

United Nations Global Compact

Communication on Progress

*This report is Nowy Styl
Communication on Progress
for the UN Global Compact.*

*It details our work, progress
and achievements within
the area of corporate social
responsibility, aligned with
the UNGC's ten principles.*

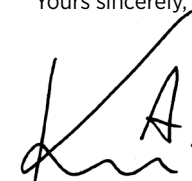
Statement from CEO of continued support

Nowy Styl is proud to participate in the United Nations Global Compact (UNGC) since December 2012. In this Communication on Progress we describe our actions that integrate the Global Compact and its principles into our business strategy, culture and daily operations. Our activities for sustainable development are reported cyclically every 2 years by publishing a CSR Report, subjected to independent verification by Deloitte. In the fall of 2022, we will present a settlement of our activities for the years 2020–2021.

I am pleased to confirm that Nowy Styl reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Nowy Styl will continue to engage with stakeholders and communities to have a positive impact in the places where people live and work. I look forward to continuing Nowy Styl's work with the UNGC in 2022, and furthering our commitment to being socially responsible and doing the right thing.

Yours sincerely,



Adam Krzanowski
President & Chief Executive Officer

August 2022

About Nowy Styl

We have been helping companies around the world to arrange office spaces for 30 years. First we define their needs, and then we choose and provide products and solutions that will make the work healthier, more efficient and comfortable. We do it with genuine passion and satisfaction, which is why we are now the European leader in complex arrangement of offices and public spaces. And we keep growing.

We present our solutions at the Office Inspiration Centre and 32 showrooms in London, Paris, Düsseldorf, Munich, Prague, Bratislava, Dubai and many more. We provide furniture for new office buildings, conference centres, cinemas, stadiums, music, sports and multi-functional facilities. Our list of references includes multinational corporations such as Siemens, Toyota, DS Smith, Honeywell, Deloitte and ABB, cultural institutions such as Polish National Radio

Symphony Orchestra in Katowice and the Opera in Munich, as well as the stadiums in Poland and France in which European Football Championships were held in 2012 and 2016. Fans of the Football World Cup in Qatar in six out of seven stadiums now under construction for the event will also sit in our seats.

We cooperate with designers from all over the world and our products are appreciated in competitions. We have received, i. a., the Red Dot Design Award, the German Design Award, the Iconic Awards, the iF Design Award.

The Nowy Styl portfolio includes the following brands: Nowy Styl, Kusch+Co, Forum by Nowy Styl, SOHOS by Nowy Styl and Sitag by Nowy Styl.



Ten Principles of the United Nations Global Compact

Since our accession in December 2012, we have been supporting the Ten Principles of UN Global Compact, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption that were guiding us in our daily operations.

In order to fulfil the company’s mission, achieve a competitive market position and strengthen our customers’ trust, thus ensuring business continuity, we are also involved in the implementation of 8 of 17 UN’s Sustainable Development Goals for 2030.

<p>We provide our clients with comprehensive services and meet their ever growing expectations.</p> <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>We regularly improve the usability, ergonomics and durability of our products.</p> <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>We guarantee continuous development of the company by expanding to international markets and increasing our global and local responsibility.</p> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>
<p>We eliminate potential threats by identifying, analysing and assessing risks and opportunities in processes and workplaces.</p> <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>We provide safe and hygienic working conditions to prevent injuries and diseases.</p> <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>We protect the health and safety of people staying on our premises, as well as customers and subcontractors.</p> <p>3 GOOD HEALTH AND WELL-BEING</p>
<p>We engage our employees and stakeholders in building a culture of safety.</p> <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>We identify and monitor environmental aspects, thereby minimising the negative impact on the natural environment.</p> <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>13 CLIMATE ACTION</p>	<p>We care about rational consumption of natural resources, using technologies that reduce production waste.</p> <p>13 CLIMATE ACTION</p>
<p>We design products in line with the circular economy model.</p> <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>We train employees to raise awareness of their impact on the environment, quality and safety.</p> <p>4 QUALITY EDUCATION</p>	<p>We achieve compliance with applicable regulations and comply with other requirements.</p> <p>10 REDUCED INEQUALITIES</p>



Human rights

- Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2:** make sure that they are not complicit in human rights abuses.

At the Nowy Styl we adhere to the provisions of *the Universal Declaration of Human Rights* and *the European Convention on Human Rights*. We provide opportunity for professional development to all employees regardless of their gender, national origin, faith, race, sexual orientation, religious views, social background, age and type of employment.

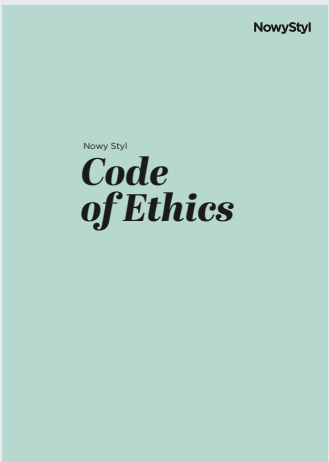
External environment

At Nowy Styl we care about the well-being of all groups of stakeholders as well as partner relations with our customers, suppliers and contractors. We respect our competitors. We cooperate only with enterprises which observe human rights. Compliance with law Respecting the health and safety of its employees the Nowy Styl complies with relevant provisions of law and does not tolerate their infringement on or outside company premises. Any signs of unlawful activities and any physical or psychological violence will not be tolerated.

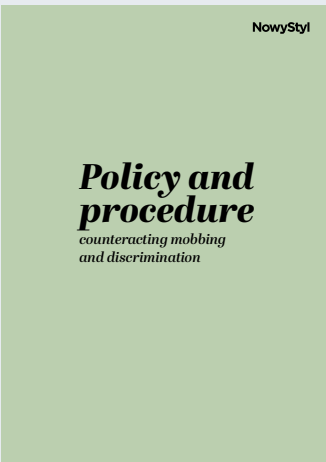
Health and safety at work

Nowy Styl is seriously committed to providing a healthy and safe working environment for all of its employees. We ensure that safety standards are kept and our employees are secure on the premises of our offices and plants. We are aware that safety at work does not depend exclusively on technical operability of machinery and equipment but also on employees' competence and proactive attitude towards Health & Safety standards. Therefore Nowy Styl provides all employees with regular safety at work training and reviews the compliance with applicable standards. Out of concern for the health of our employees we keep setting new standards for workplaces. We maintain excellent sanitary and hygienic standards. We create friendly and ergonomic spaces for our employees. Our employees can take advantage of rest and refreshment areas and work breaks are included in working hours. We are particularly strict about our no alcohol and no intoxicants on site policy.

Our documents:



<https://nowystyl.com/files/interactive/reports/code-of-ethics/EN/>



https://nowystyl.com/files/doc/Nowy-Styl_Counteracting-mobbing-discrimination_v1.0_EN.pdf

Labour principles

- Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4:** the elimination of all forms of forced and compulsory labour;
- Principle 5:** the effective abolition of child labour; and
- Principle 6:** the elimination of discrimination in respect of employment and occupation.

In May 2017, we have introduced *The Code of Ethics* – a document that describes ethical standards and good practices followed by the Management Board and employees of the Nowy Styl. It has been developed to determine the values that guide us and shape our growth at the Nowy Styl. *Nowy Styl Code of Ethics* was updated on April 2020.

Employees

As an employer with significant influence in its region we share responsibility for the local job market. We see respect, fair treatment and adherence to the provisions of labour law as the foundations of our relations with employees. We support the reengagement of people who have been excluded from the job market (such as jobseekers older than 50 years, persons with disabilities and inmates). We have a policy of not hiring children under 16 years of age. We make every effort to act in compliance with law and fully respect civil liberties.

Fair pay and time off work

We only hire employees under employment contracts. We do not hire employees illegally. We observe minimum wage regulations. We pay out wages regularly, on specified dates and in proportion to the work performed. The weekly number of working hours does not exceed the limit provided for under regulations. Extra working time is always accounted for appropriately. As we appreciate the importance of high quality of work we have a system of bonuses and extra benefits in place. The Nowy Styl provides its employees with holiday entitlements. We do not believe that work is more important than mental and physical health of people who work for us. Our employees have the right to use their holiday entitlement with full support of the company and colleagues.

Lay-offs

We see workforce reduction as the last resort which we want to avoid. In circumstances where cost optimization is

necessary we first take measures such as reduction of operational costs or negotiation of the terms of employment and pay. In case of group lay-offs we adhere to procedures provided for under the provisions of law.

Conflict of interests

Appreciating the privacy of its employees the Nowy Styl recognizes and respects their activity outside workplace. Exception to this rule is allowed where an employee's activity outside work has adverse impact on that person's work duties, the company's image or business interest.

Protection of privacy and family life

At the Nowy Styl we guarantee full privacy to our employees. The only personal data we collect is that we need for running business. We comply with personal data protection standards. We think about users' private space as we build workplaces. In this way we protect their sense of privacy and individualism.

Our *Code of Ethics* is founded on family values. We promote activities aimed at maintaining our employees' good relations with their families. We make sure our employees use up their holiday entitlements. Our staff are entitled to full maternity and paternity leave as well as all other rights associated with being a parent. We offer flexible working time to those with family obligations. We support women returning to work after giving birth.

Internal communication

In shaping relations inside the company we base our actions on opinions and information obtained from employees. We therefore attach a lot of weight to communicating with our employees at regular team meetings. We believe that open and frank communication is founded on direct relations of supervisors with their employees. We regularly communicate with our staff through e-mailing groups and an internal corporate website.





Environmental principles

- Principle 7:** Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

We are aware that our operations have an impact on the natural environment, and we strive to reduce or neutralise it with future generations in mind. We set ourselves goals in areas that we see as key, and we account for those goals in detail in our *Sustainability Report* titled *Make Your Space Responsible*.

We all work according to a certified Integrated Quality, Environment and Health & Safety Management System. The document regulates our commitments in areas such as rational consumption of raw materials and the use of technology to reduce the volume of production waste and minimise our environmental impact. It also serves as a base on which we can determine more detailed environmental objectives. We aim to implement circular economy in all our companies and branches in the near future.

Environmentally-friendly materials

Our production processes use wood and wood-based materials, steel, fabrics, plastics and upholstery foams. In spite of the ever-growing production, we are able to minimise our environmental impact thanks to the quality standards we have accepted.

- We prepare Environmental Product Declarations (EPDs) for our key products.
- Materials used for production include solid wood and wood-based materials such as chipboards, fibreboards and dowels, which are certified according to the FSC® standard (FSC-C120977).
- We are adding more and more fabrics to our range of finishes that are recycled or come from renewable sources. We have also introduced polyester fabrics, composed of 97% up to even 100% of post-consumer polyester.

- We use EU Ecolabel-certified fabrics, Oeko-Tex® and Cradle to Cradle Bronze-certified textiles and Wools of New Zealand wool.
- We convert post-production plastic waste into new chair components. Some armrests, covers and frames are made from regranulate, a material we produce ourselves at our Plastic Processing Plant.
- We use more and more returnable packaging, thereby reducing our consumption of plastic wrap (by 15% at the Armchair and Chair Production Plant in Jasło).

CO2 emissions

We are aware of the impact of CO2 emissions on climate change, which is why we strive for their gradual elimination. As of 2019 Nowy Styl uses the Dutch CO2 Performance Ladder - sustainability support system for companies to manage their carbon footprint and reduce CO2 emissions. According to its methodology, we calculate the carbon footprint for Nowy Styl in Poland, in Germany (Nowy Styl Deutschland GmbH) and Nowy Styl in the Netherlands.

2021 was a record year on Nowy Styl's journey so far to decarbonize the company's operations. We reduced our CO2 emission rate in relation to 2018 by as much as 36%!

EcoVadis

One of the leading auditors in this field, with Nowy Styl undergoing their audits for many years now. In 2022 the company achieved the highest possible rating and was awarded the EcoVadis Platinum Medal.



Anti-corruption principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Each employee is obliged to sign the Employee's Principles Card which set up the guidelines for cooperation with customers, suppliers and competitors.

Fair competition

Nowy Styl takes measures to ensure a high level of business culture and practices. We follow the standards of fair competition. We never intentionally provide unreliable or untrue information which might affect our and our competitors' market position. Nowy Styl builds its competitive advantage solely on the advantages of its products and services.

Any unfair activity aimed at taking over customers or contractors from other companies is forbidden at Nowy Styl. This refers to any activity as to which there may be any legal objections (e.g. slander, forgery or corruption). Nowy Styl forbids its employees from initiating conspiracies, cartels or any other relations which might unethically influence the company's market position.

All information about competitors acquired by the Nowy Styl comes only from fair, official sources and company does not use that information in an unlawful way. Nowy Styl meets its reporting obligations. We provide authorized institutions with information proving our compliance with the commercial and competition protection law.

Public procurement

Our employees and Management Board obtain knowledge about public contracts only from fair and open sources. As an organization which delivers a lot of public contracts Nowy Styl attaches particular weight to transparency and reliability of information provided for tenders all over the world. Any activity displaying the signs of unfair competition is forbidden, such as obtaining classified information, providing incomplete or unreliable data, building relations with public entities by engaging in a corruption activity or an informal contact.

Suppliers and partners

We build lasting and positive relations with our partners and suppliers. Out of concern for the development of good

business practices we choose well-tried and reliable contractors who comply with high ethical standards. At the same time, as we operate in culturally distant regions, we adhere to local regulations and social norms.

Corruption

Our employees never offer, hand in or accept any gifts, payments or other benefits aimed at obtaining advantage for the Nowy Styl. Our relations with public officials are initiated openly. We do not support their activity financially or by means of any other benefits.

Intellectual property

Respect for of artists' and other entities' intellectual property rights and interests protected by law is an important value for Nowy Styl. Nowy Styl pays special attention to using legal software and hardware in its daily work. A designated unit of our IT Department monitors this issue on a continuous basis to prevent downloading illegal files or software.

External communication and marketing activity
In its daily activity Nowy Styl pays regard to the interests of various groups of stakeholders. We inform about any activities which might affect the environment and the local community. We provide reliable information to the press and answer any questions asked by the media.

Nowy Styl makes reliable information about its products and production process available to all of its customers and contractors. Along with our products we provide information which may improve the quality of use and reduce any potential hazards. This means that we add information about the ergonomics of our products and their appropriate use to operation manuals as required by regulations. All marketing and advertising materials prepared by Nowy Styl are developed based on the features and specifications of products. We never provide information that is untrue or might be interpreted incorrectly. We avoid any unethical methods of winning customers' interest: we refuse to accept comparative or negative advertising.

Our documents:



<https://nowystyl.com/files/doc/Nowy-Styl-Polityka-antykorupcyjna-2022-EN.pdf>



https://nowystyl.com/files/doc/Supplier-Code-of-Conduct_Nowy-Styl__v2_0.pdf



https://nowystyl.com/files/doc/NS-Procurement-Policy_EN_v1-2-1.pdf

Measurement of outcomes

The policy of sustainable development is becoming more and more significant in Nowy Styl with each passing year. From the very beginning, our company was built on the basis of responsibility and values, but over the years, these principles have not been written down. Naturally, as we grew and broadened the scope of our activities, we began to pay attention to many new issues. We published the first sustainable development report for the years 2012–2013 and, what is worth emphasizing, it was one of the few publications of this type in Poland at that time.

The biennial sustainability reporting project has since become crucial for our company. This was reflected in subsequent publications—for the years 2014–2015, 2016–2017, 2018–2019 and the current one, for the years 2020–21, which will be released in autumn 2022.

In each report, we set goals in a given area (product, environment, employees, health and safety, supply chain, local communities) and we account for their implementation in detail, on the pages of each subsequent publication.

As many as 22 of the 24 commitments for 2016–2017 have been fully or partially implemented. The other two were still in progress (details on p. 6-7 of Sustainability Report). In

turn, out of 28 commitments from 2018–2019, as many as 20 were fully implemented, and 6 of them were partially implemented. The rest are under construction. (Details in the next report to be published in autumn 2022.)

Read our latest Sustainability Report to see what we have managed to achieve in this area.



https://nowystyl.com/files/interactive/reports/sustainability-report_2018-2019/EN/



