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Sustainability Report

2023

Sustainability Report

FLOS

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A Message To Our Stakeholders

Marking another year of progress and achievements, we are pleased to share the 2023 edition of Flos Group's Sustainability Report. Our role as forerunners of innovative and sustainable high-end lighting is embodied in the essence of all our products, resulting from a thoughtful and constantly evolving design and production process. As outlined in our Sustainability Policy, we rely on three pillars in carrying out our activities: Energy and Materials, Development and Wellbeing, Heritage and Know-How. Thanks to our dedication to environmental and social sustainability, this year we reached new achievements in all these areas.

Throughout 2023, we persisted in focusing on implementing circularity and efficiency principles in our product development, emphasizing innovative yet simple solutions. Notable efforts include Bilboquet, a lamp created in collaboration with Philippe Malouin using pigmented polycarbonate from paper production by-products and featuring components that are easily recyclable. Céramique, a ceramic lamp by Ronan Bouroullec, embodies the concept of designing by nature, characterized by durability and handcraftsmanship, using lead-free finishes and recyclable packaging. Environmental sustainability leads not only our products but also our processes. In fact, this year we concentrated on the incorporation of circular economy principles into our product design by developing our own Internal Sustainability Scoring system. It comprehends a set of quantitative and qualitative KPIs according to which we are able to assess the circularity of our new products and identify the main areas that need our attention and implementation.

We are aware that we are facing a time which requires resilience and flexibility in our businesses. To pursue our duty to the environment, we are reporting our annual emissions along the whole value chain, while striving to include eco-design and circularity practices for new products by using recycled, high-quality, and durable materials, reducing the energy consumption during their life cycle, and encouraging recycling and reusing practices. Although our journey still has a long way to go, we remain firm in the engagements we have created to be leaders in the transition of the high-end lighting market towards sustainability.

In an ever-evolving world, our goal is to nurture craftsmanship and uphold our heritage, preserving Flos' unique identity. We aim to be a beacon of development and innovation in lighting. Through our products and the global relationships, we have cultivated by collaborating with

designers, international museums, and associations, we showcase our Brand to the world. The relevance we have gained in the Italian and European lighting sector allowed us to introduce new initiatives with local communities that host us, through partnerships with technical schools and universities, spreading our message of beauty and innovation to society. Aware of our position as leaders in the high-end lighting market, we have renewed our commitment to the principles of the United Nations Global Compact, as well as our dedication to contribute to the Sustainable Development Goals and the 2030 Agenda.

Through our 2023 Sustainability Report, we illustrate the challenges we faced and the successes we achieved over the past year, providing our stakeholders with a comprehensive overview. While we take pride in our accomplishments, we strive to continue on this path, working collectively as leaders in the high-end design sector, aiming at supporting and inspiring our people as we draw the next chapters of our incredible story.

May you find the reading of our 2023 Sustainability Report delightful.

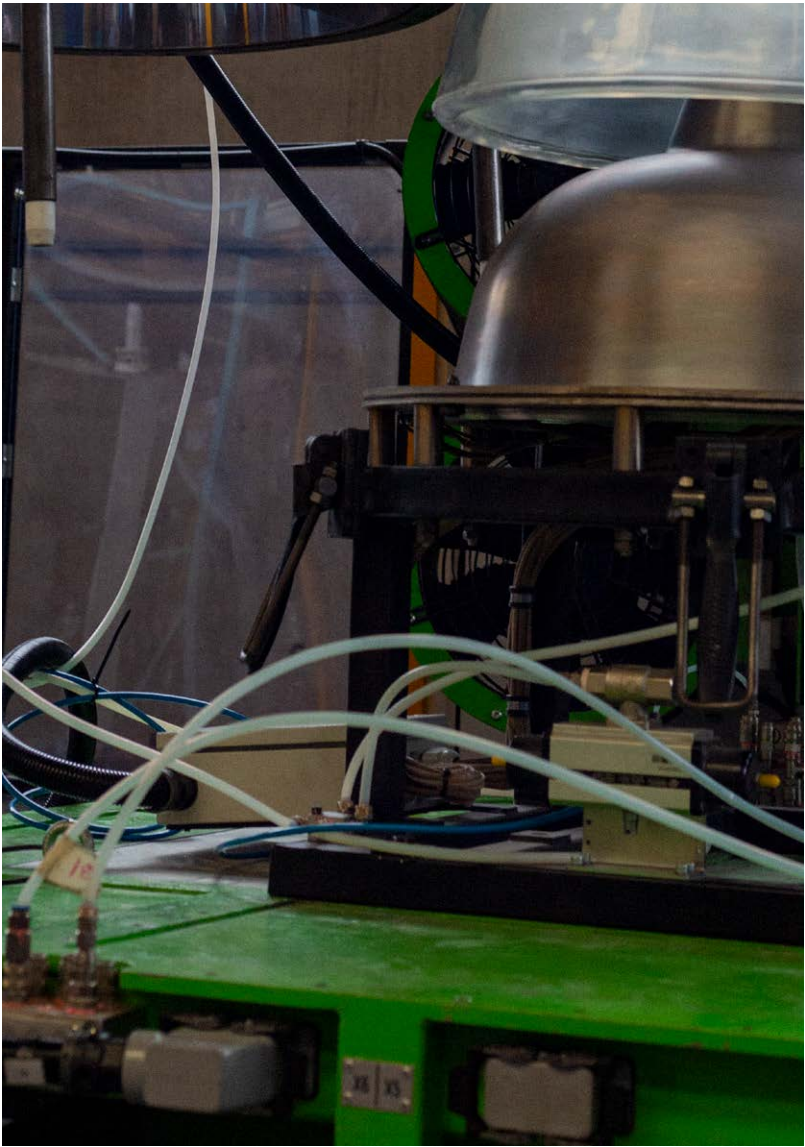
Daniel Lalonde
CEO, Flos



Painting department



R&D department



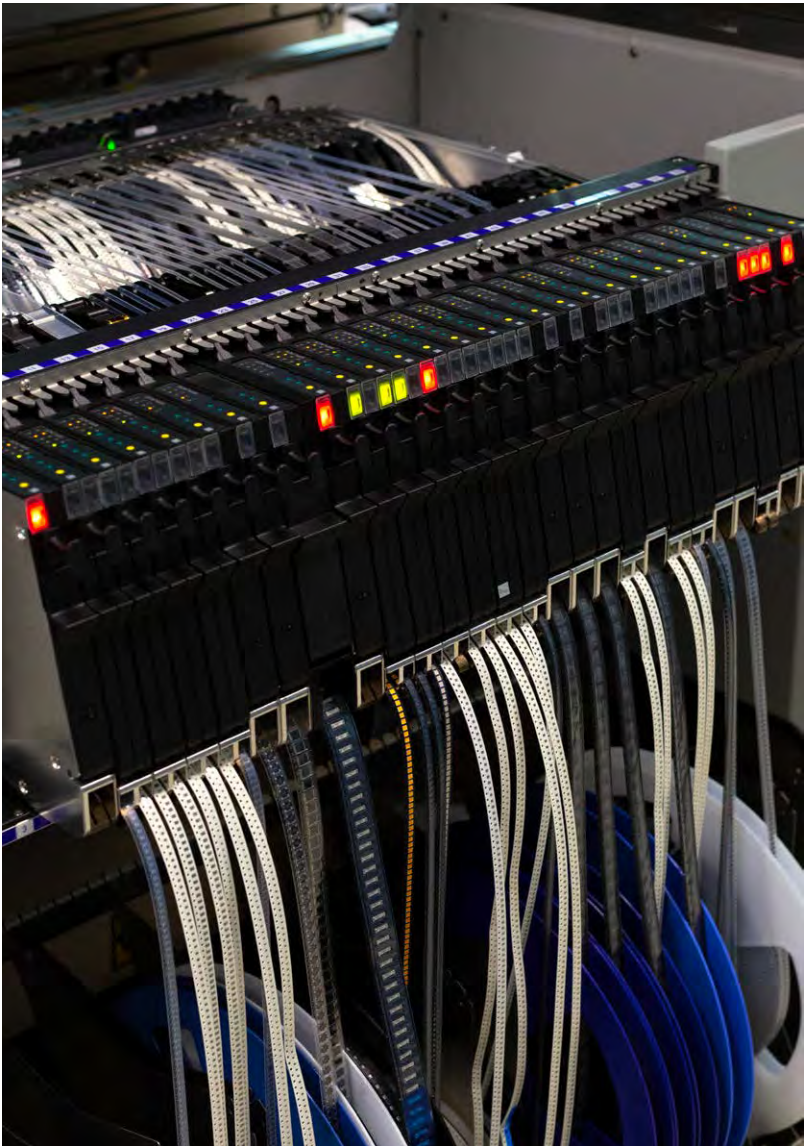
Electronic department



Quality control



Custom product department



LED assembly department



Logistic department



Outdoor production department



Arco by Achille & Pier Giacomo Castiglioni, 1962

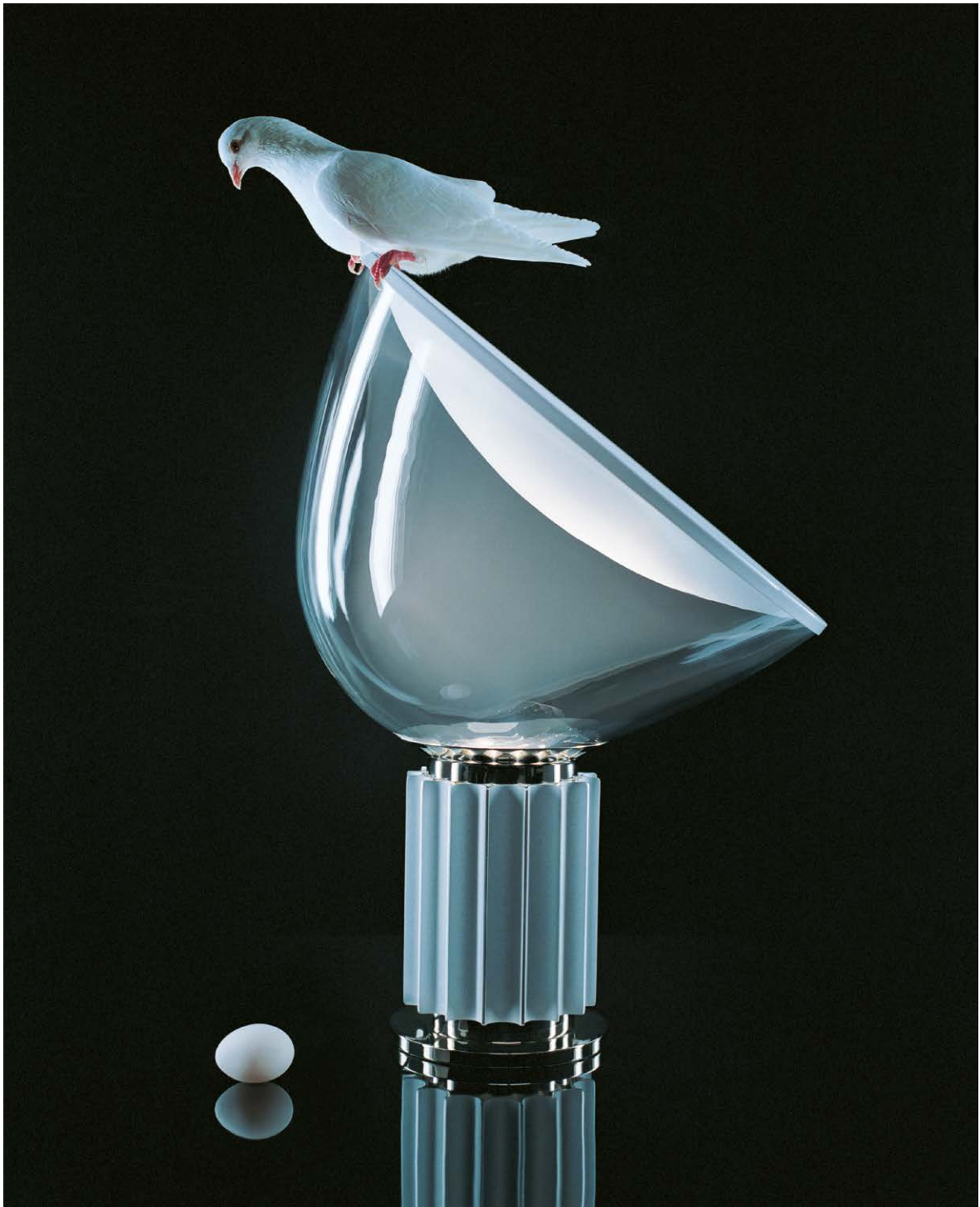
Introducing Flos World

Since its establishment in 1962, Flos (“flower” in Latin) has distinguished itself as a leading force in the industry, a standout company creating revolutionary, trendsetting products that enhance the aesthetic of any building or setting. Right from the beginning, Flos secured – and maintained – a reputation for expertly crafting designs that blend poetic shapes with innovation. This solid reputation that is directly drawn from its renowned sixty-year long legacy allowed Flos to transcend conventional boundaries, crafting timeless icons that link design and engineering with art and culture to profound effect.



“In Flos, you can’t find a uniform design model, but rather a strong desire to make design that can express broader meanings of the ‘sense of our time’, meanings that are often capable of adding cultural values even to expressions of taste.”
— Achille Castiglioni

Flos is recognised as one of the world leaders among manufacturers of premium lighting solutions for residential, outdoor and architectural applications, delivering top tier products and systems that blend cutting edge technology with emotional appeal. Flos incorporates a holistic, human-centred lighting design philosophy and is structured into four divisions, each with its own dedicated manufacturing facility: Architectural (Valencia, Spain), Decorative (Bovezzo, Italy), Outdoor (Bernareggio, Italy) and Bespoke (Collebeato, Italy and Bushwick, NY, USA).



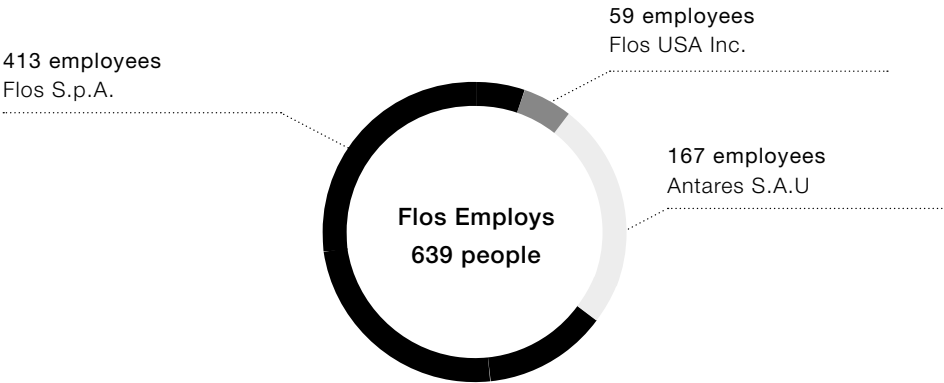
Taccia, ph. J. B. Mondino

Sustainability Highlights 2023

The Group	Revenues 249 M€	People 639
Value Chain	Local suppliers in Italy ¹ 87 %	Local suppliers in Spain ² 68 %
People	Employees 605	Permanent contracts 91 %
Environment	Sustainable packaging 84% Decrease in polyurethane foam purchased in comparison with 2013	Electricity from renewable sources 74 % Carbon neutrality 1,749 tCO ₂ eq Scope 1 + Scope 2 (Market based) emissions offset in 2023
		GHG emissions reduction target -27.5 % Scope 1 + Scope 2 target by 2030 in line with the WB2C scenario (Baseline 2019)

¹ Regarding suppliers of Decorative, Outdoor, and Bespoke collections.
² Regarding suppliers of Architectural collection.

Structure and global presence



In November 2018, Flos became a part of Design Holding S.p.A., a Group established by the joint (and indirect) ownership of private equity funds Investindustrial and The Carlyle Group. On May 16, 2024, the conglomerate underwent

a rebranding to “Flos B&B Italia Group S.p.A.”, a strategic initiative intended to strengthen the group's position in the market by leveraging its renowned and global Brands.

Flos B&B Italia Group

Flos B&B Italia Group is a global leader in high-end design, with a cultural heritage of European origin, characterised by an unparalleled portfolio of iconic Brands and a multi-channel distribution approach. Driven by the purpose “We design for a beautiful life,” the Group designs for the planet, people and culture.

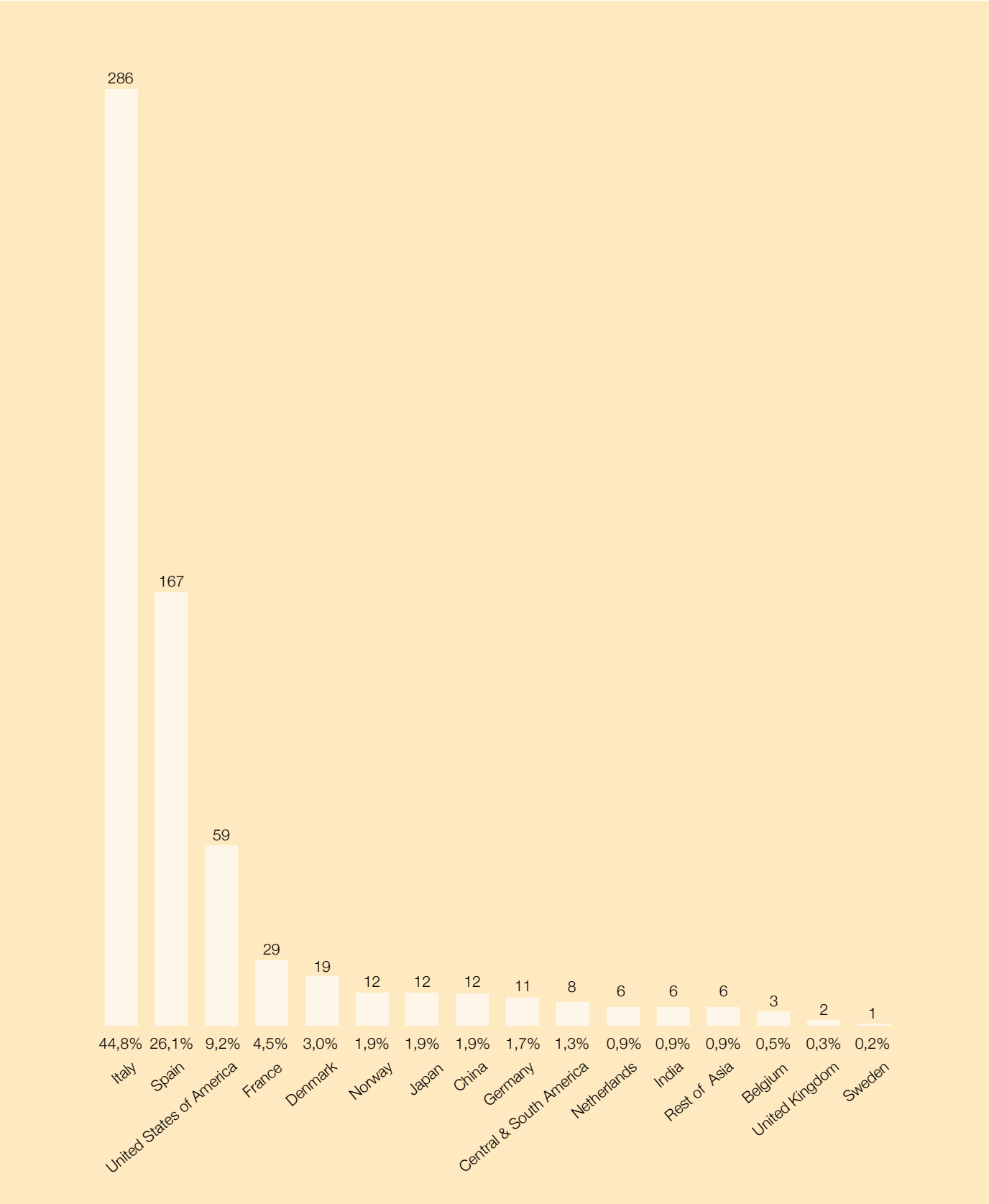
The Group encompasses Flos, B&B Italia, Louis Poulsen, Maxalto, Arclinea, Azucena, FENDI Casa, Audo and Lumens. Each Company of the Group has a strong individual identity and operates across diverse segments such as lighting and accessories, furniture, kitchens & vanities and omnichannel distribution. Flos B&B Italia Group’s catalogue features iconic objects designed by world-famous designers such as Achille and Pier Giacomo Castiglioni, Tobia Scarpa, Luigi Caccia Dominioni, Poul Henningsen, Arne Jacobsen, Antonio Citterio, Gaetano Pesce, Philippe Starck, Piero Lissoni, Konstantin Grcic, Jasper Morrison, Patricia Urquiola, Michael Anastassiades and many others.

Flos B&B Italia Group has adopted a sustainability strategy founded on three sustainability pillars: **Design for the Planet**, **Design for People** and **Design for Culture**. The first pillar is dedicated to foster a commitment to sustainability, by integrating innovation with eco-design and circularity principles. The second focuses on cultivating a thriving workplace that guarantees equity and inclusivity while also creating value for the local communities around the world. The final pillar is a shared priority among the Brands: to nurture their unique identities through the preservation of craftsmanship and design heritage, from scientific research to safeguarding design legacies.

The Group’s central leadership team guarantees complete alignment across the Brand's operations, including the implementation of the sustainability pathway: a Sustainability Steering Committee was established in 2022 with the specific mission of monitoring the evolution of Flos B&B Italia Group sustainability strategy, involving high level personnel both at Group and Brands. Since 2021, Flos B&B Italia Group has been releasing a Sustainability Report, further intensifying its commitment to more sustainable practices along its entire value chain and providing transparency regarding the advancements in the Group’s sustainability efforts.

In 2023, Flos’ employees amounted to 639³ and they were mainly located in Italy and Spain, making up for about 70% of the total. As of 2023, the reporting perimeter was enlarged to give a view of the impacts generated by a selection of commercial subsidiaries, with the intention of covering the full perimeter in the coming years. Therefore, the reporting scope now comprises the Decorative (Flos S.p.A., headquartered in Bovezzo, Italy), the Outdoor (Ares S.r.l., Bernareggio, Italy), the Architectural (Antares S.A.U., Valencia, Spain) and the Custom collection (Flos Bespoke S.r.l., Collebeato, Italy), the commercial branches Flos Benelux NV (Wemmel, Belgium), Flos BV (Amsterdam, The Netherlands), Flos France S.a.s (Paris, France), Flos GmbH (Regensburg, Germany), Flos Japan Co. Ltd (Tokyo, Japan) and Flos Sverige AB (Stockholm, Sweden). In addition to 2022, the Custom division manufacturing subsidiary, Flos USA Inc. (New York, USA) and the commercial subsidiary Flos Norge AS (Oslo, Norway) have been included. The remaining employees are working in the commercial subsidiaries Flos Illumination Shanghai Co. Ltd (Shanghai, China) and Antares Illumination PTE Ltd (Singapore).

³ Number of full-time equivalents (FTE) derived by taking into account employees employed under contracts of service, both permanent and temporary, at the end of the reporting period.



Flos Employee Worldwide Distribution 2023

Regarding the economic performance registered in 2023, as part of an international company as Flos B&B Italia Group, we felt the consequences of the increasing global inflation and financial crisis related to higher interest rates that hit global economy in the last year. This year, we generated consolidated revenues of approximately €249 million.

Despite the enlargement of our perimeter in 2023, expanding to the U.S.A., Europe remained the main market in which we operated.

Sales by Country

Americas
14%

EMEA
74%

APAC
12%

Manufacturing Plants

Outdoor Collection
Flos S.p.A. Bernareggio (MB), Italy

Decorative Collection
Flos S.p.A. Bovezzo (Brescia), Italy

Custom Collection
Flos S.p.A.
Collebeato (Brescia), Italy
Flos USA Inc.,
New York, United States

Architectural Collection
Antares Iluminación S.A.U.
Valencia, Spain

Showrooms - Flagship Stores - Offices

Flos Norge AS
Oslo, Norway

Flos Showroom
Stockholm, Sweden

Flos Scandinavia A/S
Copenhagen, Denmark

Flos BV
Amsterdam, Netherlands

Flos France Store and Showroom
Paris, France

Flos Shanghai Showroom
Shanghai, China

Flos USA Inc.
New York, United States

Flos Co Ltd.
Tokyo, Japan

Flos Flagship Store & Showroom
Milano, Italy

Flos Global Presence



Flos Decorative

Flos' original core business, the Decorative collection, combines cutting-edge technical research and inventive design with a touch of emotion thanks to the strong relationships that exist between the company and designers.

All products belonging to Flos' Decorative collection are created and developed at the Flos S.p.A. Italian headquarters in Bovezzo, featuring an array of product categories such as table lamps, floor lamps, pendant lamps and wall & ceiling solutions.

Skynest Motion by Marcel Wanders



C ramique by Ronan Bouroullec
Bilboquet by Philippe Malouin

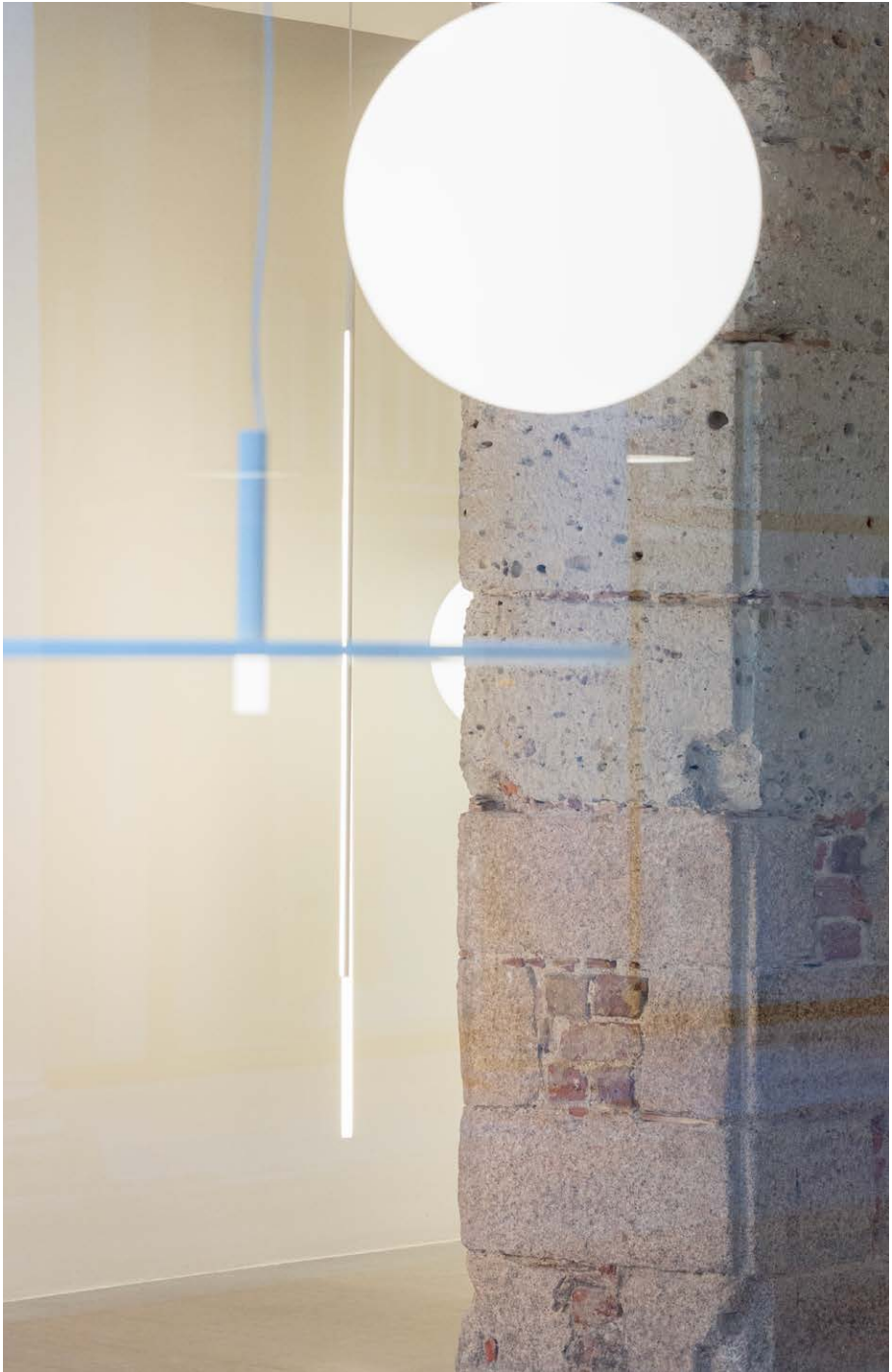


Flos Architectural

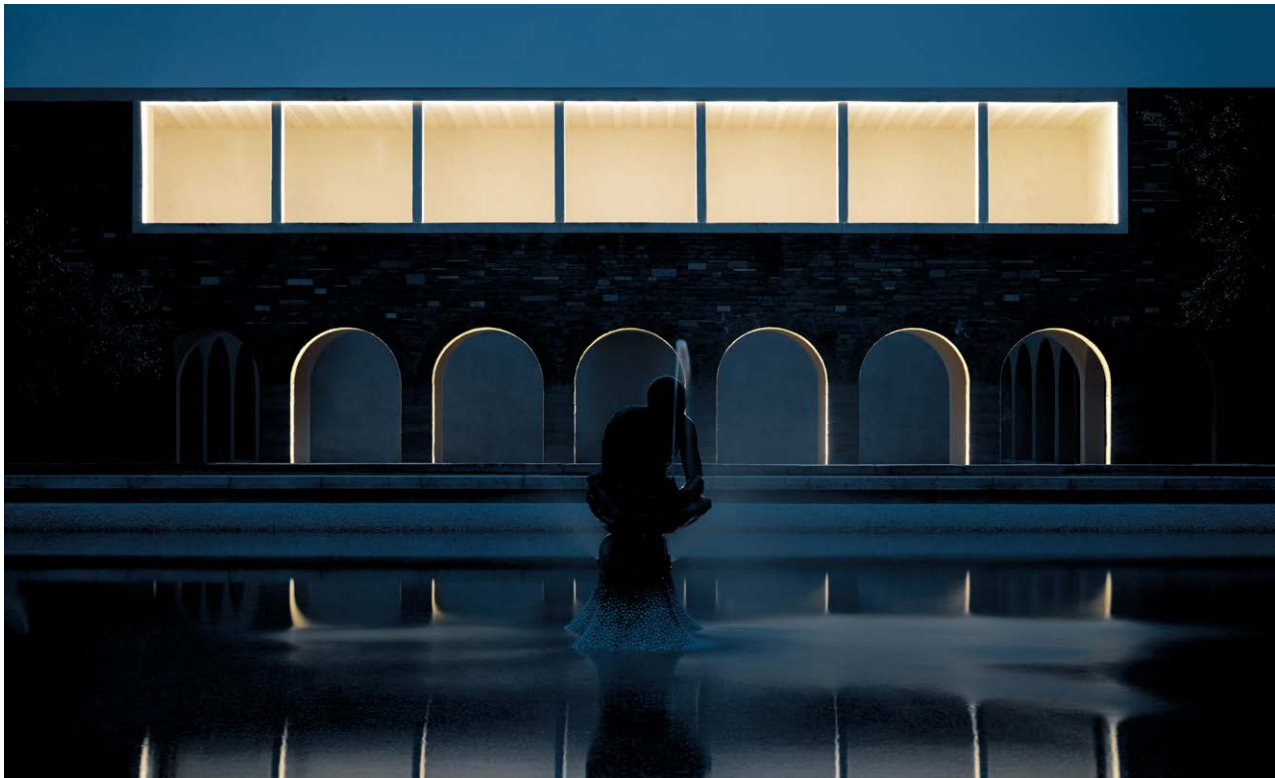
The Architectural collection features interior lighting systems tailored for both domestic/residential and professional use.

This division of the business specialized in the development of lighting solutions, frequently cooperates with engineering and architectural firms to serve big retail networks (predominantly in fashion retail and hospitality) as well as private customers. Concentrating on professional and residential light systems, custom-made solutions and soft architecture offerings, the Architectural lines based at the headquarters of Antares Iluminación S.A.U. in Valencia, Spain.

My Lines by Michael Anastassiades



My Circuit by Michael Anastassiades



Flos Outdoor

The Flos Outdoor collection was created to provide lighting solutions to outdoor areas through a pioneering design that finds balance both by hiding in the natural landscape behind discreet objects and by conversing with architecture through designs with a unique identity.

At present, the Flos Outdoor collection is mainly produced at the Bernareggio (Italy) facility.

Ingraze by Flos Outdoor



Ingraze by Flos Outdoor



Flos Custom

Designed to satisfy customers' unique requirements and their increasing desire for exclusivity, this collection is dedicated to the tailor-made niche.

For over two decades the custom-made business segment has been developed in the Italian side of operations and it is currently growing thanks to Flos USA Inc.

In view of the continuous change and development the Brand has faced in recent years, the segment is gaining increasing importance for Flos, as it ensures a cohesive corporate identity.

Perelman Performing Arts Center (NYC) by Flos Bespoke



Perelman Performing Arts Center interior

Value creation



Flos is dedicated to transforming imaginative sketches and concepts from lighting architects and designers into reality. To accomplish this, the Brand follows a systematic production workflow which involves the R&D department, highly skilled artisans and a meticulous quality control system. Within this process, Flos takes charge of the initial creation and design of the lighting solutions, as well as overseeing the various activities and tests that

evaluate product quality and verify adherence to safety regulations. For most manufacturing, assembly, and logistics activities, on the other hand, Flos relies on the expertise of a carefully selected network of trusted suppliers. Finally, a critical component of the value chain is customer care: the aim is to respond effectively and promptly to each need, ensuring a positive and smooth experience.



Product development

The development of iconic products and the conception of new lighting concepts requires an effective collaboration between Flos’ internal R&D department and renowned and emerging designers, architects and engineers alike.

The Development of New Lighting Solutions

Conception

Designers, architects and/or engineers present their initial ideas and preliminary sketches for lighting solutions to Flos’ R&D Department. Following these submissions, the top management evaluates the proposals before starting production of a series of prototypes.

Pre-series Production Process

Once a product concept has been approved, the R&D team at Flos works closely with designers, architects and engineers to bring the product to life. A pre-series is manufactured to evaluate the mechanical and electrical design, select the best suitable materials, identify the finest suppliers and production process, and incorporate any necessary improvements to the luminaire. Throughout these stages, various evaluations are conducted regarding construction, mechanical and electrical aspects.

Quality and Compliance

The pre-series undergoes rigorous testing to ensure its adherence to quality and compliance requirements. For the design collection, final prototypes derived from the pre-series production process are then sent to pilot customers. These customers are invited to complete a report on the products, offering Flos with crucial insights regarding product functionality, end-of-life, installation and mounting instructions, packaging, as well as the overall emotional impact and customer experience of the product.

Product Launch

Once the prototypes meet the expectations of the pilot customers (for the design collection), Flos’ internal quality standards, and the applicable regulatory requirements, the product is approved for commercial release and the production stage is launched.



C ramique processing

After the prototype and pre-series stages, the production process begins with the procurement of individual components. Owing to the vast array of techniques and materials involved in crafting Flos' products, most manufacturing processes are outsourced: this stage is particularly sensitive as it requires highly specialised manufacturing practices, including the creation of hand-blown glass, the use of technical textiles, as well as various coating processes and the shaping of plastics and metals.

Upon the completion of the production phase, the processed materials manufactured by external suppliers are delivered to Flos' facilities for a thorough quality inspection, a step that is crucial to ensure compliance with quality and safety standards and all applicable regulations. Subsequently, the components and processed parts are meticulously assembled according to the specifications outlined in design and engineering plans.

he assembly process is primarily outsourced to a network of selected artisans, mainly located in the Lombardy region and Valencia. An important exception is the Custom collection, which is produced and assembled directly in Collebeato. The production chain ends with an additional quality assessment of the final product, conducted in the plants' laboratories.

To meet the market demand for products and ensure production efficiency, Flos disposes of an assembly line at its facilities in Nave, near the Bovezzo plant, which operates based on lean manufacturing principles, specifically the so-called 5S Programme: Sort, Set in Order, Shine, Standardise, and Sustain. The programme emphasizes the organisation, cleanliness, and standardisation of each workspace, leading to enhanced profitability, efficiency, service, and employee safety.

ue to the constant focus on quality in production processes, there have been no incidents of non-compliance with regulations and voluntary codes concerning products over the past four years.

Supplier selection and management

In addition to acquiring electronic components, typically imported or sourced from multinational companies, Flos engages extensively with key suppliers, primarily based in northern Italy and the surrounding regions of Valencia. The objective is to create products that seamlessly integrate innovation with the distinctive heritage features of the Brand. By prioritizing local suppliers, Flos benefits from a shorter supply chain, enabling the Brand to reduce delivery times while also supporting local communities. Proximity is essential due to the intensity and timeliness of the quality control processes conducted on both semi-processed materials and finished products.

For the Decorative, Outdoor and Custom collections, the preference for local suppliers also arises from an emphasis on the “Made in Italy” concept, which is recognized as a symbol of expertise, craftsmanship, and innovation. Notably, 85% of the Brand's suppliers are based in Italy, with the majority -approximately 63% of the total number of suppliers engaged in 2023- located in the Lombardy region.

Suppliers' Provenance by number and spending - Decorative, Outdoor Collection and Custom Collection						
	2021		2022		2023 ⁴	
	Number	Spending	Number	Spending	Number	Spending
Italy	449	88.2%	435	83.6%	698	86.9%
Lombardy region ⁵	357	65.9%	340	60.1%	523	65.3%
Italy (rest)	92	22.2%	95	23.5%	175	21.6%
Other Countries	72	11.8%	71	16.4%	128	13.1%
Total	521	100%	506	100%	826	100%

⁴ Data on suppliers count concerns the Decorative and Outdoor collections. The percentage on spending per supplier provenance includes the Custom collection as well.
⁵ Data includes the Verona district. For the definition of "local suppliers", the Verona district was also considered, based on its proximity to the Bovezzo HQ.

For the Architectural collection, the procurement process necessitates greater flexibility within the supply chain due to fluctuations in demand and shifts in the availability of raw materials and components. Consequently, the selection of suppliers is predominantly based on their geographical location. Notably, 66% of the Brand’s suppliers are located in Spain, representing a slight decrease with respect to 2022 percentage of 69%. More specifically, Valencia and its surrounding areas account for approximately 33% of the total number of suppliers in 2023.

Suppliers Provenance by number and spending – Architectural collection						
	2021		2022		2023	
	Number	Spending	Number	Spending	Number	Spending
Spain	137	71.2%	151	77.6%	138	67.8%
Valencia and surrounding areas	82	46.4%	80	51.1%	69	45.0%
Spain (rest)	55	24.8%	71	26.5%	69	22.8%
Other Countries	73	28.8%	68	22.4%	72	32.2%
Total	210	100%	219	100%	210	100%

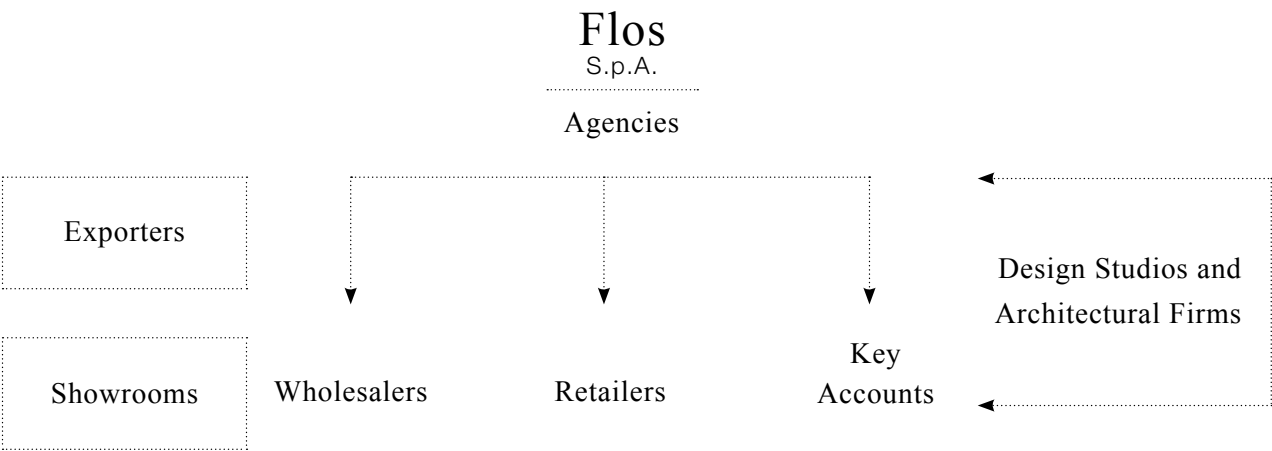
To ensure that suppliers meet specific requirements related to environmental performance and the respect of workers’ rights, contracts address issues such as product and workplace safety, the environmental impact of products and production processes, and workers' employment conditions. Additional contractual clauses allow Flos to monitor suppliers' sustainability performance by requesting specific data regarding environmental aspects (such as waste produced, raw materials, and energy consumption) and safety information (such as accident statistics). These clauses also provide the option to conduct environmental and social audits on suppliers' facilities and policies to verify their compliance with Flos' standards.

Aligning with Flos B&B Italia Group’s goal of establishing an ESG suppliers’ rating system to facilitate the assessment of each pertinent supplier's ESG risks, in 2022 Flos has initiated the mapping and evaluation of Outdoor collection suppliers. The objective is to pinpoint and address potential sustainability-related concerns and warning signs.

The relationship with our clients

Flos showcases its commitment to clients through the provision of exquisitely designed and technologically advanced lighting systems, coupled with attentive communication and a streamlined repair or replacement service

Flos' sales channels



To effectively meet the diverse expectations and technical needs of customers, Flos utilizes a range of sales and distribution channels worldwide. These include wholesalers of electric equipment and lighting specialists, who distribute products to installers and general retailers. Additionally, the Brand engages key accounts, B2B customers with direct access through the distribution network, and agencies collaborating with design studios and architectural firms to actively promote sales. Lastly, in markets where these sales channels are unavailable, Flos employs exporters to connect with intermediaries and end customers.

Last year, Flos seized the opportunity to resume hosting events and presentations at showrooms, offices, and dedicated locations, after a hiatus during the pandemic years. Showrooms serve as a significant sales channel for Flos, encompassing corporate shops operating under both B2C and B2B models. However, digital formats that emerged to revolutionize communication

and interaction with customers and resellers continued to thrive, allowing Flos to provide a diverse range of experiences. For example, the e-commerce platform persists in complementing physical stores.

Customer Proximity in the Digital Era: Flos' Professional website

Flos’ dedication to integrating customer needs, and technological advancement directly drives the ongoing enhancement of its digital platforms. The overarching objective is to introduce fresh experiences to customers, whether through product offerings or accessing artistic creations. Recently, the Flos Professional website underwent a redesign aimed at catering separately to retail customers and professionals. This redesign

focuses on crafting a user experience and underlying structure conducive to users finding desired information with an appropriate level of detail. Ultimately, Flos anticipates that the Professional website will unlock the full potential of its iconic creations while bolstering communication regarding its extensive array of solutions and services.

To effectively address and analyse received complaints, and assess corrective measures, Flos' front office schedules regular meetings with relevant departments such as Quality, Production, and R&D. The Brand closely monitors both the quantity of products returned due to faults and the trend of the quality indicator. This indicator, calculated as the ratio between the cost of returned products and the total costs of goods sold, encompasses the Decorative, Outdoor, Custom and Architectural collections. Notably, it also influences employees’ annual bonuses.

Quality Indicator	U.M.	2021	2022	2023
Cost of returned product for faultiness reasons on cost of goods sold	%	0.85	0.82	0.74

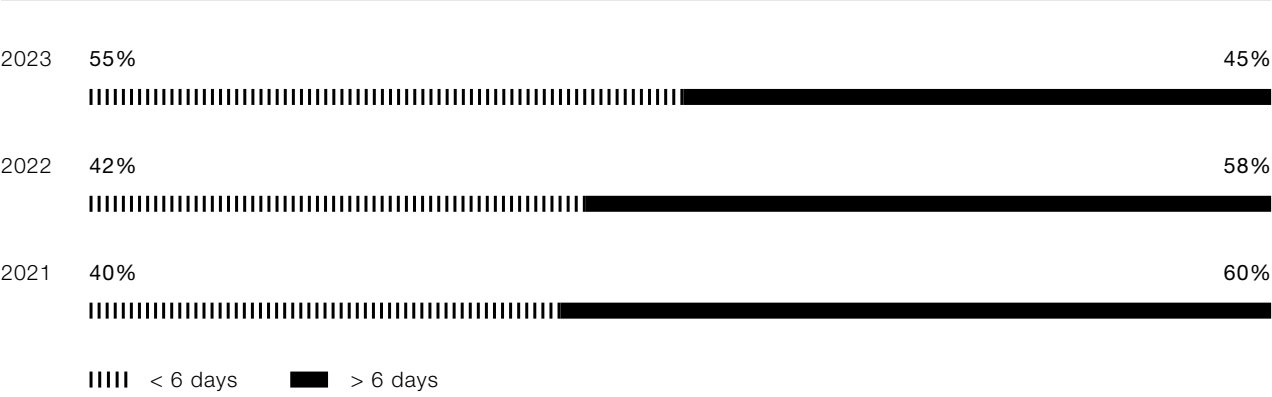
Additionally, Flos actively tracks customer complaints concerning product malfunctions or defects as part of its ongoing efforts to refine processes and elevate customer satisfaction levels. When complaints surface, the Brand meticulously assesses potential solutions, considering both cost-effectiveness and their impact on customer satisfaction. Depending on the specific circumstances, Flos may opt to retrieve the product for in-depth analysis of the malfunction's root causes, promptly replace the item, or dispatch a technician from the internal quality department to affected facilities for an on-site inspection and resolution.

Building long-lasting relationships with clients implies ensuring efficient shipments and delivery times of the purchased products, to guarantee customer satisfaction, quality, and order fulfilment. For this reason, Flos prioritizes the analysis and management of delivery timeliness⁶.

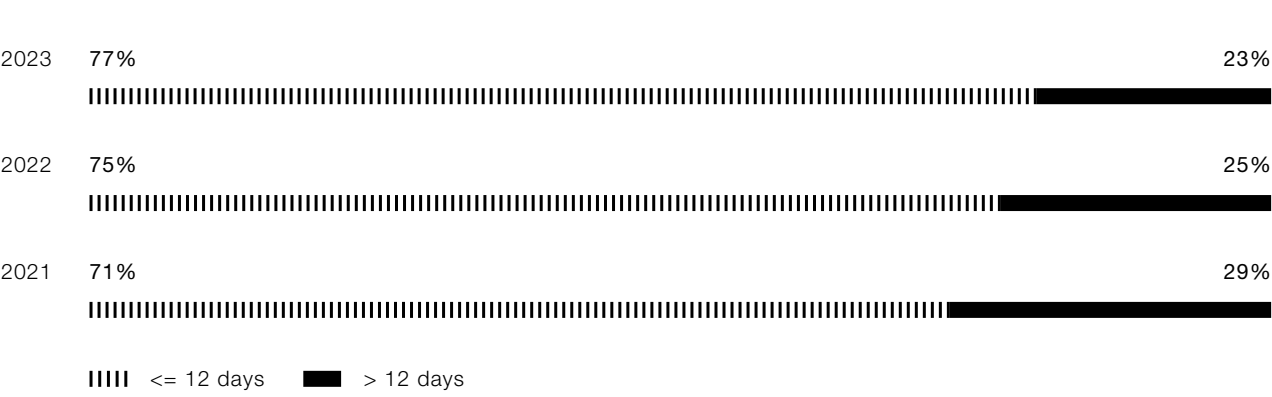
Despite procurement and transportation challenges for both raw materials and finished products encountered in recent years that originated delays between orders and deliveries for the Decorative collection, 2023 recorded an improvement, as only 45% of orders were delivered with a recorded time lag of more than six days in during the year. Similarly, shipments from the Outdoor collection recorded a slightly better performance in 2023 in terms of delivery timeliness, resulting in a 2% decrease of deliveries being made in over 12 days in comparison with 2022.

⁶ Due to intrinsic production processes relating to the Architectural and Custom segments that prevent the presentation of consistent figures concerning time lag, data is exclusively reported for the Decorative and Outdoor collections.

Time lag - Decorative Collection



Time lag - Outdoor Collection



C ramique 2023 installation, Flos Store Milan

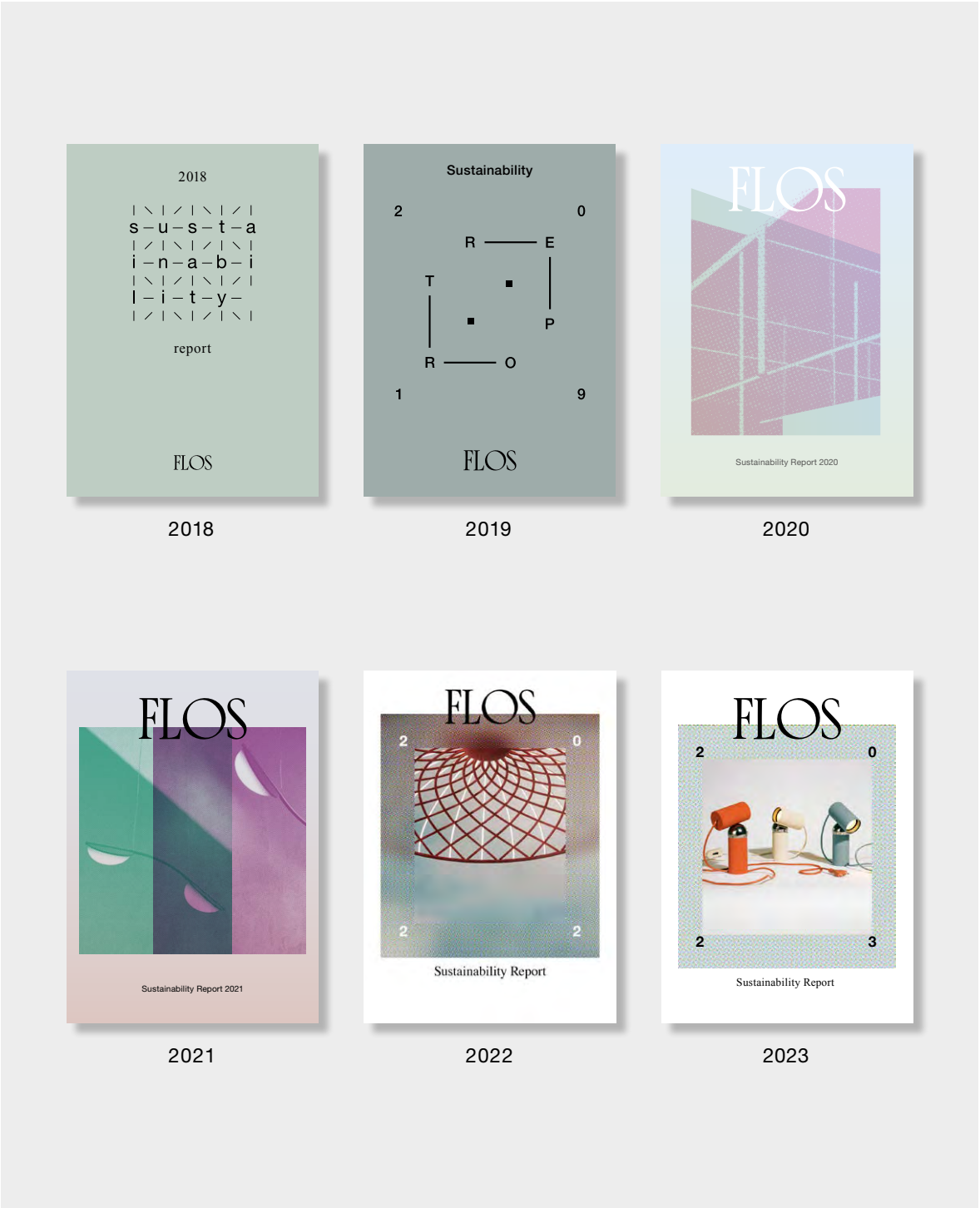
Flos' Sustainability path: from reporting to planning



Flos has established three main pillars that constitute the foundation of its sustainability strategy, as detailed in Flos Sustainability Policy:

- **Energy and Materials:** recognizing that global challenges are closely connected to energy and materials, which in turn are connected to climate change and circular economy, Flos is committed to reduce and optimise its direct and indirect consumption of these resources.
- **Heritage and Know-How:** Flos considers its heritage of design icons and its technological expertise to be its most precious asset on the journey toward sustainability. Evidence of the profound synergy existing between Flos S.p.A and Flos B&B Italia Group, is reflected in the fact that Flos’ sustainability strategy is both inspired by and in harmony with the Group’s approach.
- **Development and Wellbeing:** Flos places its employees, regardless of their role, at the heart of its strategies, aiming at cultivating an inspiring, inclusive and motivating working environment.

Lampadina plastic-free packaging






Sustainability Report covers

As a matter of fact, the pillars of Flos B&B Italia Group serve as a broad framework for the Brand’s strategic direction:

Design for the Planet	To foster our commitment to sustainability, blending innovation, eco-design, and principles of circularity in our business activities, and throughout our value chain.
Design for People	To ensure a thriving workplace that guarantees fairness and inclusion as well as generating value for communities around the world.
Design for Culture	To nurture our Brands’ identities by preserving craftsmanship and design heritage, from scientific research to the preservation of design legacies for the benefit of future generations.

Based upon its sustainability pillars, Flos has been actively shaping its commitment for the future, by identifying a set of ESG targets along with public pledges for the upcoming years. Following a collaborative effort that saw the participation of various business functions and the direct involvement of management, Flos identified a set of objectives related to its “Energy and Materials” and “Development and Wellbeing” pillars. These objectives were highlighted as the top priority for establishing clear actions and initiatives. Specifically, the three key areas identified include emissions reduction, circular economy and waste management. As reported in the table, this commitment included the evaluation of the relevant SDGs, which are mapped against the targets presented – thus creating a clear link between Flos’ strategy and the United Nations’ 2030 Agenda for Sustainable Development.

Pillar	SDGs	Target	KPI	Baseline	Update
Energy and Materials		-27.5% emissions reduction by 2030 ⁷	% reduction of Scope 1 + Scope 2 – Market based GHG emissions	1,955 tCO2e (2019)	Ongoing
		100% of electricity from renewable sources consumed by 2024	% of electricity covered by Guarantees of Origin purchased and consumed over the total electricity consumed	31.4% (2020)	Ongoing ⁸
		Draft a car fleet policy including requiring hybrid/plug-in vehicles for the new cars by 2024	Drafting of a car fleet policy	Not Applicable	Ongoing ⁹
		At least 80% of new products’ components can be disassembled and recycled by 2024 ¹⁰	% of new products’ components can be disassembled and recycled over the total	Varies depending on the collection ¹¹	Ongoing
		At least 90% of recyclable packaging by 2023	% of recyclable packaging over the total packaging	Varies depending on the collection ¹²	Achieved
		100% of new products with recycled textile	% of new products with recycled textile over the total of new products with textile ¹³	Varies depending on the collection ¹⁴	Achieved
		Progressively decrease the amount of waste classified as “mixed waste”	% of waste classified as “mixed” over the total waste produced	Qualitative	Ongoing
Development and Wellbeing		3 hours/FTEs dedicated to ESG training	Sustainability training courses/events (employees)	0 (2020)	Ongoing

⁷ The target for 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.

⁸ The target refers to Flos' group productive plants. The previous target set for 2022 has been achieved. In 2023 the reporting perimeter has been enlarged and consequently Flos’ productive plants purchased GOs covering approximately 74% of the electricity consumption.

⁹ Flos’ is including hybrid/plug in vehicles in the car fleet, and the car fleet policy is in the works to better align with regulatory and sustainability aspects. The target has been postponed from 2023 to 2024.

¹⁰ The target does not refer to the Custom collection and refers to main components only. The Decorative collection’s specific target is set at 100%.

¹¹ The baseline varies from one collection to the next and ranges from almost 0% for Decorative to 80% for Architectural.

¹² The baseline varies from one collection to the next and ranges from 42% for Custom to 90%+ for Decorative.

¹³ The target refers to Flos S.p.A. only.

¹⁴ Flos did not launch any new products in 2023 that included textile components.

Flos Group's Internal Sustainability Scoring	<p>Following the lead of the Sustainability Strategy of Flos B&B Italia Group, which embraces the combination of innovation with eco-design principles and circular economy best practices, we have developed an Internal Sustainability Scoring with the ambition of reaching the same objective, thus incorporating such principles throughout our operations. This Scoring methodology offers a set of KPIs for the assessment of the advancement of eco-design and evaluate the ESG characteristics of our products, both quantitatively and qualitatively.</p> <p>The Scoring outlines four macro areas related to product design, manufacturing and logistics and life cycle:</p> <ul style="list-style-type: none">• Design: Our ambition is to craft timeless and durable designs that embody our heritage and high standards. We engineer our products for effortless disassembly, facilitating recycling and upcycling while minimizing the use of raw materials. By employing high-quality components that adhere to international durability and performance standards, we ensure ease of maintenance and upgrades. Our priorities include efficiency and reduced CO2e emissions, emphasizing the use of recycled and lower impact materials, while endeavoring to reduce toxic emissions during production, safeguarding both the environment and public health.• Manufacturing & Procurement: We are dedicated to reducing energy consumption and enhancing the use of renewable energy in our facilities. Through stringent process controls, we minimize waste and prioritize the health and safety of our workforce. In our supply chain, we favor local suppliers to reduce transportation related CO2e emissions and ensure adherence to ESG principles and standards.• Logistics: Our approach includes using recyclable packaging and striving to enhance the energy efficiency of our products. We ensure the availability of spare parts to prolong product lifespans and diminish the need for replacements.• Use & Recycle: We maximize the use of recyclable materials and collaborate with certified entities for proper disposal. Additionally, we explore upcycling and take-back schemes to extend the lifespans of our products.	<p>The final scoring of the products, obtained according to quantitative and qualitative KPIs, serves as a baseline to evaluate the ESG characteristics of the product itself in order to identify the main areas of improvement and reduce its overall life cycle impacts.</p>
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Material Topics

- Workers in the value chain
- Circular Economy and Resource Use
- Innovation and product Quality
- Climate Change

United Nations SDGs



Highlights

84%

Decrease in
polyurethane foam
purchased with
respect to 2013

100%

of electricity certified as
produced from renewable
sources by Italian production
plants

31,146 GJ

Of energy
consumed in 2023

1. Design for Planet: Energy and Materials

At Flos, our ultimate goal is to reduce the overall environmental footprint of our operations and along the value chain. Aware that the global environmental challenges affecting our Planet are closely linked to energy consumption and material extraction and use, we strive to mitigate and optimise our direct and indirect consumption of these resources. In this regard, Flos is committed to:

- Constantly monitoring its energy and materials consumption as well as the greenhouse gas emissions generated from such activities;
- Using the best available technologies and solutions in order to balance product quality, performance and durability with environmental burdens;
- Identifying and adopting energy and material efficiency activities for the progressive reduction of environmental impacts related to energy consumption and materials use.

The "Flos for Planet" program embodies Flos' dedication to integrating sustainable practices into every aspect of the business, ensuring that environmental responsibility is at the forefront of the Brand's operations. Indeed, a core principle of Flos' design philosophy is the continuous reduction of its environmental footprint for both product design and lifecycle. This commitment is consistently reflected in Flos' practical actions across all business activities, from research and development and product conception to performance monitoring of the product's entire life cycle.

The lighting industry, like many other sectors, is undergoing a transition from a linear to a circular economy model, aiming to decouple economic growth from the consumption of finite resources. Over the past few decades, sustainability awareness within the sector has steadily increased, driven by enhancements in energy efficiency regulations and the proliferation of voluntary certifications. These advancements have encouraged industry players to develop and refine more efficient lighting technologies. The efforts required at company-level are necessary for the development of a broader, wider plan to fight the global challenge of climate change. The lighting industry, like the broader manufacturing sector, is being called upon to progressively reduce its direct and indirect greenhouse gas (GHG) emissions, which are closely linked to energy consumption and to the principles of a circular economy.

To effectively address climate change, Flos is committed to contribute to emissions reduction, with a target inspired by the Science Based Targets Initiative methodology.



Bilboquet by Philippe Malouin

1.1 Balancing languages of light and environmental challenges



Flos firmly believes that transitioning to a low-carbon and circular economy is a process that demands collective effort from all industry stakeholders at a systemic level. No single company, regardless of how innovative or disruptive, can achieve this ambitious goal alone. Therefore, Flos is actively collaborating with its peers and industry associations, such as Assoluce¹, to develop new and more effective national and international regulations and standards in the lighting sector.

Flos focuses on enhancing safety standards,

specifically targeting the latest and most efficient LED light sources, as well as addressing new requirements related to electromagnetic fields, the use of magnets for fixing internal lighting components, and luminaire supply with Power Sourcing Equipment (PSE) for wall-mounted luminaires with external cables. Through Assoluce, Flos is also working closely with Lighting Europe² to advocate for regulations that embrace a circular economy perspective, reinforcing the trend that positions the lighting industry as a leader in advancing energy efficiency solutions.

In addition to promoting new standards and regulations, Flos has been concentrating on incorporating circular economy principles into its product design. This includes an emphasis on modularity, regenerative design and the durability of materials used in their lighting systems, as depicted in Flos' Internal Sustainability Scoring system.

One of Flos' main commitments is to increase the use of recycled and recyclable materials in the production of luminaire components without compromising quality and performance. This sustainable approach also extends to packaging: Flos aims at using more eco-friendly materials and re-designing packaging to enhance efficiency, all while maintaining the same high standards of protection during transport.

ESG Targets

At least	
80 %	90 %
of new products' components can be disassembled and recycled by 2024 ³	recyclable packaging by 2023 - target achieved

Indeed, in its R&D activities Flos is dedicated to balancing efficiency, customer demands, and quality expectations with its core identity and philosophy. Through ongoing efforts in researching and developing new solutions, Flos aims at reinventing iconic products and introducing innovative pieces. These endeavours often yield ground-breaking results, particularly in the materials used for crafting and packaging. In recent years, Flos has been especially dedicated to exploring innovative materials to enhance product craftsmanship and reduce environmental impact throughout the product life cycle. The R&D department focuses on material and product innovation to ensure a better performance of its products in terms of both environmental impact and energy consumption.

¹ Assoluce is the Italian national association comprising more than 150 luminaire manufacturers, which is part of FederlegnoArredo, the Italian wood and furniture industry association.

² Lighting Europe is the industry association representing the lighting industry in Europe. Its mission is to promote the efficiency and sustainability of lighting systems, focusing on environmental challenges, human comfort, and customers' health and safety.

³ The target does not refer to the Custom collection and refers to main components only. The Decorative collection's specific target is set at 100%.

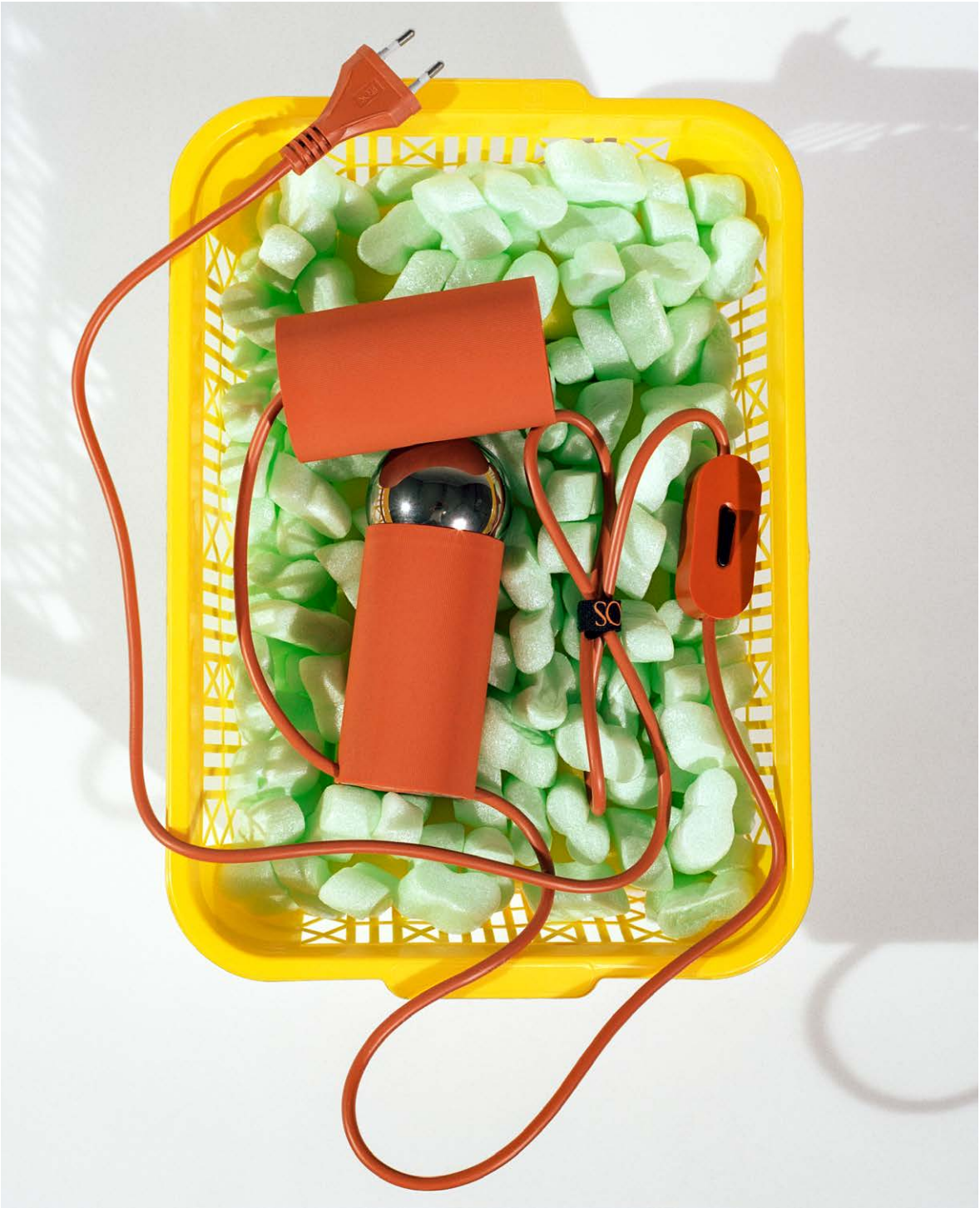
Disrupting high-end design: the example of Bilboquet

This year saw the release of Bilboquet, the latest project of Philippe Malouin and Flos. Due to the materials used and the engineering techniques applied, Bilboquet is the perfect example of the combination between disruptive innovation and high-end design. The body of the lamp is made of a special pigmented polycarbonate, deriving from a by-product of paper production rather than petroleum. It is crafted without

using glued components, thus each spare part can be easily separated and recycled once reaching the end-of-life phase. Additionally, the iron sphere of the lamp is treated through the physical vapour deposition (PVD) process, which does not produce toxic residues and avoids harmful galvanic corrosion when working the iron.

One of the most pressing topics in recent years has been the search for recyclable plastic materials that meet the same electrical, thermal and mechanical standards as previously used materials. To address this, Flos has been actively researching innovative plastics with reduced environmental impacts in collaboration with key industry players. The goal is thus to overcome the technical limitations that these new materials sometimes bring along, ensuring that the high quality inherent in Flos’ designs is maintained.

In this context, the concept of modularity has gained increasing relevance in the past years. The ability to dismantle products into individual components is a critical challenge for enhancing recyclability and product resilience, applicable to both Flos' iconic products and new collections. For the former, this results in a revamped design that aligns with circular principles and modern engineering techniques while preserving the renowned status that is integral to Flos’ legacy. To facilitate the transition to fully modular products, Flos' R&D department has successfully replaced almost all glue components with dovetail solutions. This change ensures a higher level of ease in dismantling products, thereby significantly improving their recyclability.



Bilboquet by Philippe Malouin

For the 2023 season, Flos demonstrated its advancement in this field by releasing *Céramique*, a lamp mainly composed of ceramic whose components are assembled without using any glues nor adhesives.

Céramique: combining innovation and efficiency

Designed by the French designer Ronan Bouroullec as his first project in collaboration with Flos Group, *Céramique* is a hand-made product mainly composed of ceramic, as the name preludes. The lamp wants to blend the simple and sensual characteristic of the ceramic with the innovative approach of our Group, resulting in a true piece of art with timeless design. Indeed, the peculiarity of the product is its future-proof design, characterized by the natural outlook of the ceramic-made body of the lamp. “I have a strong fascination for this material: it is soft-looking, organic, dynamic and extremely unpredictable”, said the

designer during an interview on the release of its iconic project. *Céramique* seamlessly combines elegance and craftsmanship with versatile lighting. With its durable design and meticulous attention to detail, this collection celebrates the beauty of ceramics, while promoting energy efficiency due to the LED light bulb paired with the lamp body. The lamp is designed for easy disassembly and maintenance, thus prolonging its life span and making the product a long-lasting piece of design. It comes with lead-free crystalline lacquered finish, and the packaging is made of recycled and recyclable paper, eliminating the use of plastics.

In 2023, we achieved our target of producing 100% of new products with recycled textile. Reaffirming the Group’s effort towards sustainability, in the same year we decided to expand the target to assure that all new products with a textile component will be made of recycled / organic fiber from this point going forward.

ESG Targets⁴

100 %

of new products with recycled textiles from 2023

⁴Target is applicable in the event of new products made with textiles.



Céramique by Ronan Bouroullec



Making Céramique, Ph by Anastasia Pavlova

1.2 Monitoring and optimising resource consumptions



The most significant environmental impacts from Flos' overall production processes stem from outsourced activities, with a smaller portion arising from the assembly and packaging activities at the Architectural Collection plant in Valencia and the Decorative Collection plant in Bovezzo, as well as from manufacturing processes at the Bernareggio (Outdoor Collection) and Collebeato (Custom Collection) sites.

The primary impacts involve material and energy consumption, as well as waste and scraps generated during production and assembly. This includes the discharge of process water containing toxic substances used in coating and painting. Additionally, there are indirect greenhouse gas emissions from activities such as logistics and material procurement.

Flos recognizes that, for its sustainability strategy to truly make a difference, it needs to address environmental impacts throughout its entire value chain. Thus, the Brand prioritizes conducting environmental impact assessments and implementing mitigation initiatives at every stage. During research and design, Flos emphasizes selecting materials and production methods that not only meet aesthetic and quality standards but also minimise its overall environmental impacts despite of current environmental regulations This commitment is evident in Flos's active monitoring of its environmental impacts, with a growing focus on those occurring beyond its immediate organizational boundaries.

Outdoor collection's environmental impacts

The headquarters of the Outdoor collection, situated in Bernareggio within Italian Monza and Brianza province, spans an expansive 12,000 m2 area, housing essential departments such as R&D, testing laboratories, and a dedicated painting and coating system. The plant went through an important energetic improvement during 2023 with the installation of a new drying oven, technologically more advanced compared to the predecessor, that allows for an important reduction in natural gas consumption. Additionally, the facility boasts a specialized division equipped with an automated assembly line for circuit boards and a production department catering to wiring and assembly tasks. The manufacturing processes involved in the collection entail significant water consumption and air e,, primarily stemming from painting procedures and operations within the electronic circuit division, which includes welding activities and the utilization of chemical compounds. Adhering to prevailing legislation, the facilities of the Outdoor collection are outfitted with an advanced air treatment system aimed at mitigating

particulate matter and other hazardous compounds. Moreover, the site features a water treatment plant with authorized capabilities for discharging effluents into the sewage collection system. External laboratories conduct regular assessments of wastewater and air quality to ensure compliance with regulatory standards and the optimal performance of treatment facilities. In recent years, Flos has been actively exploring alternative solutions to replace the current chemical painting processes utilized in the Outdoor collection. This endeavour is driven by the Brand's commitment to transitioning towards more environmentally sustainable substances. An important step towards this objective came into reality with the implementation of an updated painting facility, characterised by a new technology that allows for the elimination of chrome from the production processes, significantly increasing the safety risks for the employees. Expanding from this, Flos aims to complete this transition towards a chemical-free process by the end of 2024, marking a significant step forward in its sustainability journey.

Materials and waste

Flos is actively tackling its key environmental issues by prioritizing less harmful and more inventive approaches. This includes revamping its signature products when feasible and embracing modular techniques to steer clear of glued parts and harmful chemicals that might undermine sustainability. Notably, these strategies have been employed in crafting designs like the Emi and Workmates lamps.

Reducing the use of chemicals in our products: the examples of Emi and Workmates

Designed by Erwan Bouroullec, Emi is a collection of lamps characterized by a body mainly made of aluminium, a material known for being completely recyclable. The peculiarity of the Emi collection stands in the technique adopted to assemble the product, without using glues or adhesives. The absence of chemical elements allows for an easier disassembly of each component and the correct disposal of the spare

parts at the useful end of life of the product. Following the same principles, Flos Architectural designed Workmates, a series of office lamps crafted without using any kind of glues or adhesives. Furthermore, all light units can be easily disassembled for replacement or maintenance, thus prolonging the life-span of the product.

Furthermore, Flos meticulously tracks the quantities of materials and components procured for its lighting systems, along with the associated waste generated. The Brand is steadfast in its dedication to minimizing the utilization of non-recyclable or hazardous materials, thereby advancing its commitment to sustainability.

ESG Performance



With regard to the procurement and processing of raw materials, the total quantity purchased in 2023 shows a significant decrease from 2022 (from 3,927 to 3,004 tons), a variation aligned with the macroeconomic trends' characteristics of 2023.

Moreover, changes in the 2023' sales mix have resulted in some differences in Flos' purchasing choices with respect to 2022: for instance, the consumption of ceramic is related to the introduction of the “C ramique” lamp into Flos' line of offering.

Processed Materials ⁵	UoM	2021	2022	2023
Aluminium and Zamak ⁶	t	2,131	2,086	1,949
	kg/k�	10.87	8.88	7.89
Marble/Concrete	t	574	537	362
	kg/k�	2.92	2.29	1.46
Iron	t	502	494	165
	kg/k�	2.56	2.10	0.67
Plastics	t	416	369	330
	kg/k�	2.12	1.57	1.34
Glass	t	254	371	152
	kg/k�	1.29	1.58	0.61
Gypsum	t	58	29	23
	kg/k�	0.30	0.12	0.09
Brass	t	42	35	16
	kg/k�	0.21	0.15	0.06
Rubber	T	8	7	4
	kg/k�	0.04	0.03	0.02
Ceramic	T	-	-	3
	kg/k�	-	-	0.01

Focusing on the aspects related to the purchase of semi-manufactured and finished products, Flos successfully substituted conventional lamps in 2022: this result is related to the application of Regulation 2015/1428/EU, which requires companies not to sell lamps together with traditional light bulbs, thus allowing the customer to choose between LED and traditional sources.

With a focus on procuring semi-manufactured and finished products, Flos reached a significant milestone in 2022, by replacing conventional lamps. This achievement is attributed to the implementation of Regulation 2015/1428/EU, which mandates companies to refrain from bundling lamps with traditional light bulbs. This regulation empowers customers to make informed choices between LED and traditional light sources, aligning with Flos's commitment to sustainability.

Data regarding materials, components and packaging materials for the custom collection are currently unavailable and consequently not included. Nevertheless, the division is resolutely dedicated to enhancing its data collection practices. Efforts are underway to retrieve the missing data and ensure its availability for forthcoming reporting years.

Electronic Components ⁷	U.M.	2021	2022	2023
LED and LED components	units	6,477,826	5,874,335	3,926,371
	units/k�	34.67	25.93	15.89
Electrical components	units	5,918,879	7,538,872	7,252,731
	units/k�	31.68	903.13	29.36
Transformers & power supply	units	708,179	310,015	174,806
	units/k�	3.79	1.37	0.71
Traditional lamps	units	3,312	-	-
	units/k�	0.02	-	-

Moreover, another relevant impact arising from Flos' business relates to packaging. To mitigate it, Flos constantly strives to find new, innovative solutions to substitute current packaging materials with alternatives which can either be recycled or guarantee a lower environmental impact. This year, the Brand achieved the ESG target of its Sustainability Plan of at least 90% overall of recyclable packaging by 2023. 76% of the packaging used by the Group was made of recycled or recyclable paper, representing a light increase in comparison with 2022. Similarly, the amount of plastic used for packaging decreased by 36 tons.

⁵ Data are related to the Decorative, Outdoor, Custom and Architectural collection plants. Intensity ratios refer to the net sales of the Decorative, Outdoor, Custom and Architectural collection.
⁶ Zamak is a family of alloys with a base of zinc and alloying elements of aluminum, magnesium and copper.

⁷ Data are related to the Decorative, Outdoor and Architectural collection plants. Intensity ratios are calculated on Decorative, Outdoor and Architectural collection's net sales.

Indeed, in recent years, Flos has been actively transitioning away from non-recyclable polyurethane foams in favour of specially crafted cardboard boxes. These boxes are meticulously designed and engineered to meet the same stringent packaging protection standards required during logistics for all new collections originating from the Bovezzo plant, but with a significantly reduced environmental footprint. This initiative has yielded impressive results, with Flos achieving a remarkable 84% reduction in the purchase of polyurethane foams in 2023 compared to 2013, the inception year of the project. Moreover, Flos has successfully replaced plastic bags, previously utilized to cover lamps in the Decorative collection, with recycled and recyclable paper alternatives. Additionally, in 2022, all external packaging materials for products in the Outdoor collection were sourced from recycled materials. Regarding product packaging, the company prioritized the use of already recycled paper and cardboard for newly launched products within the collection, demonstrating its commitment to sustainable practices throughout its operations.

Using packaging to communicate sustainability: Flos For Planet labels

Since last year, the packaging of most recently introduced products has incorporated an extra label named "Flos for Planet," highlighting the sustainability aspects of the item. Thanks to the contribution of the

R&D team and its insights on product realization, the information provided is tailored for each individual packaging and has a dedicated QR code that lands to Flos’ website.

In line with raw materials’ consumption trends, the quantities of packaging materials purchased in 2023 have slightly decreased with respect to the previous year.

Packaging Materials ⁸	U.M.	2021	2022	2023
Paper and cardboard	t	1,260	1,243	984
	kg/k€	6.7	5.5	4.0
Wood	t	408	365	252
	kg/k€	2.2	1.6	1.0
Plastics	t	96	87	50
	kg/k€	0.5	0.4	0.2

ESG Performance

730 tons

The total tons of waste produced in 2023

Moving downstream of the materials’ life cycle, Flos primarily generates waste from packaging and defective components that fail to meet product quality and aesthetic standards, necessitating their return to suppliers. To mitigate waste generation, the Brand endeavours to salvage undamaged parts from defective products for reuse, thereby minimizing waste volumes and maximizing resource recycling whenever feasible.

Furthermore, Flos is dedicated to collaborating with suppliers to minimize instances of non-compliance concerning input materials. Specifically, the Brand conducts thorough inspections and ongoing monitoring to assess the proportion of defective components originating from different suppliers and investigates the underlying reasons for their return, aiming to pinpoint areas where suppliers may encounter challenges. Subsequently, Flos actively engages with suppliers by implementing potential corrective measures and furnishing essential tools and training to facilitate their application. This proactive approach is facilitated by the close partnership between the Brand and its suppliers throughout the supply chain, constituting an intrinsic value within Flos' business model. In 2023, Flos' operational units remained steadfast in enhancing their waste management and recycling initiatives, consistent with previous years' trends. As an example, Flos extended the option to its employees to purchase non-saleable defective products at reduced rates, thereby contributing to further

⁸ Data are related to the Decorative, Outdoor and Architectural collection plants. Intensity ratios are calculated on Decorative, Outdoor and Architectural collection's net sales.

waste decrease. Additionally, in the Outdoor collection production facility, water dispensers were installed to eradicate the reliance on plastic bottles, fostering a circular mindset and behaviour among the workforce while aligning with sustainability objectives.

In recent years, Flos has intensified waste sorting efforts at both the Bovezzo and Bernareggio plants to enhance recycling efficiency. Improvements have been made regarding the treatment process for wood-based packaging, for which now a dedicated management process is in place. The Group is committed to adopting best practices for the reduction of mixed materials and components utilized in production processes in order to increase the efficiency of the waste management and treatment process, in line with the ESG target set to progressively reduce the amount of mixed materials discarded in favour of single materials, such as paper, plastics, metal and wood.

ESG Target

Progressively decrease the amount of waste classified as “mixed” over the total waste produced

Mainly due to slightly decreased levels of production, in 2023 the total amount of waste produced decreased by approximately 35% with respect to 2022. Despite the enlargement of the perimeter, which saw the inclusion of Flos U.S.A. and Flos Norge, all the branches of the Group are committed to improve the level of detail of their monitoring for future reporting periods, making sure to report on the different types of waste produced more precisely.

Finally, concerning hazardous waste, the majority of it originates from the Bernareggio plant, primarily due to manufacturing processes such as painting and coating that involve the utilization of chemical compounds.

Waste Type ⁹	U.M.	2021	2022	2023
Non-municipal waste	t	25.95	24.03	103.25
Metal Materials	t	42.76	60.02	84.13
Aqueous solutions	t	33.14	14.91	40.14
Construction Materials	t	20.86	358.36	29.58

⁹ Starting from 2021, data on non-hazardous and hazardous waste is collected in accordance with the new requirements of the GRI 306 disclosure released in 2020.

Other		t	4.3	266.38	10.44
Paint		t	6.83	1.27	5.81
Glass		t	5.56	10.45	1.75
Sludge		t	-	3.70	0.64
Plastics		t	-	0.40	0.10
Wood		t	-	0.10	-
Packaging	Mixed materials	t	191.81	159.32	270.30
	Paper/Paperboard	t	98.55	115.12	96.45
	Wood	t	107.68	77.81	77.32
	Plastics	t	12.97	22.72	10.37
Total		t	550.4	1115.2	730.3
Of which hazardous		t	36.3	19.6	2.5
Of which non-hazardous		t	514.1	1095.6	727.8
Of which sent to recycle/reuse		t	370.6	402.5	500.7
Of which not recycled		t	179.8	712.7	229.6

Energy and GHG emissions

In addition to monitoring materials consumption, Flos is dedicated to overseeing its energy usage and associated greenhouse gas (GHG) emissions. These emissions primarily stem from heating, cooling, and fossil fuel utilization within the corporate fleet. Specifically, our production site in Bovezzo is powered by the district heating network of Brescia, an integrated system fuelled by waste incineration. Natural gas is predominantly utilized for heating and painting activities at the Bernareggio and Collebeato plants. However, the operations and scale of the Custom collection result in minimal impact on energy consumption, GHG emissions, and overall environmental footprint.

ESG Performance

32,146_{GJ}

the total energy consumption in GJ

74%

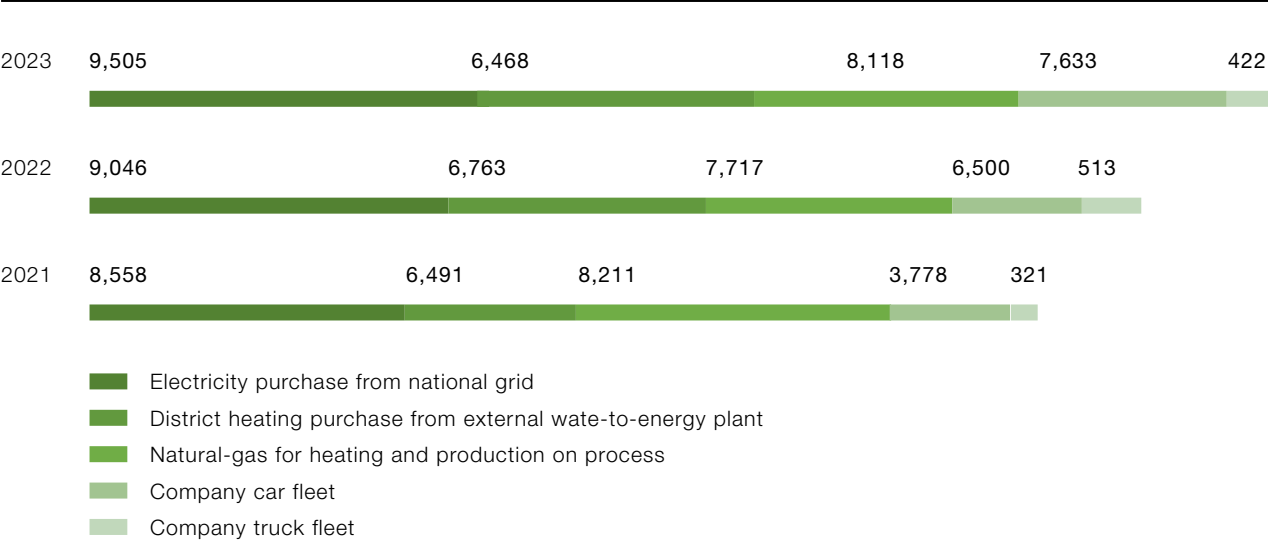
The electricity certified as produced from renewable sources.

Another crucial asset in bolstering Flos' dedication to optimizing energy utilization is the real-time monitoring system for energy consumption at the Bovezzo plant. This system has facilitated the identification and mitigation of the most energy-intensive processes and potential inefficiencies, thereby enhancing the overall efficiency of the site. Additionally, thanks to the installation of a thermostat control system in 2022, it has been possible for the past two years to regulate temperature thresholds on-site, further increasing energy efficiency.

In 2023, the total amount of electricity consumed at the Bovezzo plant equated to 731,600 kWh, 9% more than 2022. The largest share of electricity was used by the offices with 37% of the total consumption, meanwhile production activities resulted in an overall consumption of 34%.

Flos' total energy consumption in 2023 is equal to 32,146 GJ, with a 5% change with respect to 2022: the trend is partly due to the perimeter enlargement, as well as to a greater use of the company car and truck fleet e, resulting in a 19% increase in diesel consumption across the group. However, throughout 2023, Flos has continued its efforts towards the increase of the share of electrical or hybrid cars in its fleet, in order to progressively diminish the impact on the environment thanks to more sustainable mobility choices.

Energy Consumption (GJ)



Flos' commitment to reducing its overall environmental impact also encompasses the monitoring of its GHG emissions along the value chain for reduction and compensation purposes. Moreover, to strengthen its efforts, in 2020, Flos committed to the reduction of its Scope 1 and Scope 2 – Market-based GHG emissions in line with the WB2C (Well Below 2°C) scenario, as provided by the Science Based Targets initiative’s calculation methodology¹⁰. Flos expressly undertakes to reduce these categories of GHG emissions by 27% by 2030.

Carbon Offsetting Projects

As a complement to Flos’ initiatives to manage and reduce its absolute greenhouse gas (“GHG”) emissions, the Company has since 2020 purchased carbon credits to neutralise (“offset”) its residual Scopes 1 and 2 operational emissions. The Company’s primary climate mitigation approach is to reduce its absolute carbon emissions over time. Through the purchase of carbon credits, Flos also provides carbon financing to climate mitigation projects beyond its value chain. As each credit corresponds to the removal of one ton of CO2 equivalent (CO2e), the Company can claim – under voluntary carbon market standards and guidance – it has reached carbon neutrality (Scope 1 and 2) in a given year by purchasing credits to offset its residual emissions.

From the outset, the two projects from which Flos has purchased carbon credits are the “Great Bear Forest Carbon” and the “Guatemalan Conservation Coast” projects. These two projects were chosen because of their strong credentials on environmental and biodiversity issues as well as their social initiatives.

Great Bear Forest Carbon project¹¹, Canada

The Great Bear Forest covers approximately 4 million hectares of north and central coast in British Colombia

in Canada and is home to the First Nations people who have inhabited this land for up to 10,000 years. This rare and rich ecosystem is also home to rare species of plants and animals (including the Kermode Bear). The aim of this project is to improve forest management in the region, 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.

Guatemalan Conservation Coast project¹², Central America

The Guatemalan Conservation Coast programme works to address 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 tree 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.

¹⁰The Science Based Targets initiative was created by the collaboration between the CDP, the UN Global Compact (UNGC), the World Resources Institute (WRI) and the Worldwide Fund for Nature (WWF). It is acknowledged as one of the We Mean Business Coalition's commitments. The initiative supports companies in defining emission reduction targets that enable to cap global warming in line with the limit envisaged by the Paris Agreement.

Flos has identified and monitored all relevant direct GHG emissions (Scope 1) as well as those resulting from energy purchases (Scope 2) in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

Scope 1 emissions amounted to 1,219 tCO₂eq in 2023, showing an increase of 13% with respect to the previous year, mostly due to the perimeter enlargement, especially because of the natural gas consumed by the American branch, and to an overall increase in diesel consumption. Emissions linked to the production process are relatively minimal in absolute terms, as only Bernareggio, with the Custom collection to a lesser extent, conduct production processes. Regarding Scope 2, GHG emissions stemming from electricity procured from the national grid and from heat and steam purchases at Bovezzo have been computed using both the location-based and market-based methodologies. The former method reflects the average emissions intensity of grids from which energy consumption originates, while the latter reflects emissions from intentionally chosen electricity sources. Guarantees of Origin (GO) have been utilized to cover the electricity purchased by the Decorative collection's headquarters in Bovezzo since August 2018, certifying its production from renewable sources and resulting in zero direct carbon emissions according to the market-based method. In 2022, all of Flos' production plants ensured 100% coverage of their electricity through Guarantees of Origin (GOs), thus aligning with the ESG target set last year. Due to the achievement of our target and the enlargement of our perimeter, we decided to renovate our commitment by 2024. This year, the Italian production facilities have continued purchasing 100% of their electricity through GOs. Overall, the Group covered approximately 91% of the total purchased electricity with GOs, due to the American branch which did not purchase electricity from renewable energy.

ESG Targets

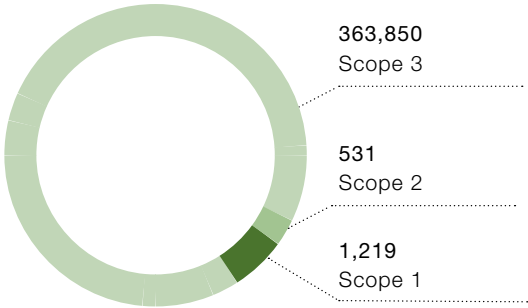
100 %	-27.5 %
of electricity from renewable energy sources consumed in productive plants by 2024	Scope 1 and Scope 2 – Market-based emissions by 2030

Moving to Scope 3, the vast majority of GHG emissions generated in 2023 fell under this category. In 2022, three new emission categories were added to enhance understanding across all levels of the value chain: downstream transportation, use of sold products, and end-of-life treatment of sold products. With these additions, Flos now identifies and monitors all relevant Scope 3 emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. However, due to the inclusion of these new categories and the expansion of the reporting perimeter, data comparability concerning total Scope 3 emissions with previous reporting periods cannot be guaranteed. As reported in the tables and graphs below, the “Use of sold products” Category constitutes more than 87% of the total Scope 3 emissions: the Category covers emissions deriving from the energy used by the products sold in the reporting year throughout their whole lifetime. With respect to the “Purchased goods and services” Category, constituting the second biggest share at approximately 10%, it includes emissions deriving from purchased semi-finished and finished goods from this year, resulting in a 7% decrease with respect to 2022 figures, mainly due to the overall business contraction reported during the year. The predominance of the two Categories is relevant, as it allows Flos to understand the significance of product design in terms of the Group's performance: the implementation of eco-design principles that consider both choices in materials employed in manufacturing and energy efficiency in the use phase is fundamental to reduce impacts.

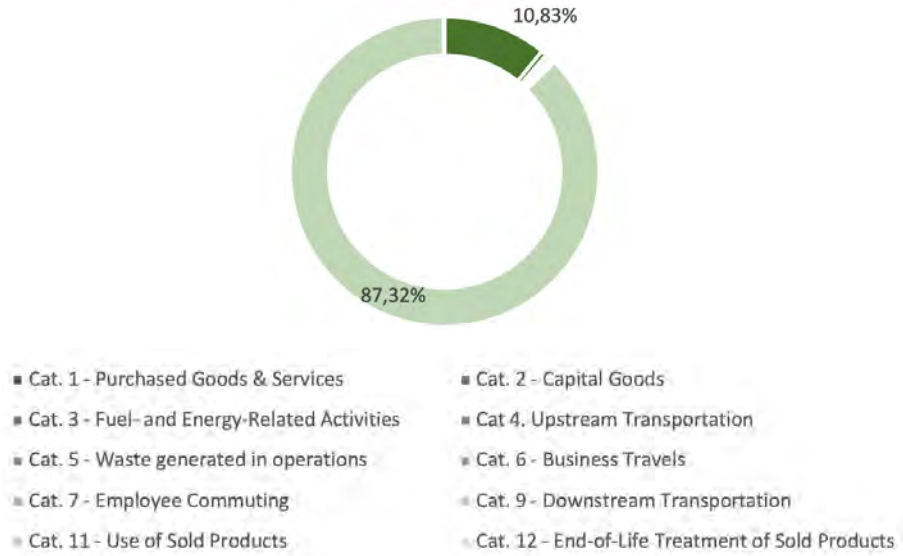
¹¹ The Great Bear Forest Carbon project is registered on the British Columbia Registry under three different projects: Great Bear (South Central Coast) 104000000011319, Great Bear (Haida Gwaii) 104000000011559 and Great Bear (North and Central-Mid Coast) 104000000012798 aims to generate Improved Forest Management and reforestation-based carbon credits.

¹² The Guatemalan Conservation Coast project is registered on the Verra registry, REDD+ Project for Caribbean Guatemala: The Conservation Coast 1622, applies Verra's Verified Carbon Standard (VCS Standard v4.3 VM0015) and the Climate, Community and Biodiversity Standards v.3.1, and will generate carbon credits from avoided unplanned deforestation representing c. 22 million tonnes of CO₂e.

GHG Emissions - Market Based (2023) - (TonsCO₂eq)



GHG Emissions 2022 - Scope 3 (tCO₂eq)



GHG Emissions by activity	U.M.	2021	2022	2023
Direct Emissions (Scope 1)	tCO ₂ eq	844	1,082	1,219
-Natural gas combustion for heating and production processes	tCO ₂ eq	465	434	457
-Diesel consumption for truck fleet	tCO ₂ eq	22	37	30
-Diesel consumption for car fleet	tCO ₂ eq	313	500	626
-Gasoline consumption for car fleet	tCO ₂ eq	44	111	106
-Refrigerant gases from leakages of air-conditioning systems	tCO ₂ eq	0	0	0
Indirect Emissions (Scope 2) - Location Based	tCO ₂ eq	979	1,014	1,016
-Electricity purchased from the national grid	tCO ₂	671	693	693
-District heating purchased from external waste-to-energy plant	tCO ₂ eq	308	321	323
Indirect emissions (Scope 2) – Market Based	tCO ₂ eq	557	369	531
-Electricity purchased from the national grid	tCO ₂ eq	249	48	208
-District heating purchased from the waste-to-energy plant	tCO ₂ eq	308	321	323
Other Indirect Emissions (Scope 3)	tCO ₂ eq	28,148	448,090	363,850
Total Location Based	tCO ₂ eq	29,971	450,186	366,085
Total Market Based	tCO ₂ eq	29,549	449,541	365,600

Focus: Scope 3 GHG Emissions	U.M.	2021	2022	2023
Other indirect Emissions (Scope 3)	tCO ₂ eq	28,148	448,090	363,850
Cat. 1 - Purchased Goods and Services	tCO ₂ eq	25,252	42,259	39,406
Cat. 2 - Capital Goods		586	3,020	2,185
Cat. 3 - Fuel and Energy-Related Activities	tCO ₂ eq	292	1,246	370
Cat. 4 - Upstream Transportation	tCO ₂ eq	1,417	1,576	1,536
Cat. 5 - Waste Generated in Operations	tCO ₂ eq	25	182	74
Cat. 6 - Business Travel	tCO ₂ eq	42	257	338
Cat. 7 - Commuting	tCO ₂ eq	534	753	971
Cat. 9 - Downstream transportation	tCO ₂ eq	-	2,202	819
Cat. 10 - Use of sold products	tCO ₂ eq	-	395,777	317,728
Cat. 12 - End-of-life treatment of sold products	tCO ₂ eq	-	818	424

Material Topics

- Own workforce
- Workers in the Value Chain

United Nations SDGs



Highlights

92%

Employees with permanent contracts

7,142 h

Training Hours

0.8

Injury Rate

2. Design for People: Development and Wellbeing

Flos believes that its employees, through their passion and expertise, represent the core of its brand global success. Regardless of their position, Flos places its team at the heart of its strategic planning, with the goal of fostering a work atmosphere that is stimulating, welcoming, and encouraging.

To this extent, Flos undertakes to:

- invest in training activities and development programmes dedicated to employee personal and professional improvement;
- promote a rewarding and inclusive working environment in order to recognise and empower employee talent, in line with everyone's potential and aspiration.

2.1 Employees as the essence of brand success

Flos has consistently assigned a key role to its employees in formulating strategies and contributing to business decisions, believing that all individuals should be provided with the necessary resources and opportunities to acquire a broad array of skills and experiences: this fundamental belief has led the Brand to its current and past achievements.

Regarding the organization of human resources, a new function was introduced in 2021 to enhance processes and ensure uniformity across employees' initiatives: the Head of Human Resources. This role holds a crucial responsibility in coordinating Flos' different divisions at a central level, as well as collaborating with Flos B&B Italia Group's HR department to leverage synergies and align best practices.



In 2023, Flos' workforce¹ totalled 646 people, showing an increase with respect to the previous year (606 FTEs): the variation is mainly due to the expansion of the reporting perimeter.

¹ Number of full-time equivalents (FTE) derived by taking into account employees and workers who are not employees of the Group such as Agency workers, Subcontractors and Interns, at the end of the reporting period.

ESG Performance

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Flos' reporting perimeter workforce

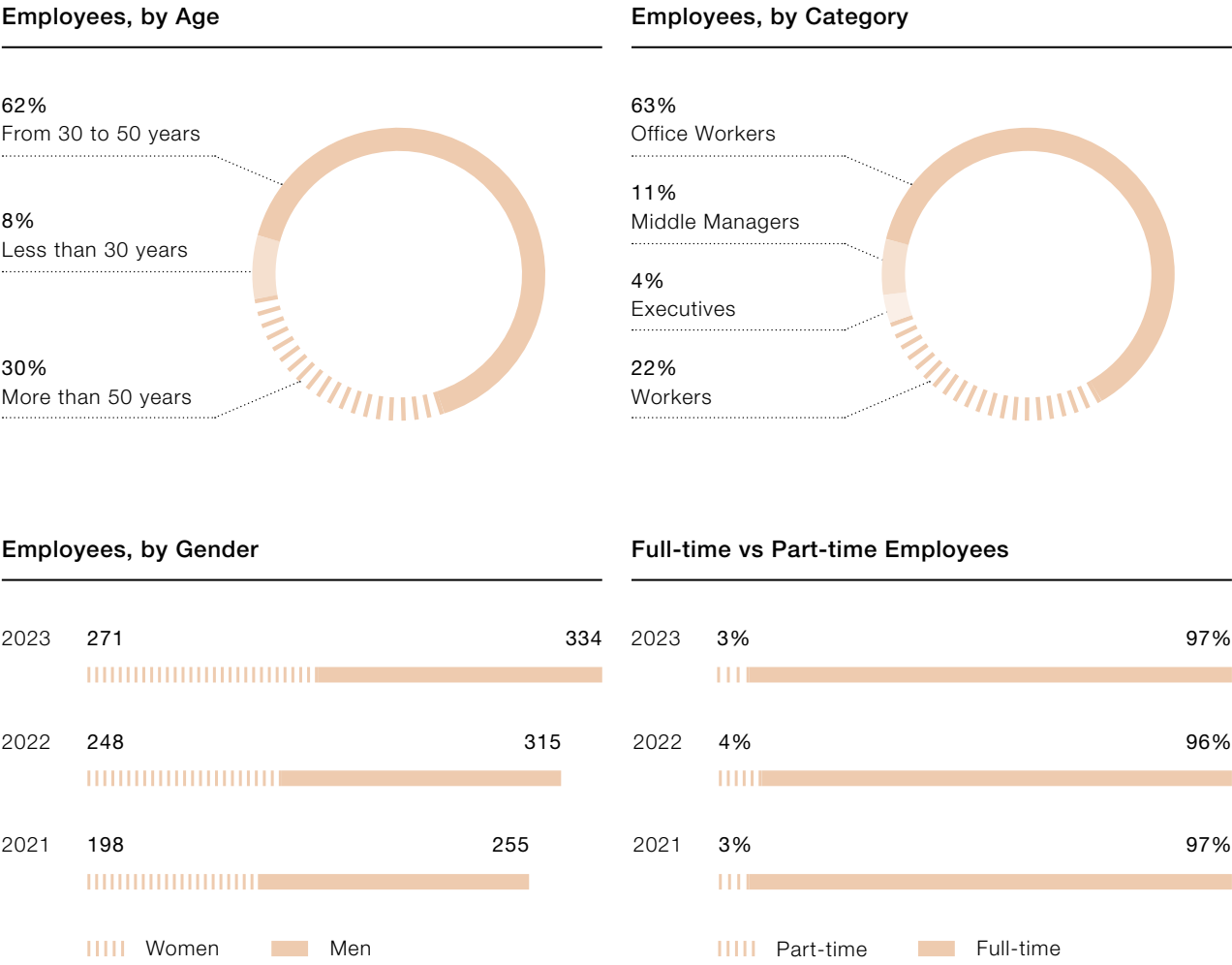
98 %

Percentage of employees with a permanent contract

Workforce, by Employee Category and Gender	U.M.	2021	2022	2023
Total Workforce	FTEs	503	606	646
Employees	FTEs	453	563	605
Supervised workers	FTEs	43	39	33
Interns	FTEs	7	5	8
Workforce by Gender				
Women	%	44%	42%	43%
Men	%	56%	58%	57%

Flos’ workforce in the reporting perimeter grew considerably from 606 to 646, a 7% increase compared to the past year, which is attributable to the enlargement of the perimeter with the inclusion of Flos Norge and Flos USA. Additionally, Flos reaffirmed its robust dedication to talent retention and bolstering employees' sense of belonging by ensuring that permanent contracts accounted for 98% of all agreements in 2023, while the proportion of part-time workers remained stable, comprising 2% of the workforce throughout the year.

In 2023, 76% of Flos employees were covered by collective bargaining agreements: the reduction of the percentage with respect to 2022 is due to the enlargement of the reporting perimeter, as the employees of Flos’ commercial branches are mostly located in countries where such contracts are not of common use or not provided by law.

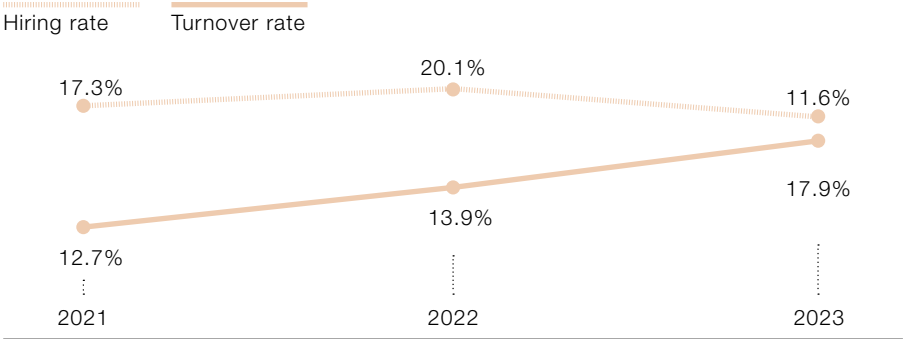


Employees, by Gender and Contract Type	U.M.	2021	2022	2023
Permanent	FTEs	435	551	594
Women	FTEs	187	242	268
Men	FTEs	248	309	326
Temporary	FTEs	18	12	11
Women	FTEs	11	6	3
Men	FTEs	7	6	8
Total	FTEs	453	563	605

Concerning hires and terminations, the dedicated chart shows a slight decrease in Flos’ growth in comparison with the previous year: indeed, in 2023 the hiring rate² was equal to 11,6% compared to the 20,1% rate registered in 2022. At the same time, the turnover rate³ increased more than proportionally with respect to the hiring rate, with a 17,9% rate compared to the 13,9% of 2022. Flos conducts exit interviews with all departing employees, both in Italy and abroad, to gather valuable feedback that is later passed on to the companies’ managers and CEOs. These interviews play a crucial role in identifying and addressing critical areas of improvement and are also utilized as a valuable resource in structuring training courses, to tailor training programs to the specific needs and preferences of its employees.

In 2023, total hires amounted to 65, of which 27 women and 38 men. The number of terminations in 2023 equalled 100, of which 52 females and 48 males. The decrease of hires registered in 2023 is due to the internal reorganization activities carried out during the year.

Employee Hiring and Turnover Rates



Hires, by Gender and Age	U.M.	2021	2021	2023
Women	FTEs	31	42	27
Men	FTEs	44	49	38
Less than 30 years old	FTEs	19	19	21
From 30 to 50 years old	FTEs	50	64	35
Over than 50 years old	FTEs	6	8	9
Total Hires	FTEs	75	91	65

Terminations, by Gender and Age	U.M.	2021	2022	2023
Women	FTEs	26	30	52
Men	FTEs	29	33	48
Less than 30 years old	FTEs	6	10	12
From 30 to 50 years old	FTEs	33	44	60
Over than 50 years old	FTEs	16	9	28
Total Terminations	FTEs	55	63	100

² The ratio between the number of hires and the total number of employees at the beginning of the reporting year.

³ The ratio between the number of terminations and the number of employees at the beginning of the reporting year.



2.2 Training for personal and professional improvement



Proceeding along the path defined in previous years, Flos is continuing to allocate resources towards the enhancement of its workforce’s abilities through a structured training plan, recognizing the significance of providing training opportunities and resources to improve skills and knowledge: the plan has maintained a blend of face-to-face training , online platforms and web conferences, with the goal of increasing accessibility for all.

In 2023, the total training hours amounted to 7,142, showing a stabilization after peaking at 10,012 hours in 2022. This decline in training intensity can

be largely attributed to Flos' substantial efforts in the preceding year, during which the Brand highly invested in employee training and support activities. Additionally, internal reorganization within the Italian side of the Group throughout the year contributed to this trend.

In the upcoming years, Flos strives to keep delivering on the commitment of stable investment in its own workforce, by guaranteeing a steady level of training activities and by continuing to monitor both market and employees’ needs.

ESG Performance



To perpetuate personal and organisational development, Flos has crafted and maintained a dynamic and customized training programme aligned to the variate requirements of its employees and corporate responsibilities. The programme was structured to assist employees in unlocking their highest potential, comprehending both soft and technical competencies that are considered necessary to navigate in the evolving business landscape and adapt to the technological, national and international legislative evolutions. In formulating the programme, Flos took into account the training necessities of its employees’ and selected minimum training requirements for each function cluster. Consequently, the training programme involves both ad hoc courses – e.g., e-commerce, product design – and non-technical training ranging from legislative requirements – e.g., RoHS, Eco-design, import, and export – to communicational skills development in English, French and German.

In 2023, Flos has offered a diverse set of courses, particularly focusing on cybersecurity, implementing a Security Awareness Program to be followed by all employees: the program offers flexible e-learning courses that can be completed through short sessions over a year, providing the user with the opportunity to enhance their knowledge by employing various methods to develop their understanding of potential threats.

Moreover, Flos makes use of a Digital Academy platform comprising thirteen training paths, made up of self-evaluation tests, reports and certificates: the platform aims at providing a comprehensive and structured approach to employee training, catering to the diverse learning needs and skill levels within the organization. It offers access to funded training opportunities, by boasting a rich catalogue of courses, including both general courses covering major business areas and specific ones that ensure professional preparation on core topics.

Flos has also offered extensive technical training sessions, encompassing subjects such as lighting techniques, regulatory requirements tailored to diverse settings, working at elevated heights, and safe operation of lifting equipment.

Moreover, in 2023, Flos maintained the efforts toward its “People Leader Journey” project, focused on improving Management Team skills. The initiative targets the senior management personnel, with its primary objectives being the creation of a framework to handle role dynamics or issues and conflicts that could adversely impact the atmosphere and efficacy within a team. It also focuses on cultivating trust to ensure a "no-blame" culture, as well as fostering employee engagement and growth in areas such as delegation methods and providing feedback. In 2023, the project has involved several managers in key selected areas relevant for the activities of the Group.

Flos objective is to invest in the specific connotation of a “people leader” as an integral part of the competencies of high-level management figures, emphasising that being a people leader means taking on full-circle responsibility for the people assigned and complete ownership of the team.

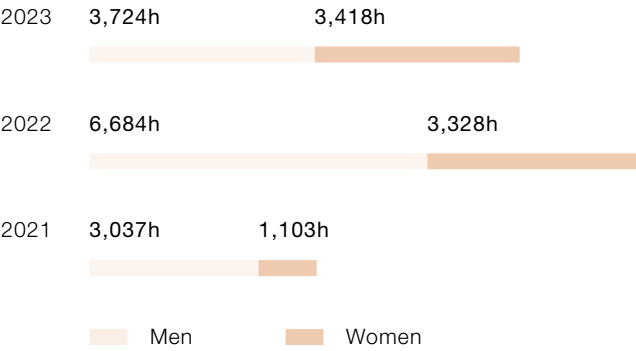
Technical Training for Leveraging Innovation

In addition to persisting with lean manufacturing courses, over the past few years, Flos has introduced a series of new technical courses to meet the demand for enhancing and deepening the specialized skills of its staff and lighting designers. These sessions are designed to further augment the company's ability to meet commercial needs and to uphold its

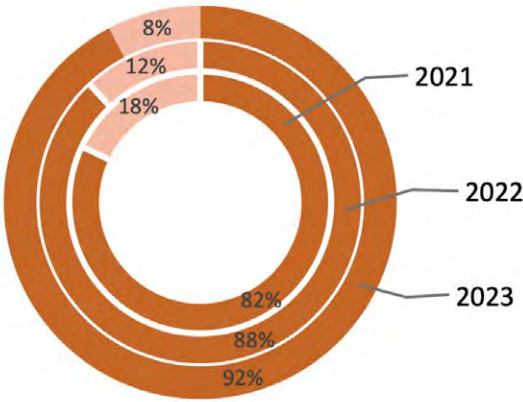
commitment to Heritage and Know-how. Examples of these courses cover topics such as lighting techniques and legislative regulations for various environments, including residential, hospitality and wellness areas, educational settings, workplaces, as well as museums and churches.

In 2023, reckoning the non-compulsory training – i.e., excluding training activities required by national regulations, such as health and safety training – the average training hours per employee amounted to 10.9, representing 92% of the total training hours for the year. Additionally, training envisaged for supervised workers and interns amounted to a total of almost 325 hours in 2023. Looking ahead and consistently with its actions in recent years, Flos reaffirms its pledge to offer comprehensive training to all employees in the forthcoming years, regardless of their job classification or of the nature of their contracts.

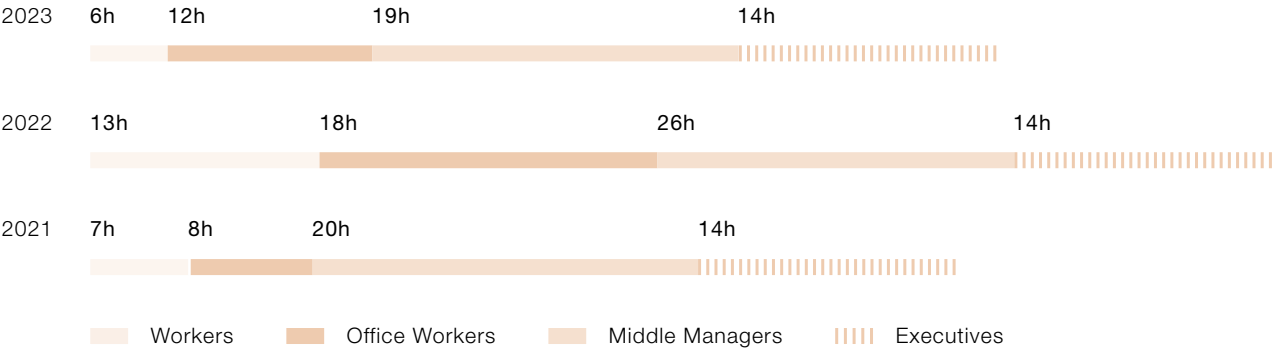
Training Hours by Gender



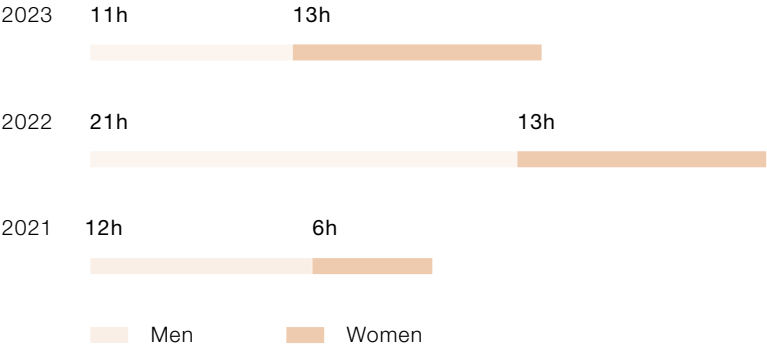
Compulsory vs Non-Compulsory Training



Average Training Hours, by Employee Category

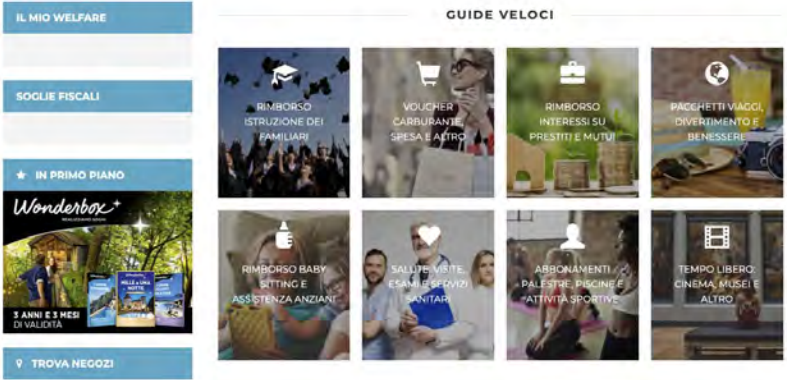


Average Training Hours, by Gender Category





2.3 An inclusive and safe working environment



Flos recognizes the importance of work-life balance not only to acknowledge the talent and dedication of its employees but also as a method to cultivate an inclusive workplace that prioritizes the personal well-being of its staff. This commitment has been exemplified through a comprehensive benefits package that addresses the needs of employees beyond just the salary.

In line with past years, Flos continued to guarantee benefits such as meal vouchers, health insurance, invalidity coverage, fuel vouchers and canteen

services. In addition, Flos continued to incentivise performance-based pay to acknowledge everyone’s contribution by offering bonuses related to product quality and business profitability. To enhance coordination among its various brands, Flos maintained the performance evaluation model based on SAP that ensures that employees efforts are aligned with overall business goals, promoting efficiency and effectiveness. In general, the approach is to provide the same benefits to all full-time and part-time employees and as insofar as possible, to temporary workers. Furthermore, concerning the

Employee welfare

abovementioned benefits, fuel vouchers were also extended to fixed-term employees.

Moreover, to provide a wider set of benefits to its employees, Flos proceeded with the implementation of an online platform developed to manage workers’ benefits and performance bonuses, allowing an integrated and simplified way of discovering and accessing all the different benefits for both white and blue-collar workers.

In addition to employees’ welfare, Flos pays the utmost attention to health and safety aspects by constantly monitoring the key indicators and fostering a safety culture across all roles and responsibilities. In line with these objectives, Flos conducts ongoing activities to improve occupational health and safety and raise employees’ awareness on these topics.

As training and education activities are at the core of Flos commitment to guaranteeing high safety standards, a total of almost 500 hours of health and safety training were provided in 2023.

Flos' focus on preventing and reducing health and safety risks associated with work activities also encompasses the management of its supply chain. By leveraging its strong connections with suppliers, particularly the smaller and local ones, Flos actively monitors their performance and working conditions through regular commercial site visits. This approach facilitates a thorough integration within the framework of a durable relationship founded on trust, quality, and safety.

ESG Performance

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The number of training hours on Health and Safety topics

0.8

The injury rate

Health and Safety ⁴	U.M.	2021	2022	2023
Total number of worked hours	h	1,135,813	1,141,156	1,306,400
Total number of recordable work-related injuries	n.	2	4	5
Rate of recordable work-related injuries ⁵	n.	0.5	0.7	0.8

Health and Safety Management

The health and safety aspects of Flos' production facilities are managed at plant level, with policies and management systems tailored to meet local legislative requirements, including the sharing of protocols and processes. Health and safety monitoring and supervision involve the participation of various organizational levels, each with specific responsibilities for enforcing safety procedures. For instance, risk assessment procedures are overseen by health and safety managers, or their equivalents, in accordance with local laws. These managers conduct inspections and engage with employees to promptly identify risks, evaluate them accurately, and suggest measures to mitigate and prevent future incidents. This same process is applied to work-related injuries, with a tailored response to the incident's severity. A mandatory risk assessment is conducted to pinpoint the primary health and safety dangers for employees. The most

notable risks identified include internal traffic zones, the use of fixed and portable ladders, storage of objects, transportation methods, fire and explosion hazards, physical strain and manual handling of loads, exposure to vibrations, noise, and chemical substances. Additionally, Flos has established an internal monitoring system to protect its workforce from any repercussions related to health and safety whistleblowing. In line with legal requirements, a medical professional is an essential component of all H&S management practices and procedures.

As a demonstration to its commitment to delivering the service necessary for guaranteeing and constantly improving the supervision of H&S matters among the Group’s population, in 2023 Ares obtained the UNI EN ISO 45001:2018 certification on the management of Health & Safety.

⁴ Data reported in the table refer to the employees of the Group perimeter.
⁵ Calculated as the total number of injuries multiplied by 200,000 and divided by the overall number of hours worked in the reporting period.

Material Topics

- Heritage & Design Culture

United Nations SDGs



Highlights

2

design awards received by Flos in 2023

3

Specializing courses organized with European universities

3. Design for Culture: Heritage and Know-how

Flos' journey to sustainability is deeply rooted in its legacy of iconic designs and its expertise in technology. Consequently, the Group is dedicated to leveraging its intangible assets to meet the challenges confronting the lighting sector, both artistically and technologically. In this endeavour, Flos aspires to:

- take a proactive role in the development of new innovative solutions that elevate individuals’ physical and emotional wellbeing by investing in research and technological advancement;
- advocate for and spread the appreciation of art and design culture amongst the community as an integral part of its sustainability approach.

Flos places significant importance on its connection with the community as a key aspect of its dedication to sustainability. This commitment is realized through a dual approach that involves the protection of its legacy by maintaining high standards of quality and expertise, as well as promoting the legacy of design. Flos is committed to fostering social value linked to both the national and international artistic heritage of the industry. By constantly refreshing its patrimony, Flos has earned recognition as a leading icon in the lighting design industry.

Throughout 2023, Flos maintained its well-established reputation for active engagement in public fairs and exhibitions. The dedication demonstrated by the Brand to attend and take part in key industry events not only showcased Flos' latest innovations and designs in lighting but also reinforced its position as a critical leader in the sector. By taking part in these gatherings, Flos was able to connect with customers, designers, and industry peers, fostering relationships and staying on top of the latest trends and technologies. These efforts reflect Flos' dedication to excellence and its desire to influence the industry's direction while remaining at the forefront of the lighting design community.



Flos Hosting Milano 2023

3.1 Promoting the design culture



Flos places a strong emphasis on advancing design culture as a core aspect of its strategic vision, which serves to deepen the relationship with its stakeholders: Flos’ creations have been showcased in prestigious international temporary exhibits and museums, including the MOMA (Museum of Modern Art) in New York, the Triennale in Milan, the Centre National d'Art et de Culture Georges Pompidou in Paris and the Shanghai's Museum of Art Pudong. Additionally, Flos' lighting solutions have been selected to brighten the spaces and passageways of renowned art galleries worldwide. Throughout its more than 60 years of history, Flos has not only supported events, exhibitions and design festivals

by showcasing its light installations, but also through generous donations. Moreover, it has established partnerships and collaborations with schools: an example is the one with the “Fundación Universitat Jaume I”, located in the Valencia area, through which Flos is offering training programs and internship opportunities to the students on different topics, such as project management and lighting consulting. Moreover, Flos is a proud sponsor of the Master in Lighting Design offered by the prestigious Politecnico di Milano University, while also collaborating with the institution via the offering of 3 specialized training courses organized at the “Flos Professional Space” in Milan.

ADI Compasso D'Oro Exhibition in Shanghai



Skynest Motion at Doha Exhibition

Flos and the École des Beaux-Arts in Paris

Following its institution in 2022 Flos has continued its three-year collaboration with the École des Beaux-Arts, a prominent art school in Paris. The aim of the partnership is that of fostering the design culture among young generations of artists and designers, while also actively contributing to students’ education by enriching

their knowledge on lighting solutions. The school, known for being a place of artistic experimentation, will display several exhibitions featuring Flos’ creations in its venue. In addition to that, several workshops will be held for all the students of the École.

Flos actively maintains its global presence by sponsoring events, showcasing in exhibitions, and creating installations around the world, thereby reinforcing its commitment to nurturing design expertise and legacy. The company is a staunch advocate for the synergy between art and design, both aimed at creating significant societal benefits. As a result, Flos is dedicated to bringing the skills of distinguished designers to the forefront, providing them with the opportunity to merge premium materials with ground-breaking concepts to produce exceptional creations.

The following represents a selection of the 2023 events in which Flos took part.

Flos’ participation and support to events

International Architecture Exhibition - Biennale di Venezia	May 2023	Flos acted as Technical Sponsor of the Italian Pavilion at the 18th International Architecture Exhibition – La Biennale di Venezia. The Group has curated the lighting design for the pavilion, housed in the extraordinary Tese delle Vergini space at the Venetian Arsenale, one of the exhibition’s historic venues. Sponsored and promoted by the Ministry of Culture’s Directorate General for Contemporary Creativity and curated by young Milanese architect and designer collective Fosbury Architecture, this year’s Pavilion was called Spaziale.
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Compasso d’Oro Award Exhibition	Nov. 2023 – Feb. 2024	The Compasso d'Oro Award: Seventy Years Leading Italian Design Trends exhibition was inaugurated on 8th November in the central historic area of Shanghai – the Bund. The exhibition was promoted by ADI and ADI Design Museum and curated by Maite García Sanchis, Francesca Balena Arista, and Giovanni Comoglio with Ling Min, with exhibition design by Aldo Cibic. It illustrates the value, history and purpose of the ADI Compasso d’Oro Award by displaying a selection of more than 100 awarded projects from 1954 to 2022 and emphasizing the representative character of the quality of Italian design in the world.
Thinking Factories, Tales of Compassi d’Oro	Mar. 2023 – Jun. 2023	On the occasion of Bergamo-Brescia 2023 - Italian Capital of Culture, the exhibition “Thinking Factories. Tales of Compassi d'Oro from Bergamo to Brescia" was organized inside the Sala delle Capriate in Piazza Vecchia (Bergamo, Città Alta), with the patronage of ADI. The exhibition was intended to celebrate the over 30 products made by companies from Bergamo and Brescia which from 1954 to today have won the Compasso d'Oro, the oldest and most authoritative design award in the world, created by Gio Ponti.

Design Week 2023

During the 2023 Milano Design Week, Flos unveiled a special six-part project to introduce My Circuit, an innovative and versatile flexible track lighting system, designed by the esteemed Cypriot-born designer Michael Anastassiades. The exhibition offered a fully adaptable lighting track that delivers a range of lighting options for interiors. At its core is a patented, flexible track that can be installed on any ceiling. Unlike conventional rigid tracks, Flos's patented design can be shaped and bent, allowing the track to serve as both a functional lighting element and a minimalistic,

elegant decorative feature, reminiscent of the ornate friezes and stuccos of 19th-century dwellings. The track's "8" shaped cross-section serves both aesthetic and practical purposes. Its matte white rubber exterior evokes the colour and texture of traditional stucco, while the external copper conductors, nestled in the track's side grooves, carry low voltage electricity, and add a subtle decorative touch. The lighting fixtures designed for the track, including My Disc, My Lines, My Sphere, and My Dome, can also function independently, each complete with a matching white ceiling rose.

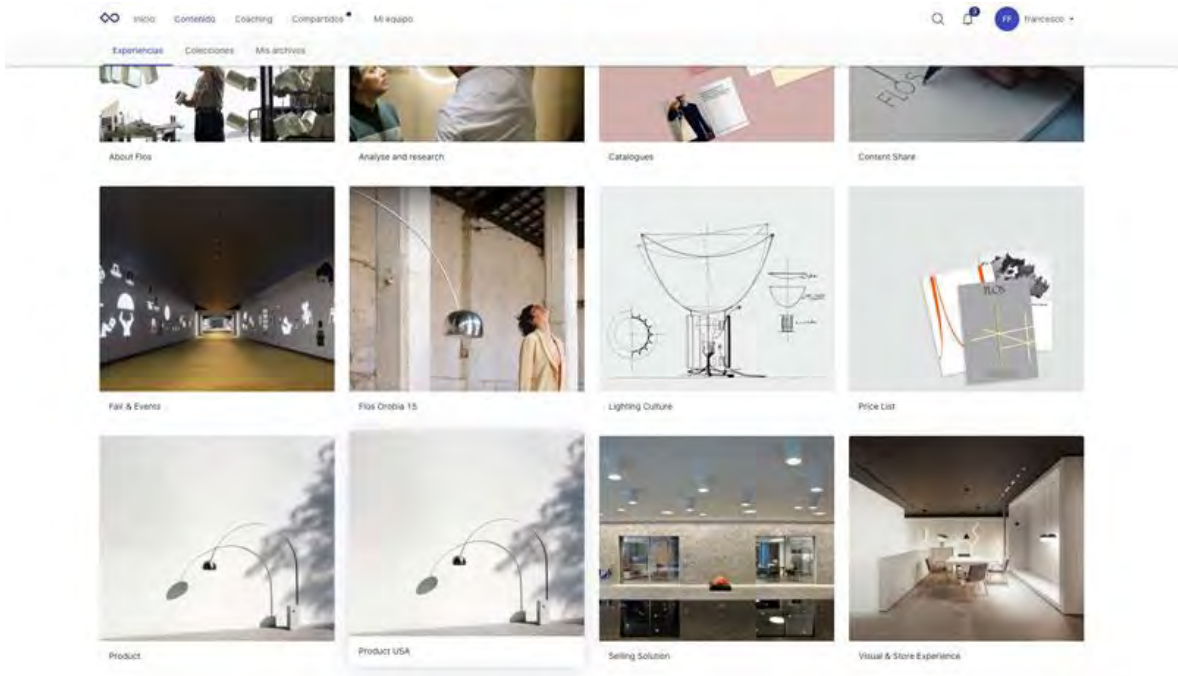
3.2 Fostering design know-how



Flos provides a range of training programs tailored to the diverse requirements of its customers and partners, such as agents, distributors, and lighting designers, to share the expertise involved in producing its products. For instance, numerous courses focusing on the Architectural collection aim to enhance understanding of the technical aspects of these products and simplify the installation process. As a way of sharing Flos’ know-how and Brand heritage with all design professionals and customers, Flos Light Academy continues to be used as a primary tool for providing training. The Academy is an internal storytelling platform that supports sales

activities to improve and strengthen the connection between Flos and its customers. Targeting the sales force together with retailers, professionals, and key accounts, Flos invests in trainings before launching new products, engaging with buyers, and supporting all information and key specifics concerning products and applications. In addition, it fosters the spread of the lighting design culture and Flos’ breakthrough products. The topics addressed through the platform vary depending on the target and the intended applications: it is a way of meeting customers’ needs by fostering Flos know-how while enhancing the history and heritage of its products.

Flos Light Academy platform



Flos webinars

Protecting Flos’ Ideas

Flos actively responds to the challenges of a global and competitive market by implementing robust measures to secure its innovations. The company strategically files numerous patents and systematically evaluates the optimal solutions to protect its new product categories in various regions. Flos employs a range of protective methods, including registered designs, patent filings for inventions or utility models, and copyrights. In a strategic expansion of its protective measures, Flos has also begun to register the renderings of certain products to preserve the unique lighting effects they produce. This tactic is designed to reinforce the protection of the Research and Development team's efforts and to prevent potential copying of their work. Given the nature of Flos' primary business focus, most patents belong to the registered designs category, while patent applications for inventions represent a smaller portion: the latter mainly refers to the architectural and soft architectural business and, to guarantee a broader protection of rights, considers the original design and any significant variation that the product may undergo in the future. Concerning the Decorative collection, patents are first filed in Italy and then extended to the

European Union and other foreign countries which represent strategic locations both in terms of business and sales volumes. Conversely, for the Architectural collection, patents are filed directly at the EU level. Registered designs have a limited duration: in Italy, for instance, they last 25 years. Therefore, to guarantee, safeguard, and protect some of its iconic products, Flos also files applications for copyright in Italy and other strategic countries. Moreover, Flos is actively engaged in fighting online infringements and frauds, such as the sale of counterfeit products or the illicit use of images and texts from Flos' websites and social media. The latter are among the most widespread due to the rapid growth of online shopping. To enhance the "Made in Italy" concept and protect high-quality branded products from counterfeiting, Flos is also an active member of INDICAM. It represents nearly 180 companies, industry associations, legal and intellectual property firms, security consultants, and other organisations, all standing against counterfeiting activities affecting branded products. Finally, to preserve its products' quality as much as possible, Flos moved from a widespread distribution

system to a selective distribution system in several countries in Europe, by selecting its pool of clients according to a set of qualitative criteria, including compliance to contractual terms. This switch is aimed at ensuring a long-term protection of the Brand image and value, to prevent free riding by other retailers or distributors and create retailers’ incentives. To do so, Flos has identified different customer clusters that correspond to different sales channels, to which are associated a different pool of qualitative criteria: the final aim of the operation is to preserve and increase the product quality level and its protection by establishing a tight chain of checks that ensure that Flos products

are sold pursuant to the chosen criteria. However, the process is challenging due to the legal compliance checks, verification of information, translation into local languages and the constant monitoring of the performances. Moreover, due to Flos standard selective distribution agreement, authorised resellers are required to comply with several conditions in terms of Brand promotion, post-selling assistance and incentives to stimulate and maximise the attractiveness of Flos’ products. Flos also provides support to resellers in achieving compliance on the strict rules of the selective distribution system, by providing them with all the necessary information and practical aid.

Appendix

Suppliers' Provenance by number and spending - Decorative, Outdoor Collection and Custom Collection						
	2023		2022		2021	
	Number	Spending	Number	Spending	Number	Spending
Italy	698	87%	435	84%	449	88%
Lombardy region	523	65%	340	60%	357	66%
Italy (rest)	175	22%	95	24%	92	22%
Other Countries	128	13%	71	16%	72	12%
Total	826	100%	506	100%	521	100%

Suppliers Provenance by number and spending – Architectural collection						
	2023		2022		2021	
	Number	Spending	Number	Spending	Number	Spending
Spain	138	68%	151	78%	137	71%
Valencia and surrounding areas	69	45%	80	51%	82	46%
Spain (rest)	69	23%	71	27%	55	25%
Other Countries	72	32%	68	22%	73	29%
Total	210	100%	219	100%	210	100%

Training hours delivered by gender and by compulsory training				
Training	U.M.	2023	2022	2021
Total Hours	h	7,142	10,012	4,140
Men	h	3,714	6,684	3,037
Women	h	3,428	3,328	1,103
Average Hours	h/FTE	11.8	17.8	9.1
Men	h/FTE	11.1	21.2	11.9
Women	h/FTE	12.6	13.4	5.6
Non-Compulsory Training				
Percentage on total training	%	92	88	82
Compulsory Training				
Percentage on total training	%	8	12	18

Reporting Principles and Criteria

Our 2023 Sustainability Report has been prepared with reference to the GRI Standards 2021. The contents of this report reflect the materiality analysis carried out by Flos B&B Italia Group, which is included in its 2023 Sustainability Report.

Flos Group has been a signatory of the United Nations Global Compact (UNGC) initiative since 2015. Although, as of today, Flos does not directly address the UNGC issues and principles related to Human Rights, since most of its direct activities and suppliers operate in Europe where human and labour rights are regulated by national and international laws. To avoid any possible risk of complicity and as proof of its commitment, Flos has introduced clauses on labour conditions and on respect for human rights in its contracts and embraces the principles and values included in the Flos B&B Italia Group’s Code of Ethics on ethics and social responsibilities¹.

Scope of Reporting

This document includes a detailed description of initiatives, activities and the associated key performance indicators, if available, covering the period spanning from January 1st 2023 to December 31st 2023. The data gathering process and the publication of the report occur on an annual basis. The Sustainability Report includes information referring to Flos S.p.A. and its fully controlled operating subsidiaries (Antares Iluminación S.A.U., Ares S.r.l, Flos Bespoke S.r.l., Flos GmbH, Flos Benelux NV, Flos BV, Flos Sverige AB, Flos Japan Co. Ltd and Flos France S.a.s.). Any exceptions to this reporting scope are explicitly indicated in the text. The Companies falling within the scope of the Sustainability Report have their registered headquarters in:

- Flos S.p.A. – Via Angelo Faini, 2 (Bovezzo, Italy)
- Antares Iluminación S.A.U. – Carrer Mallorca, Polígono Industrial Reva, Calle Turia, Ribarroja de Turia (Valencia, Spain)
- Flos GmbH – Obermünsterstraße, 18 (Regensburg, Germany)
- Flos Benelux NV – Romeinsesteenweg, 1000 (Wemmel, Belgium)
- Flos BV – Cruquiusweg, 109-Q (Amsterdam, The Netherlands)
- FLOS Scandinavia A/S - Kuglegårdsvej 13-17, 1434 Copenhagen, Denmark
- Flos Japan Co. Ltd - 1-23-5, Higashi-azabu, Minato-Ku (Tokyo, Japan)
- Flos France S.a.s - 20 Pas Dauphine 20-22 (Paris, France)
- Flos Norge AS - Drammensveien 12002, 77 (Oslo, Norway)
- Flos USA Inc. - 36 E 31 St, 10016 (New York City, United States)

¹For further information, please visit Flos B&B Italia Group’s Code of Ethics.
(https://www.flosbebitaliagroup.com/on/demandware.static/-/Sites-DHCorp-Library/default/v4bacf2c08ab5fa09efd1f32097a594bd49d41649/Code%20of%20Ethics/DH_Code%20of%20Ethics%20-%202023.pdf?version=1,676,538,775,000).

Flos Sustainability Pillars

Flos’ commitment to sustainability was furtherly renewed in 2019, when the company decided to formalise its first Sustainability Policy: this includes the key principles and values, which shape up the Brand’s sustainability strategy and the basis for the document. Flos' and Flos B&B Italia Group's Sustainability Pillars are tightly aligned with one another.

Energy and Materials	Flos targets the improvement of its altogether environmental footprint throughout the value chain. With the awareness that worldwide battles are strictly bound to energy and materials, which, on their turn, rely on climate change and circular economy aspects, Flos wrestles to mitigate and optimise its own direct and indirect usage of these resources.
Development and Wellbeing	Flos' employees are believed to depict the core of the Brand success on a global scale, through their enthusiasm and expertise. Flos places its workforce, irrespective of their role, right at the nucleus of its own strategies with the ultimate goal to nurture an inspiring, inclusive and spurring working environment.
Heritage and Know-How	The heritage of Flos' design icons and its technological know-how are the strongest assets that pave the way towards sustainability. Flos is, hence, engaged to actively exploit its tangible resources to contribute to addressing the challenges that the lighting industry, both from an artistic and a technological standpoint, is tackling.

Key Stakeholders

Flos pledges to apply sustainability matters all the way along its operations and its value chain, with the goal of improving the relationships with its key stakeholders. The table below provides a glance of the key stakeholders, rated on their influence and interconnection with Flos. For each stakeholder category, a description of existing engagement activities and tools is included.

Flos’ Stakeholders Category	Engagement Tools and Activities
Employees and Trade Unions	Continuous dialogue between HR department and employees/trade unions, specific initiatives
Suppliers	Continuous dialogue and periodic meetings
Clients	Website, fairs, catalogues, social networks Training course organized for clients Preliminary analysis of customer satisfaction on a sample of clients
End-User	Social networks, communication campaigns, fairs and meetings
Competitors	-
Media	Press releases
Architects and Interior Designers	Continuous cooperation on research and development of new products

Material topics and GRI disclosures

The table below illustrates the connection between the identified material issues and their corresponding Topic-specific Disclosures.

Material Topics	GRI Topics
Own Workforce	Employment (GRI 401)
	Training & Education (GRI 404)
	Diversity and Equal opportunities (GRI 405)
	Non-discrimination (GRI 406)
	Occupational Health & Safety (GRI 403)
Business Conduct	Anti-corruption (GRI 205)
Circular Economy and Resource Use	Materials (GRI 301)
	Waste (GRI 306)
Climate Change	Energy (GRI 302)
	Emissions (GRI 305)
Workers in the Value Chain	Supplier environmental assessment (GRI 308)
	Supplier social assessment (GRI 414)
Consumers & End Users	Customer Health & Safety (GRI 416)
	Marketing & Labelling (GRI 417)
Heritage & Design culture	Non GRI

Quality Reporting Principles

Flos' Sustainability Report is drafted following the principles outlined in the GRI Standards 2021: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. The document highlights Flos' strengths, weaknesses, and potential areas for improvement. The data collection and reporting processes are designed to ensure year-over-year comparability and to provide key stakeholders with an accurate interpretation of Flos' performance. The 2023 Sustainability Report is not subject to external assurance.

Calculation Methodologies

The methodologies and assumptions used to calculate the performance indicators included in the Report are detailed below:

- Data related to injuries pertains to Flos’ employees and contractors. Commuting injuries, where transportation was not organized by Flos, and first-aid cases are not included;
- Energy consumption from the fleet has been calculated based on the following available data: Flos' and Flos GmbH car fleet (kilometres covered), Ares, Antares, Bespoke, Flos Belux, Flos France, Flos BV and Flos Scandi's fleet (fuel consumption);
- Hiring and turnover rates have been calculated using the total number of employees at the beginning of the reporting period as denominator;
- The rate of recordable work-related injuries was calculated as the total number of injuries multiplied by 200,000 and divided by the overall number of hours worked in the reporting period.

The table below presents the conversion factors utilized for energy consumption calculations and distance estimates:

Typology	U.M.	Source
Average car fuel consumption	l fuel/100 km	UK Department for Transport, Fuel Consumption 2020
Fuel density	l/t	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2021, 2022, 2023
LCV (Lower Calorific Value)	GJ/t	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2021, 2022, 2023

All greenhouse gas emissions calculations have been conducted in accordance with the principles outlined in the GHG Protocol Corporate Accounting and Reporting Standard. Scope 1 emissions have been calculated as follows:

GHG Emissions Scope 1			
Source	Activity Data	Emission Factor	GWP
Flos and Flos GmbH' car fleet	Kilometres covered	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set 2021, 2022, 2023	CO ₂ equivalent.
Ares, Antares, Bespoke, Flos Belux, Flos France, Flos BV and Flos Scandi's car fleet	Fuel consumption (gasoline and diesel)	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set 2021, 2022, 2023	CO ₂ equivalent.
Fuels for heating	Fuel consumption (natural gas)	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set 2021, 2022, 2023	CO ₂ equivalent.
Leakages from air-conditioning systems of refrigerant gases	Leakages (kg)	-	Global Warming Potentials (GWPs) are taken from IPCC Fifth Assessment Report (AR5) and sixth Assessment Report (AR6).

Regarding Scope 2 emissions stemming from electricity consumption acquired from the national grid, two calculation methods have been utilized: the location-based and the market-based approaches. The former represents the average emission intensity of grids, encompassing both renewable and non-renewable sources, while the latter reflects emissions specifically from the electricity source chosen by the Group, often through contractual arrangements. Scope 2 emissions have been calculated as follows:

GHG Emissions Scope 2			
Source	Activity Data	Emission Factor	GWP
Electricity purchased from the national grid (location-based approach)	Electricity consumption	Terna international comparisons on Energy data figures, 2019 European Environment Agency, Scope 2 Emission Factors, 2022	CO ₂

Electricity purchased from the national grid (market-based approach)	Electricity consumption	AIB, European Residual Mixes, 2022	CO ₂ equivalent.
		Terna international comparisons on Energy data figures, 2019	
		USA - Green-e Energy Residual Mix Emissions Rates, 2022	
District-heating purchased from the waste-to-energy plant	Heat consumption	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2021, 2022, 2023	CO ₂ equivalent.

In 2023, Scope 3 emissions for Flos encompass a range of categories selected based on relevance criteria. Last year, Flos expanded its Scope 3 monitoring and reporting by incorporating new emission Categories to enhance its comprehension of operations throughout the value chain. These additions specifically target downstream transportation, product usage, and end-of-life treatment. With these enhancements, Flos has effectively identified and monitored all pertinent Scope 3 emissions, aligning with the GHG Protocol Corporate Accounting and Reporting Standard. The table below outlines the description of all emission categories falling within Scope 3 for the 2023 GHG Inventory.

Reported GHG Scope 3 emissions categories ²	Description
1 - Purchased goods and services	Upstream emissions from the production of products (raw materials, semi-finished and finished products) and services purchased or acquired.
2 - Capital Goods	Upstream emissions from the production of capital goods purchased or acquired.
3 - Fuel and energy-related activities	Emissions related to the production of fuels and energy purchased and consumed.
	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.
4 - Upstream transportation	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, as well as Well-to-Wheel logistic-related emissions.
5 - Waste generated in operations	Emissions from third-party disposal and treatment of waste generated by Flos' owned or controlled operations.
6 - Business travel	Emissions from the transportation of employees for business-related activities and Well-to-Wheel business travel emissions.
7 – Commuting	Emissions from the transportation of employees between their homes and their worksites, as well as Well-to-Wheel commuting-related emissions.
9 – Downstream Transportation	Emissions from transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting company, as well as Well-to-Wheel logistic-related emissions.
11 – Use of sold products	Emissions from the use of goods and services sold by the reporting company in the reporting year.
12 – End-of-life treatment of sold products	Emissions from the waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life. This category includes the total expected end-of-life emissions from all products sold in the reporting year.

² The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard – Revised edition.

The calculations were based on the following assumptions:

Cat. 1 – Purchased goods and services: part of the weights of the materials purchased as well as service-related emissions were estimated due to lack of available data.

Cat. 4 - Upstream transportation: in cases where transportation details were unavailable, assumptions were made based on the departure and arrival points of sold products. Additionally, inbound emissions for Bespoke were estimated due to a lack of available data.

Cat. 11 – Use of sold products: part of the emissions have been estimated due to lack of available data on the destination country of sold products and average consumption.

Cat. 12 - End-of-life treatment of sold products: a portion of the emissions was calculated using the total quantity of materials purchased for the year, under the assumption that the total input quantity of materials equals the output quantity. Data on materials were then redistributed based on products sold by geography.

For further information about the categories analysed within Scope 3, please refer to the “Energy and GHG emissions” paragraph in Chapter I – Energy and Materials.

Scope 3 emissions were calculated as follows:

GHG emissions – Scope 3			
Source	Activity Data	Emission Factor	GWP
Materials and services procured (Cat.1)	Weight of raw, process and packaging materials, and finished products procured; cost of services purchased	EcolInvent, v.3.10 APOS (2023) UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set 2021, 2022, 2023	CO ₂ equivalent.
	Cost of purchased raw, processed and packaging materials	UK Department for Environment, Food & Rural Affairs (DEFRA), Table 13 – Indirect emissions from the supply chain	CO2 equivalent.

Capital goods (Cat. 2)	Purchased production machinery, stamps, and tools	UK Department for Environment, Food & Rural Affairs (DEFRA), Table 13 – Indirect emissions from the supply chain	CO ₂ equivalent.
Fuel and energy related activities (Cat. 3)	Fuel and electricity consumption	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set 2021, 2022, 2023	CO ₂ equivalent.
Upstream logistics (Cat. 4)	Kilometers covered by airplane, truck, ship or rail and kilometers covered by airplane, truck or ship multiplied by shipped weight	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set 2021, 2022, 2023	CO ₂ equivalent.
Waste disposal (Cat. 5)	Weight of waste disposed	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set 2021, 2022, 2023 EcolInvent, v. 3.10 APOS (2023)	CO ₂ equivalent.
Business travel by air, train, ship and car (Cat. 6)	Kilometers travelled by car, train or air	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set 2021, 2022, 2023 Ferrovie dello Stato Italiane, “Rapporto di Sostenibilità 2022”	CO ₂ equivalent.
Employee commuting (Cat. 7)	Kilometers travelled	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set 2021, 2022, 2023 Ferrovie dello Stato Italiane, “Rapporto di Sostenibilità 2022”	CO ₂ equivalent.
Downstream logistics (Cat. 9)	Kilometers covered by airplane, truck or ship and kilometers covered by airplane, truck, ship or rail multiplied by shipped weight	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set 2021, 2022, 2023	CO ₂ equivalent.
Energy consumed directly by sold products (Cat. 11)	Electricity consumed directly by the products sold during their entire lifetime	Terna international comparisons on Energy data figures, 2019	Only CO2.
Waste disposal of sold products (Cat. 12)	Weight of products and packaging sold in the reporting year	EcolInvent, v. 3.10 APOS (2023) UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set 2021, 2022, 2023	CO ₂ equivalent.

GRI Content Index

Statement of use	Flos S.p.A. has reported the information cited in this GRI content index for the period 01.01.2023 – 31.12.2023 with reference to the GRI Standards.
GRI1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

Material Topic	Disclosure	Section	Notes
General Disclosures			
GRI2: General Disclosures 2021	2-1 Organization Details	Structure and global presence	
	2-2 Entities included in the organization's sustainability reporting	Structure and global presence Reporting principles and Criteria	
	2-3 Reporting period, frequency and contact point	Reporting Principles and Criteria	
	2-4 Restatements of information	-	Restatements and related reasons for restatements are clearly identifiable within the text.
	2-5 External assurance	Reporting Principles and Criteria	
	2-6 Activities, value chain and other business relationships	Structure and global Presence Supplier selection and management	
	2-7 Employees	Structure and global presence Employees as the essence of Brand success	
	2-8 Workers who are not employees	Employees as the essence of Brand success	
	2-22 Statement of sustainable development strategy	A message to our stakeholders	
	2-27 Compliance with laws and regulations	-	During the reporting period, no cases of non-compliance with laws and regulations have been detected ¹ .
	2-28 Membership associations	Balancing languages of light and environmental challenges	
	2-29 Approach to stakeholder engagement	Reporting Principles and Criteria	
	2-30 Collective bargaining agreements	Employees as the essence of Brand success	

¹ FLOS S.p.a received a notice of sanction from the Chamber of Commerce of Rovigo on 11/08/2023, for which an opposition was filed, with a subsequent Hearing with the Chamber of Commerce of Brescia carried out on 16/02/24 during which the reasons for the request for annulment by Flos S.p.A. were illustrated. A final decision on the matter is pending.

Material Topics	Disclosure	Section	Notes
GRI 3: Material Topics 2021	3-1 Process to determine material topics	-	For more information, please consult Flos B&B Italia Group's 2023 Sustainability Report, publicly available on its websites.
	3-2 List of material topics	Reporting Principles and Criteria	
Anti-Corruption			
GRI 3: Material topics 2021	3-3 Management of material topics	Reporting Principles and Criteria	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	-	During the reporting period, no cases of corruption have been detected.
Materials			
GRI 3: Material topics 2021	3-3 Management of material topics	Monitoring and optimising resource consumptions	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Monitoring and optimising resource consumptions	
Energy			
GRI 3: Material topics 2021	3-3 Management of material topics	Energy and GHG emissions	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and GHG emissions	
Emissions			
GRI 3: Material topics 2021	3-3 Management of material topics	Energy and GHG emissions	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy and GHG emissions Reporting Principles and Criteria	
	305-2 Energy indirect (Scope 2) GHG emissions	Energy and GHG emissions Reporting Principles and Criteria	
	305-3 Other indirect (Scope 3) GHG emissions	Energy and GHG emissions Reporting Principles and Criteria	
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	Monitoring and optimising resource consumptions	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Monitoring and optimising resource consumptions	
	306-3 Management of significant waste-related impacts	Monitoring and optimising resource consumptions	
	306-3 Waste generated	Monitoring and optimising resource consumptions	

Material Topics	Disclosure	Section	Notes
Supplier environmental assessment			
GRI 3: Material topics 2021	3-3 Management of material topics	Supplier selection and management	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supplier selection and management	Currently, there are no structured processes and/or procedures to screen suppliers according to environmental criteria.
	308-2 Negative environmental impacts in the supply chain and actions taken	Supplier selection and management	No suppliers were assessed for environmental impacts.
Employment			
GRI 3: Material topics 2021	3-3 Management of material topics	Employees as the essence of Brand success	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employees as the essence of Brand success	
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	An inclusive and safe working environment	
	403-1 Occupational Health and safety management system	An inclusive and safe working environment	
	403-2 Hazard identification, risk assessment, and incident investigation	An inclusive and safe working environment	
	403-3 Occupational health services	An inclusive and safe working environment	
	403-4 Worker participation, consultation, and communication on occupational health and safety	An inclusive and safe working environment	
	403-5 Worker training on occupational health and safety	An inclusive and safe working environment	
	403-6 Promotion of worker health	An inclusive and safe working environment	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	An inclusive and safe working environment	
	403-9 Work-related injuries	An inclusive and safe working environment	
Training and Education			
GRI 3: Material topics 2021	3-3 Management of material topics	Training for personal and professional improvement	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training for personal and professional improvement Appendix	

Material Topics	Disclosure	Section	Notes
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Employees as the essence of Brand success	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employees as the essence of Brand success	
Non-discrimination			
GRI 3: Material topics 2021	3-3 Management of material topics	Employees as the essence of Brand success	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	-	During the reporting period, no episodes of discrimination have emerged.
Supplier Social Assessment			
GRI 3: Material topics 2021	3-3 Management of material topics	Supplier selection and management	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supplier selection and management	There currently are no structured processes and/or procedures to screen suppliers according to social criteria.
	414-2 Negative social impacts in the supply chain and actions taken	Supplier selection and management	No suppliers were assessed for social impacts.
Customer Health and Safety			
GRI 3: Material topics 2021	3-3 Management of material topics	Product development The relationship with our clients	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	During the reporting period, no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services have emerged.
Marketing and Labelling			
GRI 3: Material topics 2021	3-3 Management of material topics	Product development Client relationship	
GRI 417: Marketing and Labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labelling	-	During the reporting period, no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling have emerged.

For further information about this Sustainability report please contact
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