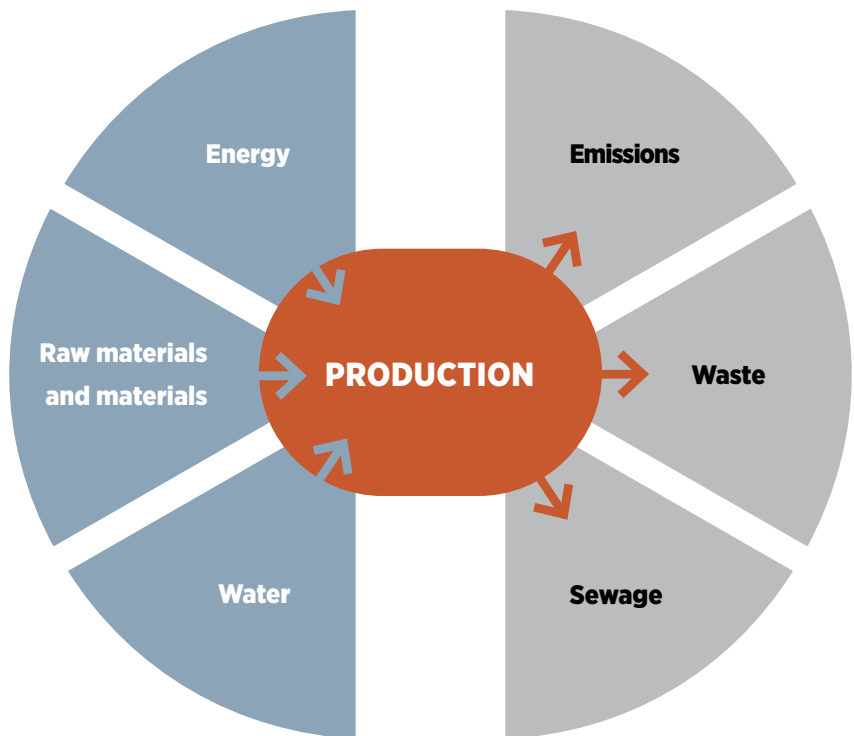
GRI
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The years 2018–2019 were another two years when no penalties or other sanctions were imposed on any of our companies for failure to meet legal requirements regarding environmental protection, and audits of our management systems carried out periodically by external certification companies always ended with a recommendation, and retention of the certificates held.

We also require all our suppliers to comply with environmental standards. We check that at the beginning of cooperation, and then by carrying out regular inspections ([Click to find out more](#)).

As a conscious and mature organisation operating on an international scale, we follow all **pro-environmental market trends** and the growing requirements of our customers in this area. We have also gone a step further, introducing green thinking at the designing stage of new products, which has resulted in products made in line with the concept of circular economy, the carrying out of product life cycle analysis and followed by the development of **EPDs** (Environmental Product Declaration) ([Click to find out more](#)).

Environmental impact in production processes



6.1 Consumption of raw materials and consumables

In production, we use wood and wood-based materials, steel, fabrics, plastics and upholstery foams.

It is our responsibility to:

- trace the origin of raw materials and consumables to be used for production by ensuring that they are extracted in a sustainable manner and without violating human rights; this is guaranteed by sourcing certified raw materials;
- rationally use raw materials by using technologies that reduce production waste, thus reducing the use of materials;
- design in line with the circular economy model;
- reduce CO₂ emissions.

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Consumed raw materials and consumables by weight and volume

2018	Wood and wood-based materials (m³)			Plastics (t)	Steel (t)	Textiles (m²)	Polyurethane foam (kg)
	Fibreboard, chipboard and others	Timber material					
		with the FSC certificate	without the FSC certificate				
Nowy Styl Sp. z o.o.	19,676.7	4,494.6	18,134.9	2,688.9	12,262.4	1,807,376.0	987,997.0
Nowy Styl GmbH	18.8	n/a	n/a	29.0	11.5	n/a	n/a
Rohde & Grahl GmbH	2,839.7	n/a	100.0	918.2	24.2	31.5	117,520.0
Sitag AG	1,182.0	n/a	n/a	n/a	26.5	n/a	n/a
Total	23,717.2	4,494.6	18,234.9	3,636.1	12,324.6	1,807,407.5	1,105,517.0

2019	Wood and wood-based materials (m³)			Plastics (t)	Steel (t)	Textiles (m²)	Polyurethane foam (kg)
	Fibreboard, chipboard and others	Timber material					
		with the FSC certificate	without the FSC certificate				
Nowy Styl Sp. z o.o.	21,199.2	4,827.8	15,074.9	2,665.7	11,498.9	1,727,003.0	916,893.0
Nowy Styl GmbH	19.4	n/a	n/a	34.8	n/a	n/a	n/a
Rohde & Grahl GmbH	2,392.3	n/a	100.0	58.6	1.8	23.6	154,100.0
Sitag AG	1,740.0	n/a	n/a	n/a	15.0	n/a	n/a
Total	25,350.9	4,827.8	15,174.9	2,759.1	11,515.7	1,727,026.6	1,070,993.0

Data for Kusch+Co GmbH and Nowy Styl – Majencia SAS have been omitted from the table due to their negligible significance considering the scale of our organisation.

The growth of production due to the development of our company leads to an increase in the volume of raw materials and consumables we use. However, to minimise our impact on the environment, we choose only those raw

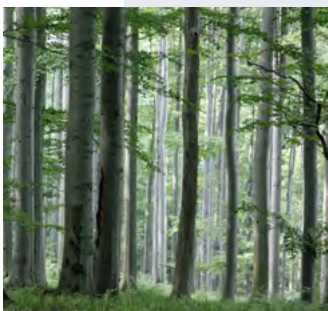
materials and consumables that come from sustainable sources, while at the same time we keep introducing new technologies that help us reduce their overall consumption.



Wood and wood-based materials

Wood used by Nowy Styl comes from the forests of the European Union and complies with the EUTR 995/2010 Regulation, the main provisions of which prohibit the placement on the market of illegally obtained raw materials. In production, we also use solid wood and wood-based materials, such as chipboards, fibreboards and dowels, which are certified according to the FSC standard. In recent years,

that certificate has been extended to cover all of Nowy Styl manufacturing locations in Poland. All product lines of our brand Kusch+Co using wood or wood-based materials are PEFC or FSC certified. In 2020, Nowy Styl Sp. z o.o. plans to introduce the first FSC-certified chair lines as standard. All FSC materials are sourced from certified suppliers, who also declare compliance with the FSC marking.



Forest Stewardship Council® (FSC®)

is an international non-profit organisation which works for the sustainable development of forests, and ensures environmental, social and economic issues are taken into account in their exploitation.

Programme for the Endorsement of Forest Certification (PEFC®)

is the largest international non-profit organisation dedicated to forestry certification and promoting sustainable forest management.

Fabrics

Each year, we use about 1.7 million m² of fabrics to make our chairs and sofas. We are gradually increasing the share of fabrics that are either recycled or come from renewable sources in our portfolio of finishes. And so, we are introducing polyester fabrics composed primarily of **post-consumer polyester** (97%–100%). Post-consumer recycled polyester is made from post-consumer waste, such as plastic PET bottles, which would otherwise be burned or landfilled. The recycling process results in lower CO₂ emissions than primary polyester fibre production process and

eliminates the need to purchase new raw materials. At the end of their life, post-consumer recycled polyester fabrics **can be recycled** again.

Our portfolio also includes a wide range of wool fabrics. Wool is a fast-renewable raw material ‘by nature’, as it has a high durability and a long life cycle, at the end of which it can be recycled. Converting wool into usable textile fibre requires the least energy consumption of all major fibre groups.

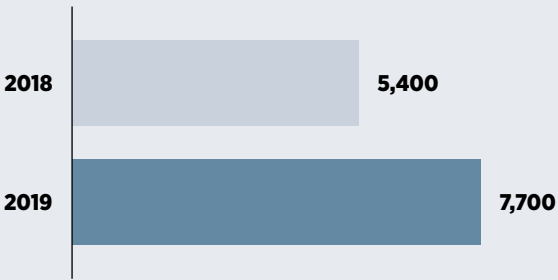


Panels in the Tepee modular system

system are made from pressed felt, which is a fully recycled material. The fibres are made from 100% recycled PET bottles. 22 ground 500 ml plastic bottles make 1 metre of that fabric.



Felt consumption (m²)



Our offer also includes EU Flower certified fabrics, Oeko-Tex® Cradle to Cradle Bronze certified textiles, and wool with the Wools of New Zealand mark.

We reuse remnants of fabrics to make bags, which are used as promotional materials. As a result, less textile waste is disposed of externally.



Oeko-Tex®

A certificate confirming the quality of textile and nonwoven products that come into direct contact with human skin. Oeko-Tex® awards the certificate to products which have been tested for the presence of the 100 substances most dangerous to consumers.

EU flower (Ecolabel)

A certificate awarded by the European Commission for products and services that have a negligible impact on the natural environment throughout their entire life cycle.

Cradle to Cradle Bronze

A certification programme based on the five criteria: health-safe materials, reuse of raw materials, use of renewable energy sources, carbon dioxide emissions, water management and social responsibility.

Wools of New Zealand

A certificate confirming sustainable sheep farming. The organisation works to develop farming methods, constantly looking for new ways to improve fibre quality, and aims to leave a lasting legacy in this area.

Upholstery foams



Our products use three types of polyurethane foam: cut foam, supplied in blocks by leading manufacturers on the market, ground recycled foam made from production waste, and injection foam made on site, in our plant.

Thanks to the automation of the foam hand-cutting process, we have improved work ergonomics and the quality of product workmanship. In addition, instead of being disposed of, foam waste is subject to further processing to eventually return to the plant as a special type of product – ground foam.

Our upholstery foams hold a health quality certificate, product safety sheet and hygienic approval.

Plastics

Most plastic waste is converted into chair components. Some armrests, covers and frames are made of regranulate, a material we produce ourselves in our Plastic Factory in Jasło. Thanks to our extensive experience in making coloured plastics, we offer a full range of RAL, NCS and Pantone colour palettes. The materials and components made in the factory are inspected in our testing laboratory for durability and colour compatibility, and 100% of them are recyclable.



Packaging

Over the last two years, we have been gradually eliminating cardboard and plastics from the packaging of our products. We use returnable packaging, such as:

- reusable protective covers made of fabric remnants, to protect products in the internal circuit and on the way to the customer,
- wooden crates for transporting collective components between the factories,
- transport blankets for transporting cabinets, made from recycled fabrics and nonwovens.

We have replaced protective plastic corners with ones made from cardboard. In addition, thanks to the bulk packaging of products, we can save as much as 1.8 kg of cardboard per single desk. For us, it is a cost saving, and for our customers – less waste.

In 2019, we purchased the next four pallet stretch-wrapers, allowing for up to 250% of film stretch, for the Chair Factory in Jasło. This has reduced our film consumption in production cells by 15%, and significantly reduced packaging waste on the market. Unused stretch film is sold to a third party company that prepares it for recycling companies.

We strive to use materials that contain no harmful substances and have limited impact on the environment as they degrade. We manage the use of chemicals in accordance with the REACH directive, and mark our products and packaging in accordance with the CLP rules.

6.2 Reducing emissions

At Nowy Styl, we are aware of the impact of CO₂ emissions on climate change. Driven by a sense of responsibility, we therefore make sure that our operations and our products are made in a sustainable and responsible manner. Reducing the emissions of pollutants into the atmosphere is one of our most important commitments. Every year, emissions

levels in our plants are measured by an accredited laboratory, in accordance with the requirements of the *Environmental Protection Law*.

In July 2017, we discontinued the use of a boiler plant, which translated into a significant reduction in emissions from heat generation in the period covered by this report.

CO₂ Performance Ladder

A Dutch five-tier sustainability support and management system companies can use to reduce CO₂ emissions. In 2019, Nowy Styl obtained a certificate confirming it has achieved Level 3 (up to and including Level 3, an organisation focuses on its own emissions. Starting from Levels 4 and 5, CO₂ emissions in the sales chain and the entire sector are also addressed).

The requirements of each tier are based on the following four assumptions:

- Understanding: determining the energy flows and CO₂ emissions.
- Reduction: working out ambitious goals for CO₂ reduction.
- Transparency: structural communication of the CO₂ policy.
- Contribution: commitment to initiatives for CO₂ reduction in the given sector.

Implementing the system's objectives will allow us to significantly reduce the emissions of harmful substances resulting from our operations. We have also set some specific objectives as part of the system:

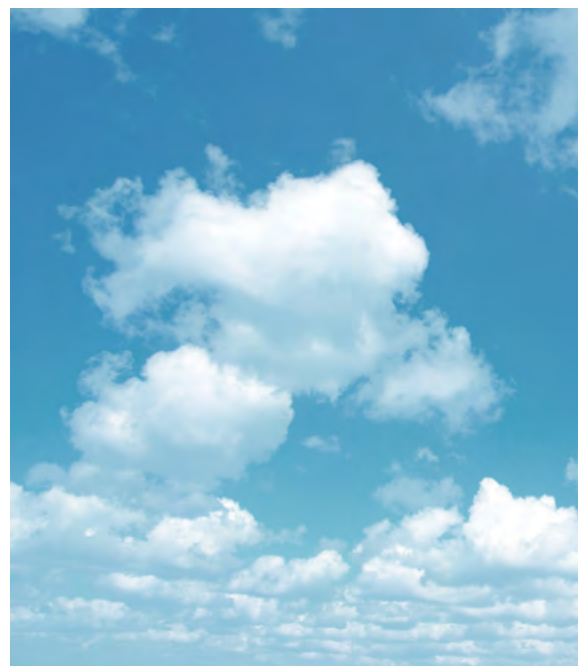
- Use sustainable electricity produced by wind turbines or from biomass in our production plants in Poland.
- Purchase energy-efficient machinery to optimise the production process, and improve the energy efficiency of office heating.
- Increase the number of electric cars in Nowy Styl's fleet and reduce the number of business flights through optimal use of video conferencing.

Our carbon footprint

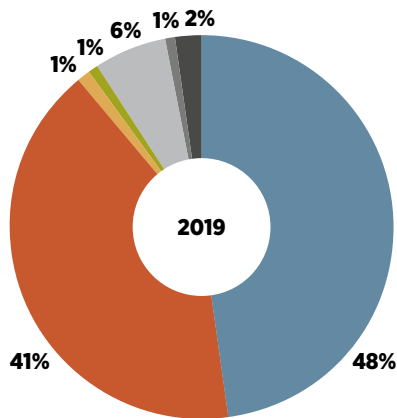
In the previous report, we focused on determining basic emissions generated by our business. In this edition, we have taken a big step forward and collected much more accurate data on the consumption of energy and fuels and all flights we took in 2018 and 2019, for our companies: Nowy Styl Sp. z o.o., Rohde & Grahl GmbH, Rohde & Grahl B.V.

CO₂ emission (t)

	2018	2019
Scope 1	15,283	11,726
Scope 2	19,157	16,301
Total	34,440	28,027

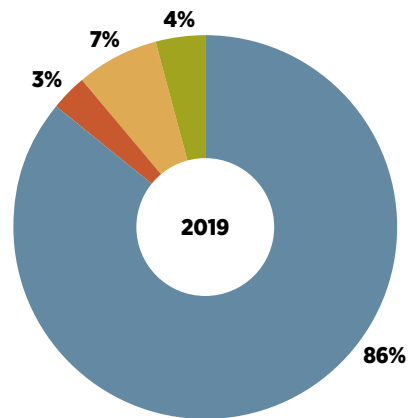


Scope 1 Emissions



- Energy consumption - production, Poland
- Energy consumption - offices and production, Germany
- Energy consumption - offices, Poland
- Energy consumption - offices, The Netherlands (under 1%)
- Fuel usage - car fleet, Poland
- Fuel usage - car fleet, The Netherlands
- Fuel usage - car fleet, Germany

Scope 2 Emissions



- Electricity consumption - production, Poland
- Electricity consumption - offices, Poland
- Electricity consumption - offices and Production, Germany
- Flight transportation

Scope 1, or direct emissions, are emissions from installations that are owned or controlled by the organisation, such as emissions from our own gas consumption (gas boilers, combined heat and power plants and furnaces) and emissions from our own vehicle fleet.

Scope 2, or indirect emissions, are those generated in the process of electricity and heat production, cooling and steam in installations which are not owned, but are used by the company (e.g. emissions generated in the process of electricity production in power plants).

Our goal is to reduce CO₂ emissions by 2.1% annually by 2025. This goal is linked to the company's annual turnover.

In 2019, CO₂ emissions dropped by 29% compared to 2018 results. This was mainly due to a lower total energy consumption and a higher turnover of our company, which led to a better ratio of CO₂ emissions to turnover.

The reduction of CO₂ emissions was due to the purchase of energy-saving machinery, production process optimisation and improved energy efficiency of office heating, as well as the higher number of electric cars in Nowy Styl's vehicle fleet and fewer business flights, achieved through optimal use of video conferencing.

We are aware that transport generates high exhaust emissions, which can have a negative impact on the environment. Therefore, Nowy Styl has taken a number of measures to reduce emissions of harmful substances in logistics, and introduce environmentally friendly transports. Vehicles in our transport fleet meet the most stringent exhaust emission standards (Euro 6), and some of the vehicles are actually powered by natural gas (LNG).

To reduce empty runs, we work to ensure the maximum use of load spaces in our trucks and optimise vehicle routes using specialised IT solutions. We transport products in specially adapted trailers and combined transport vehicles, where vehicle body combines the function of a means of transport and a mobile storage module (the so-called BDF). This allows for vertical storage of loads and, as a result, reduces transport costs ([Click to find out more](#)).

CO₂ Relative Emissions

	2018	2019
Relative CO ₂ Emissions	133.9	94.8
Relative CO ₂ Emissions in %	100%	71%
Expectation	100%	98%

Reducing volatile organic compounds emissions

We continue our efforts to reduce emissions of volatile organic compounds (VOC). We reduce the consumption of adhesives in our products and replace solvent adhesives with VOC-free water-based adhesives.

In 2018, our Metal Factory in Jasło replaced a solvent-based separating agent, previously used in the production of polyurethane foams, with a safer water-based agent. The change brought double benefits: we reduced its consumption by about 40% and reduced VOC emissions into the atmosphere by as much as 77%.

To ensure product safety and minimise the impact on the environment, we pay attention to choosing the right raw materials and components. Strict control of formaldehyde emissions is key here. Since 2016, an internal laboratory has been working at our Wood Factory in Rzepedź to continuously test plywood and wood-based components

for their safety. In addition, those internal tests are reviewed periodically by an independent auditor.

Formaldehyde emissions from plywood produced by our company and purchased wood-based materials have been halved compared to the value required by the European emission standard Class E1, thus meeting the strict requirements of the German Prohibited Chemicals Regulation (ChemVerbotsVO). Also our suppliers of wood-based components are required to confirm reduced formaldehyde emissions in their products.

Our furniture systems and chairs hold hygienic certificates of the Polish National Institute of Hygiene, which confirm they are safe for health, environmentally friendly and can be used in office and public spaces. Nine product lines have undergone the Schadstoffgeprüft Certification, carried out by TÜV SÜD.

Toxproof (Schadstoffgeprüft)

A documented safety standard confirming the absence of dangerous substances in materials and textiles for home.

Many of our trading partners have systems in place to manage and monitor their environmental impact in all aspects of their business. We collect material declarations from our suppliers, so we can comprehensively report the consumption

of raw materials and generate environmental profiles for products. We work exclusively with suppliers who do not use ozone-depleting freon gases (CFC and HCFC) or heavy metals and bromine substances in foams.



Total direct and indirect greenhouse gas emissions (t CO₂e)

	2018	2019
Direct emissions		
Emissions connected with the production of electricity	182.5	165.8
Emissions connected with the production of heat and with the technological process*	1,234.2	1,636.0
Emissions connected with the cooling and steam processes generation	1,298.4	1,225.1
Emissions connected with the transport of materials, products and waste – internal transport**	600.5	606.7
Total	3,315.6	3,633.6
Indirect emissions		
Emissions connected with the transport of materials and products – external transport (estimates concerning 7 main carriers)**	2,750.5	3,800.3

* Data based on emission measurements, National Center of Emission Balancing and Management (KOBIZE) emission indexes, raw material consumption and plant up time.

** Data estimated based on fuel consumption and KOBIZE emission indexes.

Data for Nowy Styl GmbH and Nowy Styl – Majencia SAS have been omitted from the table due to their negligible significance considering the scale of our organisation.

In July 2017, we discontinued the use of a boiler plant, which has translated into a significant reduction in emis-

sions from heat generation compared to the previous report.

GRI
305-7

Emissions of NO_x, SO_x and other relevant compounds emitted into the atmosphere (t)

	2018	2019
NO _x	30.8	31.8
SO _x	2.5	3.7
Volatile organic compounds (VOCs)	52.7	59.8
Dust (PM)	33.7	31.4

Data based on emission measurements, National Center of Emission Balancing and Management (KOBIZE) emission indexes, raw material consumption and plant up time.



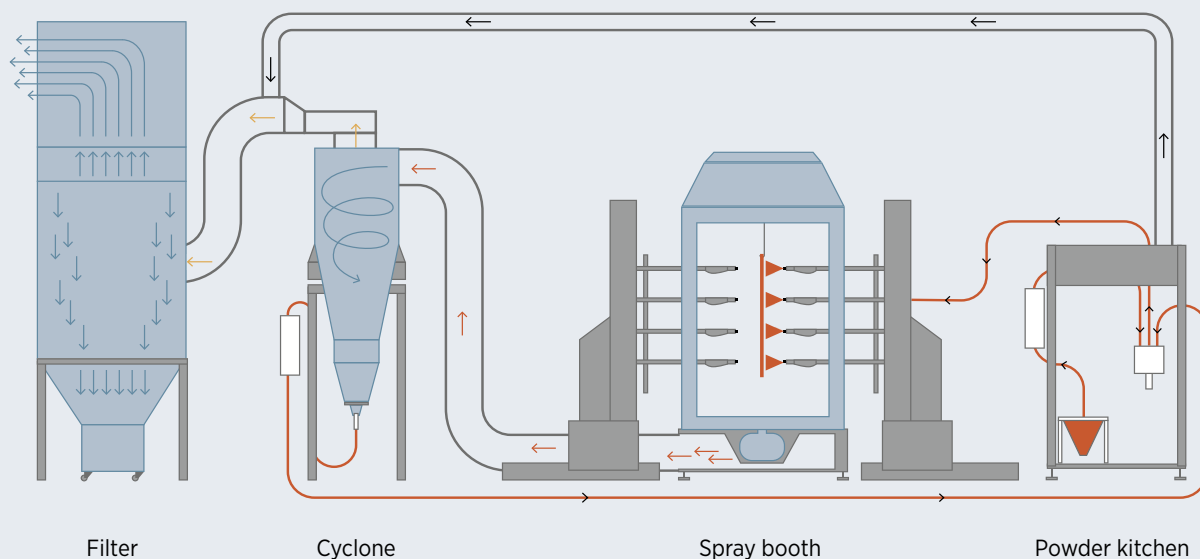
In 2018, a high-quality **powder coating line ML02** was launched in our Metal Facotry in Jasło, equipped with technologies that not only ensure the quality of painted elements, but also improve the quality of work environment and natural environment.

Key benefits of using that production line:

- air can be reused for heating purposes – the individual zones reduce the emission of hot air, so the released heat can be used to heat other spaces, e.g. halls;

- paint consumption reduced by 30-40%, depending on the colour. A paint recycling system has been put in place across the powder coating process, allowing the reuse of dye which did not settle on the painted detail, but fell to the bottom of the paint booth;
- reduced heat loss – top-quality mineral wool installed with overlap to eliminate thermal bridges was used to insulate all zones of the ML02 paint line operating at higher temperatures.

Powder coating line ML02



6.3 Waste management

GRI
103-2

Most waste is generated in production processes. We work to cut down the volume of waste by reducing the materials consumed, reusing them in the production process and recycling. As a result, we have managed to significantly reduce the amount of waste in the recent years.

Hazardous waste and products that cannot be reused or processed are collected by third-party companies.

In line with the **circular economy model**, we have a number of measures in place to minimise waste ([Click to find out more](#)).

In 2018, we introduced a station plastics grinder in the Plastic Factory in Jasło to turn back production waste immediately during production. It grinds waste – items that have failed quality requirements, and sprue generated in the production of plastic components. Up to 100% of this type of waste can be reused. When shredded, it can be used for production as a full-value material. In this way, production of some industrial waste is avoided.

Foams, remnants of leather and fabrics – in many cases, we can reuse them in the production process. To reclaim heat energy, we incinerate wood chips and sawdust in boiler rooms in our plants, providing surplus heat to individual homeowners for household heating purposes.



Chipboard waste reduction

By using shorter boards in production, we have reduced chipboard waste by about 33%. Remnants are sold to a third-party company which processes them, and prepares them for reuse in the production process.



Standard chipboard available
with a length of 2,800 mm



Non-standard chipboard
with a length of approx. 1,870 mm

 Waste

Thanks to our actions, we have been able to significantly reduce the volume of waste compared to the years 2016–2017 ([Click to find out more](#)).

At the same time, we meet the highest standards of recovery and disposal of the waste we are unable to reuse. It is handed over to authorised third-party companies providing comprehensive waste management and recycling solutions.

We have an orderly policy of managing used oils and fluorescent lamps, which are disposed of as required by regulations.

We also support our customers in the disposal of our products. We help determine the extent to which a product can be recycled in many ways, e.g. by marking it in accordance with ISO 11469 for the types of plastics used. We mark components to make them easier to segregate.



Environmentally friendly chair

In the production of our furniture, we are guided by environmental awareness. The Xilium chair line is a good example: it was implemented using a Bill of Materials, a document prescribing requirements for suppliers, regarding user health and safety (**environment, toxicity and emissions**). A very important stage in the implementation of that product was an audit of the structure, origin and recyclability of all materials. About 96% of them can be recycled after the end of the chair's product life.

Total weight of waste by type and disposal method (t)

	2018		2019	
	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste
Reusing	300.0	0	230.0	0
Recycling	6,458.3	344.1	6,966.7	416.8
Recovery (including energy recovery)	3,248.6	38.7	3,746.4	23.7
Combustion (or using as fuel)	101.8	0	129.0	1.2
Storage in landfill	18.5	0	5.7	0
Storage at the production plant	20.5	0	13.5	0
Total	10,147.8	383.4	11,091.4	441.8

Data for Nowy Styl GmbH and Nowy Styl – Majencia SAS have been omitted from the table due to their negligible significance considering the scale of our organisation.

Compared to the previous report, in 2018–2019 we recorded a significant drop in the amount of generated waste which has been reclaimed (heat generation for cen-

tral heating, domestic hot water and technological processes). The drop was due to the sale of our boiler plant powered by wood biomass.



6.4 Waste water

GRI
103-2

We ensure the proper management and reduction of waste water generated in the production process. Sanitary waste water is discharged into the system of a municipal public utilities company. Two of our plants in Poland have their own waste water treatment plants. At the Wood Factory in Rzepedź, after treatment in our own treatment plant, domestic waste water is released into the Oślawica river. In the Metal Factory, after treatment in the plant's industrial waste water treatment plant, industrial waste water is released into the Jasiołka river.

In the Wood Factory in Rzepedź, we have implemented an industrial waste water mixing plant where coagulation process takes place, during which dissolved adhesive mixture is separated from water. The solid adhesive waste is disposed of and water is reused. This solution has reduced the volume of adhesive waste which is disposed of by an average of 60%.

GRI
306-1

Total volume of waste water by destination (m³)

Wastewater discharge destination	Wastewater treatment	2018	2019
To groundwater	By the company	1,029	11,762
To surface water (lakes, rivers, etc.)	By the company	29,861	41,504
To municipal enterprises	By the sewage treatment plant	25,102	53,457
Total		55,992	106,723

Data for Nowy Styl – Majencia SAS has been omitted from the table due to its negligible significance considering the scale of our organisation.

6.5 Towards green energy

Energy consumption is one of our key environmental impacts. This is how we monitor it:

- we calculate it based on invoices,
- we control the amount of heating energy,
- we check the measurements from our factories,
- we run consumption spot-checks for key machinery and processes.

GRI
103-2

GRI
302-4

Through our actions, we contribute to the global fight against global warming and efforts to reduce the consumption of energy from non-renewable sources. Our goal is to increase the energy efficiency of our production processes and factory buildings, to use renewable energy, and to reduce fuel consumption and exhaust emissions in logistics.

Heat energy from biomass and biogas

In our plants in Poland, a significant portion of thermal energy is obtained from two boiler plants powered by biomass from pure wood waste. They supply thermal energy for the purposes of technological processes and central heating.

At the Rohde & Grahl plant in Steyerberg, thermal energy is provided by a 230 kW biogas plant, operated by local farmers.

100% green energy

At our Rohde & Grahl plant and offices in Voigtei and Steyerberg, Germany, 100% of the energy consumed is the so-called green energy, sourced from renewable sources,

mainly Scandinavian hydropower plants. The Ökostrom certificate has been confirmed by TÜV SÜD auditors.

Energy-saving machinery stock

For the needs of our Research and Development Centre and Wood Factory in Rzepedź, we purchased two CNC machines for the processing of solid wood and wood-based materials in 2018. The machines are fitted with innovative technological solutions that shorten detail processing time, translating into reduced electricity consumption. A safety power function used in the machine tool's control system alone has saved us 10%-15% of energy.

We have launched an automatic cutting room for cutting fabrics and leather in the Chair Factory in Jasło, and modernised the software used to control cut layouts. This has reduced cut-out preparation (nesting) time by 80%. As a result, electricity consumption per product has gone down significantly and material use dropped by an average of 2.14% per contract. As a result, less textile waste is disposed of externally.

GRI 302-1 Energy consumption by the organisation, taking into account the type of raw materials

Total consumption of the energy from non-renewable materials (own or purchased) by type of material	2018	2019
	Volume (MWh)	
Coal	726	689
Natural gas	7,100	9,367
Heating oil	243	1,131
Total	8,070	11,187
Total consumption of the energy from renewable materials (own or purchased) by type of material	2018	2019
	Volume (MWh)	
Biomass	35,242	33,273
Total consumption of the energy (own or purchased) by electric energy and heating energy	2018	2019
	Volume (MWh)	
Electric energy	29,633	30,755
Heating energy (including the use of steam and cooling energy)	8,965	8,800
Total	38,598	39,555
	2018	2019
Total consumption	81,910	84,016

Data for Nowy Styl – Majencia SAS has been omitted from the table due to its negligible significance considering the scale of our organisation.

6.6 Water management

GRI
103-2

Water is the most valuable resource on Earth, which makes us feel even more responsible for every drop we consume in our factories. We keep working to improve standards, streamline the process and rationalise water intake. We use water resources for technological processes as well as for social and domestic purposes.

We draw water from two sources: the municipal water supply network and a surface water intake at the Wood Factory in Rzepedź, which has its own pumping station.

The large growth of water consumption in 2019 is due to a failure of the water supply network, and more frequent

periods without rain. Round wood used for production needs to be kept at a suitable humidity, which means that in a dry season it has to be sprinkled with water, in this case from a collecting well.

In 2019, we implemented a new, energy-efficient cooling system for extruders, utilising a cooling tower and pumps with less energy consumption in the Plastic Factory in Jasło. The plastic tank that has been used, as well as the entire cooling system, operate in a closed circuit, eliminating water loss.

GRI
303-1

Total water intake by source (m³)

Total water withdrawn by source (m ³)	2018	2019
Surface water	43,007	109,892
Municipal water supplies	59,971	66,662
Total	102,978	176,554

Data for Nowy Styl – Majencia SAS has been omitted from the table due to its negligible significance considering the scale of our organisation.





7 Spurring local development

Commitments for 2020–2021:



- We will continue to popularise sports, which is going to be the theme of our next New Year's Charity Ball.
- We will continue to engage in local development and support organisations from the Podkarpackie region.
- We will increase our funding of educational scholarships, funded via the Janusz Korczak Foundation.

GRI
103-2

GRI
413-1

Nowy Styl is an international company. However, we always remember about our roots, which is why our commitment is focused on local communities, mainly from the Podkarpackie region. We want to be an active member of the local communities where we have offices and factories, which are strongly impacted by our operations on a daily basis.

Our social commitment is guided by the following principles:

- **localness** – we focus our social commitment on initiatives at a regional and local level, in places connected with our operations;

- **continuation** – we know how important stability and predictability of our commitment are for the local communities, so we strive to maintain once established relationships.

We have chosen the priorities of our commitment by trying to address the most important needs of local communities. We also looked at the capacity and potential effectiveness of Nowy Styl's impact in specific areas. We make decisions to support new projects based on the guidelines of our **Donations, Social Commitment and Sponsorship Policy.**

7.1 Our social commitment

The residents of Podkarpacie are the biggest local community, of which we have been members for 28 years. We use the natural resources of that region and we are one of its biggest employers, with more than 3,000 employees from Krosno, Jasło, Rzepedź and surrounding villages. Locally paid taxes mean we have an ever growing share in building the economy of the Podkarpackie province. We also influence it indirectly through our suppliers: around 50% of them are local entrepreneurs who develop their potential through cooperation with Nowy Styl ([Click to find out more](#)).

Because we are rooted in the life of Podkarpacie, we understand the needs and problems of the region. We believe that we have a real impact on shaping the potential of the local community.

We provide support through long-term strategic projects as well as big and small initiatives carried out by our social partners. The most important of them have been presented below.

Donation value

Nowy Styl Sp. z o.o.	2018	2019
In kind	42,753	66,235
In cash	491,544	536,920
Total	534,297	603,155



Education of children and young people

Knowing how important early development is, we take action to level the playing field in access to education for children and young people, including people with disabilities. We are also involved in initiatives to promote entrepreneurship.



Cultural support

Aware of the importance of culture as an element of social development, we support selected cultural organisations and projects.



Popularisation and support for sport

We promote physical exercise as an instrument of disease prevention. We believe that sport helps shape a person's character, and we support young athletes in their sporting challenges.

7.2 Support for education

Janusz Korczak Foundation

Founded by Adam and Jerzy Krzanowski, the Jasło-based Janusz Korczak Foundation has been supporting the development of talented children and young people from Podkarpacie since 2001. We fund scholarships for secondary school and university students, which benefit several dozen people every year. In the last two years, their numbers ranged from 45 to 50 people. Scholarship holders are often students who study two fields at a time, which does not leave them time for paid work. Nowy Styl pays for their studies in higher education institutions or, for secondary school students, funds preparatory pre-university courses. The holders of our first scholarships have long

since finished their studies, and some of them have found employment with our company. Positions they occupy include engineering jobs, and their daily work involves developing new technologies and solutions contributing to the development of an ergonomic working environment for thousands of people using Nowy Styl chairs and furniture.

Thanks to our scholarships, students get a chance for a better life, and they can develop their talents and interests. We hope that the aid received motivates them to study, and later becomes a reason to spread the 'chain of good'.

Siemacha Association

Established 25 years ago, the Cracow-based Siemacha Association is one of the biggest organisations in Poland helping children and young people in a structured way. The long-term and comprehensive support it provides is based on education, sport and therapy. One of the association's flagship projects is a Modern Children's Home at Odporyszów near Tarnów. The facility was established

and is being developed thanks to sponsors. Nowy Styl is one of them, taking part in the construction of a football pitch for both the pupils and local residents. The company has also donated furniture for the facility, and helped organise a trip to Lviv for the children in 2018 and furnish a Culinary Academy.





Charity ball

The New Year's Charity Ball is a well-known event in the Podkarpacie region. For the past 20 years, Nowy Styl has been inviting children from children's homes, educational centres, care facilities, organisations working with the disabled and foster families to celebrate together. The event is an opportunity to have a great time, but also to get to know one another and learn. Every year, the company tries to come up with an interesting underlying theme, to bring out new passions in our guests and encourage their development. The New Year's Charity Ball is also visited by Santa, who hands out presents that the guests have asked for in their letters. This will often be financial aid for the statutory activities of a children's foundation, organisation of trips, or furniture for an institution.

The 2018 edition was called the Ball of Tolerance, and it was attended by more than 1,150 guests. We chose this theme, as we had noticed signs of disrespect for cultural differences and the views of other people. We wanted the theme of the Ball and associated attractions to show our guests that cultural diversity should arouse curiosity and interest, not alienation.

In 2019, the event was themed around the European Union, and it was participated by more than 1,100 pupils from several dozens of care institutions from Podkarpacie.

The fact that the Ball is a recurring event pleases both heads and pupils of the participating institutions. It occupies a special place in the lives of our guests, which we can see every year.



Our Balls always combine fun and learning, so each game and competition is an attractive form of learning for our guests. In 2019, we learned about the Member States and their customs, and reflected on the benefits of being in the European Union, such as freedom of travel and ease of contact with people from other countries and cultures.



Przemysław Różowicz

Brand Management, PR and CSR
Department Director
Nowy Styl

Economic education

Entrepreneurship is one of the qualities of our organisational culture. We believe that a good understanding of the basics of economics helps one to make good life decisions, which is why it is a good idea to start learning them at an early age.

In 2014, on the initiative of Patrycja Krzanowska – Jerzy Krzanowski's daughter, a book titled *Świat Pieniądza* (The World of Money) was placed on the market. It is a colourful story for the youngest readers about the history and importance of money (illustrations created by famous illustrator Magda Grabowska-Wacławek a.k.a. Grabowska). The book was enthusiastically received by both entrepreneurs and children. Several major Polish companies have ordered an additional printing for their own needs, and we

established a World of Money Foundation to popularise the publication. To date, the circulation of the book has reached 50,000 copies. In consultation with the local government of Krosno and the local Chief Education Officer, the Foundation launched pilot economics classes at Primary School No. 14 in Krosno, and in the school year 2018/2019 the project was extended to include almost all primary schools in Krosno. The lessons for fifth-graders are held once a week, and are conducted by trained teachers, based on Patrycja Krzanowska's handbook. It is an interactive class, filled with games and competitions. In the class, children are told in an attractive way about interest, exchange rates and other concepts of economics.

World Solar Challenge

An event with many years of tradition, combining young people's passion for design engineering with care for the environment. Teams from all over the world work to build a vehicle that travels as many kilometres as possible on just one litre of fuel: petrol, gas or ethanol. Solar Team Twente – a group of young design engineers and renewable energy enthusiasts associated with the Dutch University has joined

forces to build a super eco-friendly vehicle called RED. One of the project's partners is Rohde & Grahl B.V., a company owned by Nowy Styl that focuses on creating ergonomically advanced and renewable office solutions. The company has been supporting the Solar Team for four years.



7.3 Our input in culture

The Krzysztof Penderecki European Centre for Music in Luśławice

There are things you just have to hear and see. One of them is the Krzysztof Penderecki European Centre for Music in Luśławice, whose educational and concert programmes we have been the patron of for the past six years. Thousands of participants took part in the courses, whose concerts gathered an audience of dozen thousand every year. We also helped to equip the interiors of the impressive Centre with armchairs, thanks to which the listeners can fully enjoy the beauty of music.

The idea behind the establishment of that unique venue was to create conditions for young artists to confront their peers and make contact with undisputed authorities from the Polish and European world of music. The Centre is vibrant with music throughout the year, inviting artists and audiences to concerts, festivals, courses, seminars, meetings and music workshops.

177 kilometres.

This is how far it is from the Polish National Radio Symphony Orchestra in Katowice to the ECM in Luśławice. What do these two have in common? Beautiful architecture, amazing concerts and seats from one of Nowy Styl's brands – Forum Seating.

1 man,

Krzysztof Penderecki, has become a patron for over 80 students, the young musicians, members of the Luśławice Talent Orchestra.

119 master classes

were held at the ECM, completed by

2,800 people.

Every year, you can take part in

more than 40 concerts,

as part of the Emanacje festival, in Luśławice as well as nearby Gorlice, Bochnia and Nowy Wiśnicz.

450 participants

attended the Winter Academy of Music.

182 concerts
and performances

were watched by

60,000 music lovers.

They all sat

in 650 seats

supplied by Nowy Styl, which means that the concert hall can seat 65% of the population of Luśławice, a village with 996 residents!





Young Arts Festival in Krosno



Young Arts festival is part of the Emanacje festival, held by the Centre in Luśławice, and an important event promoting classical music on the cultural map of not only Krosno, but actually the entire region. From the very beginning, the organisers can rely on Nowy Styl's support, so the festival can continue to be a free event. The first edition took place in the summer of 2016 and, following a very warm reception and a huge turnout, it was continued in the next years. The festival, which lasts for several days, consists of concerts open for the public and workshops for young musicians from all over Poland (Young Arts Masterclass), held under the supervision of outstanding artists-teachers, as well as various special events such as happenings organised in the public space of the city.

In 2019, the Young Arts Festival featured the following artists: Kronos Quarter, UrbSymphony project, Septura Brass and Eskaubei & Tomek Nowak Quartet.

7.4 In the spirit of fair play

Poland Business Run

We have been participating in a charity Cracow Business Run for the past five years. In 2019, Nowy Styl was represented by two five-person teams: Nowy Styl Group Running Team and Nowy Styl Group Running Team 2. Each competitor had to run a 3.8 km section of a relay race in the centre of Cracow. Funds raised during the run allow the Poland Business Run Foundation to help people after amputations and with reduced mobility.

Every year, the event is accompanied by a Pomagam Bardziej (I Help More) special collection to raise extra funds for prosthetic limbs, rehabilitation and psychological sup-

port for the beneficiaries of the race. Employees of Nowy Styl's Cracow office joined the campaign as volunteers, and organised a collection in the form of a 'silent auction', where people could blindly bid on their office colleagues' offers such as juggling lessons, a handmade ceramic bowl, a three-day juice cleanse or an embroidery lesson. All proceeds from the auction were donated to the beneficiaries of the run. The originality of the fundraiser helped engage a lot of people, so we managed to collect over 4,000 PLN, which gave Nowy Styl the 4th place in the charity classification.



Sponsorship

We are present in the world of sport, both business-wise, and because of our passion for sports and a spirit of physical activity that we want to spread as an organisation. We combine our business goals and our desire to support regional initiatives by sponsoring sports institutions and projects. In the past years, we have supported organisations such as Krosno Basketball Club, Association for the Development of Sports in Krosno, AZS University Club of the Rzeszów University and Krosno Runners Club. We are

also the sponsor of a rugby club Juvenia Kraków, whose players are very successful in the Polish Rugby League. For the past several years, we have also supported the organisation of the Magurski Ultramarathon in Krempna, and the Łemkowyna UltraTrail run.

Sports Club (Klub Sportowca) is our platform for the popularisation of physical activity among employees ([Click to find out more](#)).

Individual athletes – Franek Palmirski and Tom Lüthi



Sitag has sponsored Tom Lüthi since 2014. What our Swiss brand and the rally driver have in common is their above-average endurance and determination to achieve excellence. Sitag proudly communicates those similarities in various channels: at marketing events, in social media and advertising. Tom Lüthi helps us present the SitagWave line of swivel chairs and the SitagActive Liftmatic desk with automatic height adjustment.

Franciszek Palmirski, on the other hand, is one of the most talented karting drivers of the young generation, whose adventure with racing has been going on for seven years. In seasons 2018–2019, Nowy Styl supported the development of his career on the Polish and international scene. Franek successfully takes part in major karting competitions. His results place him strictly at the forefront of racers, not only in the juniors category.



Support in numbers

Education

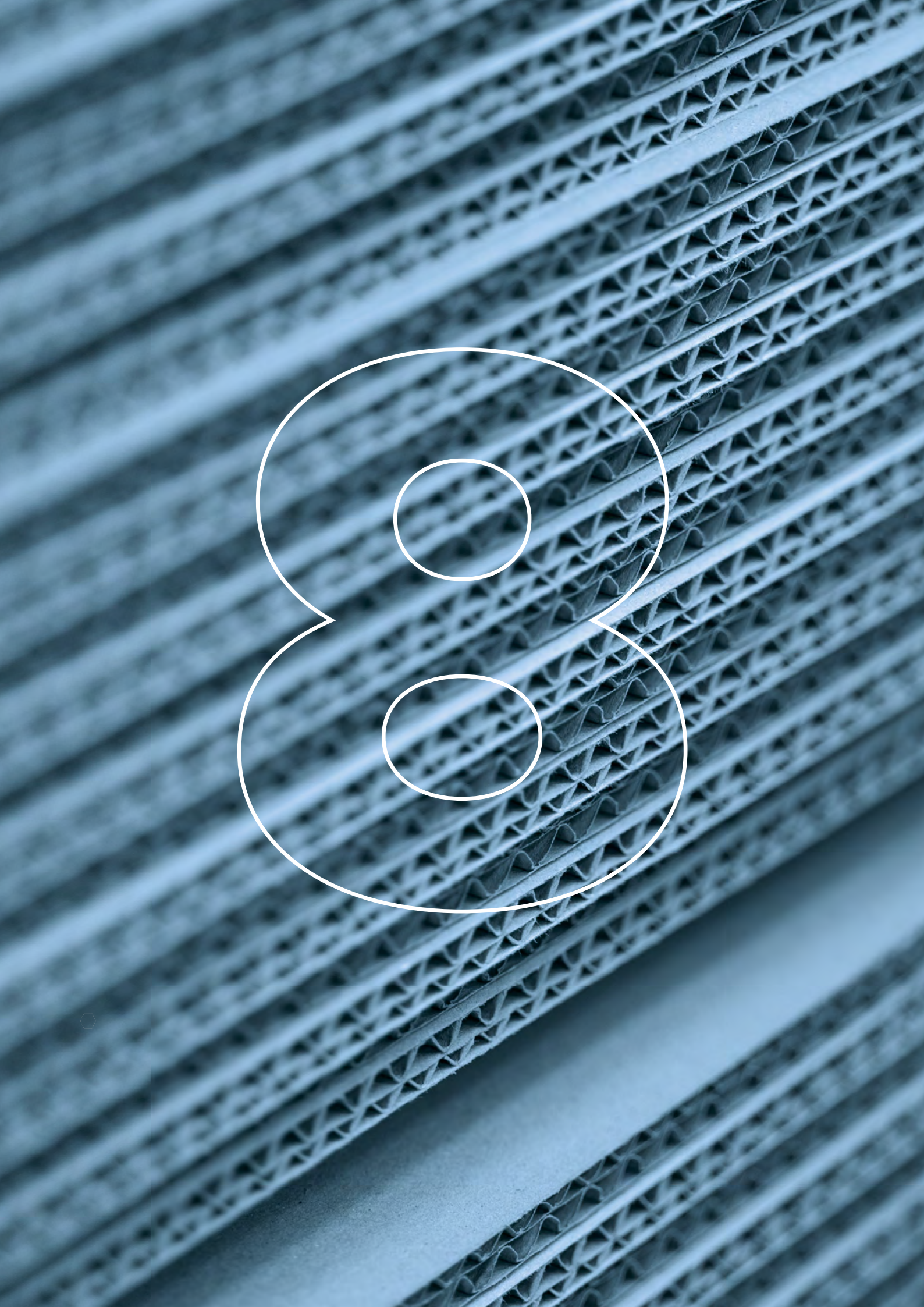
301,003 PLN donated to the Janusz Korczak Foundation for scholarships
6 primary schools covered by the World of Money programme
2,250 participants in the Charity Ball

Sports

34,590 km travelled by runners of Nowy Styl Sports Club
4,382 PLN collected during Cracow Business Run 2019
5 teams and 2 individual athletes sponsored by Nowy Styl in seasons 2018–2019

Culture

182 concerts, 119 master classe and **650 seats** provided by Nowy Styl to the European Centre for Music in Łusławice



8 About the report



This is our fourth sustainability report. It presents the outcomes of the activities of Nowy Styl Sp. z o.o. and its selected subsidiaries in the period from 01.01.2018 to 31.12.2019. We publish the report every two years. We have decided the report would also include the new companies that joined our company in 2019 (Kusch+Co GmbH and Nowy Styl – Majencia SAS; for the latter, only limited data was added).

The previous CSR Code report for the years 2016–2017 was published in 2018.



Like the previous CSR Code report, this publication is based on the Core version of the **Global Reporting Initiative Standards**. The report has undergone independent external verification by Deloitte Advisory Sp. z o.o. sp. k. Selected GRI indicators (marked with an asterisk in the GRI table) were verified. The financial data comes from financial reports audited by independent certified auditors (Ernst&Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.). This guarantees to us and the recipients of the report the reliability and completeness of data from key areas of sustainability included herein: employee relations, environmental impacts, local community and market, as well as management efficiency in those areas.



Nowy Styl is a privately held enterprise. In line with the principle of materiality and impact, the report presents data on companies engaged in production activities: Nowy Styl Sp. z o.o. and its subsidiaries: in Germany (Nowy Styl GmbH, Rohde & Grahl GmbH, Kusch+Co GmbH – for the latter company, only data for 2019 has been included),

Switzerland (Sitag AG) and France (Nowy Styl – Majencia SAS – partial data, as the company joined us in June 2019).

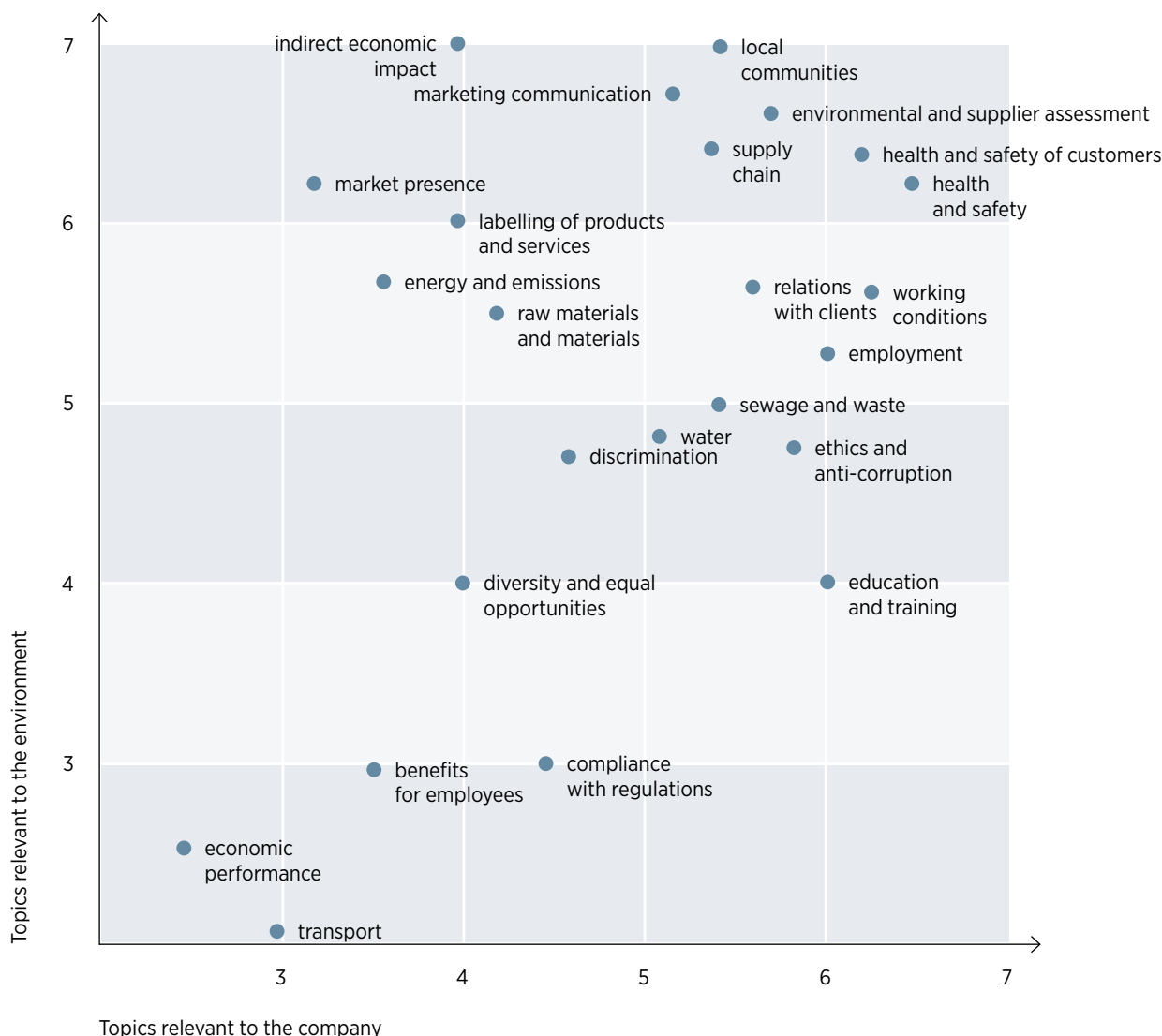
The indicators presented in this report have been selected based on the expectations of key stakeholder groups, employees, partners, journalists and suppliers, as well as competitor benchmarking and Nowy Styl's policy.



In accordance with GRI reporting standards, the aspects and problems of sustainability relevant to our company were selected in a multi-step process:

- identification of industry-relevant indicators based on competition benchmarking and Nowy Styl's previous reports,
- assessment of aspect relevance based on dialogue with stakeholders (an open survey for employees and business partners),
- evaluation based on customer needs and EcoVadis assessment results,
- validation with the management, as part of which we approved the scope of the report and detailed indicators.

Relevance analysis



Nowy Styl Sustainability Report is a highly analytical document, and it describes the organisation's activities across the board, which is why employees from all divisions of the organisation, as well as external stakeholders were involved in its preparation. The report has a global dimension, which is why in presenting the outcomes of our activities we used initiatives from all our key markets. They

were compiled by our employees from the companies in Germany, the Netherlands, Switzerland and France. Regrettably, we could not always provide aggregated data for the entire Group. Where this was not possible, we are showing data for selected companies, and we have set ourselves a goal to collect aggregated data in the following years.



We would like to thank everyone whose involvement was essential for the writing of this report:



... and many others



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Independent Limited Assurance Report on Indicators Presented in the Sustainability Report of Nowy Styl Group for the year 2018 and 2019.

To the Management Board of NSG TM sp. z o.o.

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Scope of work performed

We have undertaken a limited assurance engagement on the indicators presented in the **Sustainability Report of Nowy Styl Group „Make your space responsible 2018-2019” for the period from 1st January 2018 – 31st December 2019** (the “Sustainability Report”), developed by NSG TM sp. z o.o. (the “Company”) and marked with “*” symbol in a column “Disclosure Number” in a table “GRI Index” that is a profile disclosures and material specific indicators: 204-1, 205-3, 301-1, 302-1, 303-1, 305-1, 305-7, 306-1, 306-2, 308-1, 401-1, 403-1, 403-2, 403-3, 403-4, 406-1, 413-1, 414-1, 416-1, 416-2, 417-2 and 417-3 („Selected indicators”). The indicators have been reported on the basis of Sustainability Reporting Guidelines GRI Standards for “Core” option, issued by Global Reporting Initiative (GRI).

Responsibility of the Management Board of the Company

The Management Board of the Company is responsible for the preparation and presentation of the indicators presented in the Sustainability Report in accordance with Sustainability Reporting Guidelines GRI Standards for “Core” option, issued by Global Reporting Initiative (GRI). This responsibility includes establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived. The Management Board of the Company is also responsible for reliable, correct and fair information and for correct preparation of the documentation provided to us.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In compliance with International Standard on Quality Control No 1, issued by International Federation of Accountants Deloitte maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the indicators as marked in the GRI Index presented in the Sustainability Report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the selected indicators presented in the Sustainability Report are free from material misstatement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

In order to form our conclusion on the indicators as marked in the GRI Index presented in the Sustainability Report, we undertook in the period 25th May 2020 – 26 October 2020 the following procedures:

- Through inquiries, obtained an understanding of NSG TM sp. z o.o. control environment and information systems relevant to reporting the indicators under review, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.

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- Obtained an understanding through inquiries, analytical procedures, observation and other applicable evidence gathering procedures on a sample basis on the key structures, systems, processes, procedures and internal controls relating to collation, aggregation, validation and reporting of data for the indicators under review.
- Evaluated whether NSG TM sp. z o.o. methods for developing estimates are appropriate and had been consistently applied. However our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate NSG TM sp. z o.o. estimates.
- Compared the information included in the Sustainability Report to internal documentation of the Company.

Limitations

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Our limited assurance engagement has been limited to the indicators as marked in the GRI Index presented in the Sustainability Report and does not extend to the rest of the information included in the report nor the report as a whole. Accordingly, our conclusion below covers only these indicators and not all data presented or any other information included in the Sustainability Report.

The process the organization adopts to define, gather and report data on its non-financial performance is not subject to the formal processes adopted for financial reporting. Therefore, data of this nature is subject to variations in definitions, collection and reporting methodology with no consistent, accepted standard. This may result in non-comparable information between organizations and from year to year within the organization as methodologies develop. The accuracy and completeness of the information disclosed in the Sustainability Report are subject to inherent limitations given their nature and the methods for determining, calculating or estimating such information.

Conclusion

Based on our work we have obtained limited assurance that the information concerning the indicators as marked in the GRI Index included in the Sustainability Report developed by the NSG TM sp. z o.o. are not non-compliant with Sustainability Reporting Guidelines GRI Standards for 'Core' level issued by Global Reporting Initiative and no matters has come to our attention to cause us to believe that the reviewed indicators presented in the Sustainability Report are materially misstated.

Deloitte Advisory Sp. z o.o. sp. k.
Warsaw, 26 October 2020

Index	Indicator name	Pages
PROFILE INDICATORS		
Organisational profile 2016		
GRI 102-1*	Name of the organisation	11
GRI 102-2*	Activities, brands, products, and services	11, 18, 34
GRI 102-3*	Location of headquarters	12, 127
GRI 102-4*	Location of operations	12
GRI 102-5*	Ownership and legal form	13, 119
GRI 102-6*	Markets served	12
GRI 102-7*	Scale of the organisation	8-9, 11, 17
GRI 102-8*	Information on employees and other workers	50, 51
GRI 102-9*	Description of the supply chain	81, 82, 85
GRI 102-10*	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	19, 119
GRI 102-11*	Explanation whether and how the precautionary approach or principle is addressed by the organisation	2-3
GRI 102-12*	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	5, 25, 30
GRI 102-13*	Membership of associations and organisations	30
Strategy 2016		
GRI 102-14*	Statement from senior decision-maker	2-3
GRI 102-15*	A description of key impacts, risks, and opportunities	2-3
Ethics and integrity 2016		
GRI 102-16*	Values, principles, standards, and norms of behaviour	14
GRI 102-17*	Internal and external mechanisms for advice and concerns about ethical and legal behaviours, as well as issues connected with the organisational integrity	14
Organisational order 2016		
GRI 102-18*	Governance structure of the organisation together with the committees subject to the highest supervisory body	16
Stakeholder engagement 2016		
GRI 102-40*	List of stakeholder groups engaged by the reporting organisation	27
GRI 102-41*	Employees covered by collective bargaining agreements	No collective agreements
GRI 102-42*	Identifying and selecting stakeholders	27
GRI 102-43*	Approach to stakeholder engagement, including engagement frequency by type and stakeholder group	28
GRI 102-44*	Key topics and concerns raised by stakeholders and the response from the organisation, also through their reporting	28

Index	Indicator name	Pages
Reporting practice 2016		
GRI 102-45*	Entities included in the consolidated financial statements	119
GRI 102-46*	Defining report content and topic boundaries	119
GRI 102-47*	List of material topics	119, 120
GRI 102-48*	Explanations of the effect of any restatements of information provided in previous reports, and the reasons for such restatements and their influence (e.g. mergers, acquisitions, the change of a year/the reference period, the type of organisation, measurement methods)	No corrections to information from previous reports
GRI 102-49*	Changes in reporting	119
GRI 102-50*	Reporting period	119
GRI 102-51*	Date of most recent report (if published)	119
GRI 102-52*	Reporting cycle	119
GRI 102-53*	Contact point for questions regarding the report	120
GRI 102-54*	Claims of reporting in accordance with the GRI Standards for Core or Comprehensive level	119
GRI 102-55*	GRI content index	124-127
GRI 102-56*	Policy and current practice with regard to seeking external assurance for the report	119, 122-123
Management approach 2016		
GRI 103-1*	Explanation of the material topic and its boundaries	119, 120
GRI 103-2*	Management approach and its components	14, 20, 25, 26, 37, 40, 43, 45, 51, 58, 62, 66, 81, 83, 85, 86, 91, 102, 105, 107, 109
GRI 103-3*	Evaluation of the management approach	6-7, 14, 27
ECONOMIC TOPICS		
Economic performance 2016		
GRI 201-1	Direct economic value generated and distributed (including revenues, operating costs, employee wages and benefits, subsidies and other community investments, economic value retained, payments to providers of capital and payments to government)	17
Market presence 2016		
GRI 202-1	Ratios of standard entry level wages by gender compared to local minimum wage	63
Indirect economic impact 2016		
GRI 203-2	Significant indirect economic impact	26
Procurement practices 2016		
GRI 204-1*	Proportion of spending on services/products from local suppliers	84
Anti-corruption 2016		
GRI 205-3*	Confirmed incidents of corruption and actions taken	27

Index	Indicator name	Pages
ENVIRONMENTAL TOPICS		
Materials 2016		
GRI 301-1*	Materials used by weight and volume	93
Energy 2016		
GRI 302-1*	Energy consumption within the organisation by type of material	106
GRI 302-4	Reduction of energy consumption	105
Water 2016		
GRI 303-1*	Water withdrawal by source	107
Emissions 2016		
GRI 305-1*	Direct greenhouse gases emissions	100
GRI 305-3	Other significant indirect greenhouse gases emissions by weight	100
GRI 305-7*	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	101
Custom indicator	CO ₂ emission (t)	98
Custom indicator	CO ₂ Relative Emissions	99
Effluents and waste 2016		
GRI 306-1*	Total volume of wastewater by final destination	105
GRI 306-2*	Total volume of waste by type and disposal method	104
Environmental compliance 2016		
GRI 307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	92
Supplier environmental assessment 2016		
GRI 308-1*	New suppliers that were screened using environmental criteria	83
SOCIAL TOPICS		
Employment 2016		
GRI 401-1*	New employee hires and employee turnover	55, 56, 57
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	64
Occupational health and safety 2016		
GRI 403-1*	Workers representation in formal joint management worker health and safety committees	66
GRI 403-2*	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	67, 68, 69
GRI 403-3*	Workers with high incidence or high risk of diseases related to their occupation	66, 69, 70
GRI 403-4*	Health and safety topics covered in formal agreements with trade unions	66, 70
Custom indicator	Lost Time Injury Rate (LTI)	68
Custom indicator	Lost Time Injury Severity Rate (LTI)	69

Index	Indicator name	Pages
Education and training 2016		
GRI 404-1*	Average hours of training per year per employee	72
GRI 404-2*	Programs for upgrading employee skills and lifelong learning that support the continued employability of employees and transition assistance programs	73
GRI 404-3	Percentage of employees receiving regular performance and career development reviews by gender and employment category	65
Diversity and equal opportunity 2016		
GRI 405-1	Composition of governance bodies and breakdown of employees per employee category by gender, age and other indicators of diversity**	52, 53
GRI 405-2	Ratio of basic salary and remuneration of women to men by the position occupied	63
Non-discrimination 2016		
GRI 406-1*	Total number of incidents of discrimination and corrective actions taken	51
Local community 2016		
GRI 413-1*	Operations with local community engagement, impact assessments, and development programs	109
Supplier social assessment 2016		
GRI 414-1*	New suppliers that were screened using social criteria	83
Customer health and safety 2016		
GRI 416-1*	Assessment of the health and safety impacts of product and service categories	37, 43
GRI 416-2*	Incidents of non-compliance concerning the health and safety impacts of products and services	45
Marketing and product and service labelling 2016		
GRI 417-2*	Incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling	45
GRI 417-3*	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications	45
Socio-economic compliance 2016		
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	27, 45

* Indicators subject to verification by Deloitte Advisory Sp. z o.o. sp. k.

** Indicators partially reported



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