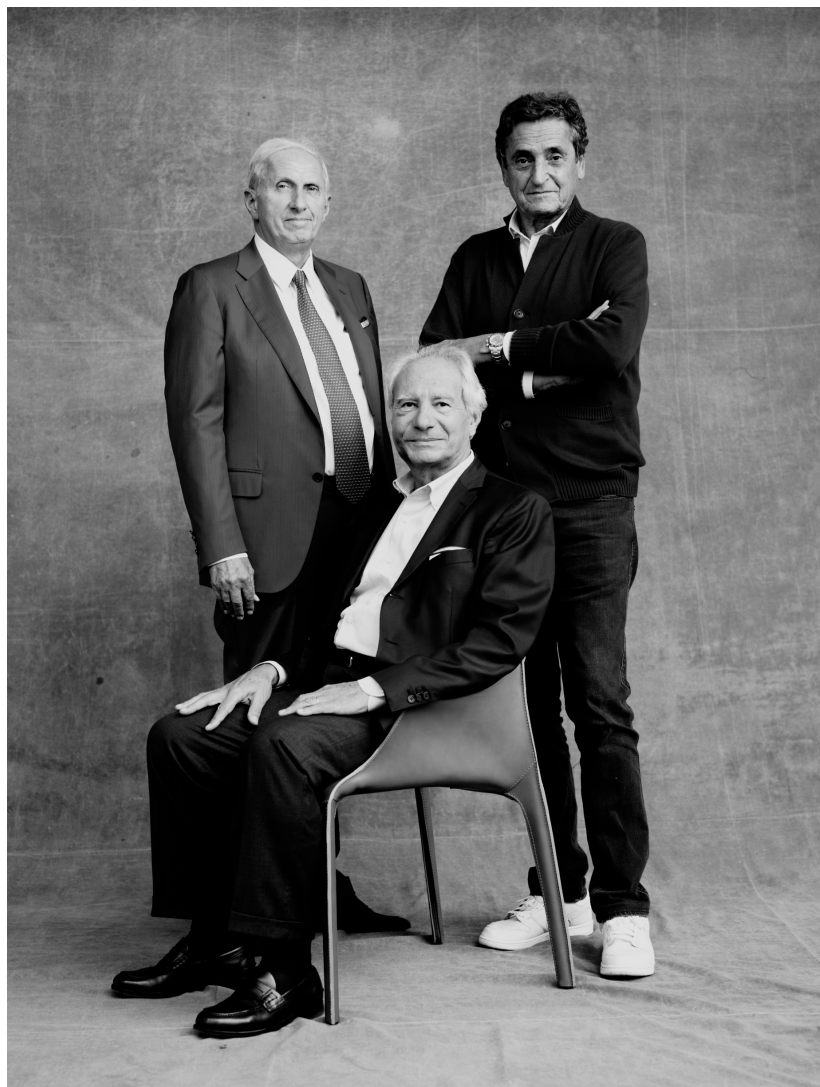


SUSTAINABILITY REPORT 2022

Poliform



Poliform



Dear stakeholders,

we are experiencing a season of great changes at global level. In 2022, specifically, we had to deal with some issues connected with energy and the cost of raw materials with a level of urgency.

We are facing a turning point which gives us the opportunity to accelerate the transition towards a cleaner and safer energy system, and, in doing so, adjusting our industrial and economic goals to match climate and social goals. We have been committed to tackling energy challenges from a sustainable perspective for about ten years: in 2022, the photovoltaic systems installed on four of our company sites produced approximately 702.600 kWh of electricity, preventing the emission into the atmosphere of 173 tons CO₂ equivalent.

Another cornerstone of our sustainability plan is represented by circular economy. This year we reaffirmed our commitment to maximizing waste recovery (with 94% waste directed to the recovery of material or production of energy), favoring, whenever possible, solutions for internal reclamation (in 2022, approximately 2.000 tons of scrap wood were reclaimed to produce thermal energy for the company).

We put our employees first. We keep on being committed to a culture of listening: putting employees' needs first is imperative for the company. We interpret the different needs of individuals and the community with a series of initiatives aimed at improving the standard of living inside and outside the company. We consider solidarity to be a fundamental value, accomplished by supporting important projects aimed at helping more vulnerable categories, together with local associations and nonprofit organizations.

Lastly, from an economic point of view, the continuous expansion on international markets confirmed our growth trend, generating a sales turnover of 235 million Euros in 2022, an increase of 15% compared to the previous year and of 45% compared to 2020.

These are just some of the goals we achieved in 2022: there are many more, and many more will be added. In our long history, we have faced every change with courage and determination, always aiming at continuous improvement, without ever forgetting our roots, our culture, and our community.

Enjoy the reading,

Alberto Spinelli, Aldo Spinelli e Giovanni Anzani

Poliform SPA Managing Directors

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Our commitment for Sustainability

HUMAN COMPANY

An industrial excellence, whose true value are its people, a work ethos seen as social value and the protection of the territory. The dedicated consideration for people, as single individuals and as a community, is what drives Poliform to meet various needs and requirements, managing a series of initiatives aimed at improving the standards of life inside and outside the company.

CIRCULAR ECONOMY

Circular economy is a fundamental element of the sustainable economic model promoted by Poliform. Our design process is based on the efficient use of resources and materials, reducing the environmental impact linked to production, and , above all, contributing to the reduction of generated waste, focusing on the durability, the possibility to repair, update and recycle our products.

MADE IN ITALY

All Poliform products are manufactured in Italy, thus guaranteeing the careful and accurate monitoring of all production stages. The components and raw material are selected and procured from the best suppliers in the area.

Material topics and scale of impacts

At Poliform we are committed to operating responsibly in every aspect of the business. We stay true to our values and family roots, and to the same extent we feel a responsibility towards our employees, suppliers, customers, and the community in which we operate.

This is why we are increasingly committed to pursue the 17 UN Sustainable Development Goals, as an international framework used to address the challenges brought about by our Country and the social and cultural context in which we operate.

After analyzing our impacts, we identified our 5 top priorities:



Good health and wellbeing



Affordable and clean energy



Decent work and economic growth



Reduced inequalities



Responsible consumption and production

The stakeholder engagement and stakeholder analysis (for further information please refer to the methodology note) have allowed Poliform to identify the material topics and develop an analysis of their impacts, considering the 17 AGDs of the 2030 Agenda.

Follows a list of the topics which were deemed relevant after the interviews with the stakeholders and the exchange with Corporate Management in relation to the Material aspects according to the GRI Standards.

The analysis of the impacts connected to the material topics was conducted taking into consideration the three ESG scopes, defining the management methods and the associated priority. Said priority was assigned based on the repercussions that the material topic has from an environmental, social and economic (governance) point of view.

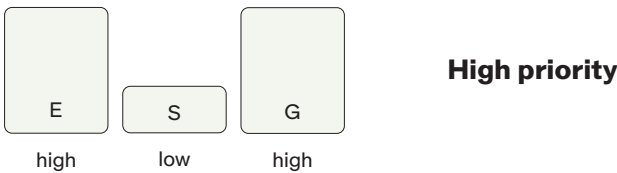


Energy management

Management method:

- ISO 14001 certification
- 8,2% of company energy requirements is self-produced from renewable sources
- 50% of company energy requirements comes from renewable sources (self-produced or purchased)
- photovoltaic plants
- progressive elimination of diesel for heating purposes

ESG Impact

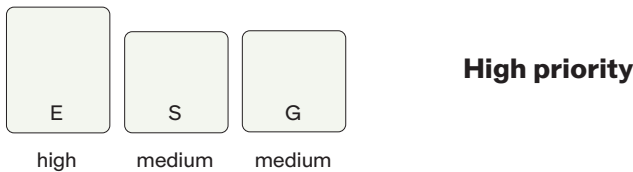


Responsible procurement of raw materials

Management method:

- 97% Italian suppliers
- 87% suppliers from Lombardy
- FSC certification
- ISO 9001 certification (Contract division)
- procurement monitoring system

ESG Impact

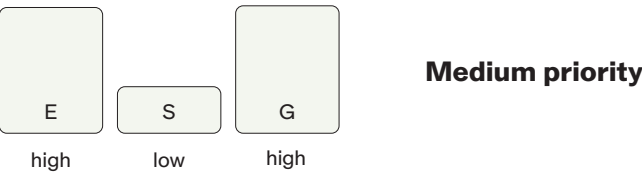


Circular economy

Management method:

- wood dust reclamation plant
- more than 90% of waste destined to reclamation
- reclamation of materials - distillation of solvents
- 100% cardboard packaging

ESG Impact

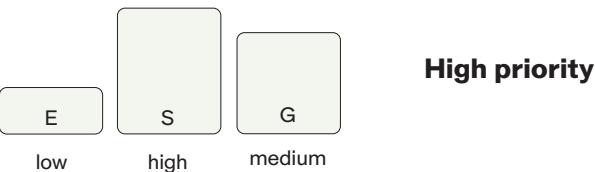


Occupational health and safety

Management method:

- more than 2000 hour/year occupational health and safety training
- monitoring of accidents ratio and corrective measures
- in-company Head of Prevention and Protection Service
- appointed Health and Safety Workers' Representatives

ESG Impact



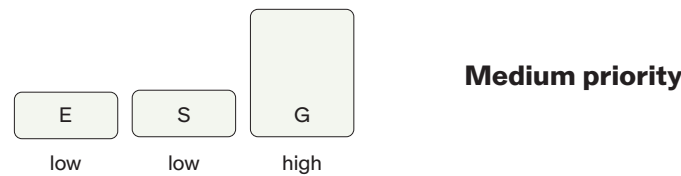


Product quality and innovation

Management method:

- 3 internal artisanal labs
- 30 people employed in R&D
- internal quality control in every production division
- ISO 9001 for the Contract sector
- compliance with EU standards on labelling and claim

ESG Impact



Efficient logistics and distribution

Management method:

- made to order system
- dedicated internal resources

ESG Impact

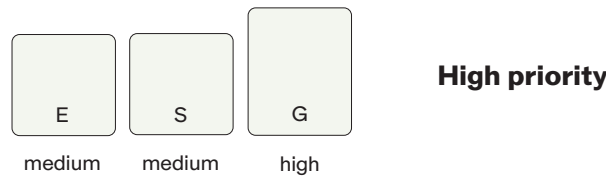


Economic performance

Management method:

- high Governance involvement in managing company sustainability
- corporate policy
- charter of values

ESG Impact

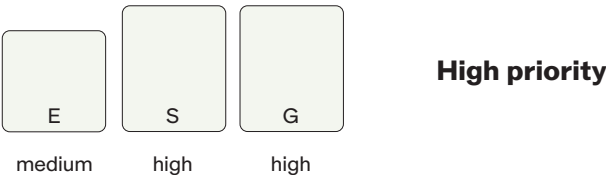


Projects to support local communities

Management method:

- sponsorships and donations
- charitable contributions
- corporate rates with local businesses

ESG Impact





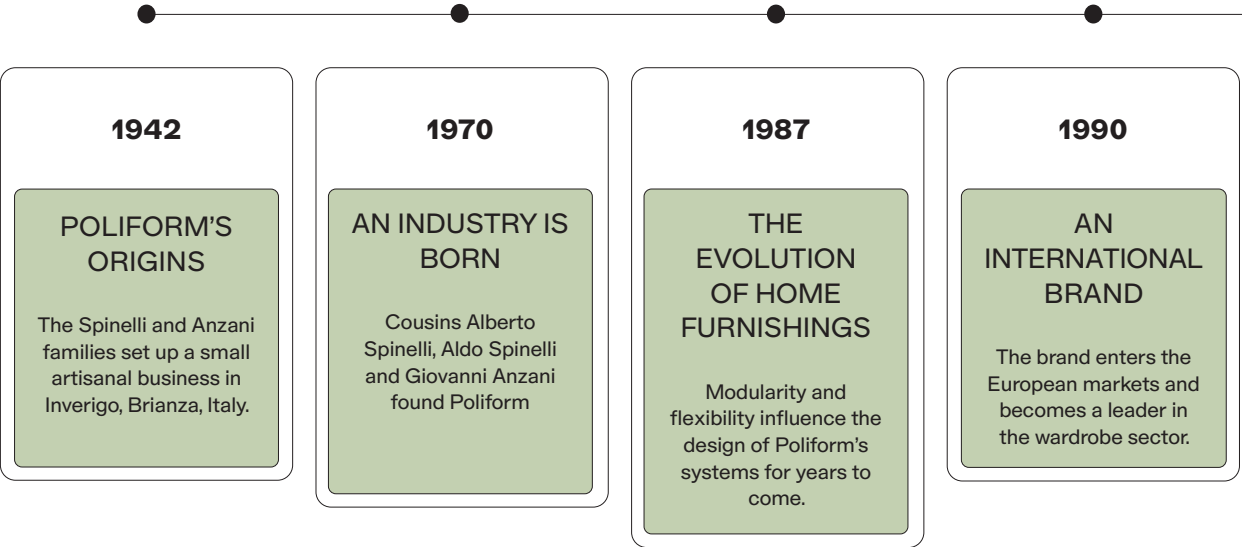
THE COMPANY

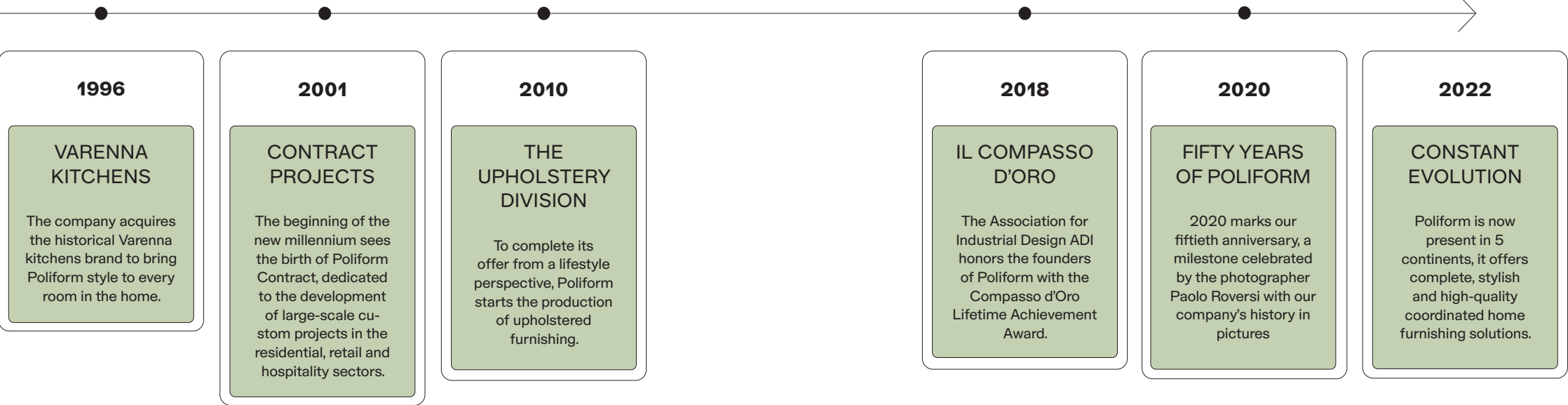
A global institution, between design and lifestyle

Poliform was established in 1970 as the evolution of an artisanal business founded in 1942. The company showed a strong industrial connotation from the start, wanting to take advantage of assembly and engineered production lines and meet the transformation of an ever-increasing global market.

Connection with innovation has always been Poliform's distinctive mark, an in-depth talent in understanding the needs and tastes of a heterogeneous and international public, anticipating and interpreting today's interior design trends. Poliform collections include furnishings systems and complements for every area in the home. In 1996 we acquired the historical Varenna brand, exclusively dedicated to the production of kitchens, which was officially rebranded Poliform in 2018, to show the willingness to represent a single and coherent corporate identity. The Contract division was established in the first years of the new millennium: Poliform is now one of the leading brands in the sector of large contract supplies.

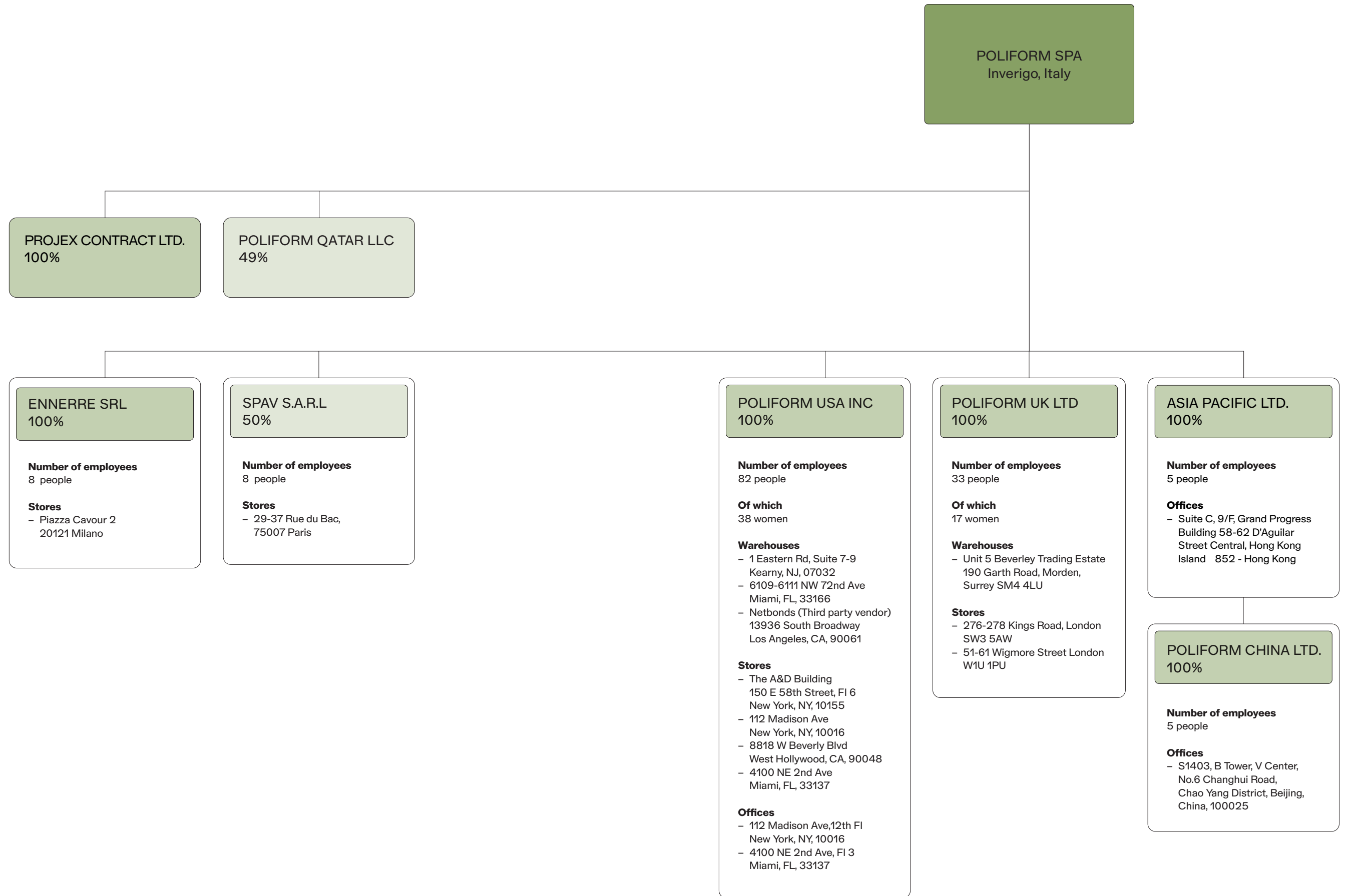
Our history





The company

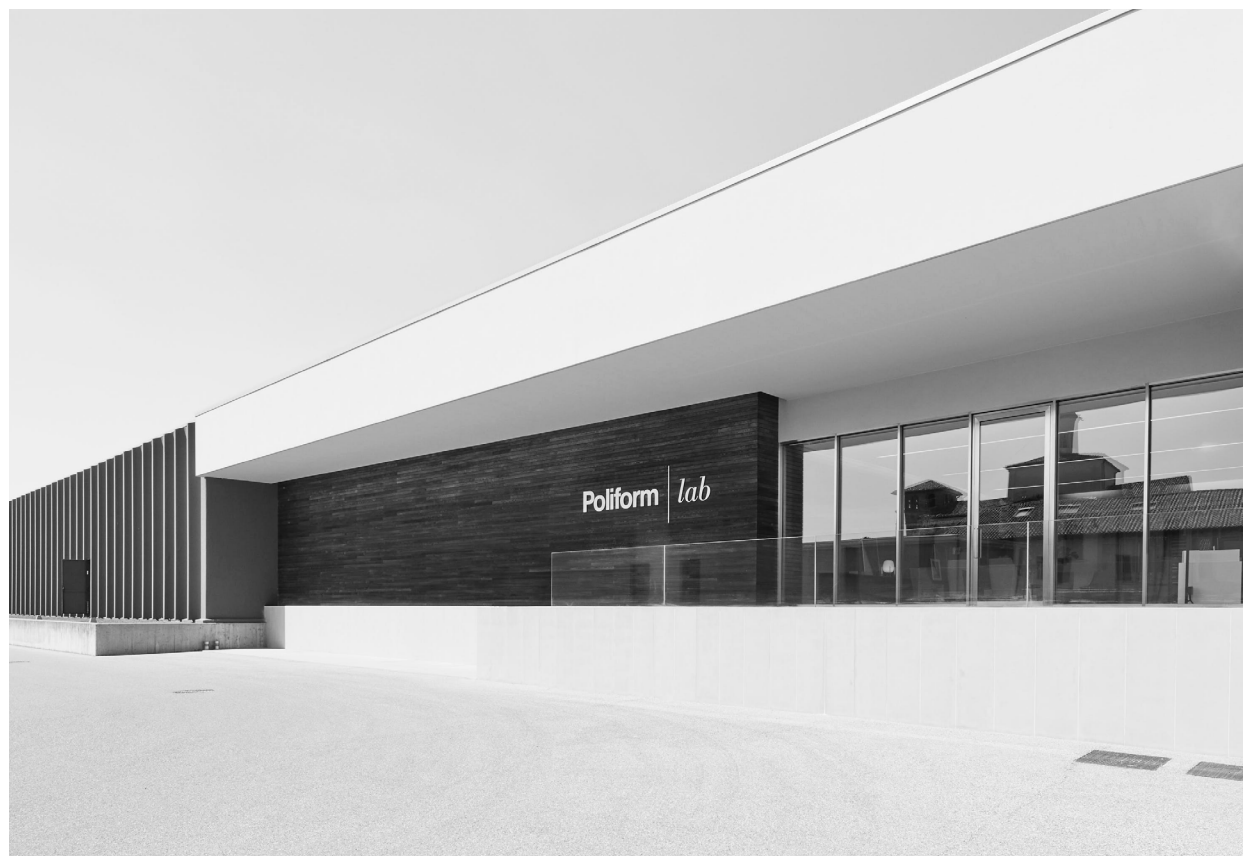
The key player of a growing development, from the need to better meet market requirements, Poliform started a gradual process of globalization but kept its headquarters in the northern Italian Brianza district, preserving its tradition and values. Today Poliform controls an international corporate asset consisting of 8 companies.



Locations



The carefully designed Poliform production units are located close to each other, and include the headquarters, corporate showrooms and areas dedicated to production, for a total covered area of more than 121.000 square meters.



POLIFORM LAB A WINDOW ON POLIFORM CREATIVITY

Poliform Lab was developed as a unit dedicated to communication, with the aim to shorten the distances between the company and its customers. Training, workshops, publications, collections, and archives are integrated in a physical location which becomes an observatory on trends, a laboratory of ideas, and the company showroom. Poliform Lab Experience, born in 2020 from the Lab experience, is the tool that translates the showroom contents into digital format.

POLIFORM CAFÉ

An exclusive restaurant café, connected to local traditions, which offers typical, in-season and local products: this is the concept behind Poliform Café. Located inside the Poliform Lab, Poliform Café was born to welcome local and international customers and designers, to share local culinary traditions and experiences.



POLIFORM LAB Inverigo Santa Maria

Various professional skills, from marketing to photography, from visual to web technologies and design, are concentrated in the creative lab dedicated to communication. The total surface covers 12.000 sq.m. and employs 40 people.



POLIFORM HEADQUARTERS FACTORY 1
Inverigo

Executive, sales, administration, financial and technical offices. The headquarters also house the manufacturing facility dedicated to the production of day systems. The headquarters occupy an area of 17.000 sq.m. and employ approximately 160 people.



POLIFORM FACTORY 2
Arosio

The unit houses the production facility for night systems and Poliform day and night components. It occupies an area of 35.000 sq.m. and employs 130 people.



POLIFORM SOFAS FACTORY 3
Anzano del Parco

Inaugurated in 2020, it is entirely dedicated to the production of sofas and upholstered furniture. It occupies an area of 17.000 sq.m. and employs 100 people.

POLIFORM KITCHENS HEADQUARTERS FACTORY 4
Lurago d'Erba

The facility located in Lurago d'Erba is the headquarters of Poliform kitchens division. It occupies an area of 30.000 sq.m. and employs 150 people.



POLIFORM FACTORY 5
Mirovano

Part of the production of components for day and night area furnishing is done in the Mirovano facility. It occupies a surface of 9.000 sq.m. and employs 50 people.



POLIFORM CONTRACT
Inverigo Santa Maria

The Poliform Contract division, designed to develop large projects, has its operative headquarters in Inverigo. Contract represents a parallel and complementary activity for Poliform, and is the sole reference for contractors, supplying turn-key solutions and contributing to each stage of the project. The total surface covers an area of 1.000 sq.m. and employs 20 people.

Poliform Contract

Poliform Contract develops project with the leading architecture and interior design firms in Europe, the Americas and Asia, dealing with different markets, contexts, aesthetic choices, and performances.

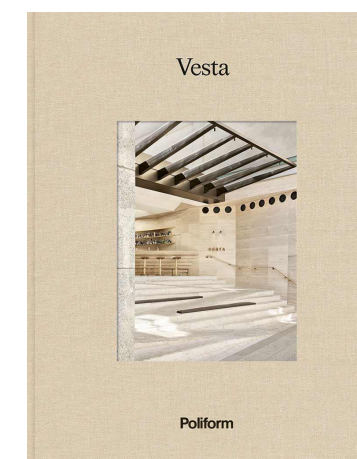
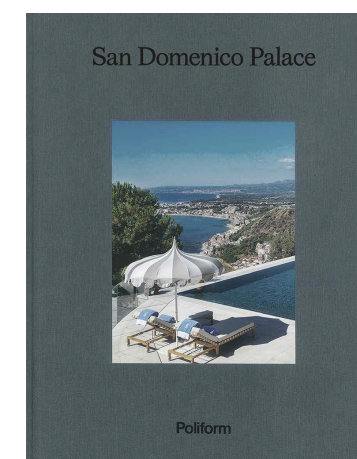
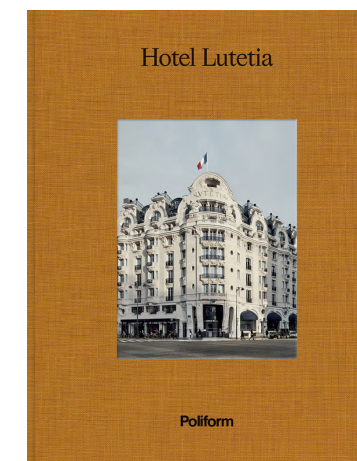
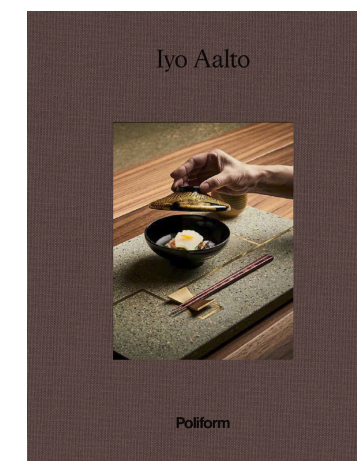
A team of approximately 30 people is in charge of meticulously monitoring every stage in the project, from feasibility studies to turn-key deliveries. These creative and production resources are also entrusted with improving the company technological know-how to ensure that Poliform can tackle increasingly diverse aesthetic and functional requirements: the Contract division is, in fact, able to manage small-medium supplies as well as large housing complexes, addressing each single case with customized solutions.

A specialized construction team, which coordinates all the resources involved in the production stage, oversees each work in progress.

With the adoption of ISO 9001 Poliform Contract guarantees a sound structure, appraised by a third-party certifying body. The certification attests to the governance of all aspects of business and guarantees the reproducibility of outcomes working to continuously improve quality standards.

In 2019 Poliform launched an editorial project dedicated to the most noteworthy achievements of the Contract division.

The books illustrate Poliform's expertise through images and the dialog with architects and interior designers. Six volumes have been published so far: Mar Adentro, Casa Mi, Hotel Lutetia, Iyo Aalto, Vesta and San Domenico Palace.



Market presence

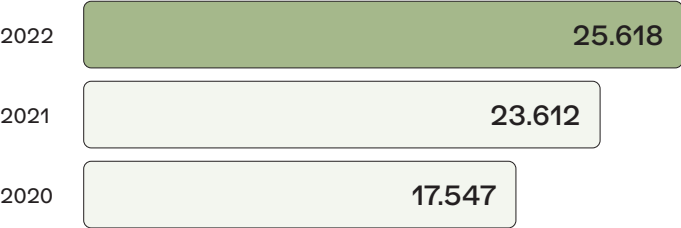
With its global presence, Poliform has developed an international network that spans from Italy to the rest of Europe, from the USA to Brazil, from the Middle East to Southeast Asia; it is present in 90 countries around the world with 400 authorized dealers, which include 180 single-brand stores.



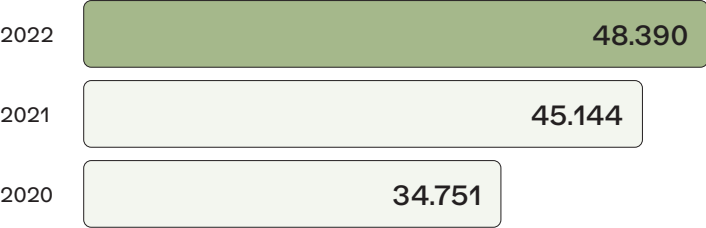
Five macro production categories have been identified to classify our products.

Poliform growth trend is shown by the increase in the number of pieces sold in almost all production categories compared to 2021.

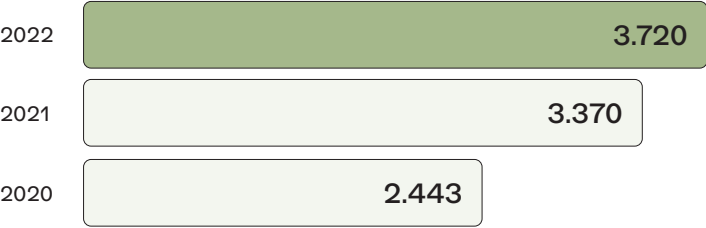
SOFAS AND ARMCHAIRS
Armchairs, Sofas, Seats and Modular elements



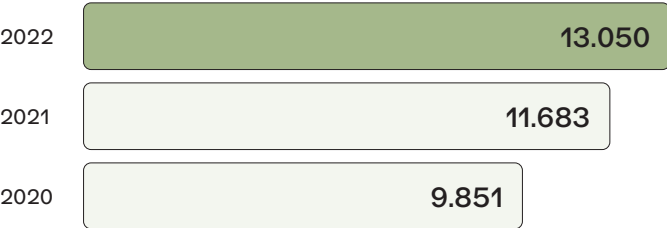
COMPLEMENTS
Sideboards, Tables, Chairs, Beds, Chest of drawers and Night Tables, Poufs, Coffee Tables, Carpets



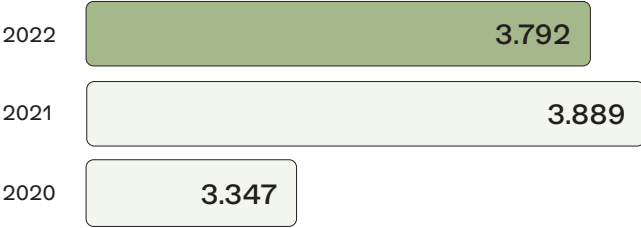
DAY SYSTEMS
Systems, Bookcases



NIGHT SYSTEMS
Wardrobes, Walk-in closets, Lexington, Senzafine Drawer Unit, Set Up Drawer Unit



KITCHENS





THE PEOPLE

A human company

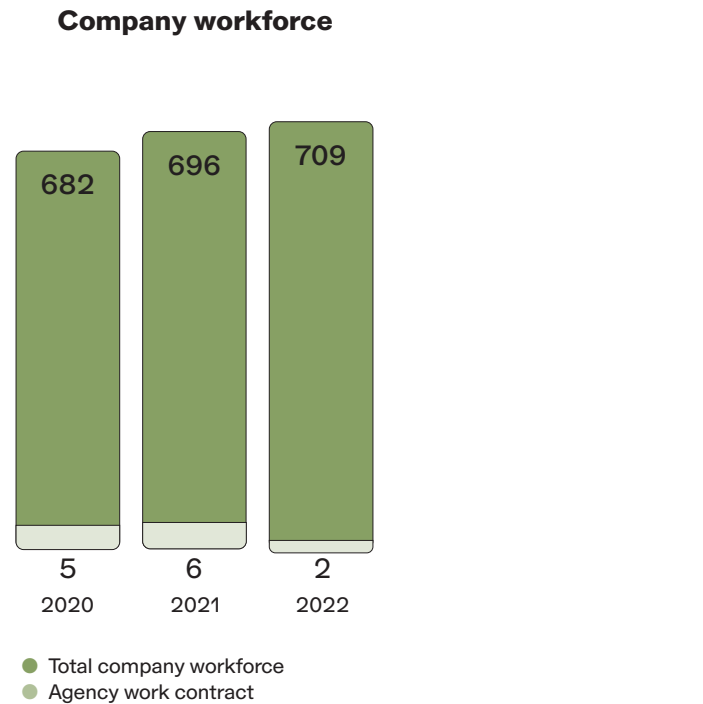
An industrial excellence, whose true value are its people, a work ethos seen as social value and the protection of the territory.

The dedicated consideration for people, as single individuals and as a community, is what drives Poliform to meet various needs and requirements, managing a series of initiatives aimed at improving the standards of life inside and outside the company.

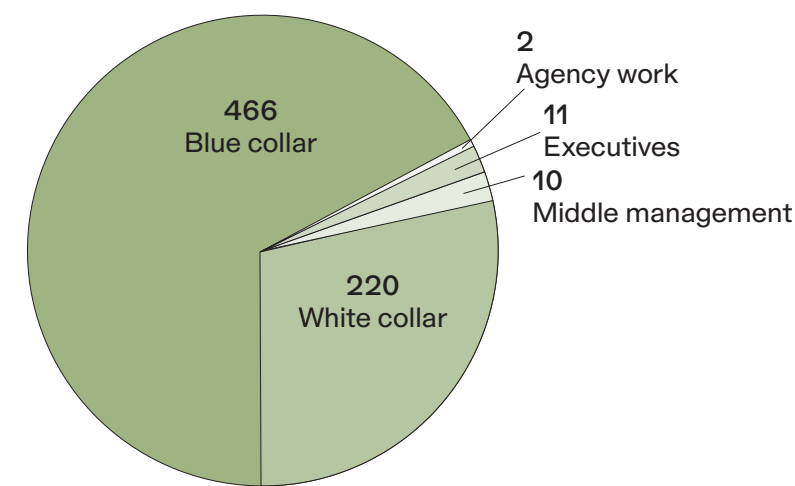
Company workforce

Poliform has been growing steadily since its establishment both in term of sales turnover and personnel.

Company workforce consists of 709 people (707 directly employed by the company and 2 under agency work contracts) the highest number since its foundation.

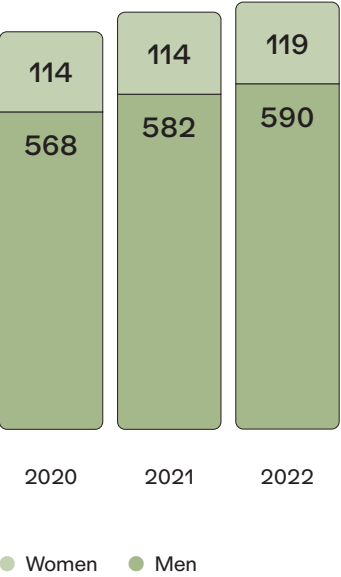


Company workforce according to contractual framework in 2022

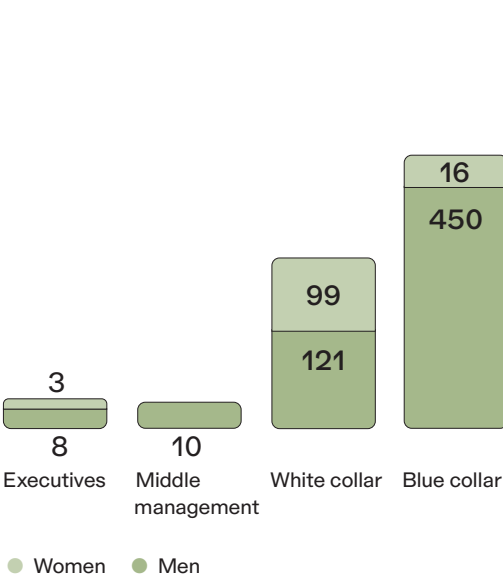


Throughout the years data shows that the composition of workforce is rather stable for what concern gender percentages. There are 119 women in the company, which translates in approximately 17% of total workforce. The presence of women is predominant in clerical jobs, where it reaches 83% of the total number of women employed, and 45% on the total number of employees. The number of male employees is predominant (97%) in the activities connected with production.

Company workforce by gender

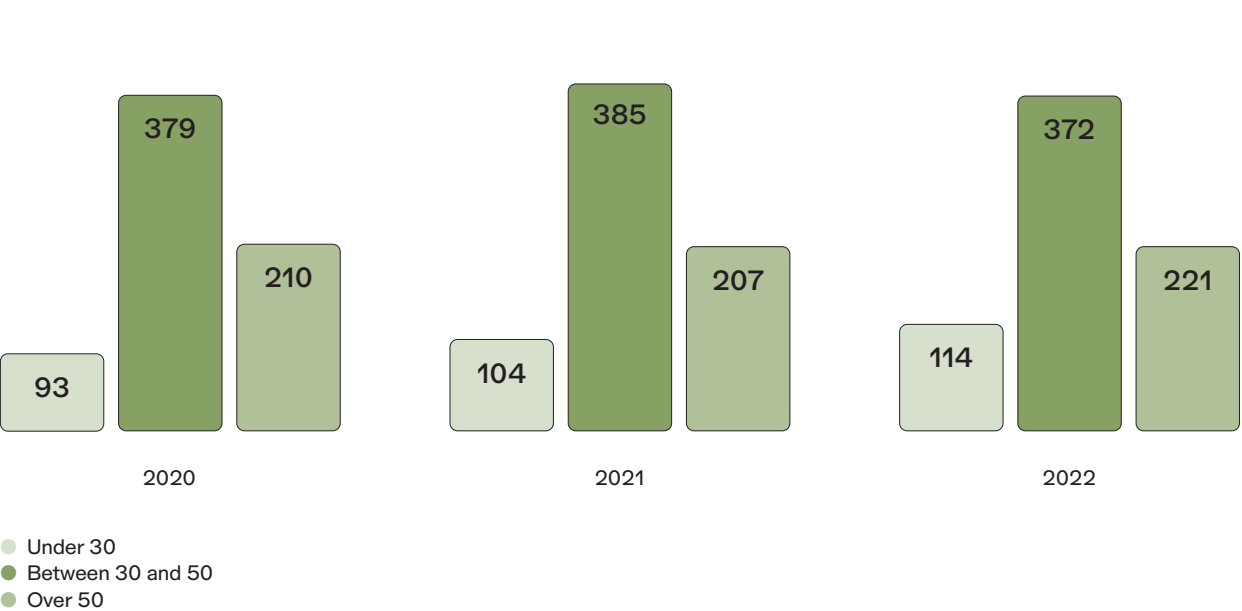


Framework by gender in the year 2022



Approximately 52% of the company workforce is in the 30-50 age group, even though there has been as steady increase in personnel under the age of 30 in the three-year period being reported. It is to be noted that most of the work done in Poliform requires specific experience and different technical skills.

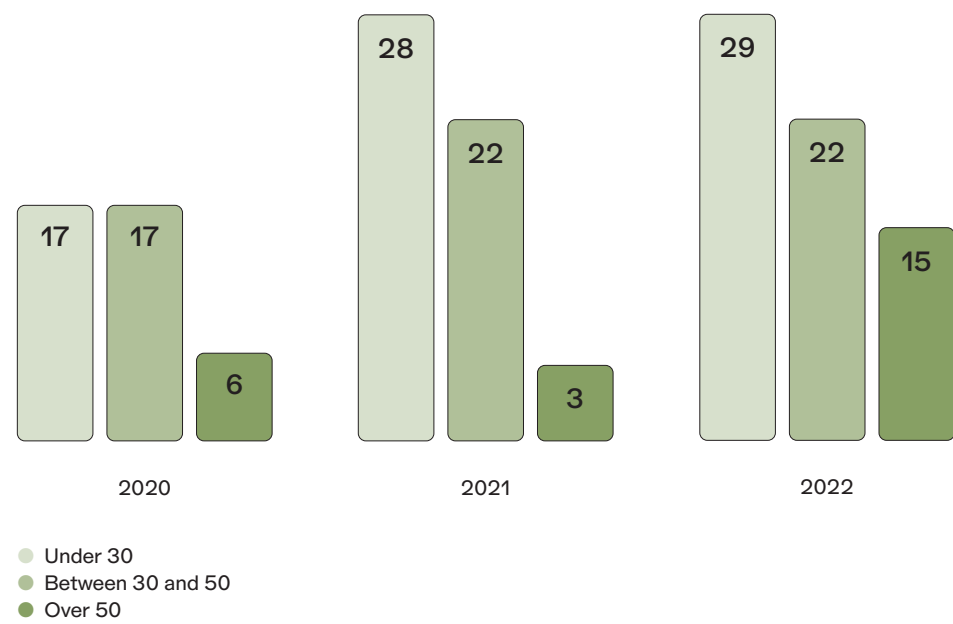
Company workforce by age group



709
people

The employment of young people is a strongly felt issue; since 2021 Poliform has engaged in a recruiting campaign mainly targeted at people under 30, which led to the hiring of 29 young people (approximately 44% of total hires) in 2022 out of a total of 66 new hires.

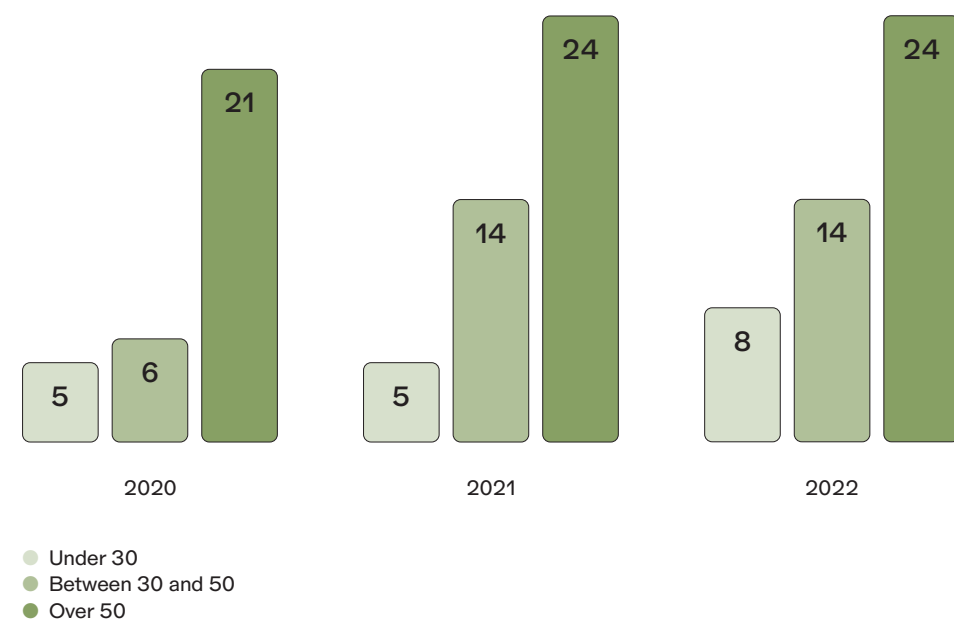
New hires by age group



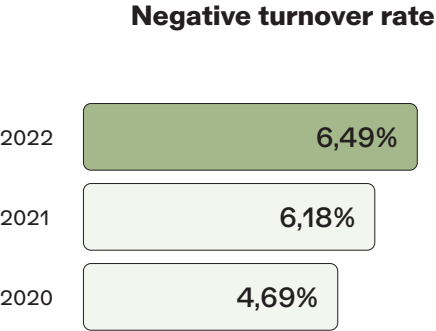
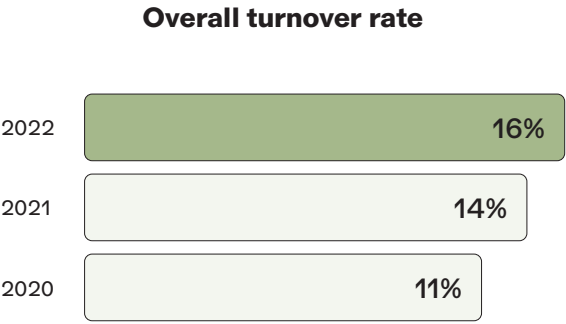
29
young people hired in 2022

In 2022 a total of 46 people left the company, 24 of which (approximately 52% of total separations) reached retirement age.

Separations by age group

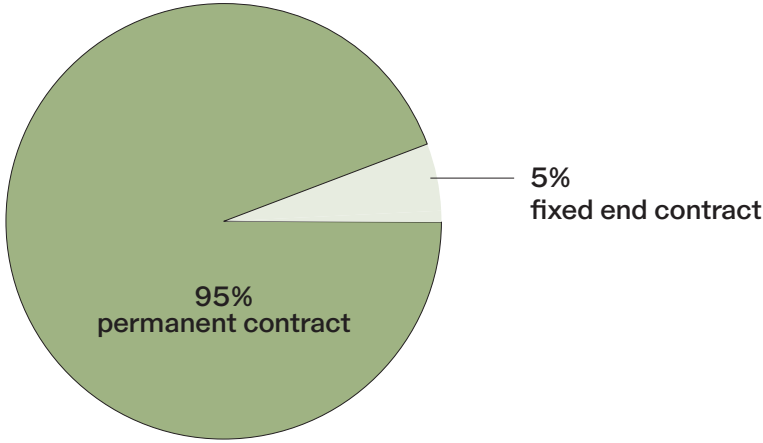


The analysis of personnel turnover confirms the stability and the positive climate inside Poliform: in a context strongly marked by the so-called job-hopping phenomenon (i.e., the increasing tendency in the current job market to frequently change jobs), Poliform's turnover tends to be stable, with a slight increase in 2022 (also due to the high number of employees who left the company because they reached retirement age).



In terms of type of contract, 95% of employees has a permanent work contract which represent a further guarantee for long-term employment and job security.

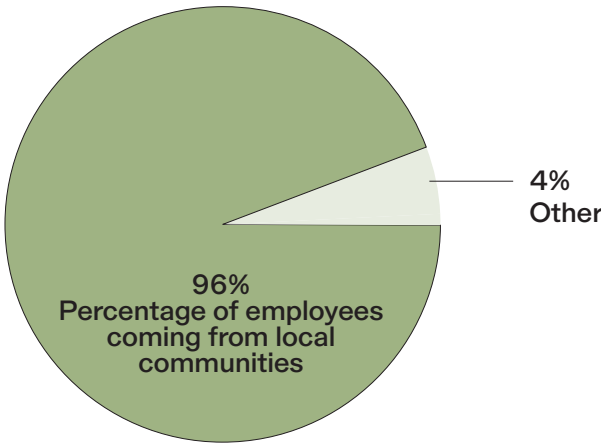
% of company workforce by type of contract in 2022



95%
Employees with permanent work contract

The creation of jobs in local communities is measured by the percentage of local employees, i.e. residents in the municipalities adjacent to Poliform's sites, on the total number of employees. The strong link with local communities is proven by the company's ability to create jobs in neighboring towns: approximately 96% of employees and 100% of senior managers come from local communities. Not many employees work part-time schedules due to the nature of work, which requires a full-time presence in the company. In 2022 four women and one man took parental leave.

Employees from local communities in 2022



96%

Percentage of employees coming from local communities

WORKING TIME FOR MOTHERS

To make life-work balance easier, Poliform offers flexible working hours for working mothers. Women who have children under the age of 8 can have a shorter lunch break and leave work half an hour earlier. Fourteen women are currently taking advantage of this option.

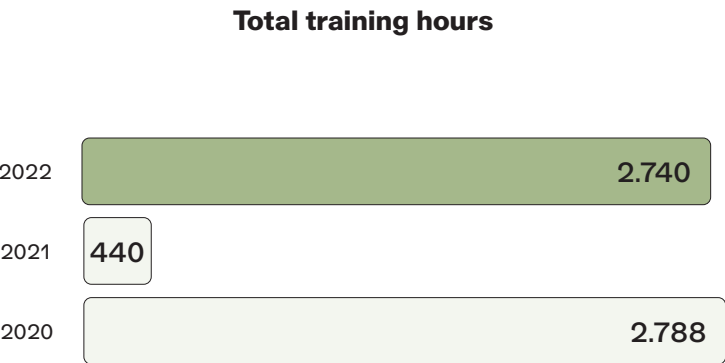
CORPORATE RATES FOR EMPLOYEES

Poliform offers its employees the possibility to take advantage of corporate rates for insurance and banking services with various local banking institutions. The services of a local accounting firm are available to employees for filing tax returns. Corporate rates are also available in local shopping centers, auto mechanics, gyms, pharmacies and physical rehabilitation centers. Every employee receives luncheon vouchers.

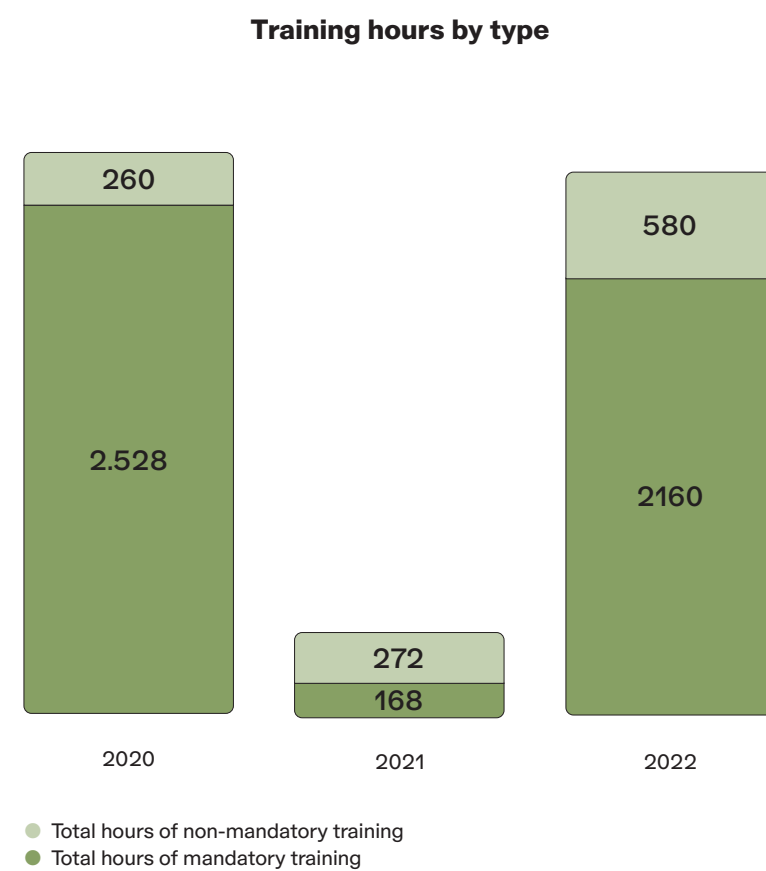
Training

In 2020 Poliform was able to start a training program focused on issues related to health and safety, involving all personnel in the company. The same topics were subject matter of training courses in 2021 and additional courses were offered in 2022 for the induction of new employees. Together with mandatory training courses, Poliform performs an annual analysis of the needs of each corporate function. The Human Resources department exchanges information with Function managers concerning their training requirements and evaluates the possibility of activating the courses. The topics are diverse: from foreign language courses to more specialized ones, according to functions (graphic design, production planning, etc.). In 2022 Poliform was able to increase the number of hours of non-mandatory training by 113% .

Training courses are subsidized, whenever possible, by corporate funds, such as FondImpresa (Italian interprofessional fund established by Confindustria) following approval by the trade unions.



+113%
hours of non-mandatory training courses



CUSTOMER TRAINING AS A COMPETITIVE ADVANTAGE

Building an internal continuing training program is one of the fundamental elements for a company's development prospects. Likewise, creating customized training programs for their external stakeholders is crucial for those companies that intend to maintain a relationship based on trust, deriving competitive advantages and tangible long-term benefits.

Poliform has therefore structured an internal department, staffed by two people, exclusively dedicated to training clients and their architects and interior designers.

The training courses, either as webinars or face-to-face sessions, are custom designed to meet the needs of the interlocutors and cover various topics, such as products, processes, software, price lists, etc.

Poliform plans to develop a portal dedicated to training which will be implemented in the near future.

Health and safety

The culture of health and safety is shared at all levels, thanks to the support of the Head of the Prevention and Protection Service (in Italian RSPP, Responsabile del Servizio di Prevenzione e Protezione) and it provides for the full involvement of the corporate organization, from company management to employees.

In compliance with regulations, the company has developed a very specific assessment of the risks connected with occupational health and safety. The risk assessment report, updated on a regular basis, examines every department and every processing stage. Said assessment made it possible to identify all the safety risks connected with work activities and the prevention and protection measures to be put into effect. It also defines continuous improvement actions based on collected data.

Fifteen work related injuries were reported in 2022, 5 of which sustained while commuting to work.
A slight increase on the total number but with a lower severity index.

Injuries, including while commuting

	2020	2021	2022
Number of injuries	7	12	15
Rate of injuries	1,20%	1,80%	2,10%
Workdays lost due to injuries	81	271	245
Severity index	0,07	0,21	0,19
Frequency index	6,34%	9,46%	11,68%
Type of injury	Contusions to feet, commuting injuries.	Wound to the hands, commuting injuries.	Commuting injuries, contusions to feet.





THE ENVIRONMENT

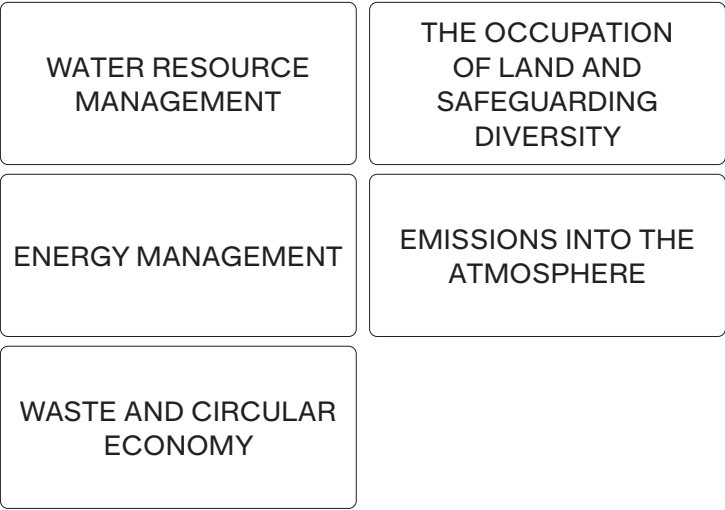
Environmental responsibility and safeguarding the territory

Poliform is aware of the role it has in the local community in which it operates and is actively committed to safeguarding the environment and the surrounding territory.

Protecting the environment is behind every choice made by the company. For years, the company has been promoting a culture of sustainability at every level, from projects shared with suppliers to communication, to customers. This proved to be a winning strategy: it permitted to efficiently apply the principles of circular economy, operating on the entire supply chain, and adopting system solutions that allow the best management of resources.

To better manage every environmental aspect connected to its activities, Poliform has adopted the UNI EN ISO 14001:2015 standard certified environment management system since 2018. The system, as well as keeping the full compliance with laws and regulations, aids the company in promoting the continuous improvement of its environmental performances and in defining risks and opportunities.

The most relevant environmental aspects and the ones on which Poliform focuses all its efforts for improvement are:



Water resource

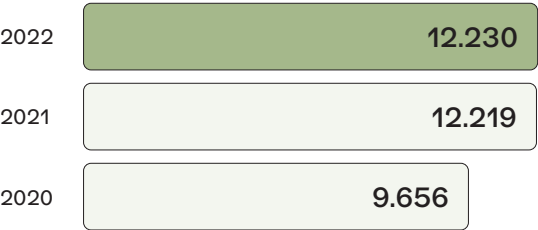
Poliform is committed to reducing its water footprint.

Most of the water consumption is for domestic purposes, and water is procured from the public water works.

Water is used in limited quantities during production and exclusively for painting processes. Spray paint booths, to be found in some of our facilities, are fitted with water recycling systems, where the same water is used for many cycles. There are no industrial effluents, any wastewater discharged from spray paint booths is handled as waste.

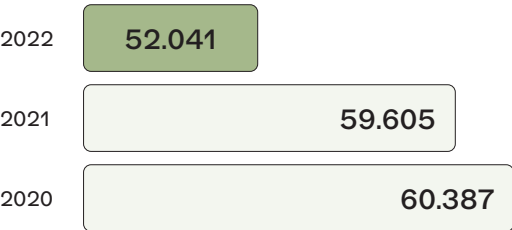
Water consumption for 2021 and 2022 did not basically change, a sign of steady return of personnel working from the company premises, following the pandemic.

Trend of water consumption (c.m.)



A decrease of water consumption equal to approximately 8 L/K€ sales turnover was recorded in the three-year reporting period.

Water consumption compared to sales turnover(L/K€)



Safeguarding the landscape

All company buildings, which stand out for their rational and rigorous architecture, were built to be carefully integrated with the surrounding landscape.

The sites are located very close to each other to optimize intra-site shipments, reducing the distances and therefore emissions into the atmosphere.

All sites also include green areas to better integrate with the surrounding landscape, promoting local thermoregulation and partially contributing to the absorption of greenhouse gas emissions produced by the company.

Poliform has seven sites located in the Brianza Legno e Arredo (wood and furnishing) district, covering an overall surface of 121.000 square meters.

Total surface of each company-owned site (sq.m.)

Site	Occupied surface (mq)
Poliform Lab Via Trento, 2 Inverigo	12.000
Poliform Headquarter Via Monte Santo, 28 Inverigo	17.000
Poliform Factory 2 Via Valassina, 4 Arosio	35.000
Poliform Sofas Factory 3 Via Cavolto, 37 Anzano del Parco	17.000
Poliform Factory 4 Via Pascoli, 143 Alzate Brianza (Mirovano)	9.000
Poliform Kitchens Headquarters Via degli Artigiani, 51 Lurago d'Erba	30.000
Poliform Contract Via Trento, 2 Inverigo	1.000

121.000
total square meters

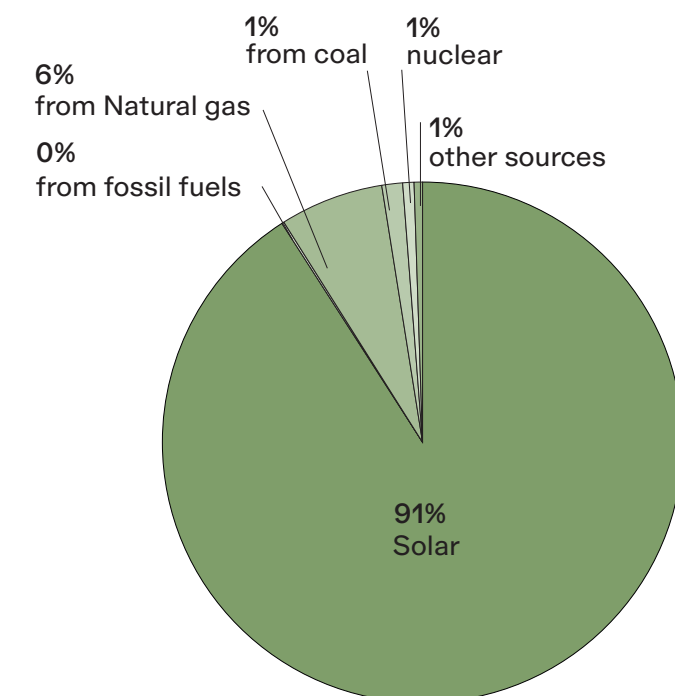
Energy management

Effective management of energy resources is crucial for Poliform since it represents the environmental aspect with the highest impact in terms of consumption.

Our production plants are exclusively powered by electricity. Poliform's production units and offices are heated using energy produced by our own combustion power plants, which burn wood scraps to produce energy.

12% of the electricity supplied by the grid in 2022 came from renewable sources. An important project aimed at reducing the impact of the consumption of electricity has been implemented starting from July 2022: the company chose to increase the quantity of electricity procured from renewable sources, selecting a supplier that guarantees 91% production from renewable sources for the electricity supplied by the grid.

Mix of sources for the production of procured electricity since July 2022 (%)

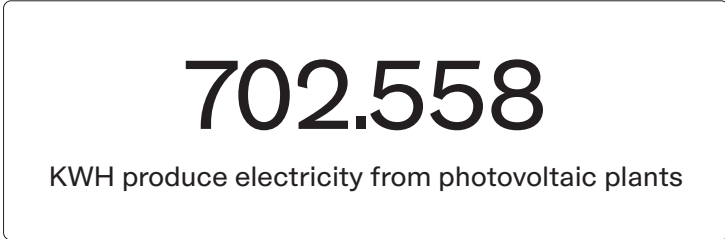


In addition to procuring electricity from renewable sources, Poliform installed photovoltaic plants on the roofs of its production facilities.

The plants installed at the Anzano del Parco and Lurago d'Erba sites were put into operation in 2021. The new photovoltaic plant at the Mirovano site was put into operation in 2022 and it increased the self-production of electricity from renewable sources by more than 25%.

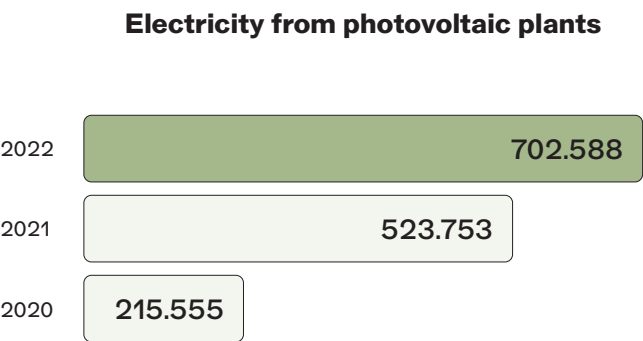
In 2022 Poliform produced 702.558 kWh of electricity thanks to its photovoltaic plants, covering 8,2 % of the company's total energy requirements.

This percentage more than doubled in 2022 compared to 2021 and we expect a further Increase in the future.



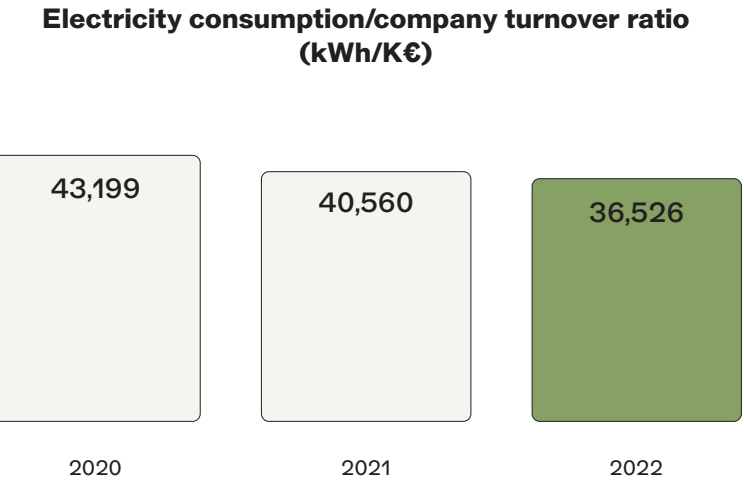
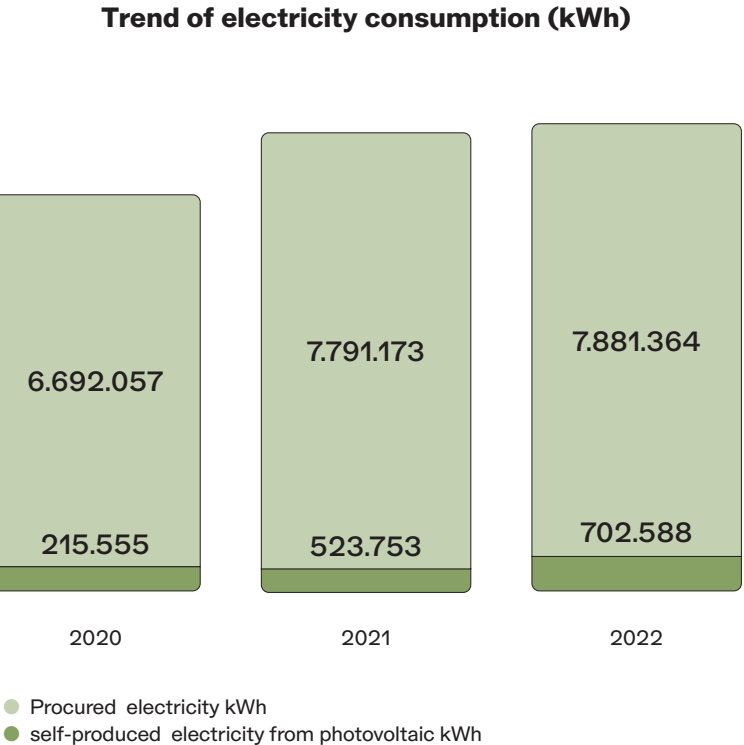
The overall consumption of energy from renewable sources (procured or self-produced) in 2022 amounted to 4.258.546 kWh, equal to 50% of the company's total energy requirements.

	2020	2021	2022
Poliform Headquarter Inverigo (198kWp)	215.555	224.050	155.625
Poliform Sofas Anzano del Parco (279kWp)		247.217	265.847
Poliform Kitchens Lurago D'Erba (195kWp)		52.486	59.486
Poliform complements production Mirovano (50kWp)			221.630

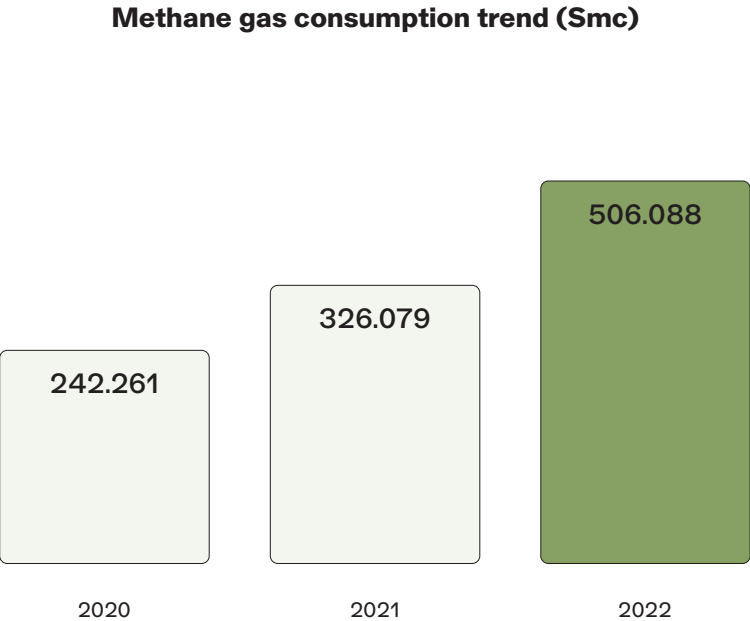


The following chart show the growth trend of self-produced electricity by the company's photovoltaic plants in the three-year reporting period.

The consumption of electricity slightly increased in the three-year reporting period; however, the same data compared to company turnover, shows a reduction trend of approximately 4 kWh every 1.000 € sales turnover in 2022 compared to 2021.



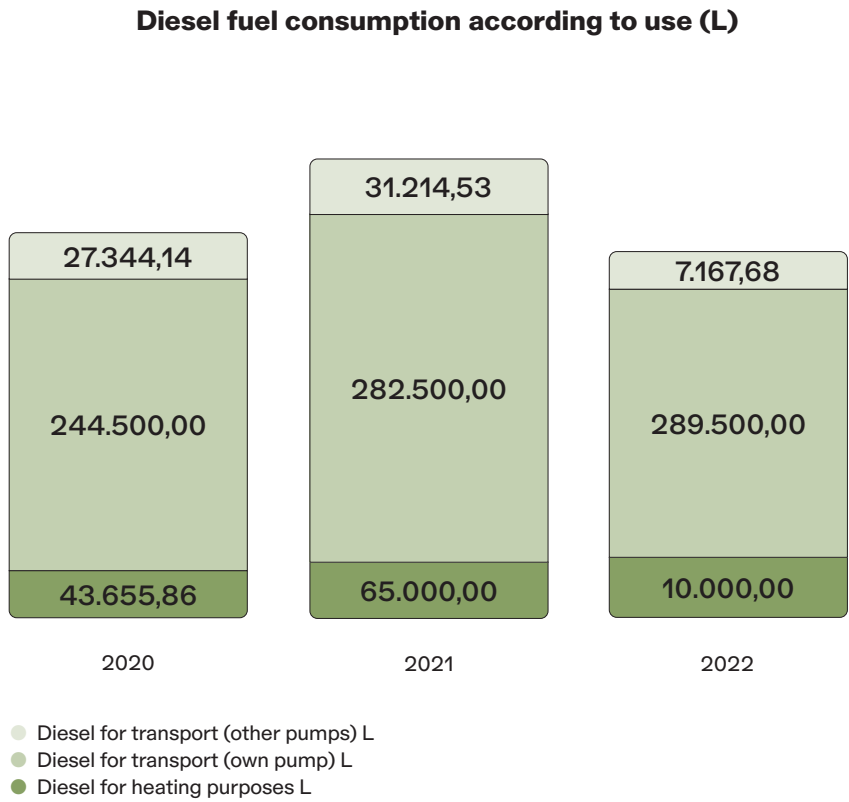
In addition to the thermal energy produced by the combustion of wood dust scraps, Poliform uses methane gas to heat its facilities. The increase in consumption recorded in the 2021-2022 two-year period is due to the installation of two new furnaces at the Mirovano site, which replaced the old diesel furnace. The two furnaces have a power respectively of 1047 kw and 870 kw and are used to produce thermal energy both for manufacturing processes and heating.



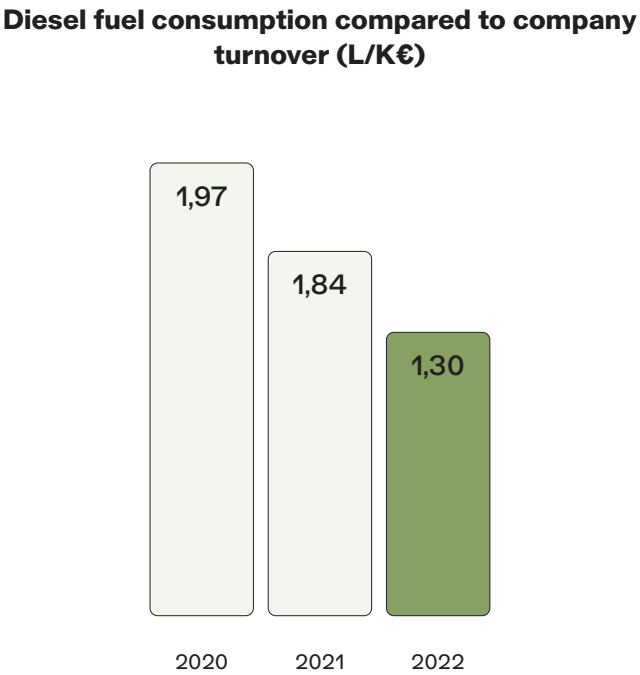
The first furnace was installed in September 2021, the second one in the second half of 2022. The actual decrease in the consumption of diesel fuel for heating purposes can already be detected from consumption data pertaining to 2022: the new furnaces resulted in a decrease in consumption for heating purposes of 55.000 L. A significant further decrease is expected in 2023.

Diesel fuel is also used for transport purposes; there is a fuel pump at the Inverigo site to refuel company's vehicles.

The chart shows the trend of diesel fuel consumption broken down according to use:



Diesel fuel consumption is also gradually decreasing both in absolute value and compared to company's turnover, there was a decrease in consumption of diesel fuel in 2022 of 0,54 L for every 1.000€ of turnover compared to 2021.



Emissions in the atmosphere

All productive sites are fitted with chimneys which release the byproducts of wood cutting and painting processes in the atmosphere.

All chimneys are listed in the environmental authorizations of each facility and undergo routine inspections to verify the compliance with permitted emissions limits.

All inspections have always confirmed the full compliance with emission limits for every chimney.

Poliform has conducted an analysis and inventory of green-house gas (GHG) emissions starting from 2019.

Direct emissions generated by company activities (scope 1) and indirect emissions resulting from the procurement of energy (scope2) were calculated in detail:

- Scope 1: natural gas and diesel fuel consumptions, new installations of equipment containing coolant gas.

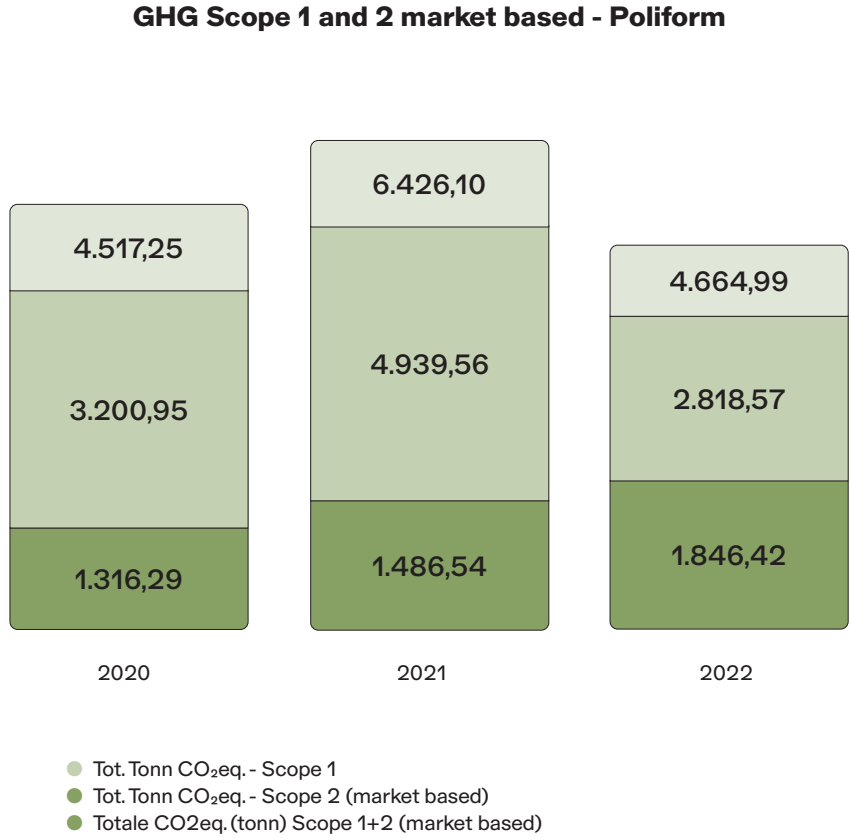
- Scope 2: procured electricity.

Scope 2 emissions were calculated using the “market based” method. Said method establishes that the specific energy mix used by the supplier to produce the energy procured by Poliform must be taken into consideration when calculating the emissions generated by the consumption of electricity. The “location based” method on the other hand takes into consideration the national average energy mix.

GHG emissions (Tonn CO2 eq.)

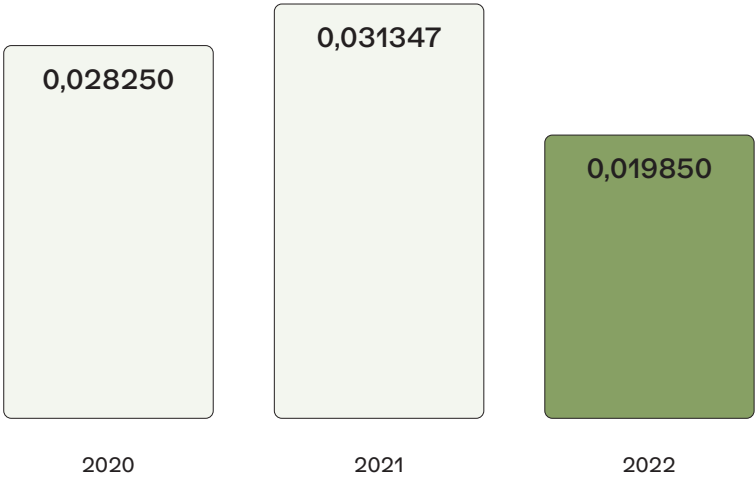
	2020	2021	2022
Scope 1			
Tot. Tonn CO₂ eq	1.316,29	1.486,54	1.886,42
Scope 2			
Tot. Tonn CO₂ eq (location based)	1.797,49	2.012,46	1.936,45
TOTALE CO₂ eq (Tonn) location based - Poliform	3.200,95	3.939,56	2.818,57
Scope 2			
Tot. Tonn CO₂ eq (Scope 1+2 market based)	4.517,25	6.426,10	4.664,99

The chart shows a significant reduction of Scope 2 emissions in 2022 compared to 2021, equal to a reduction of 2.120 Tons of CO2 eq. This result was obtained by procuring energy from 90% renewable sources starting from July 2022. A further reduction of Scope 2 CO2 eq. emissions is expected in 2023.



The self-production of electricity from renewable sources by photovoltaic plants resulted in the reduction of emissions into the atmosphere of 173 Tons CO2 equivalent in 2022.

CO2 eq. emissions compared to turnover (kg CO2eq./K€)



The final balance of greenhouse gas emissions, expressed in kilograms of CO2 equivalent and compared to turnover, shows a reduction in emission in 2022 compared to 2021 equal to 0,012 kg of CO2 eq. per €1.000 turnover.

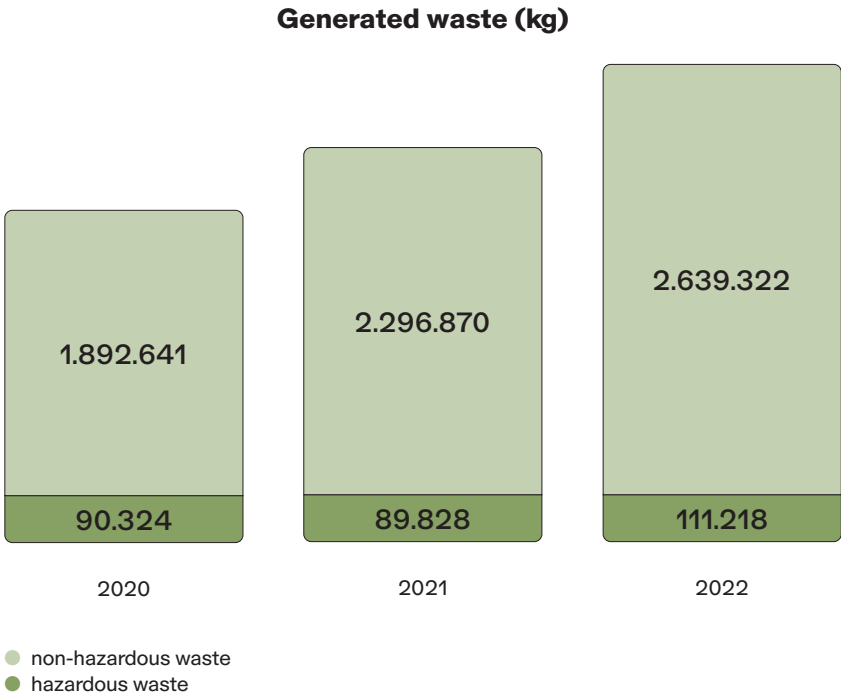


Waste and circular economy

Waste management has always been considered a significant issue for Poliform. The company has shown its commitment by implementing projects of circular economy over the years.

Reclamation of material and energy, rather than disposal, are privileged process for waste diverted to third parties for processing. The quantity of waste to be reclaimed in the 2020-2022 three-year period was over 94% of total waste generated. This result was obtained by carefully differentiating waste inside the company.

Hazardous waste represents a very small steady percentage of the total amount, equal to 4% in the 2020-2022 three-year period.



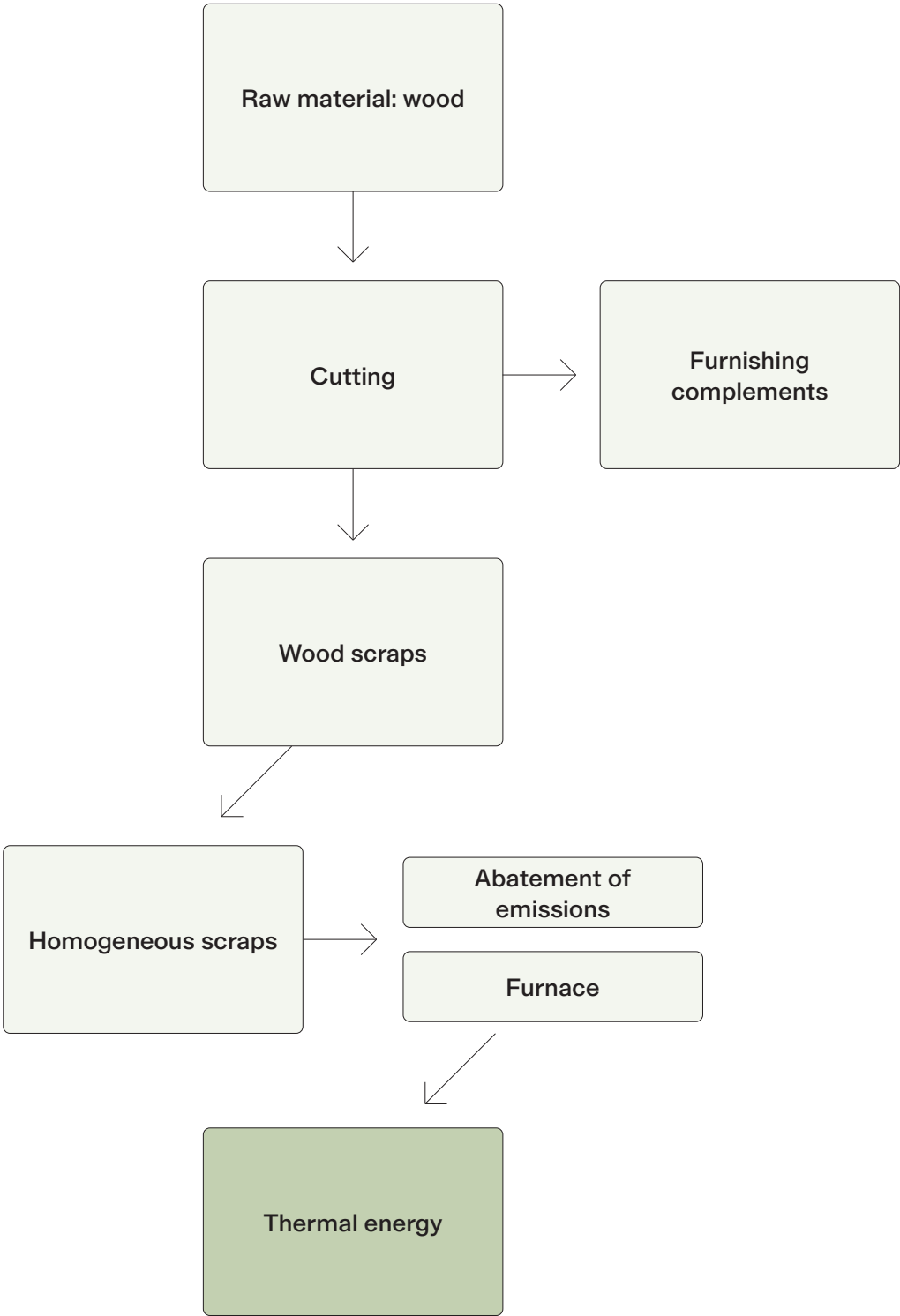
The total absolute value of generated waste increased proportionally with the increase in production.

94%
of waste sent to recycling

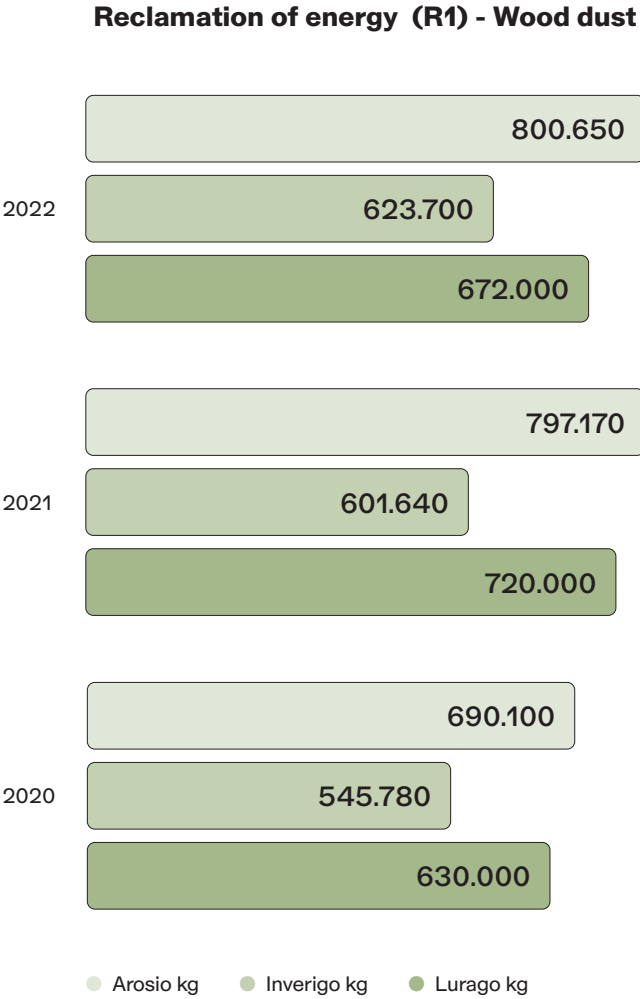
Reclamation of wood dust

The company installed the following plants to internally reclaim waste materials.

Plants to produce thermal energy by combusting wood dust were installed at the Arosio, Inverigo and Lurago d'Erba facilities. Large quantities of wood dust, a byproduct of cutting scraps is thus reclaimed to produce energy to be used internally in each production site. Approximately 2.000 tons of scrap wood are reclaimed every year, with a thermal yield of approximately 4 billion kilocalories.

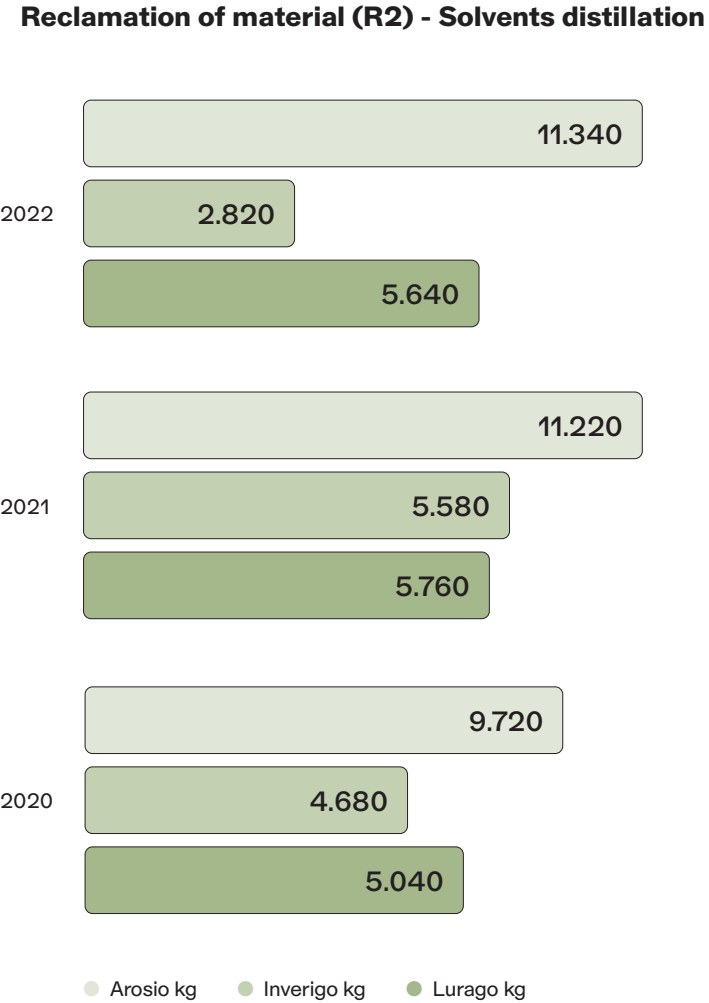


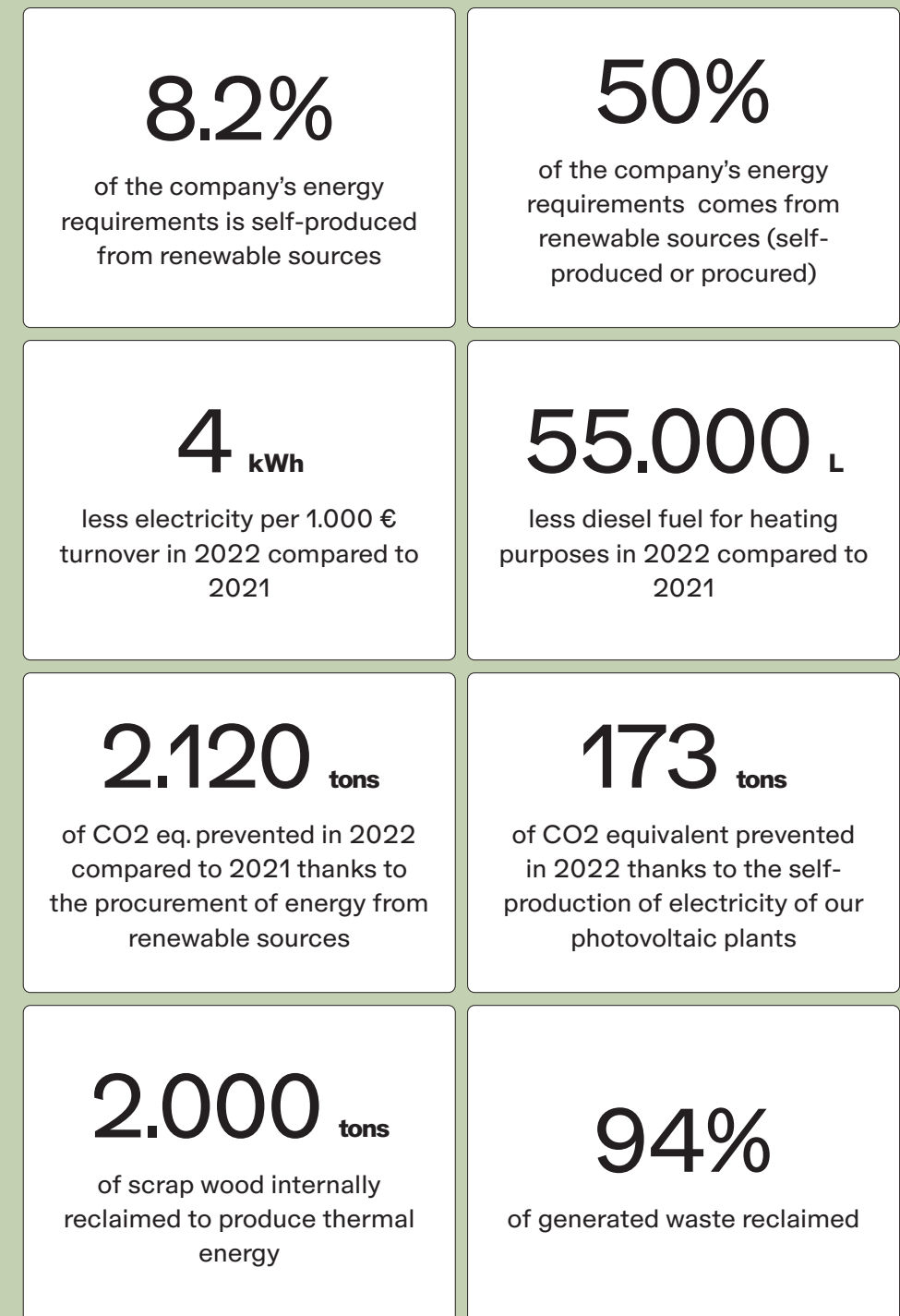
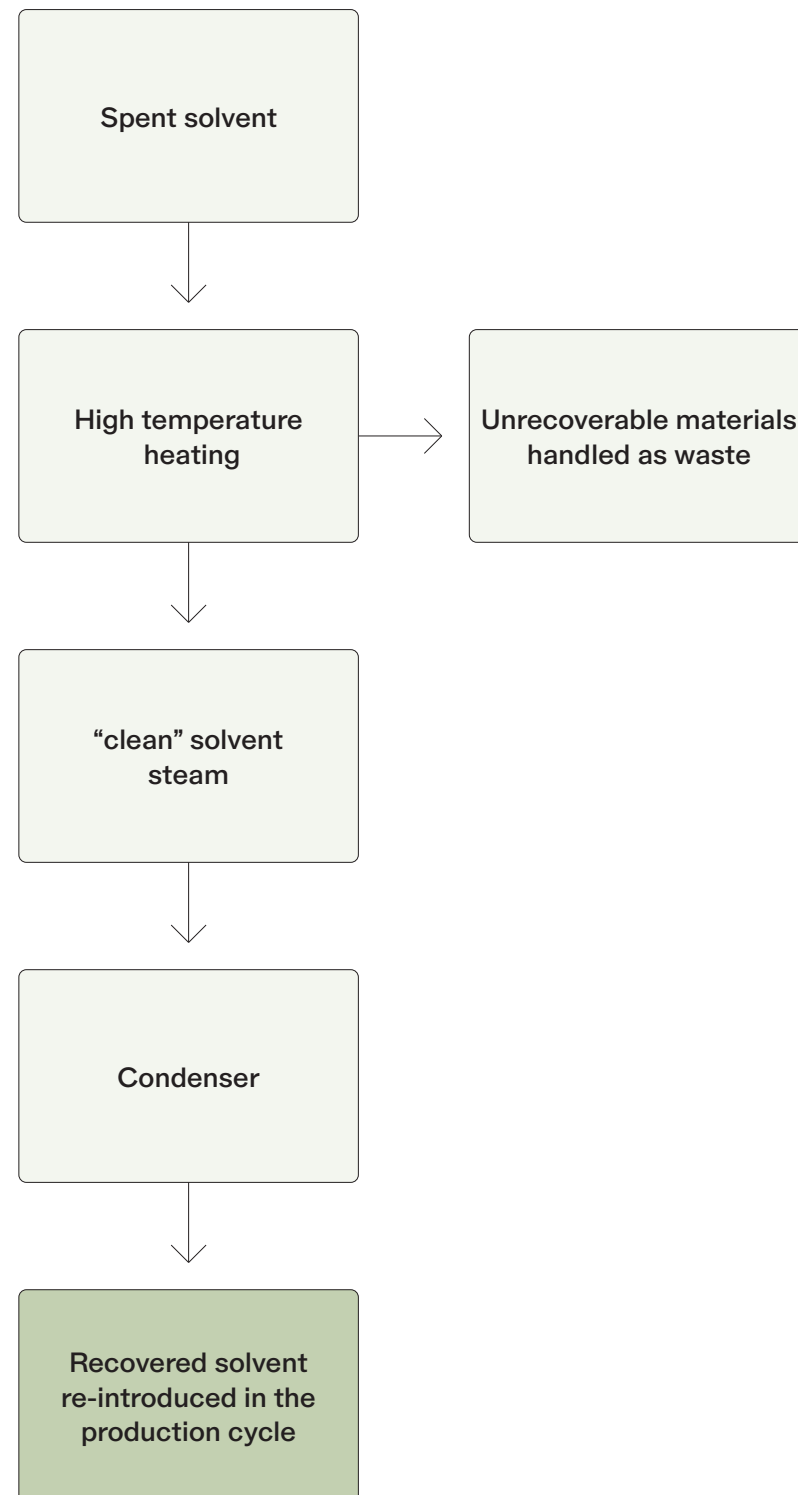
The following chart shows the quantities of wood dust reclaimed from each site in the three-year reporting period. To be noted that the quantities of wood scraps reclaimed to produce energy are constantly increasing.



Distillation plants for spent solvents were installed at the Arosio, Inverigo and Lurago d'Erba facilities.

This solution permits to regenerate spent solvents which can be reintroduced into the production cycle, with obvious advantages in terms of reduced quantities of solvent purchased and the environmental impact and economic costs for their disposal.







THE PRODUCT

Made in Italy quality

The key to Poliform's quality is the extensive knowledge of materials that has its roots in the artisan tradition of the Brianza district, one of the most important in the sector at a global level. Poliform's production philosophy has allowed us, over time, to fine-tune a production method that makes the most of industrial processing to guarantee the best finished product.

This pursuit of quality is also based on an ISO 9001 standard certified management system for the Contract division, which Poliform has now adopted for several years. Focusing on continuous improvement, innovation and creativity, also means searching for excellence in the production chain.

Culture and know-how

Poliform's most valuable assets are its cultural heritage and technological know-how. With unlimited creativity and with the expertise inherited from the tradition of the best furniture district in the world, combined with cutting-edge know-how, Poliform can meet the needs of an international audience while maintaining a typically artisanal approach.

A team of 30 employees in the Research & Development department oversees the design of each product. The three artisan workshops – the beating hearth of the company – are the place where Poliform's production approach – the “magic triangle” – takes shape: the interconnection between design, craftsmanship and business. This is the place where we experiment, where wood species, shapes and colors are tested based on the input of internationally renowned architect and designers. At the end of this long prototype creation and development process, we start the product industrialization phase, which is based on a philosophy that exploits the product possibilities to maximum levels, to guarantee the highest quality.

Working spaces in our production sites are rational, tidy and clean, and every worker cultivates the value of “doing things well”, being aware that it is a fundamental component of Poliform's quality.

30

people employed in R&D

Materials and processes

Poliform collection includes decor systems and complements for every area in the home, kitchens, bookcases, wall systems, wardrobes, beds, chairs, tables and upholstered furniture.

Poliform is highly committed to ensuring that all its products can perform their function over time, always guaranteeing the highest quality. Poliform adopts a clean and minimalistic style, without non-essential details, to develop products that will last in time. This aesthetic longevity is accompanied by high-quality design, high levels of engineering in our modular systems, the accurate choice of raw materials and the safety of flawless installation.

.To guarantee the longest possible life cycle, Poliform furnishing are designed to be easily repurposed or recycled when no longer in use.

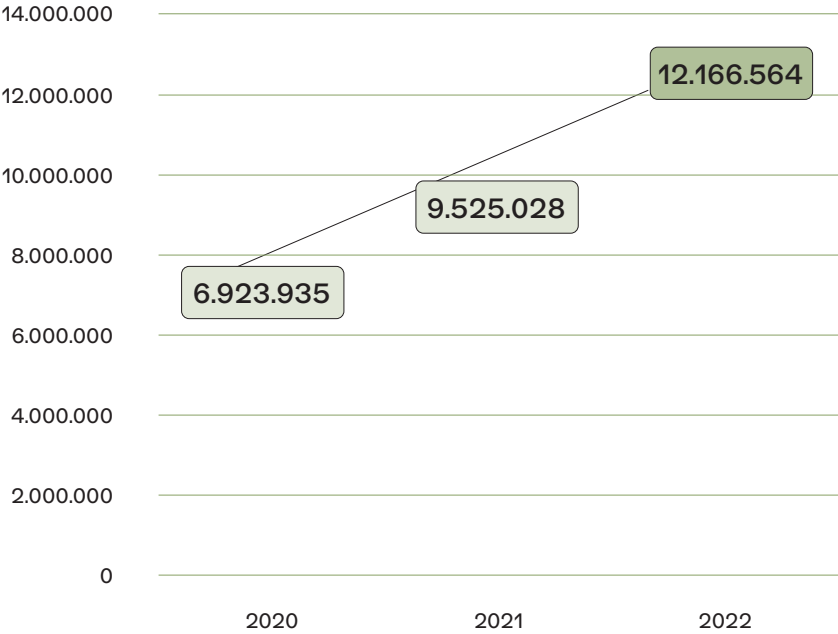
The following tables show the procurement of raw materials. Poliform growth trend and expansion is evidenced by the steady increase in purchases in all categories, which follows the growth trend of sales listed in the chapter dedicated to the history of the company.

Wood. The raw material most used by the company, which made it possible for Poliform to be a leading brand in the wood-furnishing sector.

Wood is 100% natural, recyclable and the product used to make the majority of Poliform’s products. The FCS certification guarantees the source from responsibly managed forests and the sustainability of the entire supply chain.

Wood-based products are completely recyclable to reclaim material or energy (see chapter 3 on the reclamation of wood scraps).

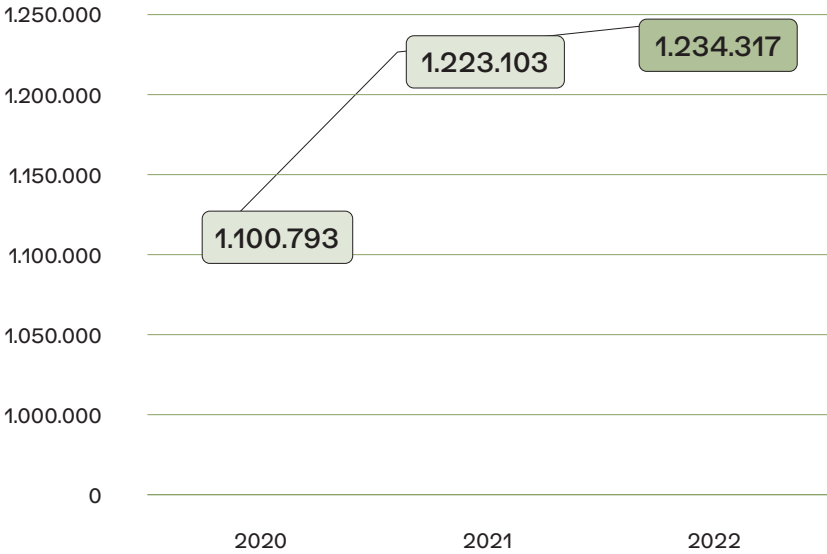
Wood based materials(€)



Plastic and derivates. Poliform uses plastic materials mainly for the covers of furnishing complements. ABS and polyethylene are predominantly used.

ABS is a very durable plastic that does not corrode easily. Given its properties, it can be heated repeatedly and is considered one of the most suitable plastic materials for recycling. It is also impact resistant and extremely durable. Polyethylene or polyzene is a thermoplastic resin with excellent insulating properties and chemical stability. It is a very versatile, inexpensive material.

Plastic and derivates (no.)

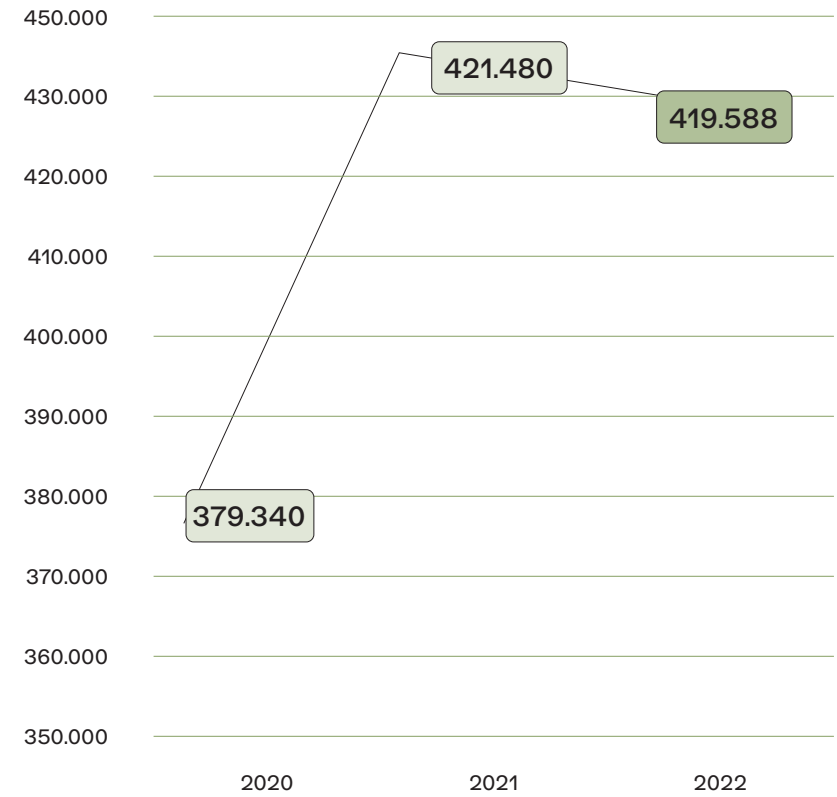


Semi-finished metal products. The handles, feet, bases and frames of Poliform's furnishings are made of steel and aluminum.

Steel is the most recycled material in the world, with a recycling rate of 70%, and in some applications even well over 90%.

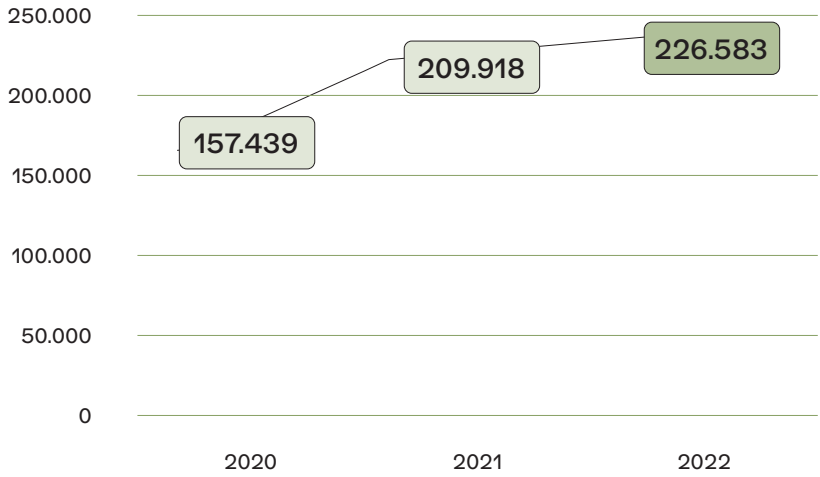
Lightweight aluminum is an extremely durable material and is 100% recyclable.

Semifinished metal products (no.)



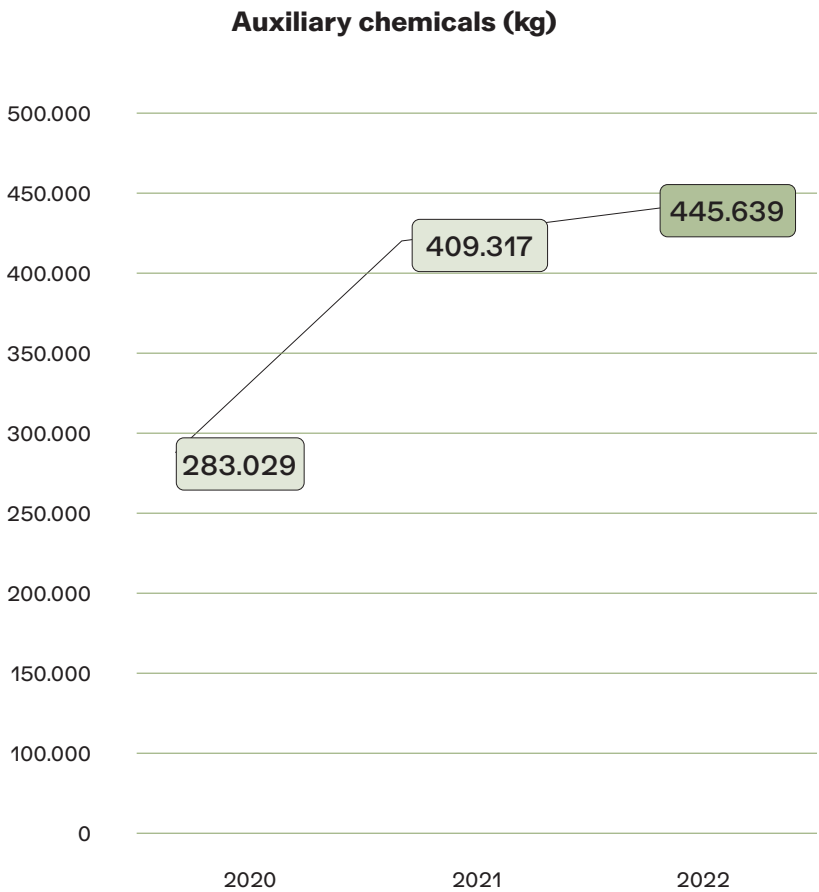
Fabrics. They are used in our upholstered furniture divisions. Poliform mainly uses fabrics made with natural fibers, such as cotton and linen, or artificial fibers, such as viscose. Natural fibers are considered, by their nature, to be sustainable, given their recyclability and the limited consumptions of auxiliary resources (such as chemicals or energy employed during the processing/production stage). Poliform works with a selected network of local suppliers, chosen for their reliability, traceability, and transparency. The fabrics are chosen based on their sustainability characteristics and the performance of the finished product.

Fabrics (meters)

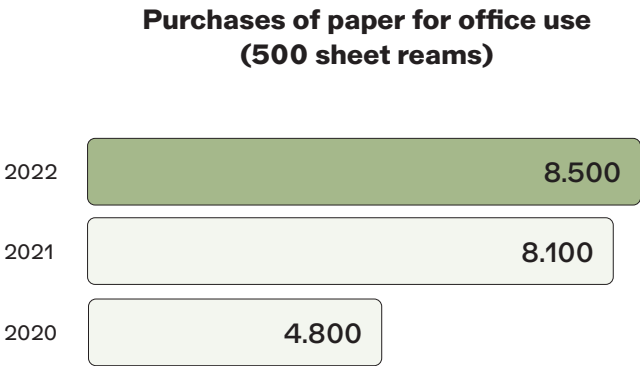


Auxiliary chemicals. Some processes, for example gluing and painting, require the use of auxiliary chemicals. Our industrial processes are optimized to reduce the consumptions of chemicals according to the production unit, and consequently, reduce the risk connected to each auxiliary material.

To this regard, the company is researching the best possible solutions available for painting processes, preferring water-based paints to the solvent-based ones. This solution, in addition to obvious advantages in terms of health and safety in the workplace, has resulted in a lower impact on the environment for what concerns the risks of generated waste.



Office paper. Since Poliform is a product design and development company, paper still plays a key role in our day-to-day work. However, the company is engaged in an awareness campaign to reduce printed documents in the office. In addition, paper is entirely procured from FSC sources. Paper consumption in absolute value is steadily increasing with the increase of personnel.



SUSTAINABLE PACKAGING

To reduce the use of plastics and provide customers with 100% recyclable packaging, Poliform has chosen to replace all external plastic packaging with recycled cardboard. The company was also able to avoid using plastic derivatives for the external packaging of upholstered furniture (armchairs, sofas and beds), where polystyrene was replaced by recycled cardboard. The adopted solution guarantees high flexibility and a reduction of waste: the internal production of packaging by-passes the standardization of materials and is therefore easily adapted to the extremely different variety of dimensions of Poliform's products. Every year we use approximately 3,000,000 square meters of recycled cardboard for the packaging of our upholstered furniture.

Supply chain

The supply chain is a fundamental part of Poliform's value, which is why the company has chosen to work with a network of mainly local suppliers (artisans and others), who offer a priceless combination of creativity and experience. Thanks to its procurement policy and the compliance with official certification programs, Poliform guarantees that purchased materials meet the conditions that the company has committed to comply with, in terms of human rights and environmental standards. 97% of Poliform's suppliers come from Italy and 86% from the surrounding area.



FSC® Chain of Custody (responsible paper chain - ICILA-COC002489 certificate number)

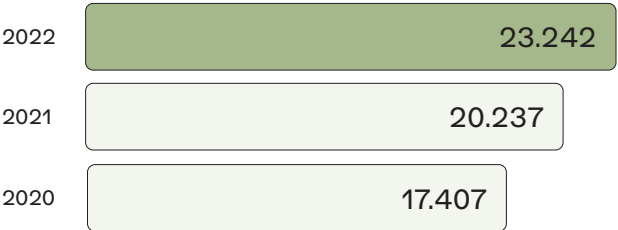
The FSC Custody Chain certification guarantees the traceability of materials ensuring they are sourced from FSC certified forests, and it is indispensable to affix FSC labels on the products.

This certification, one of the better known and most recognized in the world, guarantees that the raw material used to produce our furnishing systems consists of material sourced from responsibly managed forests or from recycled material. The company has been complying with these requirements since 2013.

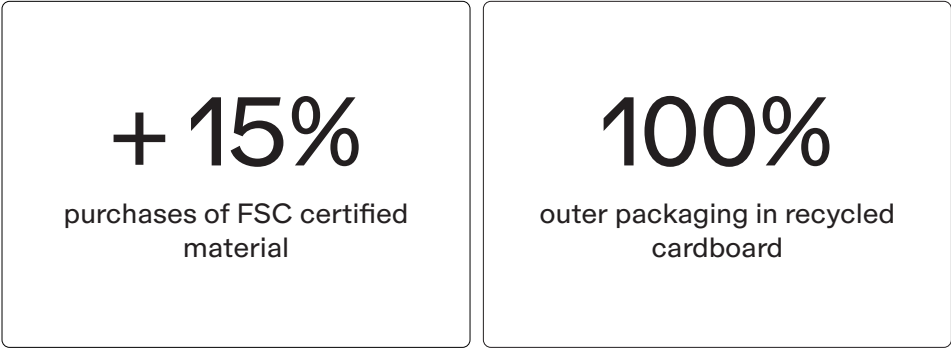


Certificate No. ICILA-COC002489

FSC material (sq.m. purchased)



The TSCA Title VI standards aim at reducing and testing formaldehyde emissions from wood-based materials used in the United States of America. The TSCA Title VI certification, a natural extension of the Californian CARB certification, was also taken as a reference standard by important multinational corporations in the wood-furnishing sector, thus influencing many European manufacturers of semi-finished or finished products.





THE COMMUNITY

The value of a local dimension

Poliform's main strategic asset is the valorization of the "Made in Italy" brand and its territory, recognizing the impact that its industrial activity has on the community, both in terms of social development and common economic wellbeing.

That is why the company is pursuing high ethical and deontological standards. The company focuses, in particular, on the concept of work ethics, which, in addition of representing a value in itself, guarantees business continuity which benefits all group's stakeholders (employees, suppliers, customers, the public administration) .

Poliform also strives to improve the quality of life, placing people at the center of its sphere of attention. In addition to internal initiatives for the employees, the company has developed a series of activities in the social field, to protect the environment and support culture, with the firm conviction that today, more than ever, a business must be socially responsible, at the service of the territory, the local community and the system in which it operates.

Projects for local communities

One of the foundations of Poliform's philosophy is the attention paid to people, both as single individuals and as a community. In this perspective of social responsibility, the company has, over the years, implemented various initiatives benefitting its employees, younger generations, and the artistic and environmental heritage of the community in which it operates.

Poliform also supports cultural development and research programs with publications and competitions and has been sponsoring sports events and clubs.

Worth mentioning among the various philanthropic initiatives supported by Poliform are the contributions to several foundations, associations and in general non-profit organizations which are active in humanitarian projects in Italy and abroad. In this sense, significant is the support to the Comunità San Patrignano, to the Cancro Primo Aiuto non-profit organization and the Italian Amyloidosis Society and the Nostra Famiglia in Bosisio Parini. Poliform also supports the parishes connected with the company's sites and other local associations.

Poliform is a member of Confindustria Como, the FederlegnoArredo federation, the Associazione Disegno Industriale. It is also a FAI – Fondo Ambiente Italiano (Italian Fund for the Environment) Golden Donor.

THE VALUE OF SPORT

Aware of the value of sport for the well-being of individuals and the community, Poliform actively sponsors sports clubs at the municipal and national level. Corporate membership fees at gyms and sports facilities are available for Poliform's employees.



GOVERNANCE

Corporate Governance structure

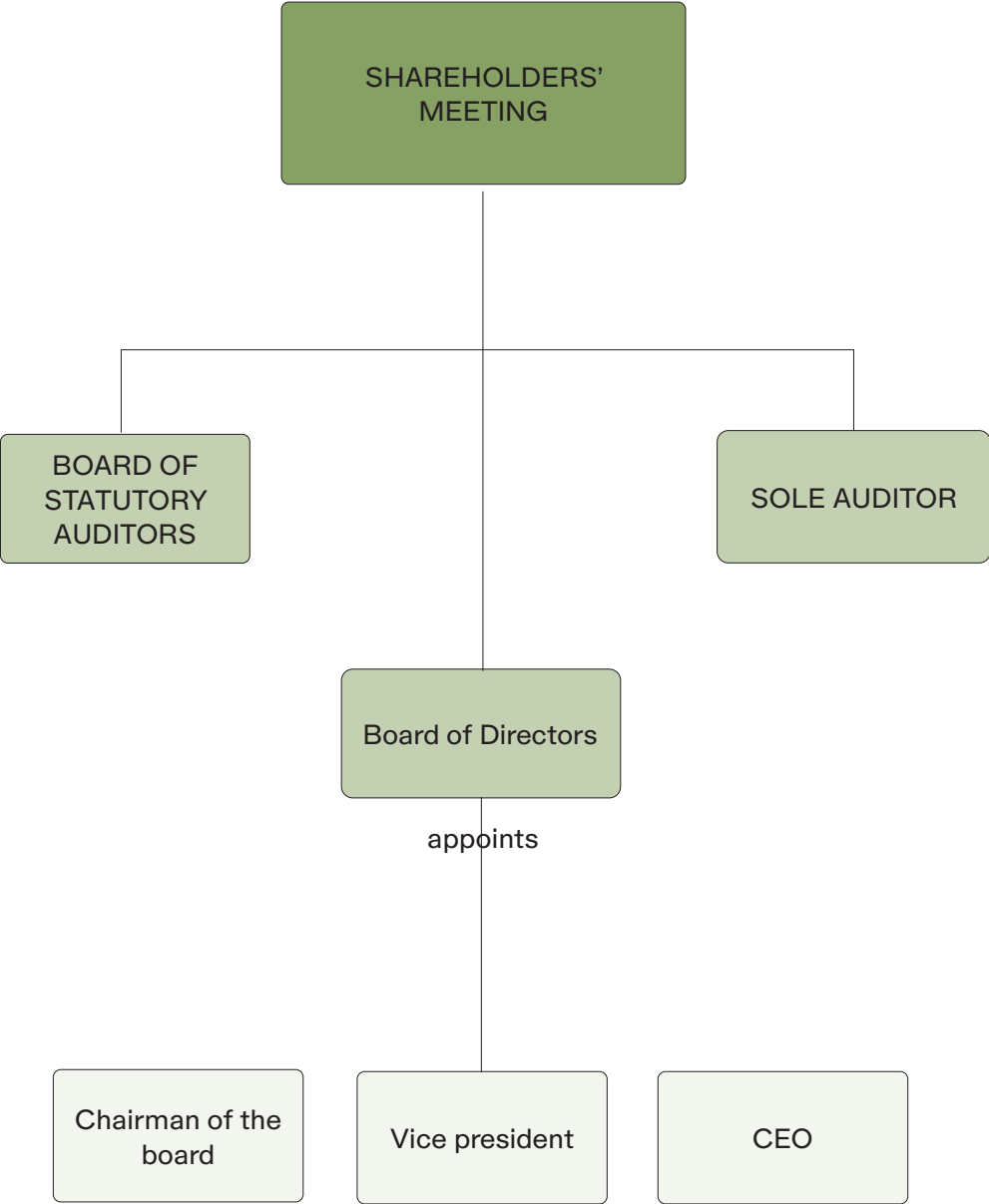
Poliform's long history has allowed a family-owned company to grow over the years, both internally and as an internationally renowned brand – to be found today in showrooms, flagship stores and foreign subsidiaries in an ever-increasing number of countries.

The company has maintained its principles involving all internal and external stakeholders, and structured a governance model that fully reflect its values and allows to effectively pursue its goals.

Poliform’s Corporate Governance is structured following a traditional model, assigning the corporate management solely to the Board of Directors, delegating supervisory functions to the statutory board of auditors and legal auditing functions to the appointed Sole Auditor.

The Company Board of Directors appointed by the ordinary Shareholders’ meeting of 8th July 2019 consists of three members: a chairman, a vice president and a managing director.

The Board of Statutory Auditors consists of five members: a president, two statutory auditors and two acting auditors. The external auditor is a sole auditor.



Poliform functional organizational chart is structured in such a way to “give space” to the different skills. To guarantee the best possible management outcome, each Function Manager is responsible for governing a specific process. To streamline decision-making processes, the Managing Director is effectively supported by an underlying managerial organization.

Sales, marketing and communication, finance and industrial production processes report directly to the Board of Directors. Sustainability is integrated into all decision-making processes; all management figures are strongly involved in sustainability issues, involvement driven both by company executives and by customers' and other relevant stakeholders' requirements.

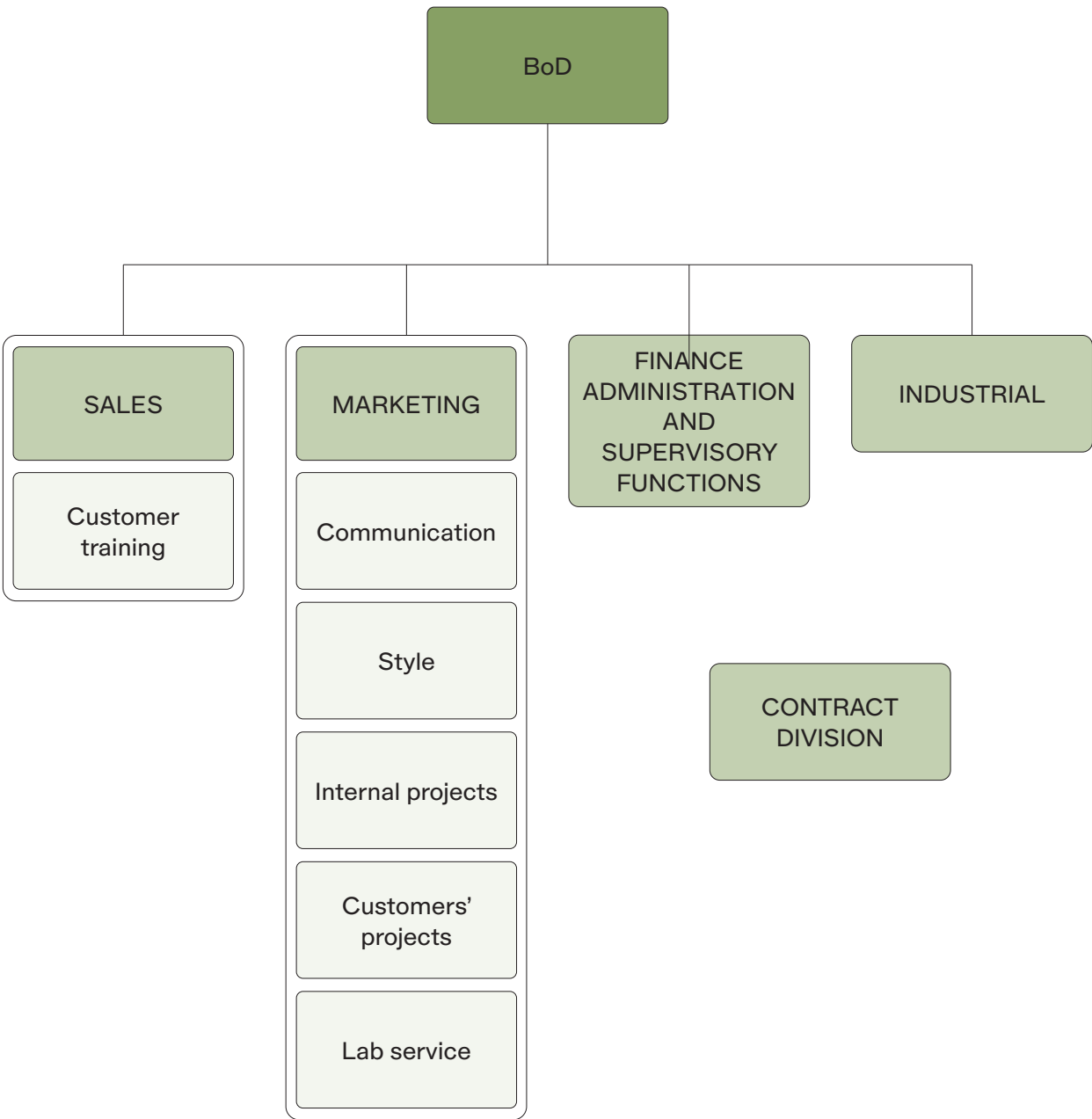
The Contract division can be defined as “a company within the company”, an office dedicated to handling specific clients' accounts. In the corporate organizational chart, it reports directly to the Board of Directors, but it is independent for what concerns sales, purchases, R&D and production processes, which must be defined based on the client's specific requirements.

The company has defined specific functions for the management of those issues strictly connected with the environment and occupational health and safety; among the top professional figures that report directly to the Board of Directors we find the Head of the Environmental Management System (RSGS in Italian) and the Head of the Prevention and Protection Service (RSPP in Italian).

The role of these department Heads is to effectively manage environmental and health and safety risks, to ensure full legislative compliance and, wherever possible, implement improvement measures.

The presence of the above professional figures shows that the company is commitment to dealing with socio-environmental issues with a concrete and pro-active approach.

Poliform conforms with an environmental policy in accordance with the UNI EN ISO 14001 certified environmental management system and a quality policy for the Contract division in accordance with UNI EN ISO 9001.



The company has drawn up a charter of corporate values, which lists the fundamental principles of its business ethos:



Economic Performance

Poliform's soundness and its continuous expansion in international markets have resulted in a steady growth over time, demonstrated by the trend of the economic performance. The economic value directly generated was calculated by reclassifying the revenue account. The main component of said value is revenues.

In 2022 Poliform confirmed the trend of continuous growth, demonstrated by the generated turnover, equal to 235 million Euros, an increase of 15% compared to the previous year and 46% compared to 2020.

Generated turnover expressed as revenues (€)

2022	235.008.000
2021	204.745.000
2020	159.902.000

+15%

turnover increase compared to 2019

+46%

turnover increase compared to 2020

The same trend was recorded for the distributed economic value. Operating costs, in fact, increased in value proportionally to the generated turnover, in the same manner, the cost of employees' wages and benefits increased with the increase of the number of people employed by the company.

The following table shows the detail of distributed economic value: (€)

	2020	2021	2022
Revenues	159.902.000	204.745.000	235.008.000
Operating costs	110.625.000	141.224.000	163.631.000
Employees' wages and benefits	33.424.000	38.232.000	40.363.000
R&D investments	3.651.000	3.695.000	4.500.000
Payments to capital providers:	795.000	4.161.000	6.003.000



ADDENDUM







Methodology note

The Sustainability Report represents the tool Poliform uses to communicate the results of its journey towards sustainability to its stakeholders on an annual basis.

It also represents the tool we use to report our commitment to the United Nations Sustainable Development Goals, SDGs, to which we dedicate the various chapters of this report, each chapter reports on the company's efforts to achieve specific targets related to the 10 priority goals for its sustainability strategy.

In compliance with the new GRI Standards guidelines, Poliform prepared this report in conformity with the "Sustainability Reporting Standards" defined by the Global Reporting Initiative (GRI) 2021version - "with reference" option.

**The reporting scope of this Report is Poliform SpA,
its locations of:**

 Poliform Lab & Poliform Contract Via Trento, 2 Inverigo	 Poliform Sofa Via Per Cavolto, 37 Anzano del Parco
 Poliform Headquarter Via Monte Santo, 28 Inverigo	 Poliform Factory Via Pascoli, 143 Alzate Brianza (Mirovano)
 Poliform Factory Via Valassina, 4 Arosio	 Poliform Kitchen Via degli Artigiani, 51 Lurago d'Erba

Data and information contained in all chapters of this Report, as well as the reporting tables and the analysis of impacts are within the reporting scope and period listed in this Methodology Note.

In the event the reported data do not include all company sites or all the information necessary for the best evaluation, it will be duly indicated in the text.

If reporting data are extended to other sites belonging to the Group, but external to Poliform S.p.A., it will be duly indicated in the text.

Every time the words “Poliform”, “the Organization”, “the Company”, are to be found in this Report and in this Note, they are to be intended as Poliform S.p.A., with its previously listed locations.

This document includes a description of the initiatives and activities carried out during the solar year 2022, as well as the related key performance indexes (KPIs), reported for the entire 2020-2022 period, if available. Data collection processes and the publication of this report are done on an annual basis.

Stakeholder analysis

An accurate mapping of the Stakeholders was done during the identification of the materiality topics, with the purpose to analyze and identify all interested parties, their relations, and their relevance.

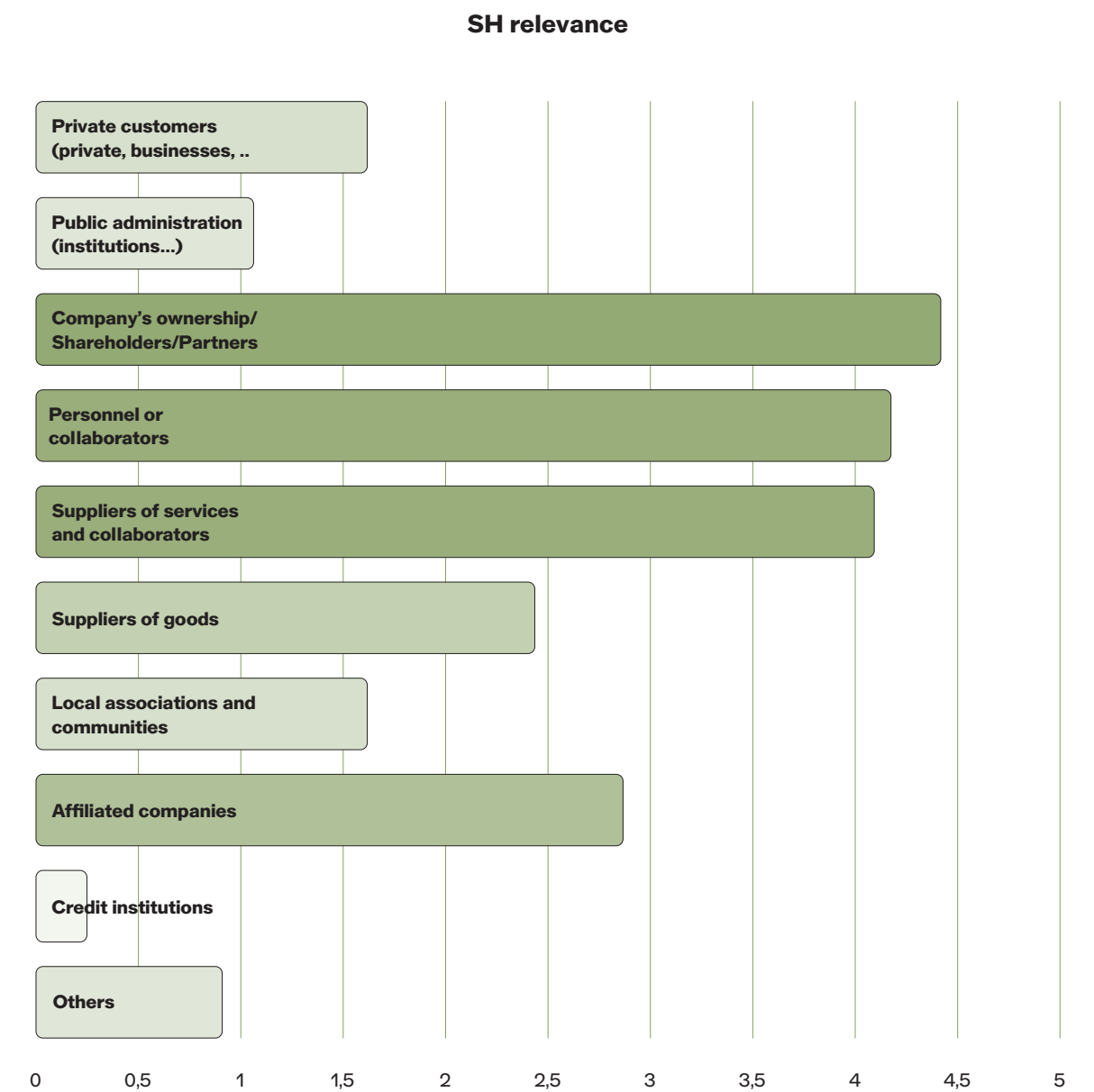
The stakeholders' involvement process was aimed both at internal and external stakeholders considered relevant for the company's activities and sustainability topics. The following activities were performed for the purpose of this report:

- Interviews with the managers of the main corporate functions for the purpose of investigating the main elements of their activities, establishing interest in sustainability issues and identifying relevant projects/initiatives that can be the subject of specific reporting;

- Interviews with the CEOs of the main commercial Partner companies (Poliform UK and Poliform USA).

The results of the interviews were shared with Corporate Management.

The following chart shows the relevance of the Stakeholders being taken into consideration.i.



GRI content index

GRI number	Indexes	Reference in the text
GRI 2 GENERAL INFORMATION 2022		
2-1	Organizational details	The company - Methodology note
2-2	Entities included in the organization's sustainability reporting	The company - Locations - Methodology note
2-3	Reporting period, frequency and contact point	Methodology note
2-4	Restatements of information	The company
2-5	External assurance	Methodology note
2-6	Activities, value chain and other business relationships	The company - The product
2-7	Workers	The people - Company workforce
2-8	Workers who are not employees	The people - Company workforce
2-9	Governance structure and composition	Governance
2-10	Nomination and selection of the highest governance body	Governance
2-11	Chair of the highest governance body	Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Governance
2-13	Delegation of responsibility for managing impacts	Governance
2-14	Role of the highest governance body in sustainability reporting	Governance
2-22	Statement on sustainable development strategy	Letter to stakeholders
2-23	Policy commitments	Governance
2-25	Processes to remediate negative impacts	Material topics and scale of impacts
2-27	Compliance with laws and regulations	Governance
2-28	Membership associations	The community - Projects for local communities
2-29	Approach to stakeholder engagement	Methodology note
GRI 3 MATERIAL TOPICS 2021		
3-1	Process to determine material topics	Material topics and scale of impacts
3-2	List of material topics	Material topics and scale of impacts
3-3	Management of material topics	Material topics and scale of impacts
GRI 201 ECONOMIC PERFORMANCE 2016		
201-1	Direct economic value generated and distributed	Governance - Economic performance
GRI 202 MARKET PRESENCE 2016		
202-2	Proportion of senior management hired from the local community	People_Company workforce
GRI 204 PROCUREMENT PRACTICES 2016		
204-1	Proportion of spending in local suppliers	Product - Supply chain
GRI 301 MATERIALS 2016		
301-1	Materials used by weight or volume	The product - Materials and processes
301-2	Recycled input materials used	The product - Materials and processes
301-3	Reclaimed products and their packaging materials	The product - Materials and processes

GRI number	Indexes	Reference in the text
GRI 302 ENERGY 2016		
302-1	Energy consumption within the organization	The environment- Eenergy management
302-4	Reduction of energy consumption	The environment- Eenergy management
GRI 303 WATER AND EFFLUENTS 2018		
303-1	Interactions with water as a shared resource	The environment - Water resources
303-2	Management of water discharge-related impacts	The environment - Water resources
303-3	Water withdrawal	The environment - Water resources
303-4	Water discharge	The environment - Water resources
303-5	Water consumption	The environment - Water resources
GRI 304 BIODIVERSITY 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	The company - Market presence
GRI 305 EMISSIONS 2016		
305-1	Direct (Scope 1) GHG emissions	The environment - Emissions in the atmosphere
305-2	Energy indirect (Scope 2) GHG emissions	The environment - Emissions in the atmosphere
305-5	Reduction of GHG emissions	The environment - Emissions in the atmosphere
GRI 306 WASTE 2020		
306-1	Waste generation and significant waste-related impacts	The environment - Waste and circular economy
306-2	Management of significant waste-related impacts	The environment - Waste and circular economy
306-3	Waste generated	The environment - Waste and circular economy
306-4	Waste diverted from disposal	The environment - Waste and circular economy
306-5	Waste directed to disposal	The environment - Waste and circular economy
GRI 308 SUPPLIER ENVIRONMENTAL ASSESSMENT 2016		
308-2	Negative environmental impacts in the supply chain and actions taken to	The product - Made in Italy quality
GRI 401 EMPLOYMENT 2016		
401-1	New employee hires and employee turnover	People - Company workforce
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People - Company workforce
401-3	Parental leave	People - Company workforce
GRI 403 OCCUPATIONAL HEALTH AND SAFETY 2018		
403-2	Hazard identification, risk assessment, and incident investigation	People - Health and safety
403-5	Worker training on occupational health and safety	People - Training
403-6	Promotion of worker health	People - Health and safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People - Health and safety
403-9	Work-related injuries	People - Health and safety

GRI number	Indexes	Reference in the text
403-10	Work-related ill health	People - Health and safety
GRI 404 TRAINING AND EDUCATION 2016		
404-1	Average hours of training per year per employee	People - Training
404-2	Programs for upgrading employee skills and transition assistance programs	People - Training
GRI 413 LOCAL COMMUNITIES 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	People - Training
GRI 417 MARKETING AND LABELING 2016		
417-1	Requirements for product and service information and labeling	The product - Supply Chain

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