

Sustainability Report

2021

B&B
ITALIA





MAXALTO

AZUCENA

Arclinea

A message to our stakeholders

B&B Italia Group is proud to share its new 2021 Sustainability Report: we cherish this document very deeply, as it represents our way of displaying the Group's commitment towards sustainability to all our stakeholders.

Never before has the theme of sustainability been so central in the Group's everyday operations and activities: for the first time in our history, starting from the last year we have defined a set of ESG objectives and we can proudly say that we are on track for all of the goals we have set for the next years. With an eye on the reduction of GHG emissions inspired by the Science-Based Target initiative's methodology: the reduction of the impacts the Group has on the climate is crucial for us. We have also renewed our commitment to the United Nations Global Compact's principles and our support to Sustainable Development Goals.

Much more has happened in B&B this year: after the very challenging year that was 2020, 2021 has been the year of rebirth. While the pandemic state persisted, the Group not only saw a resumption of business activities, but the public's demand for our products has been even higher than before the pandemic broke out, demonstrating how the continuous commitment of our employees and of the designers we collaborate with is able to produce long-lasting quality products that are appreciated more and more over time.

This year's Sustainability Report encompasses the Group's ongoing commitment to improve its environmental and social performance. We continued to work on the inclusion of circular economy design principles in our production processes, introducing new indoor and outdoor products characterised by recyclability and disassembly properties.

We are continuing the path we started on several years ago, in line with our core values and with the desire to inspire all our stakeholders for a more sustainable future. We wish you all an enjoyable read.

Daniel Lalonde
President

Gilberto Negrini
Chief Executive Officer

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B&B Italia Group
design world



2021 Highlights

253 Millions of Euro
in economic value generated

669 People employed (FTEs)

94% Employees with
a permanent contract

69% Of employees live no farther
than 15 km from our plants

15 New products

20 Extensions
of product range

34,470 tCO_{2eq} in GHG emissions

B&B Italia Group at a glance



B&B Italia S.p.A. (hereinafter also referred to as “B&B Italia”) is a leading Italian furniture design company, established in 1966 through the inspired vision of Piero Ambrogio Busnelli. B&B Italia has built its success on the ability to reflect contemporary culture through design and to anticipate trends, constantly seeking to respond to the evolution of people’s tastes and living needs^[102-1]. B&B Italia S.p.A. and its fully consolidated subsidiaries (hereinafter **B&B Italia Group** or The Group) operate in the residential furniture market with the brands B&B Italia, Maxalto, Arclinea and Azucena. The brands maintain their own individual identity and original collections, but all share the same philosophy: to create distinctive and elegant products, blending together the three unique elements of tradition, design and innovation^[102-2].

MAXALTO

Launched in 1975 by Afra and Tobia Scarpa, Maxalto has now become one of the Group’s most prominent brands. Since 1993, Maxalto collections have been coordinated by the architect Antonio Citterio, who continuously extended the product series that at present include a range of fittings for living rooms and bedrooms. Maxalto’s unique way of balancing tradition and innovation is recognised worldwide, as well as its distinctive know-how in processing high-quality materials, especially wood.

Arclinea

Arclinea Arredamenti S.p.A., founded by Silvio Fortuna in Caldogno in 1925, is an Italian leader in high-end design kitchens that first started its business venture as an artisanal laboratory specialised in wood-processing. In the following years, Arclinea grew thanks to its capacity to anticipate social change, combining tradition with innovation and excellence in industrial production. In 1958, for instance, the Company launched the first modular kitchen, soon followed by the first kitchen with built-in electrical appliances and a stainless-steel hob. In the ‘80s, Arclinea started collaborating with famous architects and designers: Antonio Citterio was the one to introduce the characteristics of a professional restaurant kitchen into home kitchens. Since then, several models have been produced in collaboration with Mr. Citterio, consolidating the brand’s innovative traits and reputation. Arclinea became part of the B&B Italia Group in September 2016, when B&B Italia became its major shareholder.

AZUCENA

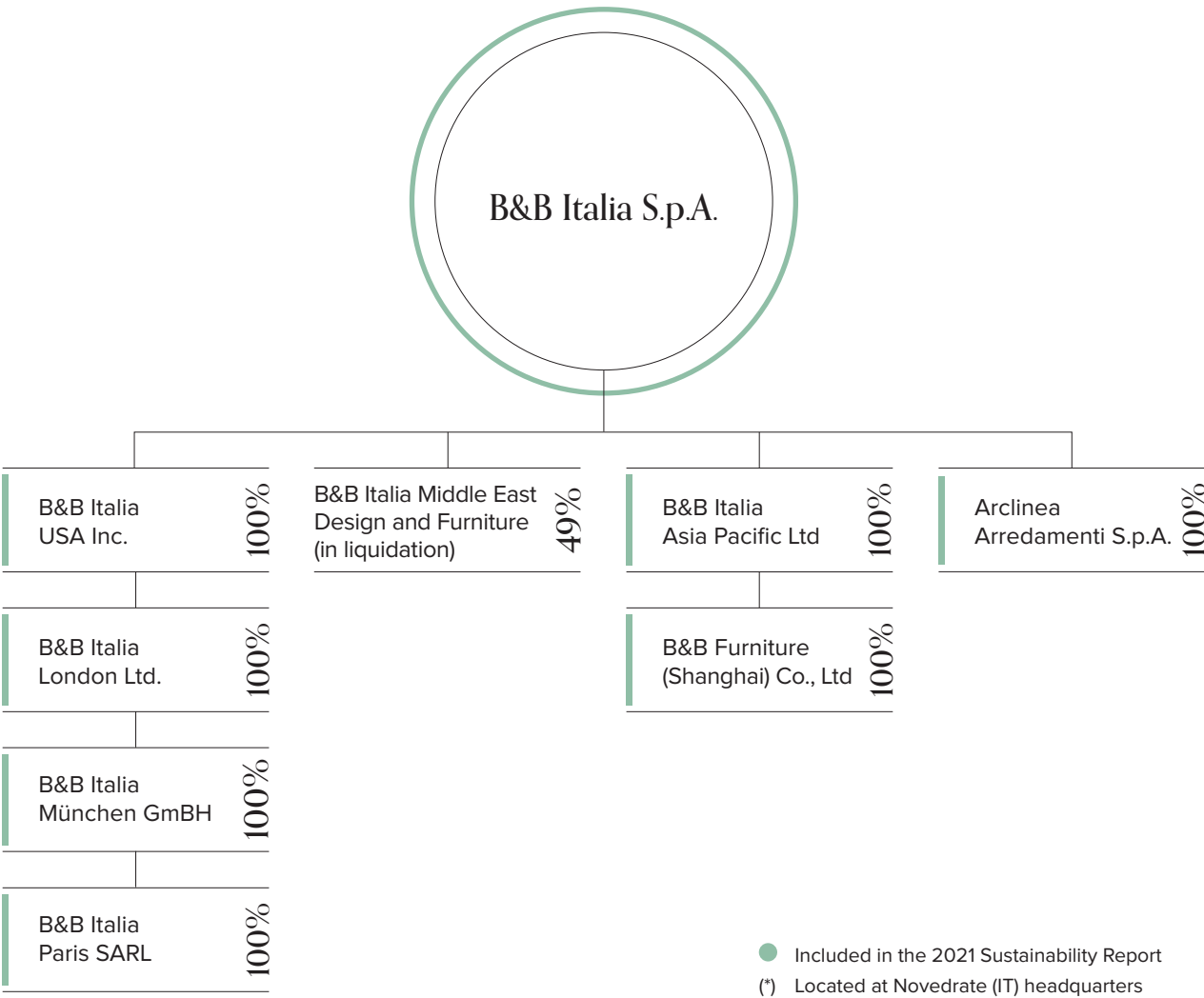
At the end of 2017, the Group acquired the Italian brand Azucena, with the intention of preserving its legacy and restyling a series of its iconic products. Azucena was founded in 1947 by Luigi Caccia Dominioni, Ignazio Gardella and Corrado Corradi Dell’Acqua, three visionary Italian architects of the post-war period. Azucena has been a highly regarded Italian brand from its creation, as its collections are manufactured combining elegance, luxury and aesthetic purity. Luigi Caccia Dominioni’s greatest iconic products include some of the most symbolic examples of Italian design history, such as the Catilina chair, the ABCD armchairs, the Toro sofa and pouf, the Cavalletto table and the Poltrona and Imbuto lamps.

Allure O'
Monica Armani



With a recorded revenue of approximately 253 million Euros in 2021, currently, B&B Italia Group has a presence in more than 100 countries worldwide and employs 669 people, mainly located in the Italian manufacturing sites of B&B Italia (Novedrate and Misinto, Lombardy – Italy) and in the Arclinea plant (Caldogno, Veneto – Italy). The remaining staff is employed in various flagship stores and in smaller commercial subsidiaries, namely B&B Italia USA Inc., B&B Italia London Ltd., B&B Italia München GmbH, B&B Italia Paris SARL, B&B Italia Pacific Ltd. and B&B Furniture (Shanghai) Co., Ltd.

Group's Structure ad of December 31st 2021

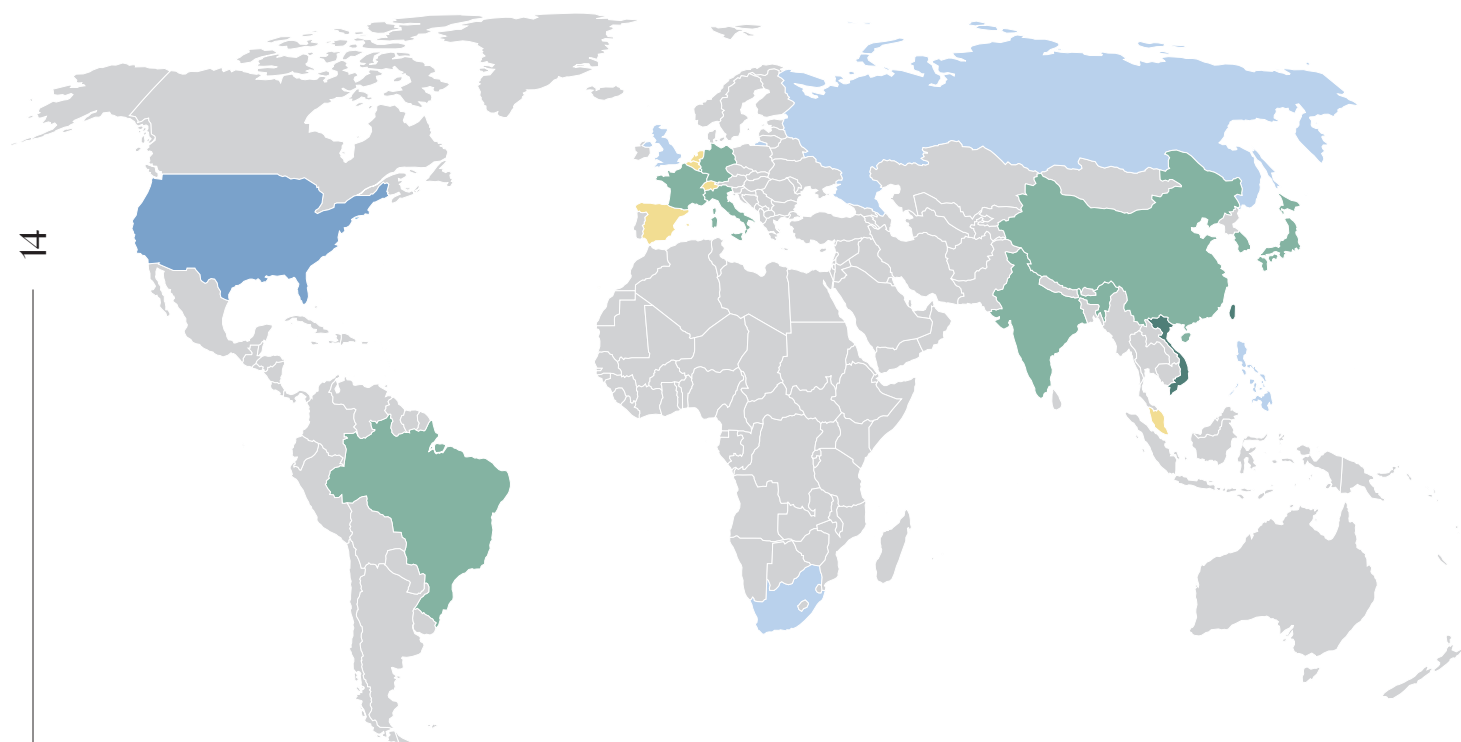


Over the years, the Group has built an exclusive network of over 900 highly professional dealers and over 70 mono-brand stores, consolidating its international presence with the opening of wholly owned flag-ship stores in leading capital cities around the world. Today, 10 B&B Italia Group flagship stores can be found in major design hotspots in Milan, London, Paris (2 owned and managed stores), Munich, New York (2 owned and managed stores), Dallas, Miami and Washington DC^[102-3, 102-4, 102-6].

After a year under renovation, in 2021, the historical store located in Via Durini, Milan, was reopened by B&B Italia to the public with a new innovative concept. The renovated store, characterised by wide spaces and high ceilings is flooded by natural light and reuses original elements of the previous store, with both innovative and classic features at the same time. The renewed B&B Italia Design Studio, moreover, is characterized by a total space of more than 2,100 square metres and it is distributed on three levels.

In addition, in Copenhagen, Design Holding opened a new D studio, hosting all its brands, as for the Milan Store. Located at Dokøen in the Holmen area and distributed across 1,760 square meters, the store will offer visitors a brand-new experience: the showroom is a wide space full of light, inside of which digital equipment have been installed in order to offer a better customer journey.

B&B Italia Group international presence



EuropeAmericasAsiaMiddle East / Africa

- B&B Italia**

 - B&B Italia Milan*
 - B&B Italia London Limited*
 - B&B Italia Paris*
 - B&B Italia Saint-Tropez
 - B&B Italia Lyon
 - B&B Italia München GMBH*
 - B&B Italia Athens
 - B&B Italia St. Petersburg
 - B&B Italia Nicosia

Arclinea

 - Arclinea Bruxelles*
 - Arclinea Paris*
 - Arclinea Frankfurt*
 - Arclinea Hamburg*
 - Arclinea Amsterdam*
 - Arclinea Breda*
 - Arclinea Barcelona*
 - Muñoz Bosch
 - Arte Due
 - Ambiance Cuisine
 - De-code showroom
 - Arclinea Milan*
 - Arclinea Turin*
 - Arclinea Vicenza*
 - Arclinea Rome*
 - Arclinea Verona*
 - Arclinea Trento
 - Arclinea Naples*
 - Arclinea Padova*
 - Arclinea Concept Store
- B&B Italia**

 - B&B Italia New York*
 - B&B Italia Madison Avenue*
 - B&B Italia Washington DC*
 - B&B Italia Los Angeles
 - B&B Italia Chicago
 - B&B Italia USA Inc. — Miami*
 - B&B Italia Dallas*
 - B&B Italia San Francisco
 - B&B Italia Seattle
 - B&B Italia Sun Valley
 - B&B Italia Sao Paulo

Arclinea

 - Arclinea Los Angeles*

Maxalto

 - Maxalto Los Angeles*
- B&B Italia**

 - B&B Italia Tokyo
 - B&B Italia Beijing
 - B&B Italia Shanghai
 - B&B Italia Nanjing
 - B&B Italia Chengdu
 - B&B Italia Foshan
 - B&B Italia Guangzhou
 - B&B Italia Hong Kong
 - B&B Italia Taipei
 - B&B Italia Taichung
 - B&B Italia Seoul
 - B&B Italia Busan
 - B&B Italia Manila
 - B&B Italia New Delhi
 - B&B Italia Ningbo
 - B&B Italia Hanoi
 - B&B Italia Ahmbad

Arclinea

 - Arclinea Hong Kong*
 - Arclinea Singapore*
 - Arclinea Shenzen*
 - Arclinea Hyderabad*
 - Arclinea Seoul*
 - Arclinea Tokyo*
 - Arclinea Guangzhou

Maxalto

 - Maxalto Kaohsiung
 - Maxalto Ho Chi Minh
- B&B Italia**

 - B&B Italia Dubai Bin Hendi
 - B&B Italia Tel Aviv
 - B&B Italia Johannesburg

Arclinea

 - Arclinea Tel Aviv*
- * Flagship store

 - B&B Italia, Arclinea and Maxalto
 - B&B Italia
 - B&B Italia and Arclinea
 - B&B Italia and Maxalto
 - Maxalto
 - Arclinea

Design Holding

Since November 2018, B&B Italia S.p.A. has been fully controlled by Design Holding S.p.A. jointly (and indirectly) controlled by Investindustrial funds and the Carlyle Group, constituting The Design Holding Group together with the complementary companies Flos, Louis Poulsen, YDesign Group (Lumens), Fendi Casa and Designers Company (Menu, by Lassen). Design Holding is a leading global high-end design group operating a number of legacy brands in the world of luxury furnishings and lighting, with a European cultural heritage^[102-5].

Design Holding

Design Holding was born in September 2018 from the shared vision of Investindustrial and The Carlyle Group and their intention to create a global high-end design group that brings together world-renowned and iconic brands: Design Holding exists to make homes, public spaces, and life itself more beautiful through the work of all its brands. The Group is the creator of an ecosystem that supports design-focused companies, and the curators of powerful and iconic brands that inspire and are beloved by interior designers, architects, and consumers alike. Driven by a purpose of “we design for a beautiful life”, the Group designs for the planet, people and culture.

Since its creation, in line with the Group’s vision, a strong central leadership team has been appointed to guarantee coordination and commitment throughout its organisations. This means full alignment between Design Holding’s brands’ activities and its sustainability path. Concerning the latter, Design Holding has adopted a sustainability strategy founded on three sustainability pillars: Design for the Planet, Design for People and Design for Culture. The first pillar aims to foster the commitment to sustainability, blending innovation, eco-design and circularity principles. The second one focuses on ensuring a thriving workplace that guarantees fairness and inclusion as well as generating value for communities around the world. The last one is a common priority of the Holdings’ brands to nurture their own identity by preserving craftsmanship and design heritage, from scientific research to the rescue of design legacies for the benefit of future generations.

In order to fulfil this sustainability strategy, Design Holding will publish its first Sustainability Report in 2021.

Designers
Company

Fendi
Casa

YDesign
Group

Louis
Poulsen

Flos

Recognised globally for its iconic design and technological innovation, Flos is a leading high-end Italian lighting brand, both in the residential and architectural sectors. With its two main operational headquarters in Brescia (Italy) and Valencia (Spain), the company is comprised of four different business streams and related R&D departments: Decorative, Architectural, Outdoor and Custom. Since its establishment in 1962, Flos products have received numerous international awards and many of these products are now featured in the permanent collections of leading international art and design museums such as the MoMA in New York, the Victoria & Albert Museum in London and Le Centre Pompidou in Paris. A unique feature of Flos is the longstanding exclusive relationships with world-renowned designers and architects such as the Castiglioni brothers, Michael Anastassiades, Antonio Citterio, Jasper Morrison, Patricia Urquiola, Vincent Van Duysen, Michael Anastassiades and many others. Flos exports to more than 90 countries worldwide and is present globally through flagship stores in Milan, Rome, Paris, New York, and Stockholm.

Established in 1874, Louis Poulsen is a luxury lighting brand with an iconic product portfolio focused on Danish design heritage, with headquarters in Copenhagen and production facilities in Vejen (Denmark), that offers a high-end product range for both indoor and outdoor applications. Louis Poulsen combines iconic designs stemming from the work of golden age Danish designers, such as Poul Henningsen, Arne Jacobsen, Verner Panton, Vilhelm Lauritzen and collaborations with leading modern designers such as Christian Flindt, Shoichi Uchiyama, Louise Campbell and Anne Boysen. The Company has a global distribution network with more than 50 countries served and dedicated showrooms in Copenhagen, Miami, Oslo, Singapore, Tokyo and Dusseldorf.

Founded in the San Francisco Bay Area in 2001 and incorporating the heritage of YLighting, Lumens is North America’s premier destination for modern lighting, furniture and décor, serving trade and contract professionals as well as consumers. They travel the world to source from over 350 global brands, curating a product assortment that features iconic designs as well as the latest from emerging studios, including exclusive and custom pieces. Lumens’ vision to inspire and connect the world with good design has driven the company to be a leader in innovation, delivering a best-in-class customer experience through our website, brand partnerships, editorial content, and team of design experts and ALA-certified product specialists.

In May 2021 Design Holding and FENDI announced the launch of the joint venture Fashion Furniture Design (FF Design) to develop the FENDI Casa business. The joint venture involves Design Holding as majority shareholder. This new strategic venture enables FENDI to collaborate with a trusted, skilled partner, to jointly manage its home segment, designing, producing, and distributing collections that reflect the most authentic spirit of the Luxury Maison, as well as Design Holding’s know-how, in a proud celebration of Made in Italy craftsmanship.

In May 2022, with the aim of consolidating its market position in the Northern regions of the European market and the US, Design Holding acquired Designers Company, a Danish group that includes brands such as MENU and by Lassen.

Designers Company incorporates a wide collection including furniture, lighting, and interior accessories. The iconic portfolio brings together heritage and contemporary Nordic designs and serves a broad customer base, including many younger customers.



Allure O' / Flair O'
Monica Armani

Economic performance

In the past few years, the Group has effectively kept pace with the trends and challenges that characterise the furniture and upholstery sectors. One of the elements that guaranteed the company’s success in this respect was internalisation, as foreign markets currently account for around 80% of the Group’s revenue: in fact, the United States, Germany and the US are the most important markets for the Group after Italy. Over the past few years, the Middle East and Far East have also increased their market presence to a large extent: this performance is bound to become even stronger after the opening of the several B&B Italia Group monobrand stores in China, one of the most important players in Eastern markets.

Thanks to its strategy centred on product quality and durability and by investing in innovation and research, the Group has achieved positive commercial success over the past few years: while the economic value generated by the Group in 2020 decreased by 9.8% with respect to 2019, mainly due to the setbacks caused by the outbreak of Coronavirus pandemic, the Group was able to perform a remarkable growth of 25.8% in 2021. In fact, in 2021, total revenues amounted to 253 million Euros with an economic value retained equal to 38.4 million Euros^[201-1].

VALUE GENERATED AND DISTRIBUTED (ALL DATA ARE EXPRESSED IN K€)	2019	2020	2021
Direct economic value generated ²	218,531	197,036	253,320
Direct economic value distributed	193,157	170,545	214,896
Operating costs	143,442	122,256	155,226
Employee wages and benefits	37,868	34,611	40,337
Payments to providers of capital	6,154	6,036	5,571
Payments to government	5,664	7,531	13,730
Community investment	29	112	32
Economic value retained	25,374	26,490	38,424

An active member of industry associations

B&B Italia is an active member of several national and international industry associations:

Altgamma Foundation brings together High-End Italian Cultural and Creative Companies, recognised as ambassadors of Italian style, operating in multiple sectors such as fashion, design, jewellery, food, hospitality, automotive, yachts and wellness. Altgamma’s main mission is to increase the competitiveness of the High-End industry, contributing to Italy’s economic growth.

ADI – Associazione per il Disegno Industriale (Association for Industrial Design), founded in 1956, brings together professionals, researchers, teachers, critics, journalists around the main themes of design to promote and implement the most conducive conditions for the design of goods and services.

Unindustria Como represents and safeguards the interests of the associated manufacturing companies both as regards local bodies and at national and international level, through the Italian industrial confederation, Confindustria.

Active in Italy and internationally, **INDICAM** (Centromarca Anti-Counterfeiting Institution) represents nearly 180 companies, industry associations, law and IP firms, security consultants and other organisations daily engaged in combating counterfeiting activities that affect branded products.

A non-profit entrepreneurial association, **AICE** (Italian Foreign Trade Association), has represented Italian companies that are engaged in business activities abroad for 70 years: trading, export, import, countertrade, buying-offices, export management, small and medium-sized enterprises, etc.; as well as services related to such activities.

The **National Wool Trade Association** represents a wide number of companies active in the supply of textile raw materials from accredited sources, fostering their growth and development.

Arclinea is alsoa member of **Confindustria Vicenza**, the main association representing manufacturing and service companies in the Vicenza area, part of an Italian network representing more than 150,000 companies of all sizes and employing around 5.5 million people.

Both B&B Italia and Arclinea have joined **FederlegnoArredo**, the ambassador of the Italian style of living worldwide, that represents Italian companies in the wood and furniture sector and supports their business by developing new opportunities.

Furthermore, B&B Italia Group is a member of the **Milano Durini Design** association, that was founded with the aim of developing the prestigious central area of Milan called “Distretto Durini”.

Lastly, as reported in § “B&B Italia Group commitments to sustainability”, in November 2016, B&B Italia Group signed the **United Nations Global Compact** and since then the Group has supported the Fondazione Global Compact Network Italia (Global Compact Network Italian Foundation).

B&B Italia Group commitment to sustainability

B&B Italia Group creates furnishings that are durable, both in functional and aesthetic terms, as well as able to last intime through changing trends. Today, as in the past, these concepts encapsulate the Group's philosophy. Indeed, the Group's products stand out in terms of functionality, quality of materials, construction techniques, service ability and design. In other words, B&B Italia Group products are made to last and to be enjoyed by generations to come, a long-lasting quality that perfectly embodies the true meaning of sustainability. Durability, in fact, is a defining feature of B&B Italia Group's identity, as it defines not only the Group's approach to business, but also its interpretation of sustainability. A long product lifecycle leads to the conservation of natural resources and to a reduced environmental impact, which symbolises a key element for manufacturing firms, especially in the furniture sector.

Throughout its history, the Group has been at the forefront of research and has initiated several "silent revolutions" that have profoundly influenced the upholstery and furnishing sectors. B&B Italia Group intends to continue introducing new ideas in response to changing lifestyle needs, with a focus on studying innovative materials and developing production processes increasingly respectful of the environment. The Group's approach to sustainability is driven by the search for quality, mindfulness in manufacturing processes, care in managing the environmental impacts of its operations and the quest for excellence and passion for detail across all stages of the value chain.

At the same time, sustainability for B&B Italia Group is also focused on the relationship with its people, building relationships with all stakeholders based on trust, mutual respect and ethics. In fact, the Group aims at being a trusted employer and at promoting constant dialogue with the community, both internally and externally.

To confirm its commitment to sustainability, in November 2016 B&B subscribed to the United Nations Global Compact initiative (UNGC). The UNGC is a call for companies to voluntarily align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and combatting corruption and to take action in support of UN goals, including the Sustainable Development Goals (SDGs) (for further details see "Methodological note"). Signatories to the UNGC are required to report annually on progress concerning the implementation of the ten principles to inform and update the Company's stakeholders.

Moreover, as part of its engagement to pursuing sustainability, B&B has approved a Sustainability Policy in 2021. The policy focuses on several aspect of the business, underlining the principles of legality, transparency, loyalty and good faith that B&B follows in all of its operations. These key principles and values constitute the basis for the Group's sustainability strategy and are the foundations for this document.

Allure O'
Monica Armani



Additionally, the policy is founded on three main topics, the backbone guiding B&B Italia's business and mindset. The three pillars of such Policy are the following:

- **Energy and climate change**, which regards the undertaking of a path for monitoring, and gradually reducing, carbon footprint across the value chain;
- **Circular economy**, with the aim of promoting and investigating the refurbishing and recycling of the materials used, while minimizing waste volumes and aiming at providing more durable and innovative products that may allow for the saving of natural resources in the long term;
- **B&B's people**, with the aim of promoting and investigating the refurbishing and recycling of the materials used, while minimizing waste volumes and aiming at providing more durable and innovative products that may allow for the saving of natural resources in the long term.

In 2022 Design Holding has developed a shared strategic framework for all portfolio companies, and B&B Italia, in the next months, will align ESG pillars, targets and measures to reflect the DH structure, based on three pillars: Design for Planet, for People and for Culture.

Sustainability objectives

During the last year, B&B Italia Group decided to take a giant step in strengthening its sustainability engagement and to improving its environmental performance, by defining a set of ESG objectives to be achieved in the coming years. The Group has therefore committed not only to the monitoring of its Environmental, Social and Governance performance but also to actively promote initiatives that progressively reduce its impacts.



Borea
Piero Lissoni

	ESG OBJECTIVES	KPI	TARGET YEAR	BASELINE	PROGRESS
	-27.5% emissions reduction by 2030¹	% reduction of Scope 1 + Scope 2 – Market-based GHG emissions	2030	5,789 tonCO2e (2019)	On-track
	100% of electricity from renewable sources consumed by 2022²	% of electricity covered by Guarantees of Origin purchased and consumed over the total electricity consumed	2022	0% (2020)	On-track
	Revamping of 100% of heating plants with new and more efficient technologies	Start-up of the new heating plant (Caldogno site)	2021	Not applicable	Achieved
		Start-up of the new heating plant (Misinto site)	2022	Not applicable	Achieved
	100% increase in the number of new products designed in accordance with circular economy principles by 2025	% of new products with circularity index > 60% ³	2025	4 products (2019)	On-track
	Increasing the use of reusable and recyclable packaging	Realisation of a feasibility study to reduce product packaging through reusable solutions	2022	Not applicable	On-track
		Realisation of a pilot project to reduce plastic packaging for Arlinea products	2021	Not applicable	Achieved
	Increasing the sustainability governance	Creation of a Sustainability Committee to drive new and existing ESG initiatives	2021	Not applicable	Partially achieved in 2021. Will be formalised in 2022

¹ The target on GHG emissions reduction has been defined based on the WB2C (Well Below 2°C) scenario according to the methodology outlined by the Science Based Targets initiative.
² The target refers to production plants, headquarters, and Italian showroom.
³ Product circularity measured in accordance with the Italian guidelines set by the Ministry of Environment in collaboration with the Minister of Economic Development.

The perfect blend
of heritage and innovation



Exclusive design icons

Since its foundation, B&B Italia Group based its success on its strong relationships and cooperation with leading Italian and international designers and architects, aiming at researching innovative solutions whilst fostering design.

Over the years, the Group has collaborated with several professionals of its time, including Antonio Citterio, Piero Lissoni, Mario Bellini, Gaetano Pesce, Afra and Tobia Scarpa, Marco Zanuso, Vico Magistretti, Michael Anastassiades, Naoto Fukasawa, Vincent Van Duysen, Patricia Urquiola, Zaha Hadid, Jeffrey Bennett, Paolo Piva, Studio Kairos, Barber & Osgerby, David Chipperfield, Luigi Caccia Dominioni, amongst many others.

Harbor Laidback
Naoto Fukasawa



	2019	2020	2021
B&B ITALIA	Antonio Citterio – Diesis 40 – Pianura Piero Lissoni – Dock – Spool Michael Anastassiades – Parallel Structure Vincent Van Duysen – Pablo Naoto Fukasawa – Bull bench	Mario Bellini – Camaleonda – Cutter – Blitz – Gli Scacchi Yabu Pushelberg – Naviglio Piero Lissoni – Liagò	Monica Armani – Allure O’ – Flair O’ Antonio Citterio – Noonu – Atoll Naoto Fukasawa – Harbor Laidback – Awa Studio Kairos – Sir-Vito
OUTDOOR	Antonio Citterio – Hybrid – Ginepro Naoto Fukasawa – Ayana – Colosseo Philippe Starck – Oh it Rains! UnPizzo – Tramae	Piero Lissoni – Borea – Spool	Vincent Van Duysen – Pablo
MAXALTO	Antonio Citterio (coordinator) – Apollo – Dike – Tesauros	Antonio Citterio – Amoenus Soft – Aurae – Otium Soft – Ares – Intoto – Crio – Naos	Antonio Citterio – Dives Soft – Lucrezia Soft – Abseo – Cuma – Convivio
ARCLINEA	Antonio Citterio – Beta	Antonio Citterio	Antonio Citterio – Thea

01. the design idea

B&B Italia Group exploits the expertise and creative inspiration of many designers and architects, whilst blending it with its own tradition of excellence in manufacturing in order to create long-lasting value. The Group is keen on offering a space of freedom and self-expression to these creative minds while providing them with the technological know-how needed to conceive innovative products and make them a reality. B&B Italia Group creates long-lasting partnerships and promotes constant dialogue between architects, designers and the Group's Research and Development Centre, which are involved in the process from brainstorming to product planning.

Every product is a result of the cooperation between designers and architects through sketches, drawings and models. Moreover, the extensive experience and critical skills of the R&D Centre guides each project so as to represent B&B Italia Group's personality in an ever-innovative way, through expression of the designer's and architect's talents.

02. prototyping

Prototypes, based on wooden models, allow the Group to test how the idea will work or to improve it, as they represent a nearly full-scale model of the design idea. The R&D Centre controls the prototyping process, relying on expert artisans' competences, and supports the definition of the technical specifications for the manufacturing phase. Not all projects are sent to production after the prototyping stages.

03. planning

The phase of product planning comes right after the prototyping one: it constitutes the process that defines the product's technical features and eventually leads to the actual manufacturing. The planning phase involves the Quality, Purchasing and Marketing Departments and lays down the definition of a products' sourcing criteria, production methods and economic/technical feasibility.

The ability to put innovative ideas into practice has allowed B&B Italia Group to win several awards, including 4 *Compasso d'Oro* prizes, the most prestigious award in the field of Italian industrial design, presented by the Association for Industrial Design (ADI).

Le Bambole
Mario Bellini



Sisamo
Studio Kairos



The four Compasso d'Oro

1979 - Le bambole. What makes *Le Bambole* so special is the apparent absence of a load bearing structure, the extreme naturalness of their shape, and the combination of comfort, softness and elasticity that their appearance conveys. The series emerged as an icon for the 1970s, but it never ages.

1984 - Sisamo. Sisamo is a wardrobe that becomes invisible after use, transforming itself into a smooth and elegant wall with perfect flush doors: it was designed as a container that could embed the concepts of both functionality and practicality, blending with the walls of the room without any loss of continuity. Its peculiar door opening and closing mechanism with flush sliding doors has become the main feature of this system and was later patented, becoming the main feature of its system.

1987 - Sity. A courageous step forward in the search for a seating system, Sity was conceived as a flexible and separable structure, capable of reorganising the new complexity of living space: an important characteristic has been that all the elements are conceived as parts of a modular scheme, whilst preserving their own form and functional autonomy at the same time.

1989 - B&B Italia. B&B Italia was the first Company to be given recognition with a Compasso d'Oro directly awarded to a design manufacturing Company. In 2021, B&B Italia Group was awarded four important prizes. In particular, the Group had an outstanding performance at the Wallpaper* Design Award 2021, since it won in two categories: "Best Outdoor Entertaining" for "Ayana", designed by Naoto Fukusawa for B&B Italia Outdoor and "Best Reissues" for "Gli Scacchi", designed by Mario Bellini for B&B Italia. While the Ayana outdoor sofa sees wood as the absolute protagonist, innovative in its warm minimalism, Gli Scacchi series resembles a chessboard, made up of three elements inspired by the most classic of games, in particular by the Queen, the Knight and the Rook. In the same year, B&B also won the 2021 IDEAT Design Award and the 2021 Robb Report Best of The best for "Camaleonda", designed by Mario Bellini for B&B Italia as a re-edition of his 1970 sofa that became an icon at the time. The sofa has been an absolute best seller in 2021, thanks to its infinite modularity, a geometric nature that allows each element to become a pixel through which one can define the home environment.

Sity
Antonio Citterio



B&B Italia
Renzo Piano e Richard Rogers



Recent prizes awarded
to the B&B Italia Group

	AWARD	PRODUCT / COMPANY
2018	Wallpaper* Design Award – Best Uki	Saké – B&B Italia
	Wallpaper* Design Award – Best Wave	Ginestra – B&B Italia Outdoor
	American Great Design Award – Winner	Alex – B&B Italia
	German Elle Decoration International Design Awards – Best seating of the year	B&B Atoll – B&B Italia
	China Elle Decoration International Design Awards – Best furniture of the year	Eda-Mame – B&B Italia
	IDA Design 2018 Gold – Interior Design-Residential	Reach, Brickell City Centre Miami
	German Design Award – Design Classics and Re-editions	Catilina – Azucena
2019	NYCxDESIGN Award 2019 – Product – Residential Sofa	Eda-Mame – B&B Italia
	Wallpaper* Design Award 2019 – Best disco divas	Eda-Mame – B&B Italia
	World Airline Awards 2019	United Airlines’ SFO Polaris Lounge
	Red Dot Award 2019 – Best of the best	The Retreat at Blue Lagoon Iceland
2020	2020 Wallpaper* Design Award – Best Cover Up	Oh, It Rains! – B&B Italia Outdoor
	EDIDA 2020	Ribes – B&B Italia Outdoor
2021	2021 Wallpaper* Design Award – Best Outdoor Entertaining	Ayana – B&B Italia Outdoor
	2021 Wallpaper* Design Award – Best Reissues	Gli Scacchi – B&B Italia
	2021 IDEAT Design Award	Camaleonda – B&B Italia
	2021 Robb Report Best of The best	Camaleonda – B&B Italia

An innovative
DNA

Innovation is an intrinsic characteristic of B&B Italia Group’s industrial and technological vocation, a commitment deeply rooted in the Group’s DNA since its inception. The decision to establish a dedicated Research and Development Centre at B&B Italia headquarters and a Design Team in Arclinea has been a key factor in the Group’s growing strategy, as shown by annual investment in research, which usually exceeds 1% of B&B Italia Group’s annual turnover and, in 2021, amounted to 3.0 million Euros.

In line with these investments, B&B Italia Group has always been dedicated to the protection of intellectual property, considered a strategic element for ensuring business continuity and safeguarding the Group’s creativity against counterfeiting. In order to protect its know-how, B&B Italia collaborates with the Altagamma Foundation and since 2011 the Company has filed over 280 design model registrations in Italy, several of which have also been filed in Europe, USA, Australia, China and Korea.

B&B Italia’s Research
& Development Centre

The R&D is one of the buildings at the B&B Italia headquarters in Novedrate, designed by Antonio Citterio and Patricial Viel and conceived to be in complete harmony with the surrounding environment. Created to inspire new design models reflecting B&B Italia’s characteristic ambience and spirit, the building is a creative laboratory that blends design and product innovation research, providing the opportunity for constructive cultural dialogue and exchanges of experience. In addition, the R&D Centre building hosts B&B Italia’s showroom for a total surface area of 1,650 m².



Borea
Piero Lissoni

Innovation in Arclinea

Arclinea has its own internal R&D function, responsible of developing new furniture components or even new models, as well as modifying and improving existing products. Since 1986, Antonio Citterio has been Arclinea's designer of reference, but many ideas and sources of inspiration emanate from market analysis and directly from clients.

In order to gather inspiration from these several sources, the Company has formed a "Design-Team" since 2006, comprising its most important and committed customers in Italy and abroad. The Team is periodically convened to discuss ideas and requirements for potential new furniture components and models. A dialogue of this kind is almost unique in the design domain and usually marks the initial conception phase behind Arclinea's new creations.

After ideas have been collected and put together into innovative proposals, the Company conducts a benchmark analysis to gain an overview of the overall market and to consider whether the proposed ideas may be viable. When the results of such assessments are positive, the design phase begins in earnest, unfolding from prototyping to potential commercialisation.

Moreover, to continue pursuing innovation, Arclinea undertook a path of technological renewal of manufacturing processes aimed at enhancing production efficiency since 2020, drawing up an Industry 4.0 investment plan with the goal of renewing production processes. This path started with the acquisition of a 3D precision printer that not only facilitates the rapid production of mock-ups, but also enables the internal moulding of small quantities of plastic pieces with high accuracy and repeatability, reducing outsourcing and warehouse inventory, and continued with the purchase of new machinery in 2020 and 2021.

Several innovations have resulted from this process in 2021. For instance, the kitchen Thea is in the process of a constant evolution in its materials, becoming more and more recyclable and recycled: 92% of the total material weight is currently made from recycled materials, as its chipboard is derived from 100% post-consumer recycled wood. Moreover, a wood panel with reduced formaldehyde content, the F4 Wood Star, has been developed, after several tests made in Arclinea's laboratories where the values of formaldehyde emitted were analysed and monitored. Finally, Arclinea is conducting a feasibility study to substitute the packaging currently in use, made of expanded polystyrene (EPS) protection and nylon film with recyclable and recycled materials such as cardboard packaging.



Borea
Piero Lissoni

One of the main examples of this avant-garde approach, a feature always present since the start of B&B Italia's history, is the introduction of the revolutionary technology of injection moulding with cold moulded polyurethane foam. Piero Ambrogio Busnelli, B&B Italia's co-founder, first conceived this technique in the '60s: while he was in a business trip in London, he set his eyes on a machine that created and "spat out" cold moulded rubber ducks of injected polyurethane and had the idea to transfer the technology to sofas. This led to the implementation of a unique industrial process as well as to the creation of custom-made icons, now recognised worldwide.

Further examples of these "revolutions" include the introduction of, the use of weavings in polyethylene for outdoor furniture in the early 2000s, the introduction of lightweight aluminium fusions for frames after 2010 and the design of circular and swivel products made up of recyclable materials and disassembly properties in more recent years. In particular, it has recently developed product with high circularity index, such as Ribes, Erica and Hyrid (2019), Camaleonda (2020) and Borea (2020 and 2021).

The “silent revolutions” of B&B Italia in the furniture sector

UPHOLSTERED FURNITURE

1966
Metal structures in upholstered furniture, substituting wood for increasing flexibility and resistance and reducing weight – Coronado
Use of **polyurethane** for potentiating durability also in terms of shapes – Coronado
Removable structures for increasing transportability and reducing volumes – Coronado
Insertion of **leaf springs** into structures, to increase comfort and flexibility – Coronado
Use of **fibreglass** in structures to increase resistance – Amanta

1969
Vacuum packed chair to achieve maximum contraction – Up
10-year guarantee for padded structures

1970
Use of **integral polyurethane** – Bonanza

1976
Rigid polyurethane structures – Lauriana

1980
Mechanisms to increase sofas’ comfort and modify height of seats – Alanda

1984
Use of **tubular fibreglass** for enhancing folding properties – Nena

1986
Multiple seating typology to enhance the flexibility of seating systems – Sity

1995
Use of **die-cast pegs** for increased lightness – Harry

1997
Introduction of **peninsulas** and **chaise longue** – Charles

SYSTEM

1970
Polyester systems “100 gloss” to increase brightness – Olinto

1980
Use of **cast iron structures** to enhance stability and holding – Dape

1983
Coplanar sliding doors for wardrobes reducing the encumbrance – Sisamo

1989
Use of **extruded PVC** 240 cm shelves allowing exceptional capacity and integration with lighting – Domus
Vertical opening 240 cm shutters reducing the encumbrance – Domus

1990
Fire-retardant HSC panel for marine environments – B&B marine

1996
Introduction of **wengé** finishing – Maxalto

1998
PVC panels substituting office walls – Abak

2008
Aluminium modular library to increase lightness and stability – Flat.C

2012
Roto-shifting opening for wardrobes – Backstage

2014
Shellac finishing – Maxalto

2020
New **4.0 automation production machines** – Arclinea

2003
Use of preformed **printed leather** – Mart

2007
Weavings in **polyethylene** for outdoor use – Canasta

2016
Use of **lightweight aluminium fusions** – Charlotte

2018
Eco-friendly padding – Erica ’19 and Ribes

2019
Disassembly structure – Hybrid

2021
New 4.0 **Misinto production machines**



Awa
Naoto Fukasawa

For B&B Italia Group, innovation means driving the market towards new solutions that are increasingly functional and aesthetically aligned with contemporary taste. In order to pursue this philosophy, the Group puts continuous efforts on the constant evolution of its model range: between 2019 and 2021, the Group launched over 50 new products and over 30 extensions to existing product ranges. In particular, 2021 extensions are significantly increased due to the Maxalto collection renewal. Since the end of 2018, B&B Italia Group has started to manufacture and market several iconic Luigi Caccia Dominioni ideas under the Azucena brand, such as the Catilina chair and pillow, the ABCD armchairs, the Toro sofa and pouf, the Cavalletto table and the Poltrona and Imbuto lamps.

NEW PRODUCTS DEVELOPED AND LAUNCHED	2019	2020	2021
New products	18	19	15
Extension of product ranges	10	3	20

The B&B Italia Contract Division also interprets B&B Italia’s innovative spirit in the development of new ideas in a customer-centric way. The Division conceives each single detail to satisfy specific customers’ needs and invests in liaising with customers and architects, while co-ordinating research, testing and engineering for each element of a project. In 2020 the Contract Division participated in ambitious and high-profile projects such as the 1000 Museum Miami, by Zaha Hadid Architects, an imposing residential tower in Downtown Miami, that houses over than 30,000 square feet for less than 100 residences. Furthermore, B&B Italia Contract also took part in Hub50House Tower in Boston, USA. For this project, all the common areas, the management offices and the amenity spaces were furnished with B&B Italia products.

The solid collaboration between B&B Italia and Bvlgari Hotels & Resorts began in 2000 with the first Bvlgari Hotel in Milan, was followed by the Bvlgari Hotels in London, Shanghai, Dubai and Beijing. Another fundamental component of B&B Italia’s history of innovation is sustainable development, encapsulated both by the use of sustainable materials and the upgrade of industrial processes in order to reduce the environmental impact. Over the years, the company has achieved some results in these areas by promoting the elimination of freon in the polyurethane formula, the use of recycled and recyclable techno-polymer coats (Husk, 2011), the transition to water-based solvents for wooden products (completed in 2015 at the Misinto site), the fabrication of coatings from recovered leather scraps (Hive Pouf, 2013) and the elimination of formaldehyde from chipboard. In addition to these significant achievements, in 2019 B&B Italia committed to reducing product impacts at the end of their life cycle, introducing products with dismantlable structures. In 2020, B&B Italia launched a global online survey with more than 700 Dealers to get their satisfaction feedback, which was concluded in 2021. In addition to questions on product and service quality, the survey tested dealers' interest in new collections designed according to circular economy principles. As a result, more than 60% of respondents showed a high or moderate interest in the proposal, in line with the Group's commitment to enhance product circularity.

Assessing products’ circularity

In 2021, B&B Italia affirmed its leadership in the hospitality sector thanks to the collaboration with the exclusive Bvlgari Hotel Paris. The Hotel is located on Avenue George V, in the "Golden Triangle" between the Seine and the Champs-Élysées, a district of luxury and excellence of the French capital and it offers a new way of living the hotel experience, where classic Italian hospitality meets Bvlgari's jewellery heritage and the glorious history of the ‘Ville Lumiere’. The interior project, entirely conceived by the Italian architectural firms Antonio Citterio and Patricia Viel features 76 rooms and suites, including the Bvlgari Penthouse, an exceptional private apartment of nearly 400 square meters with its own 569 square meter panoramic roof garden, with views of all the capital’s iconic monuments. The building and the facade of Bvlgari Hotel Paris have been designed and restyled by Antonio Citterio and Patricia Viel, in collaboration with the French architectural firm Valode & Pistre.

As part of the interior project, B&B Italia Contract Division furnished all rooms, suites and public areas with products from the Maxalto collection, the group brand that stands out for the modern classic spirit of its creations. The sophisticated elegance of Maxalto furnishings, also custom-made for Bvlgari Hotel Paris, coexists with the timeless contemporaneity of B&B Italia Outdoor and Azucena collections, two other brands of the Group, which furnish the outdoor spaces of the Bvlgari Penthouse and the rooms.

Starting from 2018, B&B Italia has investigated the circularity properties of some of its collection products through a quantitative and comparable assessment carried out by a third-party laboratory, aiming at improving products’ recyclability and including circular economy principles in production and design processes. The Group has been amongst the first in the furniture sector to evaluate products circularity with a rigorous process, measured in accordance with the Italian guidelines set by the Ministry of Environment in collaboration with the Minister of Economic Development.

The Group started assessing products’ circularity by analysing Ribes and Erica '19, both designed by Antonio Citterio. The process continued in 2019 with Hybrid, designed by Antonio Citterio, and Ayana, designed by Naoto Fukasawa and finally in 2020 with Borea, designed by Piero Lissoni, and Camaleonda by Mario Bellini. All the products analysed had a high circularity index: through a set of indicators, including the recyclability of the input materials. Of the products, B&B Italia assessed that Camaleonda’s circularity is equal to 70%, whereas Borea corresponds to 89%. These results can be ascribed to the ability of the products to be disassembled and to the use of recycled and recyclable components.

In 2021, B&B Italia has been in the process of assessing the circularity of two new products, specifically, Pablo, designed by Vincent Van Duysen, which scored 89% on the circularity index, and Borea loungers, designed by Piero Lissoni. Both Pablo and Borea loungers make use of technical solutions aimed at simplifying the care and maintenance of their parts as well as improving disassemblability, but the entire Borea collection is the one that is pivotal for the circular strategy of the Group: all the products of the collection are made of recycled, recyclable and modulable materials that can be separated at the end of their lifecycle for proper disposal. For instance, paddings of the 2020 outdoor armchair are made with polyester fibre filling coming from recycled PET plastic bottles enveloping a different density polyurethane core. Moreover, the starting point of the Borea 2021 outdoor loungers is the tubular aluminium structure, a material that represents a sustainable choice both because it is extremely resistant and durable and because it is entirely and easily recyclable, thus infinitely reusable to give life to new products every time.

Bvlgari Hotel in Paris

For B&B Italia Group, innovation also means carefully studying clients' and customers' needs and leveraging the accredited experience of professional partners in order to build unique design artefacts. The goal of the Group is to create products and services that can be considered "something valuable in time" and remain etched in the memory. The Group uses different ways to articulate this concept and its contemporary design culture, promoting open dialogue with its clients and customers.

Indeed, the Group's own stores encourage visitors to undertake a journey of discovery where design meets sensation, involving all the senses: the stores are made of a sequence of thematic areas that highlight the story and contextualise products, creating a perfect harmony between products and the surrounding environment. The areas are organized by colour combinations, creating contrasts that enhance details: tactile materials and a wealth of subtleties please the eye, arousing curiosity and inviting visitors to touch and feel the products.

The Group also works closely with its partners in order to benefit from their abilities in order to guarantee the utmost product quality as well as a first-class purchasing experience. These aspects are managed through a specific policy of extensive after-sales support, which includes proper training for dealers' staff and architects. Every year the Group organises several training courses addressed to international architects, clients and industry operators.

B&B Atoll Soft
Antonio Citterio



Design ambassador since 1966

Given the assumption that every cultural manifestation can be a vehicle for the most profound spirit of design, B&B Italia Group supports and promotes cultural initiatives and exhibitions in every artistic domain. Over the years, B&B Italia Group has confirmed and celebrated its passion for art and design by sponsoring several exhibitions dedicated to world-famous designers and architects, such as Gaetano Pesce, Luigi Caccia Dominioni, Mario Bellini and Zaha Hadid.

B&B Italia Group has always been a reference point in several events such as international fairs, exhibitions and cultural ceremonies organized all over the world: while the previous year constituted a setback in the promotion of an open dialogue with clients and customers as many fairs and design culture events were postponed or suspended due to the Covid-19 pandemic; 2021 has been a rebirth in this regard.

For instance, on the occasion of Milan Design Week – September 2021 – B&B Italia invited the Italian and international press to the presentation of the 2021 indoor novelties, particularly Allure O', Flair O', Harbor Laidback, Awa, Sir Vito and Noonu and the 2022 outdoor preview. The directors and editors of the most prestigious Italian and international magazines that took part in the meetings were able to explore the project and objectives of the new D Studio, which was particularly appreciated for its open spaces, brightness and floor-to-ceiling windows, as well as for the distinctive and exclusive location in the panorama of design and furnishing stores in Milan.

Finally, B&B Italia was able to present the 2021 new collection to the Asian market by creating a collections presentation in Shanghai, furnishing and curating the setting at Villa 17 in Amanyangyun, an impressive Chinese antique architecture, a peaceful sanctuary on the outskirts of Shanghai. Nestled within a cherished camphor forest, Villa 17 is one of the 50 Ming and Qing dynasty villas being relocated from Fuzhou which demonstrates fragments of rich Chinese history and culture and it is the number four Aman destination in China.

The brand-new B&B Italia and Maxalto collections were able to redefine the contemporary living space through original shapes and context among Villa 17's antique pillars and interiors, underlining the extraordinary synergies between Eastern and Western design culture: Villa 17 became the stage where the sophisticated harmony between history and newness, the natural and the artisan took place.

Moreover, between the last part of 2021 and the first part of 2022, B&B Italia sponsored the first "Nobody's Perfect" exhibition held in China by Italian architect, designer and artist Gaetano Pesce and characterised by an extra-large UP sofa at the entrance of the exhibition. The exhibition represents a journey through the evolution of design through the approximately 100 works on display, tracing the artist's past and recent history.

Arclinea Design Cooking School:
a celebration of Italian food culture

Camaleonda: the hero project of the year

While B&B Italia celebrated the fiftieth anniversary of Mario Bellini’s masterpiece sofa Camaleonda in 2020, the year in which the designer reworked the concept that made the sofa an icon, the iconic modular sofa has made an impact in 2021 as well, becoming B&B’s hero project of the year.

In particular, the digital marketing launched last year has shown incredible results: 40 celebrities and influencers featured Camaleonda in their social media activities and reached over 250 million Instagram Followers in total. Moreover, those Camaleonda images collected over 210,200 Likes and the hashtag #Camaleonda was shared more than 20,000 times on Instagram. Among the celebrities that chose the sofa to promote their activities we find the pop singer Rihanna and the influencers Chrissy Teigen Athena Calderone.

Thanks to these results, Camaleonda was able to redefine marketing and communication rules for interior design, being referred to as “the Sofa You’re Seeing Everywhere on Instagram” and “The Birkin of interior design” by design magazines.

Camaleonda was also featured in several initiatives: for instance NOWNESS, a multimedia cultural platform, invited the four Chinese photographers Yi Tuo, Luo Yang, Feng Li and Jumbo Tsui to interpret the sofa

Through a unique and exclusive photographic production, where the personal visual language and sensitivity aesthetics of each photographer underline the versatility of Camaleonda in an original and creative way.

Thanks to ongoing research, Arclinea is today a leading actor in professional design for cookery schools and restaurants.

In order to celebrate its original blend between a refined design culture and a passion for the Italian food heritage, Arclinea has developed important partnerships with distinguished international chefs, by creating the Design Cooking School. This consists of a series of cooking courses organised across Italy and presented by famous chefs.

During these courses, students have the opportunity to use Arclinea kitchens, to learn how to cook and often become loyal customers for its products. To date, the Design Cooking School has over 18 partners, such as Gianluca Aresu and Giuseppe Falanga’s Italian Chef Cooking School and Marion Muzi Falcon’s “L’apprentie pâtissière” in Paris.

B&B Atoll Soft
Antonio Citterio



In 2021, in line with 2020, to communicate the Group’s commitment to promoting cultural events and its iconic design, B&B Italia Group continued to enhance its communication and marketing strategy through a series of projects aimed at strengthening its presence on the main digital platforms for all its brands.

Consequently, B&B Italia Group drew up a communication plan designed to increase its number of followers and interactions with actual and potential users on social networks.

Several digital initiatives have been designed in 2021: for instance, the Group launched the “B&B Italia Academy” in October 2021: a series of e-learning sessions delivered on a dedicated platform. So far, 373 participants have taken part, of which 191 dealers, 94 internal and 88 members of the salesforce. Moreover, the Group has launched two new, renowned websites, one for B&B Italia and one for Maxalto as the Group felt the need to renovate the ways of communication with the general public and to emphasise the different brand identities of the companies. It is notable that B&B Italia’s website now contains a sustainability section, in order to affirm its efforts and progress on the topic.

Moreover, the Group continued the activities started last year to progressively reinforce its profile content.

B&B Italia Group has an increasing presence on social media, as is shown by the growing number of fans and followers, rising overall by over 14% between 2020 and 2021. Nonetheless, in the coming years, the Group will continue to work to further improve social interaction.

2021 FOLLOWERS

Facebook	Twitter	Instagram	Pinterest	Linkedin	WeChat	Weibo
122,156	15,683	624,149	49,288	33,800	15,241	990

The proper balance
between product
quality and impact



The continuous quest for product quality

The Group’s mission is to provide long-lasting value for clients, making the quest for quality and excellence the key element of B&B Italia Group’s vision. The same vision also drives the Group’s approach to supplier relations, which are characterised by trust, collaboration and innovation.

The Group’s commitment to excellence has led B&B Italia to implement the ISO 9001 Quality Management System at the Novedrate, Misinto, Arosio and Carugo sites since 1997, certified by an independent third party. This Management System is a fundamental element of B&B Italia’s work ethos, given that it sets rules and boundaries that govern quality control at all levels. Similarly, Arclinea’s Caldogno factory has an ISO 9001 Quality Management System certification, first accredited in 2012. In 2018, both B&B Italia and Arclinea updated their Management Systems to the new international technical standard UNI EN ISO 9001:2015. The context analysis carried out by the two companies did not identify any relevant quality risks connected to quality management.

The continuous and full implementation of the Quality Management System constitutes the key instrument to ensure all statutory and regulatory requirements and standards applicable for the Group’s export destinations are met. B&B Italia Group’s products meet all relevant legal requirements, including European and US laws and regulations. Throughout the product life cycle, all categories are assessed with respect to health and safety impacts and in terms of compliance with applicable regulations with the support of leading Italian and international test laboratories. The effectiveness of B&B Italia Group’s Quality Management System’s has resulted in the absence of issues as regards non-compliance with regulations concerning the health and safety impacts of products in 2021^[416-2].

As regard customer service, the Group believes in the value of offering consumers a product as a long-term investment and therefore it keeps working on increasing the lifecycle of its creations, keeping both quality and sustainability principles into mind. In this context, all B&B Italia products include an identification code, which allows the Company and its customers to trace all technical documentation and product standards for each item sold, aiming at increasing customers’ interest in and awareness of product safety and durability. For this reason, B&B Italia Group goes beyond mere compliance and monitors these parameters through specific activities and tests, in accordance with various voluntary codes and regulations that can apply, depending on markets, national laws and clients’ specific needs. Products are therefore subject to validation by conducting tests, for instance strength and durability tests, on the product family’s most significant or representative article and/or on an item that is particularly key in terms of construction technique. Tests are carried out following the principal methods applied in the furniture industry. In addition, in Arclinea each product is subject to manual checks during and at the end of the manufacturing process. When any defects or problems are identified, remedial steps are taken as soon as possible by the factory staff, usually within two hours.

Furthermore, Arclinea’s Quality Function periodically organises a series of internal working groups to brainstorm how to continuously improve the production stream. This allows the Company to deliver high quality products, whilst acquiring replicable best practices learnt from previous production mistakes.



Noonu
Antonio Citterio

B&B ITALIA GROUP’S PRODUCT REGULATORY FRAMEWORK AND STANDARDS

Fire resistance	Italian Ministerial Decree of 26/06/84 Concerns the classification of fire resistance and approval of materials for fire prevention purposes (I).
	California Technical Bulletin 117-2013 – USA Sets flammability standards for upholstered furniture.
	Assembly Bill 2998 Concerns the presence and labelling of flame-retardant chemicals used in upholstered furniture.
	Furniture and Furnishings (Fire) (Safety) Regulations & Amendments 1988 – UK Sets levels of fire resistance for domestic upholstered furniture.

Electrical equipment	ANSI - UL 48 Portable electrical apparatus (Lamps) – USA and Canada B&B Italia certifies that its low-voltage electrical equipment is safe and complies with current laws, standards and regulations in force.
	Directive 2014/35/EU On the harmonisation of the laws of the Member States relating to making available on the market electrical equipment designed for use within certain voltage limits.
	Directive 2014/30/EU On the harmonisation of the laws of the Member States relating to electromagnetic compatibility (recast).
	Directive 2012/19/EU On the harmonisation of the laws of the Member States relating to waste electrical and electronic equipment (WEEE).
	Directive 2011/65/EU On the restriction of the use of hazardous substances in electrical and electronic equipment.
	Directive 2006/42/CE Concerning machinery.
Furniture standards	UNI EN 16139:2013 Furniture - Strength, durability and safety requirements for chairs.
	UNI EN 15372:2017 Furniture - Strength, durability and safety requirements for tables.
	UNI EN 581 Outdoor furniture - general safety requirements for outdoor seating and tables.
	UNI EN 16121:2017 Furniture – safety, strength and durability requirements for storage furniture.
	UNI EN 1116:2016 Kitchen furniture - Coordinating sizes for kitchen furniture and kitchen appliances.
	UNI EN 14749:2016 Furniture - Domestic and kitchen storage units and kitchen-worktops, safety requirements and test methods.
	UNI EN 13986:2015 Wood-based panels for use in construction - Characteristics, evaluation of conformity and marking.
	ANSI-BIFMA X5.1 Chairs: 2017 – USA Provides standards for the evaluation of the safety, durability and structural adequacy of general-purpose office chairs.

Products in the making: from industrialisation to delivery

B&B Italia’s industrial process encompasses various phases, which represent a continuation of the three preliminary stages (design, prototyping, planning) described in § “Exclusive design icons”.

01. industrialization

Production begins with the industrialization phase, where all the possible technologies to be applied are analysed, to select the perfect mix between quality and design requirements, cost optimisation and technical solutions. The ultimate goal is to ensure that the product can be produced on a large scale, ensuring the same features and performance as was originally planned are achieved. For example, when “cold-moulded polyurethane foam” technology is used for creating sofas, in the pre-production stage the metal load-bearing frame that guarantees the best results in terms of product durability and resistance is chosen. Then, the frames are integrated with various elements (elastic straps, springs, reinforcing, etc.) that enhance product performance in terms of comfort and functionality. Thereafter, frames are sunk in polyurethane injected into the mould, which allows for the reproduction of the exact shape of the chosen model.

02. validation & production

The validation & production phase ensures, first, that the product meets planned requirements and specifications and that all industrial aspects are consistent. B&B Italia effects further quality assessment through the various tests and checks described above, so that the final product fulfils its intended purpose and is ready for delivery. The results of all these controls and technical documentation are entered into a product fact sheet, which is like an ID card for the product itself. The product is now ready to be produced. Inventory is taken in the storage warehouses when production commences, and when a specific order has been commissioned by a client.

03. delivery

Lastly, the production chain ends with delivery: sofas, furniture and all the other systems are assembled, checked and then sent to retailers or clients.

Furthermore, a document certifying authenticity, the Product data sheet – Guarantee informs the customer about the materials, maintenance instructions, the warranty, manufacturer and designer of the product, setting out the originality and uniqueness of the products. B&B Italia Group demonstrates its commitment to quality offering more than the 2-year warranty prescribed by law. An example is B&B Italia's 10-year warranty for the frames of its padded furniture (sofas, armchairs, chairs and beds). The warranty covers original defects in the manufacture of the structural parts, providing for replacement or repair, free of charge, of the unusable or defective component identified and acknowledged as such by B&B Italia. Similarly, Arclinea provides a 5-year warranty on some products for production defects.

This approach has been rewarded by no product recalls between 2019 and 2021. In fact, as shown in the table, the ratio of actual complaints on invoiced order is set, for 2021, to 3.7% share: the ratio has improved with respect to 2019 and 2020 results, demonstrating B&B Italia Group's capability to launch long-lasting quality products.^[102-43]

RATIO OF ACTUAL COMPLAINTS ON INVOICED ORDERS

2019	2020	2021
5.7%	5.2%	3.7%

Noonu
Antonio Citterio



B&B Italia' also embodies its commitment to quality through the careful selection of materials: the Company has put into place a series of thorough control practices regarding the procurement of raw materials and semi-finished products from suppliers and contractors. These practices are aimed at the selection of the highest quality materials available, both in terms of sustainability in the supply chain and reduced health and safety risks for customers.

The sourcing of raw materials and components is managed by the Purchasing Department, which evaluates and selects the materials used for the internal structure (e.g., iron, steel, magnesium), as well as for external coating (e.g., type of leather or fabric) or finishing (e.g., type of base, possible accessories) once a product is deemed appropriate for starting manufacturing production. Various assessments are also performed, both by the Technical Office in charge of production and by the Quality Department, in order to provide recommendations of their own and prevent possible issues in terms of products' technical features as well as quality, safety and durability.

The Group purchases a wide variety of materials, mainly wood, fabrics, leather, marble, metal and foam mixtures for padding: in 2021, the amount of raw materials and packaging has increased to 6,923 tonnes with respect to 2020.

It is noticeable how the total amount of materials purchased in 2021 does not merely match 2019 levels, but exceeds them by 10.6%: the figure shows that the surge was not only caused by the resumption of ordinary business activities following the restrictions put into place in early 2020, but also by a rise in customer's demand and, as a consequence, of production^[301-1].

Noonu
Antonio Citterio



MATERIALS AND PACKAGING [TON]	2019	2020	2021
Iron/steel ⁴	998	933	1,259
Fabrics	297	262	293
Wood	2,648	2,441	2,756
Chemicals	307	294	338
Marble ⁵	251	223	234
Ceramic	0.6	0.4	0.5
Appliances	61	65	81
Aluminium	270	236	308
Leather	34	33	78
Paints	549	424	558
Paper	665	639	769
Plastic	29	16	22
Glue	13	10	8
Glass	25	18	28
Polystyrene	82	79	103
Polyethylene	28	26	27
Total	6,259	5,755	6,923

The sourcing of raw materials is a focal point for both its sustainability considerations and the pursuit of an elevate quality standard of production for the Company. For B&B Italia Group, the convergence of these two elements translates into the progressive reduction in the use of materials and the adoption of the most sustainable solutions from the beginning of the production process, as well as into the avoidance of hazardous materials and, where feasible, the use of natural, non-toxic and recyclable components. Examples of this approach include preferably using wood from trees at the end of their lifecycle, as well as experimentation with innovative sustainable materials. Moreover, reuse of materials is an important aspect of B&B Italia's operations: for example, leather and fabric scraps are sold to other companies that use them in their own production cycles. During 2021, a pilot project was launched with the aim to recover used pallets with selected supplier, for 2021 only one supplier was selected for the reuse of the pallets after raw material shipping, but the initiative will be extended to other local suppliers in the coming years.

⁴ These data also include small amounts of wood.

⁵ These data also include small amounts of wood.

The following characteristics relating to the procurement of materials are worth mentioning:

- Aluminium, iron and steel represent the majority of B&B Italia's purchases in terms of quantities of raw materials. These metals are used for die-cast metal structures, moulds and frames, which are mainly produced in Italy, as well as for other components – such as chair legs – frequently purchased from China. In accordance with the general increase in production for the entire Group, iron and steel have shown a sharp increase of 35% in 2021 when compared to 2020, while aluminium has risen by 30%.
- Fabrics are mainly provided locally, from northern Italy and in particular from the Monza and Brianza districts. The Company has a long history in seeking out natural and synthetic yarns and has therefore secured exclusive agreements with its textile suppliers for specific fabrics produced only for B&B Italia. Leather, on the other hand, is sourced mainly from 3 suppliers in the District of Arzignano, one the best-known Italian producers in the tannery sector.
- Wood is the main material used by Arclinea, which is provided by FSC® certified suppliers (for further details see § “FSC® certified wood”). Specifically, top quality wooden slats are used for kitchen-front panels, whilst lower quality grades are used for backing sections.
- Chemicals, mainly in the form of glues, additives and polyurethane foams are used for product padding, whilst paints are water-based and used in large part for the treatment of woods and furniture. The Company has recently started to search for an alternative material to substitute polyurethane in production through an ongoing research process.
- Polystyrene and polyethylene have recently been selected as materials since they are more resistant and easier to manage than traditional alternatives and are fully recyclable.



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The Forest Stewardship Council® (FSC®) is an international, non-profit NGO, offering a forest certification system recognised internationally. This certification aims at ensuring proper forest management and traceability of related products.

Since 2013, Arclinea* has implemented a Management System that complies with the principles and standards of the FSC®. As a result, 100% of Arclinea's wood supply and products can be FSC® Mix certified, thus guaranteeing that wood is supplied from FSC®-certified forests, recycled material, or controlled wood.

In 2018, B&B Italia** started working on unique products produced only with FSC® Mix certified wooden components. During 2019, the Company increased the certified product range: from one chair in 2018, the Belle chair, to four product lines: Ayana, Gio and Ravel of B&B Italia collection and Fulgens of the Maxalto collection.

B&B Italia's goal is to further increase the application of the FSC® Mix certification to its wooden products, by constantly integrating the list of parts subjected to the certification, with the goal of ensuring the sustainability of the supply of wood.



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The importance of sustainable sourcing

B&B Italia Group relies on a network of about 2,000 suppliers of materials, finished and semi-finished products and contractors assembling finished products. The Group is keen on investing on local suppliers: over 90% of these partners are based in Italy and most of them are in the Lombardy, Veneto, Marche and Emilia Romagna regions, as the suppliers' proximity enables B&B Italia and Arclinea to collaborate closely with artisanal experts for complex high-quality work and to foster a continuous dialogue with them. As a result of this policy, B&B Italia Group purchased the 77% of its raw materials, packaging and semi-finished products from Italian suppliers in terms of procurement volumes in 2021. It is interesting to note that, while the amount of expenditure for foreign suppliers decreased in 2020 while it remained stable for Italian suppliers due to global supply chain disruptions caused by the Covid-19 pandemic, both the expenditure on Italian and foreign suppliers increased in 2021, as a result of the resumption of regular business activities^[204-1].

Moreover, the Group seeks to establish long-lasting relations with its suppliers, built on a strong sense of partnership and trust and informed by Group values: ethics, transparency and innovation. Suppliers are often involved from the first phase of product design, communicating with the R&D Centre and the Quality Department so as to be able to select and apply the most up-to-date technical solutions.

The Group is also keen on making sure its suppliers are constantly evaluated, in order to ensure they hold the same ethical principles of the Group. In order to do so, when signing B&B Italia's purchasing conditions, suppliers also accept the Company's Code of Ethics, the Organisational, Management and Control Model pursuant to Italian Legislative Decree No. 231/2001 as well as health and safety regulations. In addition, B&B Italia lays down specific quality checks throughout the procurement chain, depending on the specifications of the various items purchased, from raw materials to finished products: the vendor list is updated every year with a thorough assessment of suppliers' technical, economic and quality performance.

The process of supplier qualification is also important for the Group: before starting a new commercial relationship, B&B Italia, including its Contract Division and Arclinea, require each supplier to submit a data sheet setting out relevant information. Arclinea's form includes sustainability certifications and a list of its principal clients and sub-contractors. Where there are adverse findings, such results lead to specific action plans that vendors must implement in order to continue their partnership with the Companies. If the outcome of the assessment is positive, the supplier is included in the qualified vendors list^[412-1].

To help maintain quality at all levels, B&B Italia's Quality Department undertakes both scheduled and unscheduled visits to supplier plants, in addition to quality checks on reception, allowing the Company to get to know partners' operating practices in depth. Similarly, Arclinea established quality check visits to new suppliers to verify compliance with Company quality standards. In specific cases, Arclinea works to enhance suppliers' quality

levels by signing dedicated co-investment agreements, related to the development of customised moulds and prototypes. In these cases, the Company protects the individuality of its products by including confidentiality and exclusivity clauses in supply contracts.

Furthermore, for outdoor finished products, the production of which is mainly located in Bosnia, Indonesia, China and the Philippines, the Company provides precise tender specifications to its suppliers. Suppliers must comply with these specifications and, each time an additional production line is established, its inspectors take the opportunity to conduct specific controls on previously opened lines.

In addition, B&B Italia implements additional controls concerning high quality raw materials such as leather and fabrics. Leather supplies, indeed, are usually checked when dispatched to the Company's facilities and, where they are particularly prestigious, through specific visits to suppliers' plants, in addition to the digital quality controls already mentioned above.

Finally, fabrics undergo a series of additional quality tests in the vendor qualification phase, evaluating their resistance to possible external conditions such as abrasion, traction, pilling, light, tear and rubbing. Subsequently, suppliers, that are responsible for stitching fabrics and are mainly located in Italy and Hungary, check their quality again against the specific requirements of B&B Italia, which trains suppliers' quality personnel directly.



Noonu
Antonio Citterio

Environmental impacts across operations

B&B Italia and Arclinea's emphasis on sustainability includes the quest of progressively reduce the impact caused by its corporate facilities, comprising three manufacturing sites and two storage warehouses.

- The Novedrate site (25,000 m²) houses the head office, the upholstered furniture production section, the R&D Centre and the showroom. The plant houses the polyurethane moulding line and a technological production centre equipped with two robots capable of changing the characteristics of foams in real-time by adjusting their density and resilience.
- The Misinto plant (22,500 m²) produces almost the whole Maxalto collections, with particular focus on wooden products. Since 2011, the plant has also produced wall systems and wardrobes. Misinto possesses the most modern technological equipment, ranging from modern machinery to cut panels to paintbrushes and assembly lines.
- The Caldogno plant (29,000 m²) is where Arclinea production activities take place. The factory is situated on the site of the original wood workshop in which the Company started its activities in 1925. In 2019, a new showroom and training centre was inaugurated at the site (for further details see § “*An innovative DNA*”).
- Production organisation is complemented by two storage sites: an area of 8,000 m² houses semi-finished products, raw materials and components for outdoor products to be assembled in Carugo, while raw materials, semi-finished products and finished products are stored in Arosio (5,500 m²).

All plants are subject to evaluation and progressive interventions aimed at improving their operation and making them more modern and efficient. In 2020, for instance, Arclinea initiated the process of replacing part of the machinery with new ones, characterised by innovative digital technology and high energy efficiency (for further details see § “Innovation in Arclinea”). The process continued in 2021 and is ongoing.

The Company aims at properly managing the environmental impacts of its industrial sites, in compliance with all applicable laws and regulations. Since 2013, Arclinea has implemented an Environmental Management System based on the ISO 14001, updated in 2018 to the new international standard UNI EN ISO 14001:2015 in line with this commitment. The standards set out the requirements for the management of environmental aspects in the Company, starting with an Integrated Environment, Health and Safety Policy, published on the Arclinea website, which indicates the internal policies covering these issues and defines the respective roles and responsibilities for environmental management at corporate level.

The environmental aspects currently monitored and managed by the Group represent the Companies' most relevant environmental impacts, which include the use of raw materials, components and packaging consumed (as already highlighted in paragraph § "The continuous quest for product quality"), energy consumption, Greenhouse Gas (GHG) emissions and waste management. The Group also monitors its footprint in terms of pollutant emissions and water usage (further details are provided in the Appendix). No incidences of non-compliance with environmental laws and regulations by the Group were recorded between 2019 and 2021^[307-1].

Energy consumption

Since last year, B&B Italia Group started monitoring and rationalising its energy consumption through the conduction of several specific energy efficiency initiatives, thanks to operations such as the installation of new energy monitoring systems in the Novedrate and Misinto plants completed by B&B Italia and the replacement of air conditioners with new systems characterized by high energy efficiency conducted at the Novedrate plant.

An important initiative was conducted during this reporting year, which was part of the ESG targets the Group has adopted: the start-up of the new heating plant in Misinto site, which is currently in operation and is expected to lead to a reduction in consumption by optimizing processes. Accordingly, in the Caldogno site, a new heating plant was installed and activated in the first part of 2022. The delay in starting the engine, previously set for 2021, was due to the harsh winter in the region and due to bureaucratic issues having arisen during the plant installation.

In addition, B&B Italia and Arclinea both worked to revamp the air intake system: this new system allows the airflow to be regulated based on actual need instead of the old constant-flow system, thus generating energy savings and avoiding unnecessary energy wastage.

Moreover, Arclinea continued replacing its conventional lighting with LED lighting in its Caldogno site. By the end of 2021, another 30% of the factory's surface area had been covered by LED lights, as well as 40% of the office lights: the Company is in the process of completing the revamping of the LED lights, with the aim of reaching 100% of the total surface area within the coming years. Similarly, the Misinto plant was covered by new LED lights reaching almost the 100% of the total surface area of the plant in 2021.

Finally, the Group completed the purchase of Guarantee of Origin (GO) certificates in 2021 for all of its production plants (Misinto, Novedrate and Caldogno), with contracts entering into service from the beginning of 2022. These certificates are issued within the European Union energy market as proof of electricity produced by renewable sources: the purchase will ensure that the Group's ESG objective of having 100% of electricity from renewable sources consumed is met in 2022 and will lead to a considerable GHG emissions reduction.

Moving from the initiatives implemented to the performance of the Group, it is noticeable how, while the Group's total energy consumption decreased by 17% between 2019 and 2020, mainly due to the lockdown period imposed to combat the Covid-19



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pandemic, the resumption of ordinary business activities in 2021 resulted in a 28% increase with respect to 2020.

Delving deeper into the topic, the Group's total energy consumption is directly supplied by different sources. Natural gas constitutes the lion's share (52% of overall consumption), while electricity represents 27%. Wood offcuts (13,7%) and fuels like fuel oil and diesel (around 7%) have important quotas as well. Arclinea mainly relies on fuel oil – given the physical unavailability of connection to the municipal natural gas grid – and wood offcuts for its heating needs, whilst B&B Italia mainly relies on natural gas^[302-1]. Despite the increase in total energy consumption, B&B Italia Group's Energy Intensity Index, measured as the ratio between energy consumption and revenues multiplied by a factor of 1,000, decreased slightly between 2020 and 2021, amounting to 329.6 GJ/k€. The figure is representative of the Company's achievements with respect to the implementation of energy efficiency measures within its plants^[302-3].

ENERGY CONSUMPTION AND ENERGY INDEX	UNIT	2019	2020	2021
Natural gas	GJ	36,860	32,293	43,336
Wood offcuts	GJ	11,126	6,188	11,405
Electricity	GJ	23,599	20,268	22,601
Gasoline	GJ	42	29	21
Fuel oil	GJ	4,113	3,918	3,173
Diesel (vehicles owned and leased)	GJ	2,779	2,419	2,845
GPL	GJ	-	-	0.3
Total energy consumption	GJ	78,519	65,115	83,381
Energy intensity index (energy/revenues)	(GJ/k€)	390	348	330

GHG emissions

In accordance with the GHG Protocol Corporate Accounting and Reporting Standard, B&B Italia Group identified and monitored all relevant direct GHG emissions (Scope 1) and indirect emissions resulting from energy purchased (Scope 2). As required by the GHG Protocol, emissions from biomass combustion (wood offcuts for heating in Caldogno) are reported separately. Furthermore, The Group estimated its indirect emissions occurring outside of its Companies (Scope 3). Since last year, in order to strengthen its commitment towards emissions reduction and to deepen its understanding of the emissions linked to the value chain, B&B Italia Group decided to expand Scope 3 emissions monitoring by including new categories in its GHG inventory. The categories reported have remained the same as the previous year and they have been updated according to the 2021 data. Thus, in addition to the business travel and goods transportation, already included in the past years, five additional categories were added starting from 2020, covering the main aspects of B&B value chain. The table below shows the description of all the Scope 3 emission categories that fall within 2021’s GHG inventory^[305-1;305-2; 305-3].

As a further commitment with respect to climate change, Design Holding Group decided to purchase carbon credits in order to compensate its overall GHG Scope 1 and Scope 2 – Market based emissions, starting from 2020 reporting year, and renewing the project also for 2021. The initiative allowed B&B Italia Group, and the other subsidiaries of Design Holding Group, to become carbon neutral on the activities falling within the reporting perimeter and is designed as a transition tool to mitigate its impact on the road to effectively reducing carbon emissions.

Carbon offsetting projects

Since 2020, B&B Italia Group’s carbon neutrality has been achieved by balancing carbon emissions with offsetting, thus using carbon credits coming from positive impact projects. Each credit is certified according to international standards, and it corresponds to the reduction (or removal) of one tonne of CO₂ equivalent. As for last year, the two projects B&B Italia Group bought the credits from are the “Great bear forest carbon” and the “Guatemalan conservation coast”.

The **Great Bear Forest Carbon** project aims at improving forest management in the British Columbia (BC), the westernmost province of Canada, generating emission reductions through the protection of forest areas that were previously designated, sanctioned or approved for commercial logging. The project activities include changes in land-use legislation and regulation that result in the protection of forest areas and reduction of harvest levels.

The second project is developed in the **Guatemalan Conservation Coast** region by addressing the drivers of deforestation through effective law enforcement, land-use planning, education, economic opportunities, and sustainable agroforestry initiatives. Some of the most important project achievements to date are the protection of 30 threatened species including the Baird’s tapir and West Indian manatee, the protection of 54,157 hectares of threatened forest in the Mesoamerican Biological Corridor and the creation or support of 487 jobs for indigenous and local communities.”

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REPORTED GHG SCOPE 3 EMISSIONS CATEGORIES	EMISSIONS CATEGORIES ⁶	DESCRIPTION
01.	Purchased goods and services	Upstream emissions from the production of products purchased or acquired.
02.	Capital Goods	Upstream emissions from the production of capital goods purchased or acquired.
03.	Fuel and energy-related activities	Emissions related to the production of fuels and energy purchased and consumed.
04.	Upstream transportation	<p>Emissions associated with the transportation and distribution of products purchased in the reporting year, between a company's tier 1 suppliers and its own operations in vehicles not owned or operated by the reporting company.</p> <p>Emissions related to the transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics (e.g., of sold products) and transportation and distribution between a company's own facilities.</p>
05.	Waste generated in operations	Emissions from third-party disposal and treatment of waste generated by the Group's owner or controlled operations.
06.	Business travel	Emissions from the transportation of employees for business-related activities.
07.	Commuting	Emissions from the transportation of employees between their homes and their worksites.

⁶ The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard – Revised edition.

GHG emissions from electricity purchased from the national grid have been calculated both according to location-based and market-based methods. The former reflects the average emission intensity of grids, taking into account both renewable and non-renewable production, whilst the latter reflects emissions from the electricity source that the Group has specifically chosen through, for instance, contractual arrangements.

The visible increase of both Scope 1 and Scope 2 emissions recorded in 2021's figures was mainly caused by an increase in production levels, as well as by the resumption of ordinary business activities: in 2020, the Covid pandemic impacted energy consumption and consequently emission patterns, as the Group was forced to stop production for several weeks due to the government restrictions implemented to contain the spread of the pandemic.

Specifically, Scope 1 emissions amount to 3,074 tCO_{2eq} compared with 2,336 tCO_{2eq} in 2020. This translates into an increase of 31% in 2021 emissions compared to 2020. However, the increase is more contained when compared to the 2,645 tCO_{2eq} of 2019 (16%).

The start-up of the new heating plant in Misinto site, which is currently in operation, will optimise processes, energy consumption and emission levels: the plant puts out flue gases at lower temperature, with 30% emission savings.

Scope 2 emissions, by contrast, stand at 2,116 tCO_{2eq} in 2021 compared with 1,900 tCO_{2eq} in 2020 and 2,365 tCO_{2eq} in 2019, using the location-based method: while the increase between 2021 and 2020 is 11%, the 2021 figures decrease of 10% when compared to 2019: this last result is partially due to the Company's achievements with respect to the implementation of energy efficiency measures within its plants.

Moreover, a sharp decrease in 2022 Scope 2 emissions is to be expected, as the Group completed the purchase of Guarantee of Origin (GO) certificates that will enter into service from the beginning of 2022 and will therefore have 100% of electricity from renewable sources consumed in 2022.

Moving to Scope 3, the majority of the GHG emissions generated by the Group happen to be grouped in this category, equal to 85% of the total emission (from Scope 1, Scope 2 Location Based and Scope 3). As shown in the dedicated table, Scope 3 emissions are mainly composed by purchased goods (82% of all Scope 3 emissions). Scope 3 emission categories included in the calculation increased between 2019 and 2020: as a direct consequence, data comparability from 2019 to 2020 is not guaranteed. However, in 2021 Scope 3 emissions increased by 29% compared to 2020.

GHG EMISSIONS*	UNIT	2019	2020	2021
Direct Emissions (Scope 1)	tCO_{2eq}	2,646	2,337	3,074
Emissions resulting from natural gas heating	tCO _{2eq}	2,062	1,816	2,436
Emissions resulting from gasoline emergency generators	tCO _{2eq}	3	0	0
Emissions resulting from biomass (N ₂ O and CH ₄ emissions not absorbed during growth) – wood offcuts for heating in Misinto and Caldogno	tCO _{2eq}	42	31	42
Emissions resulting from diesel used for the corporate vehicle fleet	tCO ₂	205	180	212
Emissions resulting from fuel oil used for heating in Caldogno	tCO _{2eq}	315	300	243
Emissions of refrigerant gases resulting from leakages of air-conditioning systems	tCO _{2eq}	18	9	141
Indirect Emissions (Scope 2) – Location based method	tCO₂	2,366	1,900	2,116
Indirect Emissions (Scope 2) – Market based method	tCO₂	3,143	2,610	2,913
Emissions resulting from electricity purchased from national grid – Location based	tCO ₂	2,366	1,900	2,116
Emissions resulting from electricity purchased from national grid – Market based	tCO ₂	3,143	2,610	2,913
Other indirect Emissions (Scope 3)⁷	tCO_{2eq}	2,094	22,744	29,280
Total (Scope 1 + 2 + 3) – Location based method	tCO_{2eq}	7,106	26,981	34,470
Total (Scope 1 + 2 + 3) – Market based method	tCO_{2eq}	7,8823	27,691	35,267
Outside of scope: emissions resulting from biomass combustion – wood offcuts for heating in Caldogno	tCO ₂	952	872	983

* Data include B&B Italia, Arclinea, French and Northern American affiliates
⁷ 2019 Scope 3 emissions data included only the Group outbound logistics and business travels.

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SC 3 CATEGORIES	UNIT	2020	2021
Total	tCO_{2eq}	22,744	29,280
Cat. 1 - Purchased goods and services	tCO _{2eq}	17,672	24,026
Cat. 2 - Capital Goods	tCO _{2eq}	833	916
Cat. 3 - Fuel and energy-related activities	tCO _{2eq}	751	1,178
Cat. 4 - Upstream transportation	tCO _{2eq}	2,945	2,473
Cat. 5 - Waste generated in operations	tCO _{2eq}	77	75
Cat. 6 - Business travel	tCO _{2eq}	88	92
Cat. 7 - Commuting	tCO _{2eq}	378	520

Waste

B&B Italia Group monitors and manages its waste production and disposal, in compliance with all the requirements of the national law. The Group’s waste production mainly results from packaging waste, such as paper, cardboard and mixed materials packaging and production residues such as wood offcuts.

The total amount of B&B Italia Group produced waste in 2021 showed a slight increase compared with 2020 (+20%). The increase is mainly due to the 2020 lockdown restrictions and the consequent business relaunch in 2021. Moreover, the percentage of B&B Italia Group’s recycled waste is stable with respect 2021 and amount to 93% out of the total of waste produced, demonstrating the group’s commitment towards product and material circularity and environmental impact reduction^[306-2].

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WASTE TYPOLOGY		U.M.	2020 ⁸	2021
Glass		t	-	12
Aqueous solutions		t	144	111
Metal materials		t	77	13
Packaging	Paper/Paperboard	t	95	101
	Wood	t	64	72
	Plastics	t	13	7
	Glass	t	8	-
	Mixed materials	t	251	267
Non-municipal waste		t	6	57
Construction materials		t	20	87
Paintings		t	9	15
Wood		t	560	754
Sludge		t	43	30
Bottom ashes		t	13	19
Other		t	18	47
Total		t	1,321	1,592
Of which hazardous		t	46	53
Of which non-hazardous		t	1,275	1,539
Of which sent to recycle/reuse		t	1,232	1,485
Of which not recycled		t	89	107

⁸ Due to an improvement in data collection, 2020 data were restated according to the new calculation methodology.

Promotion of valuable relationships



People of the B&B Italia Group

B&B Italia Group has always placed an emphasis on creating a working environment based on positivity, trust and strong relations with the local community. The capacity to build and maintain these ties over time reflects the Group’s commitment to integrity and dialogue with its employees and to its contribution to the social and economic wealth of the areas in which the Group’s companies are located. This is true both for the Monza and Brianza districts, where B&B Italia is based and for the Vicenza province, where the Arclinea plant is located, given that most employees live no farther than 30 kilometres from the plants.

LOCAL EMPLOYEES BY PROVENANCE ⁹	2019	2020	2021
Within 15 kilometres	70%	70%	69%
From 15 to 30 kilometres	22%	21%	22%
More than 30 kilometres	8%	9%	9%

With respect to last years’ Sustainability Reports, Human Resources figures have all been represented in FTEs¹⁰ aiming at aligning data with stakeholder needs. The variations that occurred in the present paragraph are mainly due to this change in methodology.

At the end of 2021, B&B Italia Group’s employees totalled 669, recording an increase compared with 2020, mainly due to the resumption of business activities following the setback caused by the Covid-19 pandemic. The majority of the Group’s employees work in the Italian plants, making up 90% of the employed personnel in 2021^[102-7; 102-8].

The contractual basis for company employees reflects B&B Italia Group’s commitment to building stable and positive relationships with its employees. Indeed, in 2021, 94% of employees had a permanent employment contract, showing an almost stable figure in the three-year period. Similarly, the percentage of those with full-time contracts recorded a small increase compared with the previous reporting year and overall, represents around 98% of the employment contracts signed by the Group.

⁹ Data have been calculated as an average of B&B Italia and Arclinea data.
¹⁰ A full-time equivalent (FTE) is a unit to measure employed persons in a way that makes them comparable although they may work a different number of hours per week. The Group considers an FTE to be valued at 2,080 hours per year (40 hours per week x 52 weeks per year).

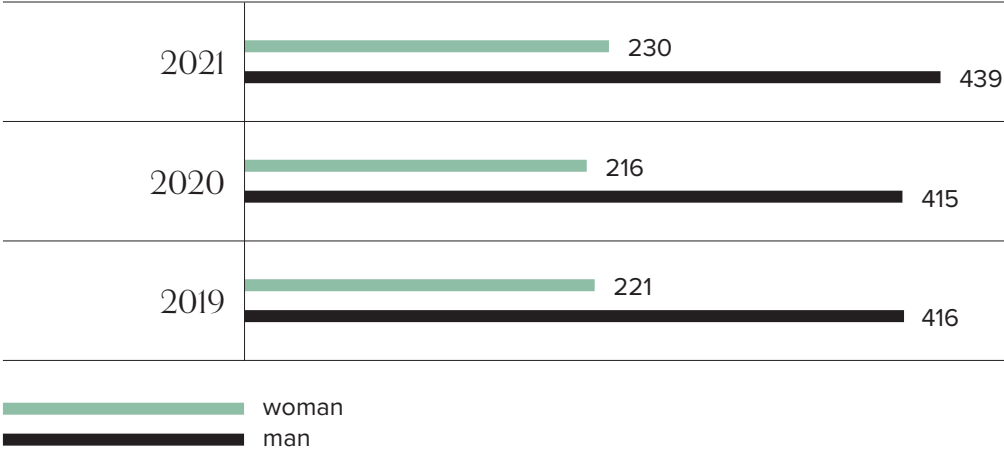
TOTAL WORKFORCE BY EMPLOYMENT RELATION AND REGION	UNIT	2019	2020	2021
Employees	FTEs	637	631	669
Of whom in Italy	FTEs	573	572	604
Of whom in foreign countries	FTEs	64	59	65
Interns ¹¹	FTEs	2	2	2
Total workers	FTEs	639	633	671

EMPLOYEES BY TYPE OF CONTRACT	UNIT	2019	2020	2021
Permanent Contracts - total	FTEs	607	604	626
Women	FTEs	213	211	222
Men	FTEs	394	393	404
Temporary Contracts - total	FTEs	30	27	43
Women	FTEs	8	5	8
Men	FTEs	22	22	35
Full-time Contracts	FTEs	624	619	661
Part-time Contracts	FTEs	13	12	8

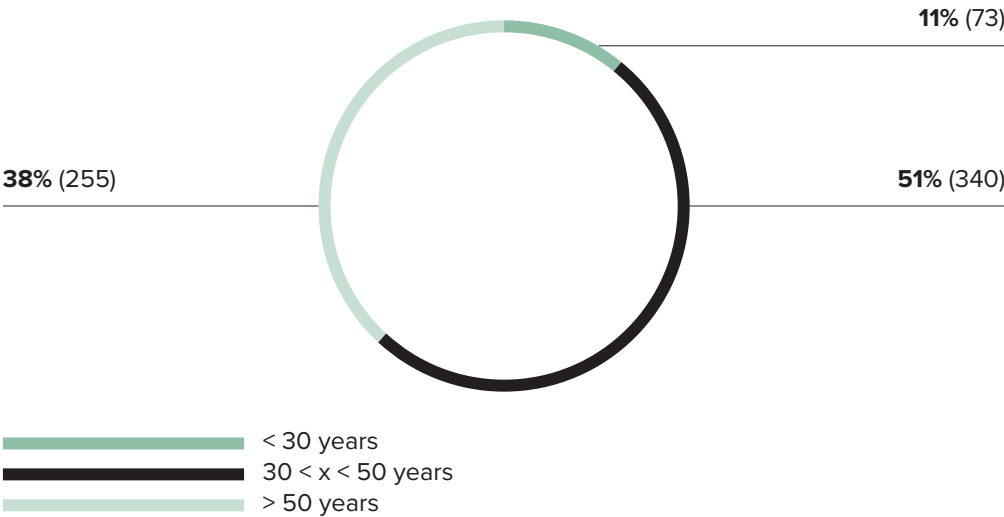
¹¹ Foreign countries had no interns in the three-years period.

In the last three years, B&B Italia Group has had a relatively stable workforce in terms of gender diversity, with a majority of male workers mainly corresponding to a preponderance of men in manufacturing activities (representing around 66% of total workers in 2021, whilst women account for the remaining 34%). Moreover, the number of employees over 50 years old remained almost stable in 2021, representing the 38% of the total workforce in 2021, indicating B&B Italia Group's commitment to retaining its best employees.

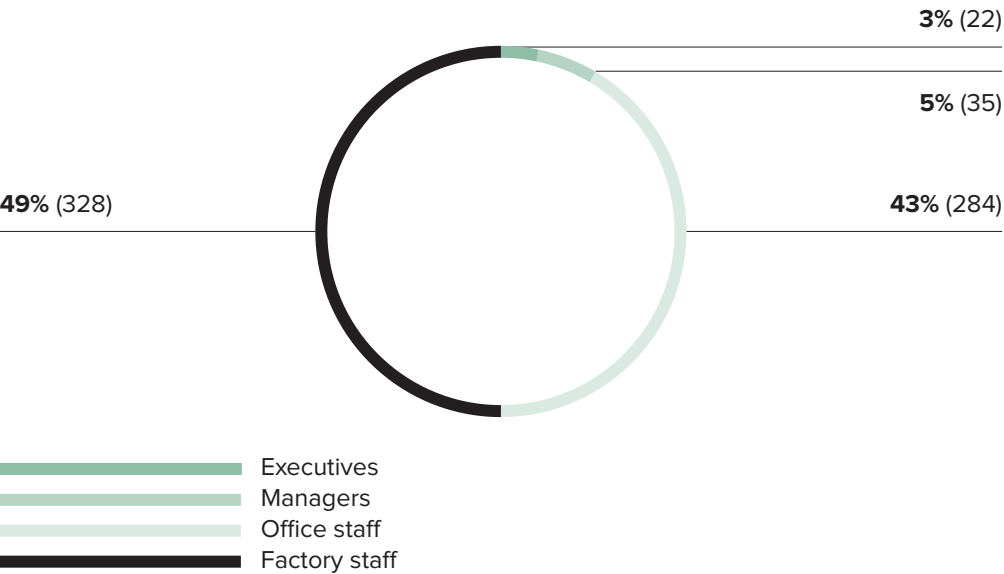
EMPLOYEES BY GENDER



EMPLOYEES BY AGE RANGE, EXPRESSED IN TOTAL AMOUNTS AND PERCENTAGES (2021)



EMPLOYEES BY EMPLOYMENT CATEGORY, EXPRESSED IN TOTAL AMOUNTS AND PERCENTAGES (2021)



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EMPLOYEE DIVERSITY BY EMPLOYMENT CATEGORY, GENDER AND AGE RANGE		UNIT	2019	2020	2021
Executives - Total		FTEs	24	25	22
Women	< 30 years	FTEs	0	0	0
	30 < x < 50 years	FTEs	2	2	2
	> 50 years	FTEs	5	5	5
	Total	FTEs	7	7	7
Men	< 30 years	FTEs	0	0	0
	30 < x < 50 years	FTEs	5	5	3
	> 50 years	FTEs	12	13	12
	Total	FTEs	17	18	15
Managers - Total		FTEs	40	40	35
Women	< 30 years	FTEs	0	0	0
	30 < x < 50 years	FTEs	12	12	9
	> 50 years	FTEs	5	7	5
	Total	FTEs	17	19	14
Men	< 30 years	FTEs	0	0	0
	30 < x < 50 years	FTEs	14	12	12
	> 50 years	FTEs	9	9	9
	Total	FTEs	23	21	21
Office staff - Total		FTEs	258	251	284
Women	< 30 years	FTEs	19	13	18
	30 < x < 50 years	FTEs	102	98	106
	> 50 years	FTEs	32	35	41
	Total	FTEs	153	146	165
Men	< 30 years	FTEs	10	10	12
	30 < x < 50 years	FTEs	63	63	70
	> 50 years	FTEs	32	32	37
	Total	FTEs	105	105	119

Factory staff - Total		FTEs	315	315	328
Women	< 30 years	FTEs	1	3	5
	30 < x < 50 years	FTEs	20	18	18
	> 50 years	FTEs	23	23	21
	Total	FTEs	44	44	44
Men	< 30 years	FTEs	32	26	38
	30 < x < 50 years	FTEs	122	120	121
	> 50 years	FTEs	116	125	125
	Total	FTEs	271	271	284



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Furthermore, B&B Italia Group’s attention towards its employees resulted in relatively low or stable turnover rates between 2019 and 2021, rates calculated as the number of outgoing staff out of the total number of employees in the previous year: the turnover rate recorded between 2020 and 2021 was 9%, a decrease from the turnover rate registered between 2019 and 2020 (10%). It is remarkable to note how 75% of the total number of terminations of employment in 2021 were voluntary resignations, a sharp increase with respect to the 54% of 2020: the data are mainly due to the resumption of mobility in the labour market, which was stuck during the two years of pandemic state. Similarly, the hiring rate – measured as the ratio between the number of new hires and total employees – increased by 15% in 2021 in comparison with 2020 rates (9%)^[401-1].

The B&B Italia Group usually sponsors several initiatives in collaboration with local and national schools and institutions with the aim of attracting new talent and facilitating young people’s access to its companies. Indeed, since 2003, B&B Italia has collaborated with the Jean Monnet Technical & Commercial Institute at Mariano Comense, promoting an internship program to support final-year students in their first work experience. While this initiative was impeded by the outbreak of the coronavirus pandemic in 2020, the activity was resumed in 2021 as soon as national restrictions imposed to prevent a surge in Covid-19 cases were lifted.

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EMPLOYEE TURNOVER		UNIT	2019	2020	2021
Terminations - total		FTEs	63	63	63
Women	< 30 years	FTEs	4	2	1
	30 < x < 50 years	FTEs	10	12	13
	> 50 years	FTEs	7	5	10
	Total	FTEs	21	19	24
Men	< 30 years	FTEs	8	12	9
	30 < x < 50 years	FTEs	16	19	13
	> 50 years	FTEs	18	13	17
	Total	FTEs	42	44	39
Turnover rate		%	10%	10%	9%
New hires - total		FTEs	82	58	100
Women	< 30 years	FTEs	10	3	8
	30 < x < 50 years	FTEs	19	7	23
	> 50 years	FTEs	2	2	5
	Total	FTEs	31	12	36
Men	< 30 years	FTEs	22	15	27
	30 < x < 50 years	FTEs	23	24	28
	> 50 years	FTEs	6	7	9
	Total	FTEs	51	46	64
Turnover rate		%	13%	9%	15%

B&B Italia Group works at ensuring diversity and equal opportunities in employment and avoids any discriminatory practices. The Group has an inclusive approach to legally protected status and is committed to promote gender parity. As regards the salary ratio between women and men, 2021 showed a substantially stable outlook compared with 2020. The salary ratio across employment category ranged from 87% for executives, to almost equal salaries between women and men for managers (90%) and factory staff (96%). The situation is similar when considering employees’ overall remuneration, i.e., their basic salary plus benefits and allowances. In 2021 managers’ salary and remuneration ratios decreased mainly due to a change in the management structure, characterised by a relatively small number of employees in these categories, in continuity with the trend showed in 2020^[405-2].

RATIO BETWEEN BASIC SALARIES FOR FEMALES AND MALES	UNIT	2019	2020	2021
Executives	%	88	84	87
Managers	%	98	93	90
Office staff	%	84	85	88
Factory staff	%	97	96	96

RATIO BETWEEN OVERALL REMUNERATION FOR FEMALES AND MALES	UNIT	2019	2020	2021
Executives	%	87	88	87
Managers	%	97	91	96
Office staff	%	83	84	87
Factory staff	%	93	89	90

Training and welfare activities

B&B Italia Group considers the upskilling of its employees as vital in order to provide quality and innovative solutions to its customers. Each year the Group conducts a series of training activities, that range from purely technical (i.e. technical applications and design software, regulatory updates on national and international commercial practices, etc.) to soft skills such as courses in foreign languages or public speaking techniques. For instance, to support employees during their initial time in the Company, Arclinea organises a specific training programme lasting approximately 80 hours for all its new employees. While the outbreak of Coronavirus pandemic hindered 2020’s training activities, 2021’s training activities have resumed at their regular pace. However, in order to reduce the possibilities of contagion, the Group replaced training in person with remote online modules when possible.

The total number of training hours increased by a remarkable 126% compared with 2020 and by 105% compared with 2019, as proof of the great efforts placed by the Group in employee upskilling during 2021. Similarly, the training hours per capita increased, from 2.8 hours in 2020 to 5.9 in 2021^[404-1].



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TRAINING PER EMPLOYEE ¹²	UNIT	2019	2020	2021
Total hours	H	1,925	1,741	3,939
Women	H	515	383	1,103
Men	H	1,410	1,358	2,837
Average hours	H/employee	3	2.8	5.9
Women	H/employee	2.3	1.7	4.8
Men	H/employee	3.4	3.3	6.5
Training by category ³				
Training provided to Executives	Hh/employee	1.8	1.8	2.4
Training provided to Managers	H/employee	1.2	5.0	7.4
Training provided to Office staff	H/employee	2.6	2.3	7.7
Training provided to Factory staff	H/employee	0.6	1.4	5.3

As regards welfare initiatives, B&B Italia has, since November 2017, offered its employees a transport and assistance service for disabled relatives or family members, in partnership with the Associazione Anteas Onlus. Furthermore, B&B Italia has an agreement with Synlab in Monza in place, thanks to which the medical centre offers medical diagnosis and treatments at favourable rates to B&B Italia staff. The Company has also extended, above and beyond those stipulated in Italian collective agreements, the range of circumstances in which employees may draw upon severance indemnity.

¹² The subdivision by employee category is not available for Arclinea for what concerns 2019 and 2020, given the unavailability of relevant data.

Health and safety at work

Safeguarding employees' health and safety is at the core of B&B Italia Group's corporate culture. Over the past few years, the Group has accordingly focused on increasing employees' awareness of potential health and safety risks connected to their work activities. Between 2021 and 2020, the number of injuries remained stable at 8, similarly to the injury rate, which has equally remained stable at 8. Moreover, in the most recent three-year period, injuries with serious consequences and fatal injuries remain null and no occupational diseases have been recorded^[403-9, 403-10].

HEALTH AND SAFETY INDICES	UNIT	2019	2020	2021
Worked hours ¹³	hours	1,098,464	999,111	1,167,785
Number of injuries ¹⁴	n.	11	8	8
Occupational diseases	n.	-	-	-
Injury rate [number of injuries/ hours worked x 1,000,000]	n./hours	10.0	8.0	6.9

B&B Italia's Health & Safety Management System, as required in terms of Legislative Decree No. 105/15 on the Prevention of major-accident hazards involving dangerous substances (which governs both the Novedrate and Misinto sites), establishes the framework of internal rules and risk mitigation action plans. Every year the Company conducts a specific analysis related to the risk of relevant accidents related to polyurethane flammability, with the support of specialised external staff in compliance with this Decree. The focus is on polyurethane because it releases dangerous substances when burnt at high temperatures. For this reason, B&B Italia adopts strict preventative safety, storage and disposal measures (i.e., automatic and safety shutdown systems, containment tanks, fire barriers and special measures in case of accidental release). In order to increase employee awareness and provide them with specific information on the functioning of the overall safety system, B&B Italia has set up an internal info-point on safety procedures at the Misinto facility and, every four months, arranges a meeting with the Safety Representative for Workplace Safety including a training programme.

In 2019, Arclinea obtained certification to the new UNI ISO 45001:2018 standard, also known as occupational health and safety (OH&S) management system. The new management system enabled the Company to update the risk assessment of all the activities and processes along the production chain to prevent the occurrence of injuries and occupational diseases: as a consequence, the company has substituted a series of tasks involving repetitive actions which are potentially harmful to workers in recent years.

¹⁴ Data included both B&B Italia Group employees and subcontractors.
¹³ No injury occurred to workers other than B&B Italia employees.

Handling the Covid-19 pandemic

The outbreak of the Covid-19 pandemic has had a strong impact on B&B Italia Group activities over the past two years, requiring the interruption of production for several weeks in 2020, as well as the need to respect distancing measures at work in 2021. Over the course of these two years, the Group has always strived to guarantee employee safety and business continuity, taking countermeasures to contain and combat the spread of the virus. An anti-protocol with strict rules was drawn up in 2020 and was still in place and regularly updated in 2021 and, in addition, the Group has encouraged agile working wherever possible. If it was not possible to work remotely, plexiglass separators were installed in the offices and the hours and workstations were redistributed to ensure social distancing.

At the same time, as far as production is concerned, the anti-Covid protocol continued to provide for the use of masks, the use of alcohol-based disinfectants and the measurement of body temperature at the entrance to the changing rooms throughout the Group's companies.

In addition, a Monitoring Committee, a group tasked with reviewing and implementing strategies and operations to contain the pandemic, was set up during the last year and continued its activities in 2021. Certain delegates were tasked with overseeing employee compliance with the new anti-Covid rules.

Prevention and the correct observance of the rules imposed in the plants allowed B&B Italia Group to contain the advancement of the virus inside the plants and, therefore, to avoid outbreaks and sudden plant closures.



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Active contribution to the community

B&B Italia Group is constantly determined not only to maintain the values of integrity and mutual trust that it fosters with its employees, but also to continue to support philanthropic initiatives and contribute to social progress.

Since 2015, B&B Italia has supported several charity initiatives combating cancer, by donating to the Cancro Primo Aiuto Onlus, an association that helps cancer patients in Lombardy and establishing the Matteo Riboldi study bursary for young haematologists with the Paolo Belli Leukaemia Treatment Association in several instances.

Furthermore, since 2018 B&B Italia has funded three scholarships for deserving students of the Misinto municipality in the interests of supporting its local community's social and cultural development.

In 2021, B&B Italia Group made donations to support two organizations: ActionAid Italia and Love Design. The first one is an international association committed to fighting poverty and injustice, improving the education system in poor areas and combating violence against women, ensuring access to resources and respect for fundamental rights. The second one occurred on the occasion of a biennial design event organised by AIRC (Italian association for cancer research) in collaboration with ADI (Association for industrial design): the event aims to transform products generously donated by companies into resources for cancer research. This event, launched in 2003 under the name "The design supports the research" is an opportunity to achieve a different kind of solidarity, where the best design brands and visitors tangibly help to raise funds for Italian cancer research.

Since the protection of Italian cultural heritage is at the core of the Group's ethical principles, B&B Italia is also a Corporate Golden Donor of FAI (Fondo Ambiente Italiano or National Trust for Italy), an Italian foundation with the objective of protecting and promoting the country's artistic, wildlife and landscape heritage.

Appendix



Air emissions

In addition to the information required by the GRI Standards with respect to each indicator linked to B&B Italia material topics, the Group closely monitors other environmental aspects connected to its industrial processes from a regulatory compliance perspective.

Every year, B&B Italia carries out an analysis of its air emissions, as required in terms of the environmental legislative framework in accordance with Legislative Decree No. 152/06. In the three-year period between 2019 and 2020, the values recorded for all emissions examined and in all sampling performed were lower than the set limits. B&B Italia's air emissions from the industrial processes of the Novedrate and Misinto sites mainly relate to the polyurethane foaming phase.

AIR EMISSIONS FROM INDUSTRIAL PROCESSES	UNIT	2019	2020	2021
NO _x	T	1.6	1.7	2.2
Particulate matter	T	0.3	0.3	0.3
T.O.C.	T	9.6	6.1	5.7
Ammonia	T	0.02	0	0
Aliphatic amines (triethylamine)	T	0	0	0
Isocyanate	T	0	0	0

Water

Annual water consumption is reported in the following table. Total water consumption decreased by 31% between 2020 and 2021.

WATER WITHDRAWAL	UNIT	2019	2020	2021
Third-party water (Municipality)	m ³	29,999	28,849	20,003
Ground water	m ³	34,330	18,322	14,405
Total	m ³	64,329	47,171	34,408



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ESG Table

SOCIAL DATA	2020	2021
Total number of Full Time Equivalent (FTE) employees at the end of the reporting period	630.5	668.6
Woman	215.5	229.6
Men	415.0	439.0
Total number of Full Time Equivalent (FTE) employees at the end of the reporting period	630.5	668.6
Woman	215.5	229.6
Men	415.0	439.0
Number of Senior Management / C-Suite	27.0	22.0
Woman	9.0	7.0
Men	18.0	15.0
Voluntary Employee Turnover Rate	5.8%	7.8%
Is there a workers' council in place?	Yes	Yes
Lost time injury frequency rate (LTIFR)	1.6	1.4
Accident severity rate	0.1	0.1
Absentee rate	3.9%	4.3%

ENVIRONMENTAL DATA	2020	2021
% Renewable Electricity	0.0%	0.0%
Energy consumption (kWh)	18,087,482.4	23,161,170.2
Total water consumption (m3)	47,171.0	34,408.0
GOVERNANCE DATA	2020	2021
Is a member of the Board assigned responsibility for ESG/sustainability/CSR matters, including climate change?	No	No
Do you have an Executive Committee member responsible for CSR/ Sustainability/ESG?	No	No
Have you established an ESG committee/ steering committee to monitor performance?	No	Yes



Allure O' / Flair O'
Monica Armani

Methodological note



Reporting principles and criteria

This report has been prepared in accordance with the GRI Standards: Core option. The contents of this report set out the results of B&B Italia Group's materiality analysis in line with GRI Standards.

As a signatory to the United Nations Global Compact (UNGC) Initiative as of 2016, this report represents B&B Italia Group's sixth Communication on Progress – a public disclosure providing valuable information to stakeholders regarding the implementation of the 10 principles of the UNGC. For ease of reference, the UNGC principles are clearly mapped alongside the GRI indicators in the GRI Content Index on page 106.

As far as Human Rights are concerned, B&B Italia Group's 2021 Sustainability Report does not directly address the UNGC issues and principles, given that most of the Group's direct activities and suppliers are located in places where laws ensure the regulation of human rights. Nevertheless, B&B Italia Group includes clauses concerning labour conditions and on respect for human rights in its Code of Ethics in order to reduce risks in its value chain. Furthermore, relevant human rights issues related to the Group's activities, such as the protection of worker's occupational health and safety, are matters on which the Group is continuously committed to report.

Commitment to UNCG principles requires B&B Italia Group to foster sustainable development by supporting the 17 Sustainable Development Goals of the 2030 Agenda – adopted by world leaders in September 2015. The SDGs aim to end poverty and other deprivation, develop strategies that improve health and education, reduce inequality and spur economic growth, while tackling climate change and working to preserve oceans and forests. B&B Italia Group, through its activities and initiatives, contributes to meeting eight out of 17 SDGs, as highlighted in the figure below.



Scope of reporting

This Sustainability Report provides information on initiatives, activities and related key performance indicators and refers to the period from January 1st, to December 31st, 2021. In some cases, where available and as applicable, data were presented for the three years 2019, 2020 and 2021. Information refers to B&B Italia S.p.A., Arclinea Arredamenti S.p.A. and, where applicable, comprises data related to commercial branches and foreign affiliate companies: B&B Italia USA Inc., B&B Italia London Ltd., B&B Italia München GmbH, B&B Italia Paris SARL, B&B Asia Pacific Ltd. and B&B Furniture (Shanghai) Co., Ltd. Exclusions from this reporting scope are explicitly reported in the text^[102-45; 102-50; 102-51; 102-52]. As of the date of publication of this Report, no significant event took place in 2022 requiring to be reported, in addition to what has already been mentioned in the text.

This Sustainability Report confirms B&B Italia Group's commitment to monitor and optimise its sustainability performance and strengthen its activities in the social and environmental domains. By means of this Report, the Group aims not only to comply with social expectations and to bolster communication with stakeholders concerning results achieved, but also to improve internal awareness on sustainable development.

B&B Atoll
Antonio Citterio



Stakeholders and materiality

B&B Italia Group periodically performs an analysis to map and identify its key stakeholders, depending on both their dependence and their influence on the Group to better structure its sustainability commitment and actions.

The table below presents an overview of the results of the stakeholder prioritisation process. For each key stakeholder category, a description of existing engagement activities is provided. From this starting point, B&B Italia Group aims to improve its engaged attitude towards stakeholders and will evaluate the addition of further tools in the future^[102-40, 102-42, 102-43, 102-44].

Stakeholder mapping and engagement

In 2021, due to the persistence of the Covid-19 pandemic and the related social distancing measures implemented by national governments, most of the meetings with the Group stakeholders were digitally organised.

STAKEHOLDER CATEGORY	ENGAGEMENT TOOLS AND ACTIVITIES
Employees	Continuous dialogue with employees (i.e. internal communications, intranet, newsletter)
Suppliers	Continuous dialogue and periodic meetings
Dealers	Continuous dialogue and periodic meetings
Local communities	Website, press releases, social media
Customers	Website, catalogue, advertising campaigns, exhibitions and installations
Clients	Website, catalogues, fairs, advertising campaigns, exhibitions and installations, training sessions
Designers, architects and interior decorators	Continuous cooperation on research and development of new products
Providers of financial capitals	Formal meetings and periodic management reports

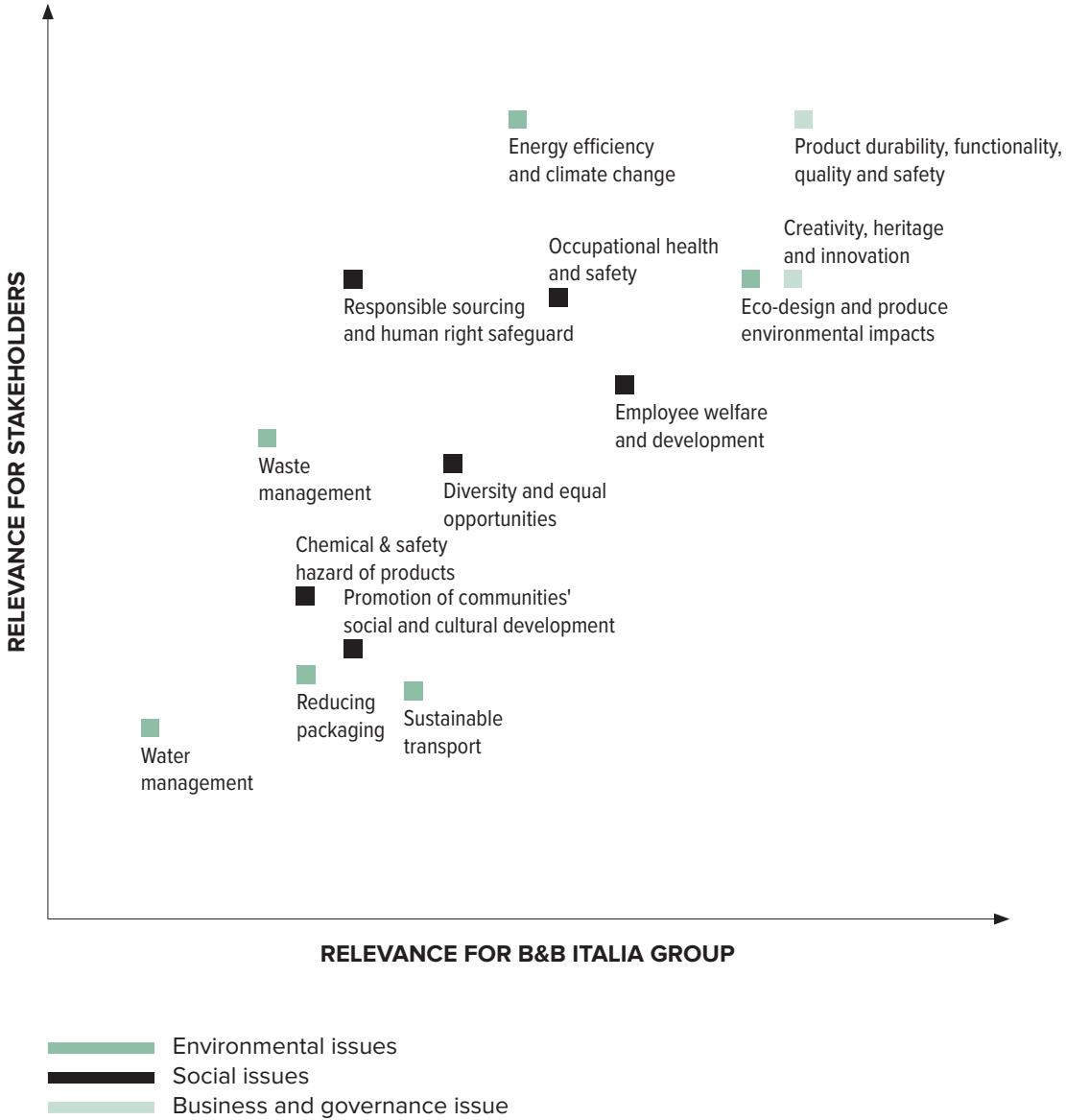
In accordance with the GRI Standards, B&B Italia Group has performed a materiality analysis to review and update those significant matters which reflect the Group’s economic, environmental and social impacts and the issues that influence the decisions of its key stakeholders. In order to update the relevance of the sustainability issues from the stakeholders’ perspective, B&B Italia Group conducted a desk-based analysis consisting of four main activities:

- An analysis of global sustainability trends, by mapping those sustainability issues most often considered by the international organisations (GRI, World Economic Forum, etc.), sustainability rating agencies (DJSI, MSCI, etc.), major stock exchanges and governmental institutions (EU, UN, etc.);
- A sector-specific analysis, identifying those sustainability issues most often included in the publications of several international organisations (RobecoSam, SASB, etc.);
- A benchmarking analysis of sustainability reporting documents of the Group’s main competitors and peers;
- An analysis of the relevance of the media and of public opinion on sustainability issues related to B&B Italia Group activities^[102-46].

Furthermore, in order to prioritise material issues from the Group’s perspective, B&B Italia Group carried out a workshop involving the management team, which had an opportunity to evaluate the significance of issues for the Group in terms of their social, environmental and economic impact. The evaluation of sustainability issues by management was decided upon considering the commitment to and the policies adopted by B&B Italia Group concerning each issue and top management’s point of view, as well as the potential impacts of each issue along its value chain.

In 2021, the Group chose to map material sustainability issues with a concave downward curve instead of an upward curve. This type of curve presents a more inclusive overview since it also encompasses issues that appear as being of particular importance to stakeholders but have little relevance to the Group and vice-versa.

By plotting the results of the evaluation into a 2-axis matrix, material sustainability issues have been prioritised, as set out below^[102-47].



The most relevant sustainability issues for both B&B Italia Group and its stakeholders are all related to business and governance issues and include “Product durability, functionality, quality and safety”, and “Creativity, heritage and innovation”. The issues relating to human resource management both within the Group and along the supply chain are of medium-high importance for both the B&B Italia Group and its stakeholders. These comprise “Responsible sourcing and human rights safeguard”, “Occupational health and safety”, “Employee welfare and development” – and “Diversity and equal opportunities”. Lastly, the group of material sustainability issues is completed by “Energy efficiency and climate change”, “Eco-design and product environmental impacts” and “Waste management”.









The 2021 materiality analysis has generated few amendments to the matrix published in the 2020 Sustainability Report, namely:

- “Occupational health and safety” has a lower relevance for stakeholders and for the Group with respect to 2020, as the previous year was characterised by the most severe phase of the Covid-19 pandemic.
- The themes of “Diversity and equal opportunity”, “Employee welfare and development” and “Eco-design and product environmental impacts” had a higher relevance for the Group and its stakeholders due to the rising interest given from both to the relations with employees and to the quality and sustainability of products.

The following table outlines the connections between B&B Italia Group’s material issues and relevant SDGs and the corresponding GRI Standards (Topic-specific Disclosures). In addition, the table shows the aspect boundary, related to where the impact is felt (within or outside of the organisation) and by whom. The table also includes any potential reporting limitations due to the current unavailability of data and information.





Harbor Laidback
Naoto Fukasawa

B&B ITALIA'S MATERIAL ASPECTS AND LINK TO SDGS	GRI STANDARDS TOPICS	ASPECT BOUNDARY		LIMITATIONS OF REPORTING BOUNDARY	
		Within the organisation	Outside the organisation	Within the organisation	Outside the organisation
Creativity, heritage and innovation  	Economic performance	B&B Italia Group	Designers, architects and interior decorators	-	Designers, architects and interior decorators
Eco-design and product environmental impacts 	Environmental compliance	B&B Italia Group	Clients Suppliers	-	Clients Suppliers
	Socioeconomic compliance	B&B Italia Group	Clients Suppliers	-	Clients Suppliers
Diversity and equal opportunities 	Diversity and equal opportunities	B&B Italia Group	-	-	-
Employee welfare and development  	Employment	B&B Italia Group	-	-	-
	Training and education				
Energy efficiency and climate change 	Emissions	B&B Italia Group	Suppliers	-	Suppliers
	Energy				
Waste management 	Waste 2020	B&B Italia Group	Suppliers	-	Suppliers



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		Within the organisation	Outside the organisation	Within the organisation	Outside the organisation
Responsible sourcing and human rights safeguard 	Human rights assessment	-	Suppliers	-	Suppliers
	Procurement practices	B&B Italia Group	Suppliers	-	Suppliers
	Materials	B&B Italia Group	Suppliers	-	Suppliers
Occupational health and safety 	Occupational health and safety	B&B Italia Group	Suppliers	-	Suppliers
Product durability, functionality, quality and safety	Customer health and safety	B&B Italia Group	Clients Customers Dealers	-	Clients Customers Dealers

Corporate Governance

B&B Italia S.p.A. has implemented a control and governance system consisting of:

- A Board of Directors, comprising four members¹⁵, following the creation of Design Holding Group, which, together with the Design Holding Board of Directors, is entrusted with the responsibility of ensuring the ordinary and extraordinary management of the Company.
- A Board of Statutory Auditors, comprising a Chair, two titular members and two alternate members.

The Group has also appointed an independent auditing firm ^[102-18].

2021 Company Board and Officers

GOVERNANCE BODY	ROLE	MEMBER
BOARD OF DIRECTORS	President	Daniel Lalonde
	CEO	Gilberto Negrini
	Directors	Dalila Dolci Giovanni Casali
BOARD OF AUDITORS	Chair	Mara Vanzetta
	Titular members	Maurizio Maffei Massimiliano Di Maria
	Alternate members	Silvia Benzoni Viviana Arena
EXTERNAL AUDITORS		EY S.p.A.
CORPORATE GOVERNANCE PANEL	Chair	Gabriele Faggioli Mario Introzzi Massimiliano Di Maria

Sede B&B Italia
Novedrate



Corporate values and risk management activities

Since its establishment, the Group has been guided by a set of key ethical values to which it is still dedicated: legal and regulatory compliance, transparency, loyalty, fairness, impartiality, good faith and the development of human resources. These values are incorporated into B&B Italia’s and Arclinea’s Code of Ethics, which application the Company views as an integral part of their business conduct to protect stakeholders and environmental resources^[102-16].

As part of their responsibilities, B&B Italia Group’s directors, senior managers, suppliers, employees, freelance workers and auditors must comply with the Code’s general principles and must ensure that all partners, dealers and suppliers similarly comply with them. Compliance with the Code is also explicitly required for all external third parties stipulating deals with the Group and/or acting on its behalf for any reason and by anyone undertaking activities related to B&B Italia Group. Furthermore, the Code is one of the tools that guarantees the effective prevention, detection of and counteraction to violations of applicable laws and regulations. Specifically, the Code is an integral part of the Organisation, Management and Control Model adopted by B&B Italia and Arclinea to prevent the commission, on its behalf and/or for its benefit, of offences for which there is an administrative penalty, as provided by the Italian Legislative Decree No. 231/01 (hereinafter referred to “Model 231”).

For both Companies, the design of Model 231 has included an analysis of the main risks and the mapping of operating areas potentially subjected to those. As regards Model 231 and applicable legislation, the Board of Directors appointed a Supervisory Body (“Organismo di Vigilanza”) with the task of controlling the implementation of and compliance with Model 231 and the process for its amendment. B&B Italia’s Supervisory Board comprises three external members, who carry out the regulatory requirements for autonomy, independence and continuity.

The company’s commitment, perfectly encapsulated by the application of the model, has allowed B&B Italia Group to not incur any significant monetary or non-monetary penalties, including anti-corruption sanctions, during reporting years 2019-2021^[419-1].

¹⁵ Among them, two board members are between 30 and 50 years old, whilst two members are more than 50 years old. All board members are male.

Quality reporting principles

The drafting of B&B Italia Group's Sustainability Report is conducted in accordance with principles of balance, comparability, accuracy, timeliness, clarity and reliability, as defined by the GRI Standards. This document is a tool that allows for the identification not only of strengths and weaknesses, but also possible areas of improvement for the Group^[102-54].

The data collection and reporting process is structured to guarantee the comparability over various reporting years and the clear interpretation of information by stakeholders. The EY Italian Climate Change and Sustainability Services team has supported B&B Italia Group in drafting its Sustainability Report since its first edition in 2016.

B&B Italia Group's Sustainability Report has not been subjected to external assurance ^[102-56].

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Naoto Fukasawa



Calculation methodologies

The methodologies and assumptions used to calculate performance indicators included in the Report are reported below. All data relating to injuries refer to B&B Italia Group employees, including contractors. The following table shows the conversion factors used:

Fuel density: UK Department of Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2019, 2020, 2021

LCV (Lower Calorific Value): Italian Ministry for Environment, Tabella parametri standard nazionali, 2019, 2020, 2021

Emissions of greenhouse gas emissions have been calculated based on the principles included in the GHG Protocol Corporate Accounting and Reporting Standard. As regards the GHG emissions calculation, the Group adopted an operational control approach to consolidate its GHG emissions calculation and applied the following emission factors and their related assumptions.

GHG emissions scope 1

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GLOBAL WARMING POTENTIAL (GWP)
Natural gas for heating	Fuel Consumption	Italian Ministry for Environment, Tabella parametri standard nazionali, 2019, 2020, 2021	Only CO ₂ emissions were considered
Gasoline for heating			
Fuel oil for production processes			
Car fleet (long term leasing)			
Biomass			
Leakages of refrigerant gases from air-conditioning systems	Leakages	IPCC Fifth Assessment Report (AR5)	GWPs have been calculated considering the composition of refrigerant gases found on safety datasheets

Given that B&B Italia Group does not have contracts of any kind for the sale and purchase of energy bundled with energy generation and emissions attributes as required for a market-based method, a residual mix emission factor has been used.

GHG emissions scope 2 - Location based method

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Electricity purchased from national grid	Electricity consumption	Terna, Confronti internazionali, 2018, 2019, 2020	Only CO ₂ emissions were considered

GHG emissions scope 2 - Market based method

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Electricity purchased from national grid	Electricity consumption	Europe - AIB, European Residual Mixes, 2018, 2019, 2020	Only CO ₂ emissions were considered
		USA - Green-e Energy Residual Mix Emissions Rates, 2018, 2019, 2020	

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GHG emissions scope 3 (2019-2021)

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Business travel by air	Kilometres travelled by air	UK Department of Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2019, 2020, 2021	CO ₂ (GWP = 1), CH ₄ (GWP = 25) and N ₂ O (GWP = 298). Global Warming Potentials (GWPs) are taken from IPCC Fourth Assessment Report (AR4)
Business travel by car	Kilometres travelled by car	UK Department of Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2019, 2020, 2021	CO ₂ (GWP = 1), CH ₄ (GWP = 25) and N ₂ O (GWP = 298). Global Warming Potentials (GWPs) are taken from IPCC Fourth Assessment Report (AR4)
Outbound logistics	Kilometres covered by air, truck or ship per shipped weight (tonne)	UK Department of Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2019, 2020, 2021	CO ₂ (GWP = 1), CH ₄ (GWP = 25) and N ₂ O (GWP = 298). Global Warming Potentials (GWPs) are taken from IPCC Fourth Assessment Report (AR4)

In 2021, Scope 3 emissions comprise, in continuity with 2020 Sustainability Report, a selection of categories chosen according to criteria of relevance, data availability and improvement potential for future initiatives. The calculations carried out relied on the following assumptions:

- Purchased Goods and services (Cat. 1): data includes raw materials (e.g., wood, steel, marble), packaging materials and an estimate of primary materials including finished and semi-finished products. Data also includes water consumption emissions.
- Capital goods (Cat. 2): data includes new production line installed in Arclinea headquarter in Caldogno and have been estimated based on the cost of purchased goods.
- Inbound logistics (Cat. 4): include all data related to purchased goods of B&B Italia by road, thus not taking into account travel by sea and air and Arclinea data. Outbound logistics include transportation of sold products for both B&B Italia and Arclinea with all means of transportation.

For further information regarding the categories involved in Scope 3 analysis please refer to the “GHG emissions” paragraph in the Chapter “The proper balance between product quality and impact”.

GHG emissions scope 3 (2021)

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Materials purchased (Cat.1)	Weight of raw, process and packaging materials procured	Ecoinvent v.3.7.1 UK Department of Environmental, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2021	CO ₂ equivalent emissions were considered
Capital goods (Cat. 2)	Weight of purchased production machinery	UK Department of Environmental, Food & Rural Affairs (DEFRA), Table 13 - Indirect emissions from the supply chain	CO ₂ equivalent emissions were considered
Fuel and energy related activities (Cat. 3)	Fuel and electricity consumption	UK Department of Environmental, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2021	CO ₂ equivalent emissions were considered
Upstream logistics (Cat. 4)	Kilometres covered by air, truck or ship multiplied by shipped weight (tonnes)	UK Department of Environmental, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2021	CO ₂ equivalent emissions were considered
Waste disposal (Cat. 5)	Weight of waste disposed	UK Department of Environmental, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2021	CO ₂ equivalent emissions were considered
Business travel by air, train, and car (Cat. 6)	Kilometres travelled	UK Department of Environmental, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2021 Ferrovie dello Stato Italiane, “Rapporto di Sostenibilità”, 2021	CO ₂ equivalent emissions were considered
Employees commuting (Cat. 7)	Kilometres travelled	UK Department of Environmental, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2021 Ferrovie dello Stato Italiane, “Rapporto di Sostenibilità”, 2021	CO ₂ equivalent emissions were considered

Outside of Scope emissions

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Biomass combustion - wood offcuts for heating in Caldogno	Fuel Consumption	UK Department of Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2019, 2020, 2021	CO ₂ (GWP = 1), CH ₄ (GWP = 25) and N ₂ O (GWP = 298). Global Warming Potentials (GWPs) are taken from IPCC Fourth Assessment Report (AR4)

In accordance with the GHG Protocol Corporate Accounting and Reporting Standard, out of scope emissions have been calculated in order to take into account the direct carbon dioxide (CO₂) impact of burning biomass. The emissions are labelled “outside of scope” as the Scope 1 impact of these fuels has been determined to be a net zero since the fuel source itself absorbs an equivalent amount of CO₂ during its growth phase as the amount of CO₂ released through combustion.

Air emissions are calculated by taking into account all pollutants relating to industrial processes (for further information, see the Appendix), with the exception of those deriving from biomass and where the natural gas boiler is used to provide heating. The calculation is based on detection of pollutant concentrations, multiplied by estimated annual flows.



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GRI 102: General Disclosures 2016

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	102-56 External assurance	-	This report is not subject to external assurance

Material Topics / GRI 200 Economic Standard Series / Economic Performance

GRI STANDARD	DISCLOSURE		PAGE	OMISSION
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	-	18, 92-95	-
	103-2 The management approach and its components	-	18, 92-95	-
	103-3 Evaluation of the management approach	-	18, 92-95	-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	-	18	-

Procurement Practices

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	-	53-54, 92-95	-
	103-2 The management approach and its components	-	53-54, 92-95	-
	103-3 Evaluation of the management approach	-	53-54, 92-95	-
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	-	53-54	-

GRI 300 Environmental Standards Series / Materials

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC	49-52, 92-95	-
	103-2 The management approach and its components	UNGC	49-52, 92-95	-
	103-3 Evaluation of the management approach	UNGC	49-52, 92-95	-
GRI 301: Materials 2016	301-1 Materials used by weight or volume	UNGC	49-52	-

Energy

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC	56-58, 92-95	-
	103-2 The management approach and its components	UNGC	56-58, 92-95	-
	103-3 Evaluation of the management approach	UNGC	56-58, 92-95	-
GRI 302: Energy 2016	302-1 Energy consumption within the organization	UNGC	56-58	-
	302-3 Energy intensity	UNGC	57-58	-

Emissions

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC	58-63, 92-95	-
	103-2 The management approach and its components	UNGC	58-63, 92-95	-
	103-3 Evaluation of the management approach	UNGC	58-63, 92-95	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	UNGC	58-62	-
	305-2 Energy indirect (Scope 2) GHG emissions	UNGC	58-62	-
	305-3 Other indirect (Scope 3) GHG emissions	UNGC	58-63	-

Waste

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC	64-65, 92-95	-
	103-2 The management approach and its components	UNGC	64-65, 92-95	-
	103-3 Evaluation of the management approach	UNGC	64-65, 92-95	-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	UNGC	64-65	-
	306-2 Management of significant waste-related impacts	UNGC	64-65	-
	306-3 Waste generated	UNGC	64-65	-

Environmental Compliance

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC	55-56, 92-95	-
	103-2 The management approach and its components	UNGC	55-56, 92-95	-
GRI 103: Management Approach 2016	103-3 Evaluation of the management approach	UNGC	55-56, 92-95	-
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	UNGC	55-56	-

GRI 400 Social Standards Series / Employment

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC	68-75, 92-95	-
	103-2 The management approach and its components	UNGC	68-75, 92-95	-
	103-3 Evaluation of the management approach	UNGC	68-75, 92-95	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	UNGC	74-75	-

Occupational Health and Safety

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC	79-80, 92-95	-
	103-2 The management approach and its components	UNGC	79-80, 92-95	-
	103-3 Evaluation of the management approach	UNGC	79-80, 92-95	-
GRI 403: Occupational health and safety 2018	403-9 Work-related injuries	UNGC	79-80	-
	403-10 Work-related ill health	UNGC	79-80	-

Training and Education

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC	77-78, 92-95	-
GRI 103: Management Approach 2016	103-2 The management approach and its components	UNGC	77-78, 92-95	-
	103-3 Evaluation of the management approach	UNGC	77-78, 92-95	-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	UNGC	77-78	-

Diversity and Equal Opportunity

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC	69-74, 76, 92-95	-
	103-2 The management approach and its components	UNGC	69-74, 76, 92-95	-
	103-3 Evaluation of the management approach	UNGC	69-74, 76, 92-95	-
	405-2 Ratio of basic salary and remuneration of women to men	UNGC	76	-

Human Rights Assessment

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	UNGC	-	-
	103-2 The management approach and its components	UNGC	-	-
	103-3 Evaluation of the management approach	UNGC	-	-
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	UNGC	-	The information needed to cover this indicator is currently unavailable.

Customer Health and Safety

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	-	44-48, 92-95	-
	103-2 The management approach and its components	-	44-48, 92-95	-
	103-3 Evaluation of the management approach	-	44-48, 92-95	-
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	44	-

Socioeconomic Compliance

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	-	92-95, 99	-
	103-2 The management approach and its components	-	92-95, 99	-
	103-3 Evaluation of the management approach	-	92-95, 99	-
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	-	99	-



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