

GIORGETTI BATTAGLIA



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letter to Stakeholders

Leading the Giorgetti Group, with its 122 years of history, is first and foremost a matter of **responsibility**: the responsibility to preserve a local ecosystem where the company's internal resources – consisting of people, production techniques, materials and knowledge – become a repository of knowledge incorporated into production processes and product icons, the daily future of a region and a community at work for the construction of value; years of stories, places and roads, objects and projects. Because the **local community** plays a fundamental role in our company, a rare case of longevity and capacity for renewal.

a whole and which has made it extremely logical and natural to make the important choice of increasing the visibility of our progress in the field of sustainability in 2019, drawing up and publishing our first Sustainability **Report** and identifying strategic orientations to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs). This decision is the result of the desire to give further depth and structure to a virtuous behaviour towards the environment (understood in its broadest sense) that the Group has already implemented for many years. A desire that is also the result of an awareness of the vital importance of transparency towards Stakeholders, also in the context of ESG performance. In this sense, the Sustainability Report is an indispensable tool for the Group to approach and strengthen the dialogue with its Stakeholders by shedding light on its environmental, social and economic performance, but also to identify and develop actions aimed at reducing and mitigating its impacts, where negative, and to strengthen those practices that generate positive impacts, thus contributing to sustainable, fair and inclusive development.

Indeed, our Group, also thanks to its long presence in the area, plays an important role within the community it operates in, especially in **Meda**, considered the heart of Italian furniture and design, where it has built a relationship of mutual exchange with the local community, contributing to its socio-economic development and in return receiving skills, know-how and high-quality materials/processing from the local populace. This long-lasting relationship represents a source of competitive advantage and an element of uniqueness for the Giorgetti Group, which is thus supported in designing and offering high-quality, innovative and internationally popular products, and consequently in the creation of long-term shared value.



We are also aware of the importance of the relationship with our **human capital**, a strategic asset for the Group's business continuity and growth, representing a tradition of craftsmanship and attention to detail, not to mention innovation and excellence. Each employee is a keeper of the know-how and the artisanal and woodworking skills that have always distinguished our production and our brand, making it unique. For this reason, the Group invests its resources in attracting new talent, in the professional and personal development of its employees and in creating a safe, meritocratic, stimulating and respectful working environment that guarantees each employee equal opportunities and chances for professional growth.

Finally, the Giorgetti Group recognises the central role of its **customers**, with whom it is committed to building a long-lasting relationship of trust based on the promise – never forgotten and very often kept – to offer a unique purchasing experience through its excellent and innovative products and an efficient, timely and customer-centred Customer Care service. For this reason, the Group is committed to listening to and understanding the expectations of its customers, proactively responding to their demands and needs.

Aware of the growing demand for sustainable and environmentally friendly products, our commitment is to create **products that last over time**, incorporating the memories of those who use them to become a legacy for future generations, always taking into account their impact on the environment and society as a whole throughout their lifetimes.

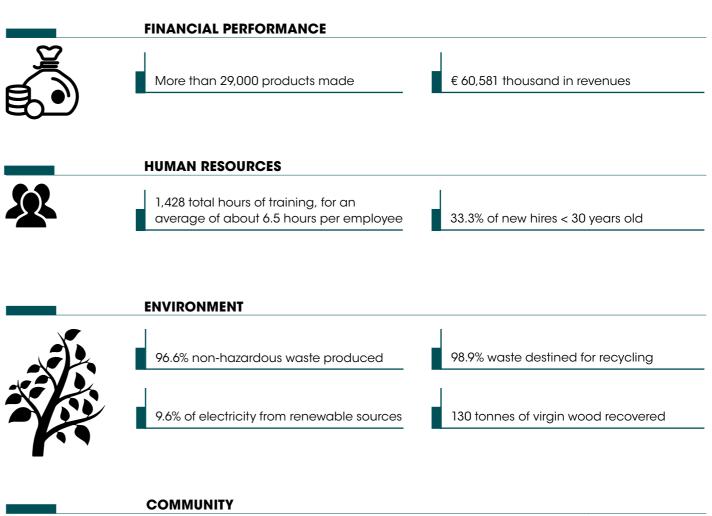
Today, highly conscious and deeply respectful of this responsibility, we are called to maintain the consistency and nourishment of our original roots with a mission that goes beyond the manufactured object and expands to include the environment and the ability to conceive and shape space. Thus are regenerated the style and the desire to create beauty that for more than 120 years has been offered by the hands of the local community at Via Manzoni to the citizens of the world, reflecting contemporary tastes and desires.

The Managing Director

Giovanni del Vecchio

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group highlights



96.7% of the Group's expenditures paid to local suppliers





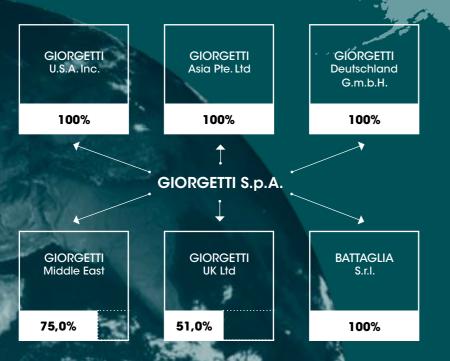


the giorgetti group

The Giorgetti Group has a centuries-old tradition that begins in Meda, Brianza, and continues to be written in the name of innovation while respecting its own woodworking heritage.

Engaged in the production and sale of high-level interior furnishings, today the Group is recognised as one of the top global players in the high-end furniture market and collaborates with external designers who are able to give a unique character to the collections.

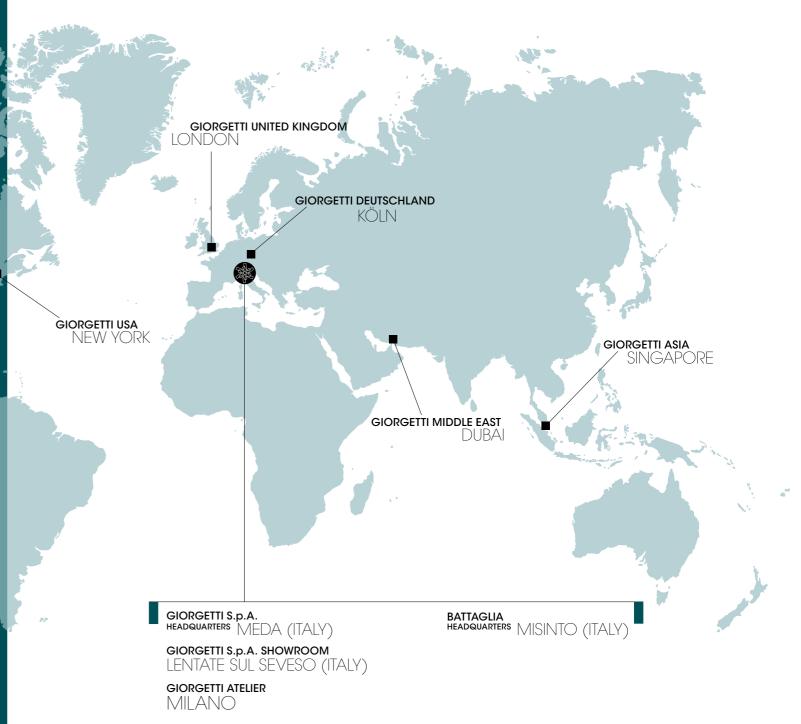
The Giorgetti Group consists of the parent company Giorgetti S.p.A. and the following subsidiaries:



The Group's business model is vertically integrated, as all production phases are carried out directly in the two Giorgetti production plants in Meda and Lentate sul Seveso and in the Battaglia plant in Misinto. Only intermediate and non-essential processes, often linked to the use of materials different from wood and non-core production techniques for the Group, are outsourced to local third-party suppliers.

From Object to Project: thanks to its offer range, the Giorgetti Group sells not only its own products, but articulated and transversal architectural projects in:

- 90 countries through 361 dealers of which
- over 50% shop-in-shop,
- 18 monobrand stores in Europe, Africa, Asia and the United States,
- 6 Ateliers in some of the most strategic cities for the furniture field.





LNITIATIVES AND AWARDS

Over the years, Giorgetti has carried out many initiatives, including cultural ones, and has won several awards, without ever losing the strong bond with its own territory and the desire to give voice and visibility to stories, tales, traditions which otherwise would risk being progressively forgotten.

"Object to Project. Giorgetti design since 1898" is the title of the book that shows and celebrates 120 years of dedication in the world of Made in Italy design, protagonist of a traveling exhibition project for the world in 2018 e which led to the creation of the homonym short film.

The Giorgetti Group recognises the importance of collaborating and taking part to important associations that play an essential role of representation and cooperation in the field in which the Group works: Confindustria, Altagamma Foundation, FederlegnoArredo, Milano Durini Design.

OBJECT TO PROJECT Giorgetti 120th book (edited by Fran a Molteni and Cristiana Colli, for Electa) GIORGETTI BATTAGLIA

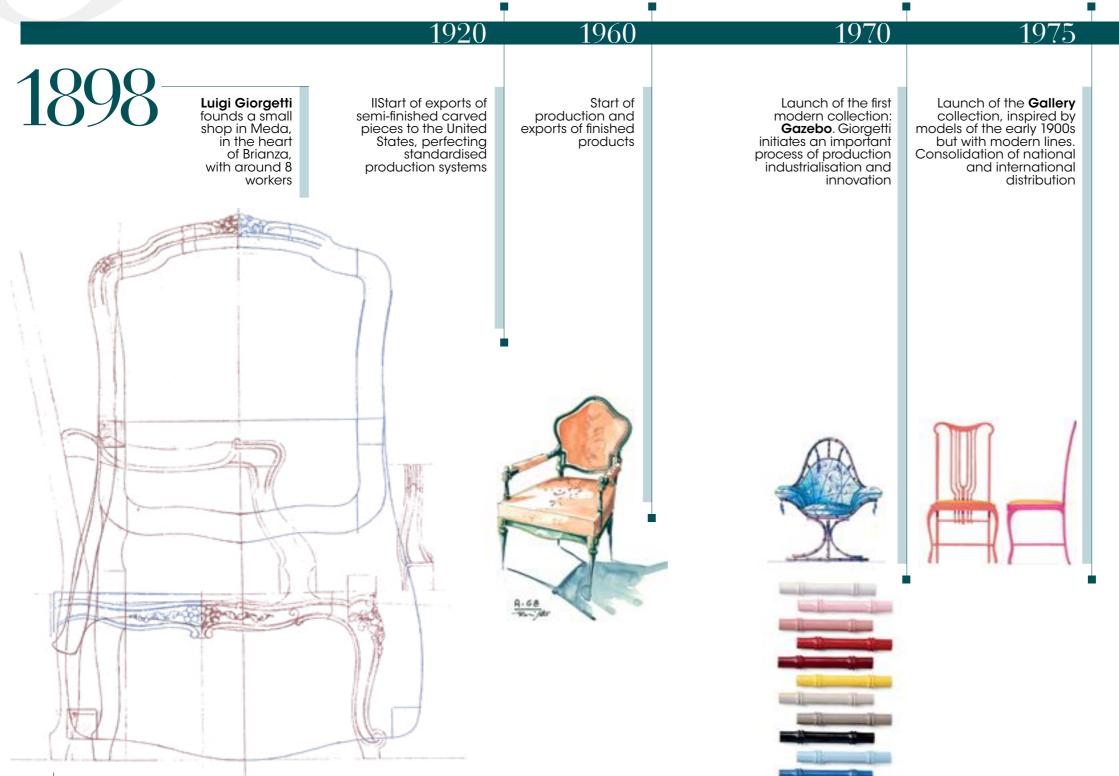
THE CABINET OF MEMORIES, Chi Wing Lo, 2018.



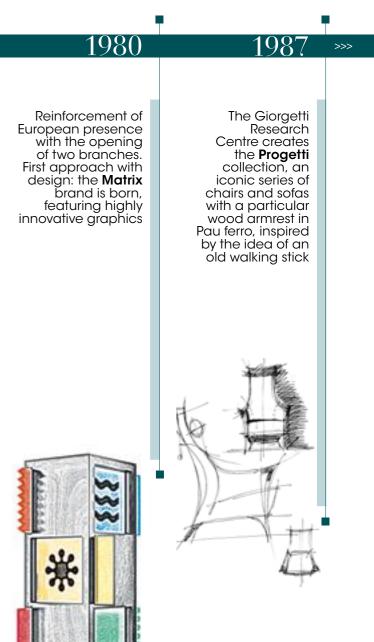


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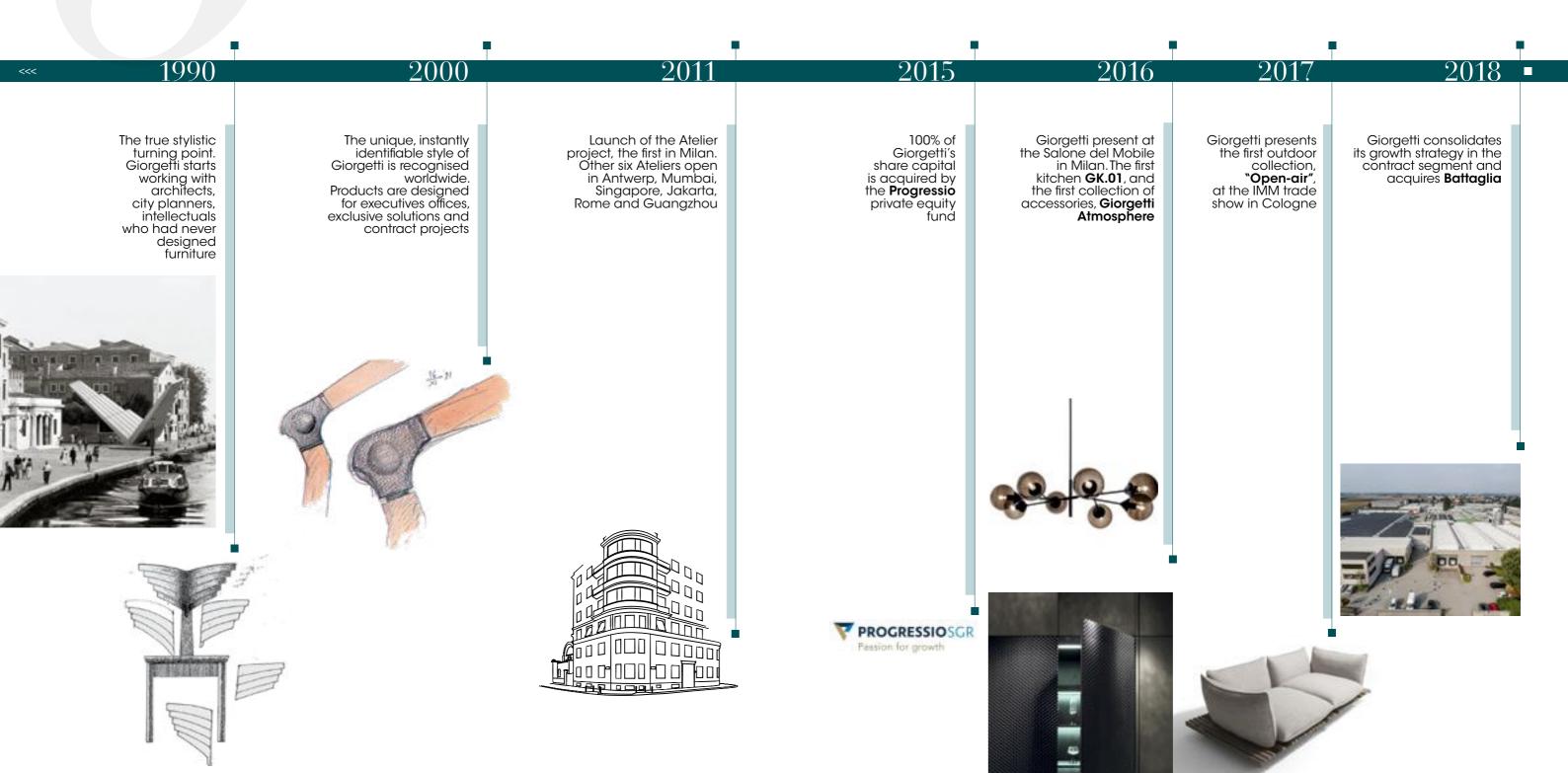


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2019 SUSTAINABILITY REPORT | EXTRACT





2019 SUSTAINABILITY REPORT | EXTRACT



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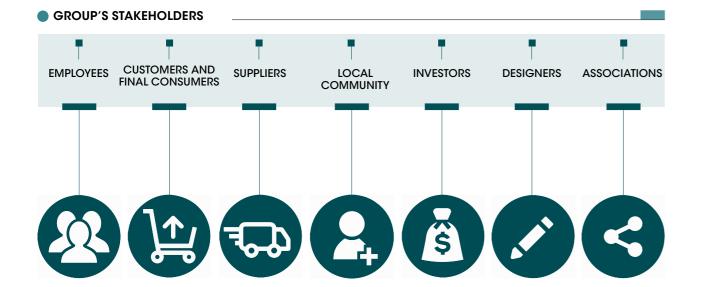
the group's sustainability path

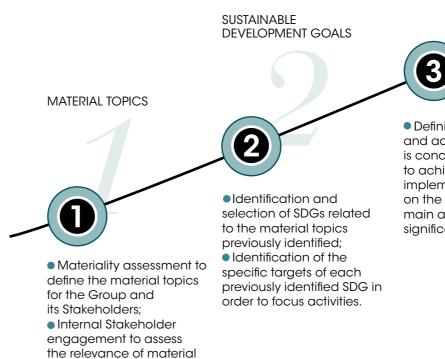
Always attentive to issues relating to the issues of sustainability in its broadest sense, Giorgetti has been carrying out the Model of Organisation, Management and Control pursuant to Legislative Decree 231/2001 in its entirety for over 3 years. Before that date, Giorgetti used to adopt an extremely detailed Health and Safety Model extremely, in force since 2010.

• The Group started its sustainability journey by publishing its first Sustainability Report, detailing its performance in the field of economic, social and environmental responsibility: it was the realisation of Giorgetti's commitment to sustainability, placing it as an important driver of growth and integrating it into company management.

METHODOLOGICAL PATH

topics.





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APPROVAL AND COMMUNICATION

GIORGETTI GROUP GOALS

• Definition of the objectives Sustainability Plan to the and actions that the Group Group's internal and is concretely committed to achieving and implementing, identified on the basis of the Group's main activities and its most significant impacts.

 $(\mathbf{4})$ Creation and approval of the Giorgetti Group Sustainability Plan; Communication and dissemination of the

external stakeholders.

THE GROUP'S SUSTAINABILITY PATH

the group's sustainability path

The Giorgetti Group decided to develop and adopt its Sustainability Plan guide and support its activities on the new sustainability path.

The Plan represents the Group's commitment to:

Support the continuous improvement and strengthening of its environmental, social and economic performance.

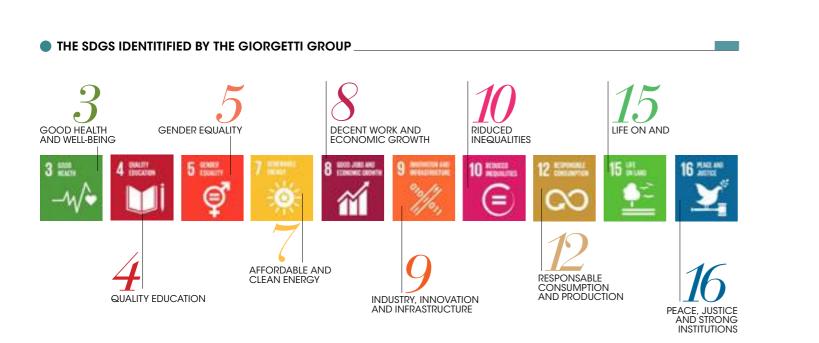
Contribute to the achievement of the United Nations Sustainable Development Goals (SDGs).

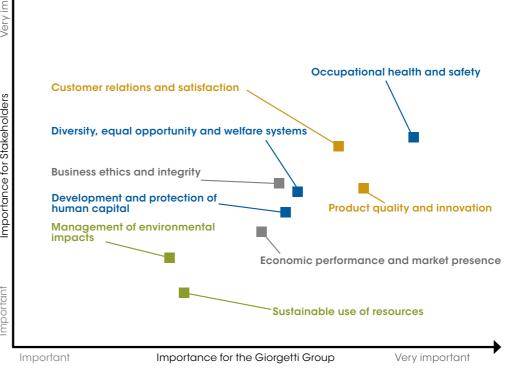
Strengthen the Group's relations with its Stakeholders.

- Initial definition of 4 topical areas:
- Economic and Governance Responsibility
- Social Responsibility
- Environmental Responsibility
- Product Responsibility
- identify the strategic priorities to focus its Sustainability commitment on.

The Materiality Matrix represents the relevant issues for the Giorgetti Group (horizontal axis) and for its Stakeholders (vertical axis) on which the Group focuses its commitment to sustainability. The material topics are divided into four thematic areas.

THE MATERIALITY MATRIX AND THE INTERSECTION BETWEEN TOPICAL AREAS AND MATERIAL TOPICS





GIORGETTI BATTAGLIA

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-> These form the foundation for the nine material topics that emerged from the materiality assessment, key to



the group's sustainability path

Giorgetti, with the formalisation of the Sustainability Plan, will undertake to define specific objectives, starting from the SDGs already identified. In particular, the survey carried out in this first year of reporting will allow in the near future a precise definition of the qualitative-quantitative targets to be achieved in the coming years and of the related indicators (KPIs) for periodic monitoring. All the Group's performances will be analysed for this aim, and appropriate actions will be consequently developed to be effective in the improvement of the reported indicators.

Giorgetti is fully aware of the positive and negative impacts deriving from its activities, which will indicate the strategic lines of the Sustainability Plan that will be formalised, in particular:

Impacts on the Group governance and on business ethics, through the development and continuous improvement of organisational policies and tools that guarantee the ethics of all the carried activities;

Impacts on employment, economy and sustainable development, through the personal and professional development of people, aimed at the inclusive and sustainable growth of individuals;

Impacts on environment in the procurement phase, through the preservation of natural resources and the acquisition of certified materials, with particular reference to wood;

Impacts on environment in the procurement phase, through actions aiming at the efficiency of energy consumption, at the consequent minimisation of atmospheric emissions and at the reduction of waste, with a circular economy perspective.

						SD	Gs]
MACRO TOPIC	MATERIAL ISSUES	3 \√∳	4 ====	5 Ģ	¢.	*	9 ===== ×	10 111	S II	15 :	16 22 °
Economic and governance Responsibility	Economic performance and market presence					√	V				
	Business ethics and integrity					V					V
Social Responsibility	Health and safety in the workplace	√				√					
	Development and protection of the Human Capital		√								
	Diversity, equal opportunities and welfare systems			√		√		√			
Environmental Responsibility	Management of environmental impacts				V				√	V	
Environ Respor	Sustainable use of resources				V				√	√	
Product Responsibility	Product quality and innovation Customer relations and satisfaction	V			V				V		

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Area 1: Economical and Governance responsibility

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Area 1: ECONOMIC AND GOVERNANCE RESPONSIBILITY

• The economic and financial performance of the Group is important in terms of sustainability as it guarantees economic security and future prospects for employees, creates and supports related activities, contributes to the local economy and the wood-furniture district.

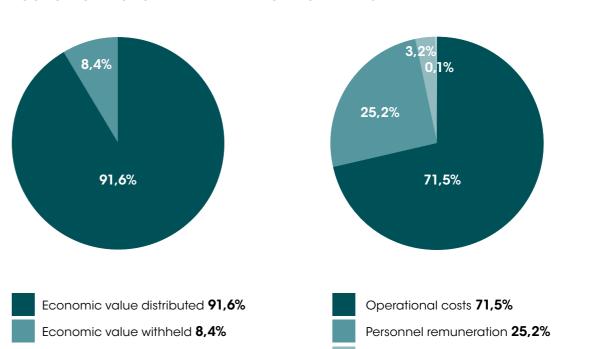
1. Economic performance and market presence.

- During 2019 the value generated by the Giorgetti Group amounted to over € 61 million approx (production value € 63 million approx), compared to € 59 million approx in 2018, with a growth of 3,8% (growth of 6,6% comparing the production value), highlighting the capacity of the Group, already form the first year following the acquistion of Battaglia S.r.l., to create opportunities capable of developing commercial synergies between all its companies.
- Growth of 3.8% despite the fact that the first year of ____ integration with Battaglia absorbed human energies in finding the best integration synergies.
- Growth in all geographic areas except the Middle East.
 - Positive performance of both multibrands and monobrands.
 - Positive performance of Project channel development.

2. Economic value generated and distributed in 2019

With € 62 million (compared to € 58 million in 2018), it recorded a 6.2% growth. Within the total revenue, € 57 million were distributed to Stakeholders.

ECONOMIC VALUE GENERATED AND DISTRIBUTED IN 2019





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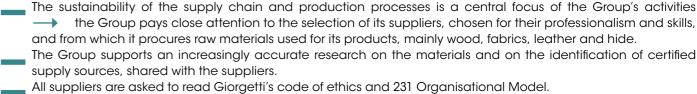
- Community remuneration 3,2%
- Public Administration remuneration 0,1%

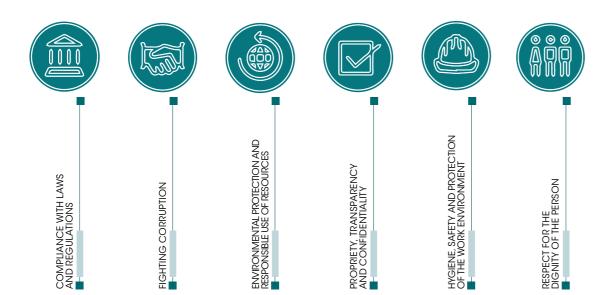
Area 1: ECONOMIC AND GOVERNANCE RESPONSIBILITY

3. Business Ethics and Integrity

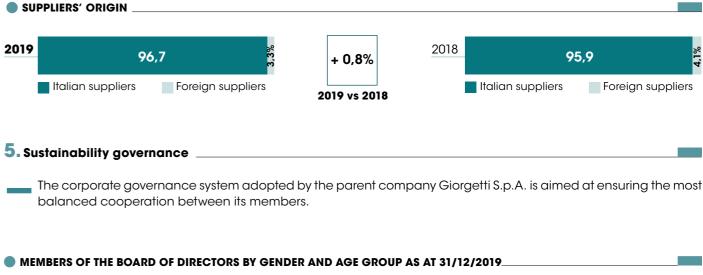
The Giorgetti Group is attentive to the need to ensure propriety and transparency in the conduct of business and its activities in relations with its Stakeholders and throughout the entire value chain. The complete 231 Organisation, Management and Control Model has been applied since 2017 (the Health and Safety part already having been implemented in 2010).







The Code of Ethics is an essential and complementary element of the Organisational Model as it summarises the ethical principles that inspire the company and the methods with which these principles are applied.







____ The sustainability of the supply chain and production processes is a central focus of the Group's activities + the Group pays close attention to the selection of its suppliers, chosen for their professionalism and skills,

80,0%

20,0%

30-50 years

>50 years





2019 SUSTAINABILITY REPORT | EXTRACT

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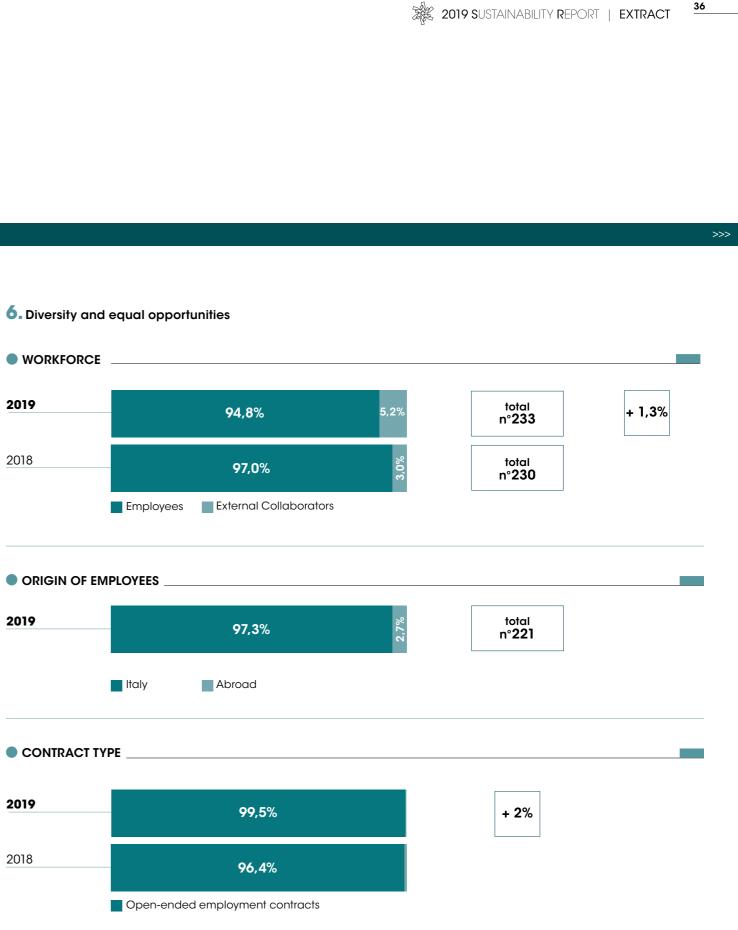
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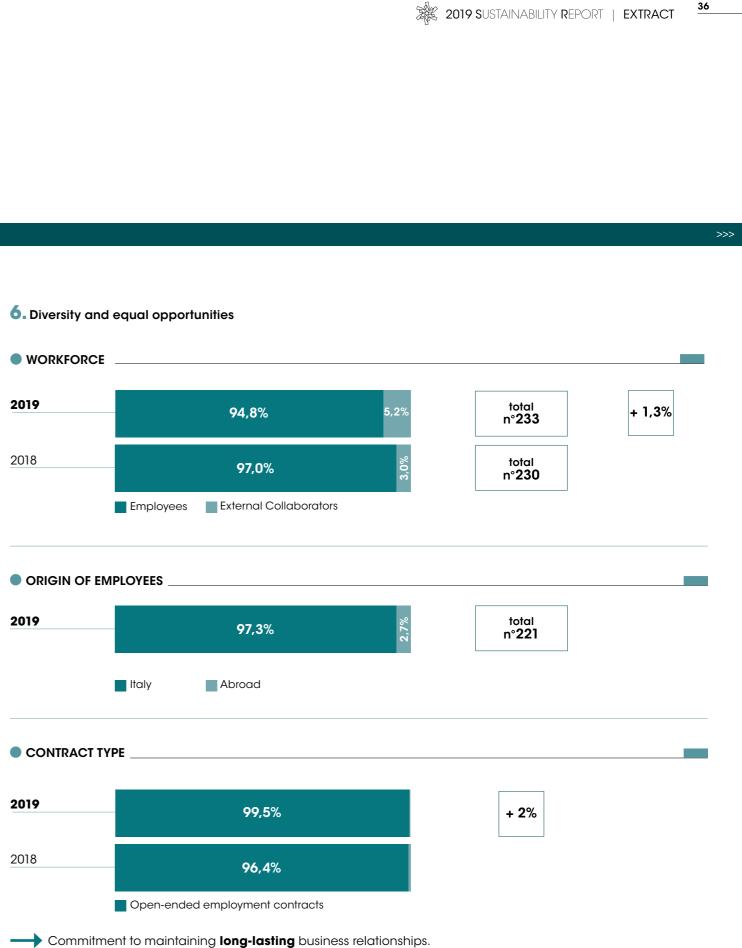
OCIAL RESPONSIBILITY

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Qrea 2: SOCIAL RESPONSIBILITY

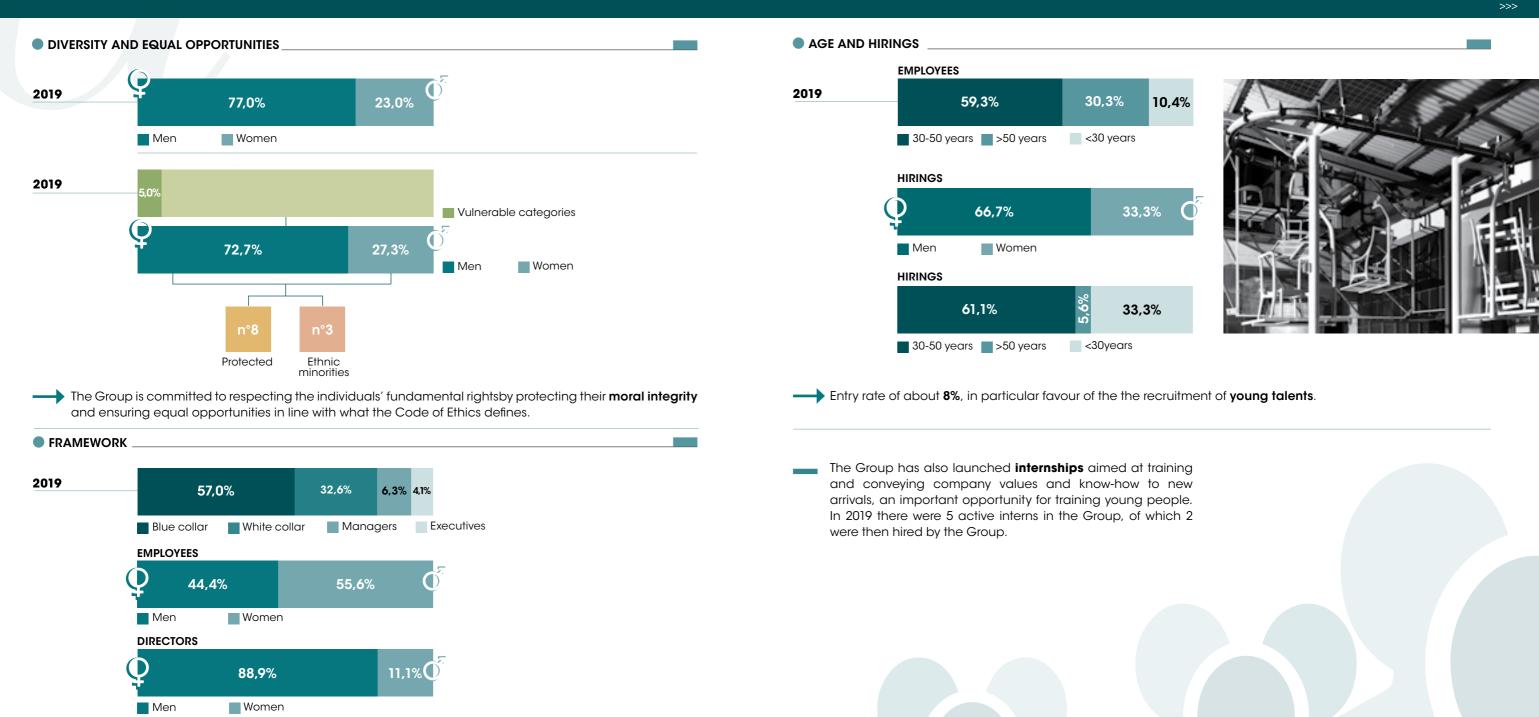
• The Giorgetti Group commits every day to respecting the fundamental values of diversity, inclusion and equality, developing and enhancing the unique value that each employee represents for the Group, tackling all forms of discrimination and violence in the workplace and guaranteeing equal opportunities for professional and personal growth in a safe, protected environment. The Group has set up a COMPANY OBSERVATORY to monitor compliance with and the protection of these







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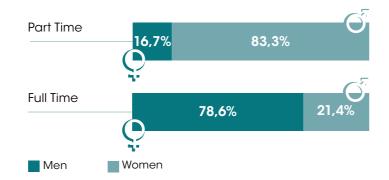
AREA 2: SOCIAL RESPONSIBILITY

Area 2: SOCIAL RESPONSIBILITY



7. Welfare, wellness and work-life balance

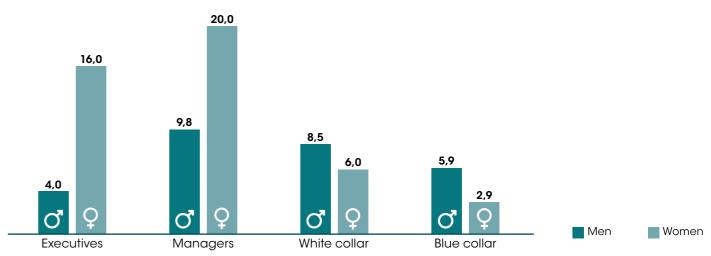
- The Giorgetti Group invests its efforts in ensuring the well-being of its employees by promoting a safe, meritocratic and stimulating working environment, where each employee is encouraged to express their talent and abilities.
- The Group supports employees in finding the right balance between work and private life: in this regard, in 2019 it granted 6 part-time contracts to employees, equal to 3% of the workforce (1 man and 5 women).



- The Giorgetti Group adopts with its employees a Working Agreement with a Level II, implementing the National Collective Agreement, for more effective rules closer to the needs of its employees.
- The Welfare Component is fundamental for the Group, with:
- the availability of supplementary health insurance -Altea Fund - to all employees (full-time and part-time, temporary and permanent), the costs being entirely borne by the Group;
- the possibility of subscribing to other health care and social security funds to it employees, especially to its executives, whose expenses are generally shared by the Group and the beneficiary.

8. Development and protection of human capital

- progress of the human capital, and consequently the long-term growth of the organisation itself.
- employee, a considerable increase compared to the previous year.



AVERAGE TRAINING HOURS BY GENDER AND PROFESSIONAL CATEGORY AS OF 31 DECEMBER 2019

The Group also considers it essential to invest in training for new generations:

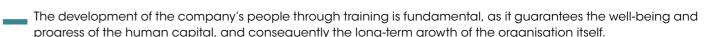
- courses and offering students the possibility of getting experience in the field;
- Iong-term cooperation with the vocational school system with the aim of both directing their normal training
- in 2019, 7 students participated in work-study projects at the Group's production sites.

9. Health and safety in the workplace

- prevention and safety.

GIORGETTI BATTAGLIA





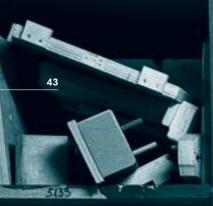
Training is not only a fundamental tool for developing, improving and consolidating the skills of each employee, but it is also an important vehicle for transmitting and disseminating the Group's corporate values and strategy. In 2019 Giorgetti has recorded a total of 1,428 hours of training, for an average of about 6.5 hours per year per



____ The Giorgetti Group is committed to ensuring a safe, secure working environment and spreading the culture of

In 2019 the Group recorded 9 accidents at work involving its employees. In 2019, there were no fatal accidents at work.







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NVIRONMENTAL RESPONSIBILITY

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Cirea 3: ENVIRONMENTAL RESPONSIBILITY

The Group's management and Stakeholders see environmental sustainability as a priority and a fundamental objective that the Giorgetti Group must pursue

 commitment to use innovative tools and technologies with a reduced environmental impact.

The Group is deeply rooted in the local community

aim of protecting and preserving this reality, not just at a strictly environmental level but also at a cultural level, and protecting the professionalism and skills acquired over time, fundamental to ensure the growth and continuity of the business.

Constant monitoring of emission levels for the main environmental risks related to its production process (in particular carpentry and painting).

Reduction of environmental impact through the careful selection and monitoring of its suppliers (especially in relation to the procurement of raw materials).

As a demonstration of the commitment to reduce its negative environmental impacts, a photovoltaic system is active in the Battaglia plant in Misinto which allows, on days of maximum energy production, not to get energy from the external net or to get it in a minimal part, preferring renewable energy and thus reducing the production of CO₂ emissions. In addition, the heating of the Misinto and Meda plants is maintained by a recovery system for virgin waste wood, through combustion in the boiler.

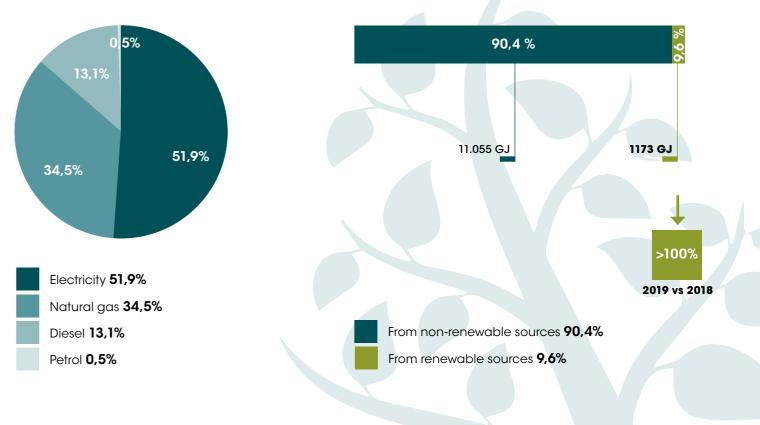
11. Management of environmental impacts: energy consumption and emissions

Commitment to eliminating and concretely mitigating its environmental impacts, analysing, identifying and decreasing the most impactful activities, also thanks to the help of specialised external consultants where they can be particularly useful thanks to their distinctive skills. Implementation of the 231 Model (in force since 2017, while the Environment, Health and Safety section of the same

Implementation of the 231 Model (in force since 2017, while the Environment, Health and Safety section of the same document has been applied since 2010) as a pillar of training, discipline and coordination for the minimisation of environmental impacts.

Great attention to raising employees awareness and to their training (see also the Development and Protection of human capital section).

ENERGY CONSUMPTION OF THE GROUP







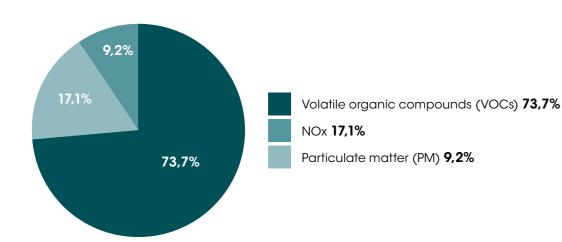
AREA 3: ENVIRONMENTAL RESPONSIBILITY

Ctrea 3: ENVIRONMENTAL RESPONSIBILITY

>>>11.

Emissions

- In 2019 the Giorgetti Group produced a total of 820.0 tonnes of CO₂, considering Scope 2 emissions calculated using the Location-Based method, and 1,059.5 tonnes of CO2e, considering Scope 2 emissions calculated using the Market-Based method, registering an increase of 22% and 25% respectively compared to 2018. Within the same scope (and excluding Battaglia emissions), Giorgetti S.p.A.'s total emissions considering Scope 2 emissions calculated using the Location-Based method decreased by 7% compared to 2018, while total emissions considering Scope 2 emissions calculated using the Market-Based method decreased by 5% compared to the previous year. More specifically:
 - The Scope 1 direct emissions due to energy consumption amounted to 365.2 tonnes of CO₂, an increase of 4.9% compared to the previous year.
 - The Scope 2 indirect emissions calculated using the Location-Based method amounted to 454.8 tonnes of CO₂, while those calculated using the Market-Based method reached 694.3 tonnes of CO2e.



For other emissions, NOx are lower than 2018, while the remaining emissions are in line with 2018 data:

12. Sustainable use of resources: materials and waste

- choice of high quality raw materials.
- accordance with the principles of sustainability.
- compared to 2018.

Renewable raw materials ^{1.}					
Type of material	Unit of measurement	2019			
Wood	M ³	545			
Leather	Mt (thousands)	32			
Leather	Mt (thousands)	32			

Non-renewable raw materials ^{2.}					
Type of material	Unit of measurement	2019	2018		
Fabrics	Mt (thousands)	32	36		
Cushions	Number	7.451	8.676		

The objective is to give precedence to the use of mater the use of recycled materials. In 2019 Battaglia S.r.l. re compared to 2018 when it amounted to 125 tonnes. Finally, the Group is considering the opportunity and possibility of completely eliminating plastic, thus becoming plastic-free, as well as other packaging materials that are difficult to dispose of.

1. The figures relating to renewable raw materials used in 2018 and 2019 do not include data relating to Battaglia S.r.l. With a view to continuous improvement, the Giorgetti possibility of improving the traceability of the data currently available in numbers (cushions)



From the beginning, the Giorgetti Group has distinguished and established itself in the world of designer furniture not only for its tradition and craftsmanship, never lost over time, but also for its attention to the selection and

In this context, the Group is particularly attentive to the protection of the environment, first and foremost through its constant commitment to reducing product waste during the processing of wood and other natural materials, but also by investing its efforts in carefully and consciously selecting its suppliers, preferring those that operate in

, In 2019 the Giorgetti Group recorded a decrease in both the use of renewable and non-renewable raw materials

erials havin	g a reduced	d environ	mental	impact,	increas	ing
recovered	130 tonnes	of virgin	wood,	an incr	ease of	4%

and the second		20	10.1	110	100	- 23
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	4			20	5	0
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			\leq	6	2	100

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2018	
606	
37	
	. 1

Group is committed to implementing a structured process of monitoring the raw materials used in order to identify their weight in a prompt, uniform manner. 2. The figures relating to non-renewable raw materials used in 2018 and 2019 do not include data relating to Battaglia S.r.I. The Giorgetti S.p.A. Group will evaluate the

Qrea 3: ENVIRONMENTAL RESPONSIBILITY

>>>12.

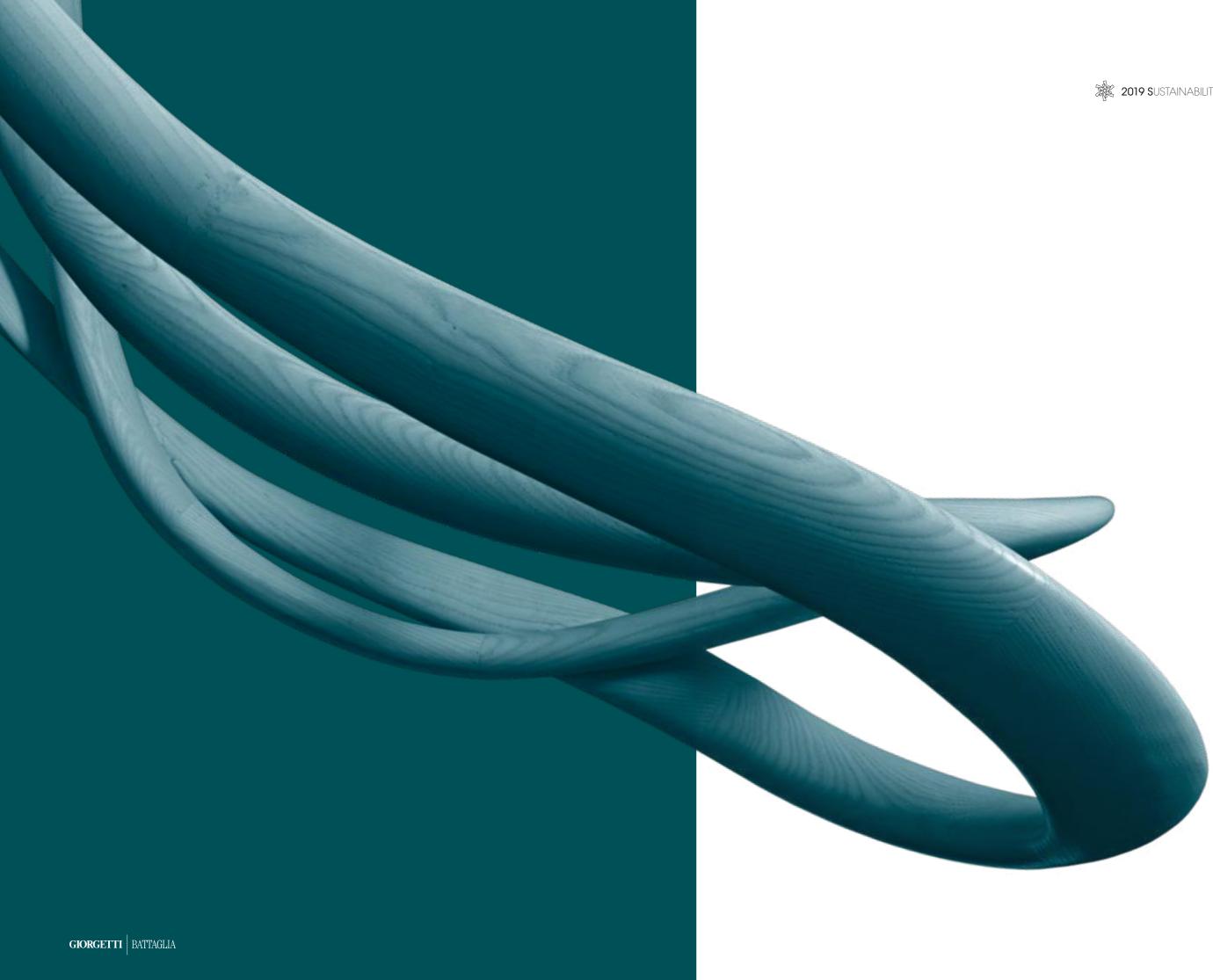
Great attention to waste generation:

- In 2019 the Group produced 662.5 tonnes of waste, of which 22.2 tonnes of hazardous waste and 640.3 tonnes of non-hazardous waste, registering an increase of 33% compared to 2018. Within the same scope, the waste produced by Giorgetti S.p.A., equal to 445 tonnes, increased by 6% compared to 2018, when it amounted to 420 tonnes.
- In 2019 as in 2018, the disposal method most used by the Group was recycling, amounting to 98.9% of the total, while only the residual portion equal to 0.1% was destined for landfills.

Hazardous 96,6% Non-hazardous 3,4% 96,6%









2019 SUSTAINABILITY REPORT | EXTRACT



Ctrea 4: PRODUCT RESPONSIBILITY

Sustainability means above all the durability of the product, and in this sense Giorgetti has always invested in the development of objects destined for continuous and constant use over time, to be handed down to future generations, perpetuating, and even increasing, its value.

13. Product quality and innovation

- long-term value.
- from the Object to the Project that characterises the Group's development strategy.
- The Group has implemented a quality monitoring system
- - the rapid resolution of any problems.

14. Customer Centricity

- impeccable product and the provision of a prompt, customer-centred and competent service.

 - increasing engagement on social and digital channels
- organisation focused on ensuring a strong relationship with the various sales channels.



Giorgetti's uniqueness lies in its ability to embrace product quality and innovation as drivers capable of generating

In 2019, 10 new product collections were presented, which were joined by an expanded collection of decorative accessories and elements called Atmosphere, completing Giorgetti's traditional offer in the spirit of a transition

Product development takes place both internally, through the internal R&D division composed of 5 technicians and 3 prototypists, and externally, through collaborations with renowned designers and internationally renowned architects who in any case engage in a key partnership with the R&D division for the development of their ideas.

The Group pays particular attention to all processes and services that guarantee the development of an

• increasing the number of regions the Group operates in through dedicated organisational structures

Monitor customer satisfaction through a dedicated quantitative and qualitative KPI system and a dedicated



AREA 4: PRODUCT RESPONSIBILITY

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