

# Social Innovation through Lighting **iGuzzini's commitments and goals for a sustainable future**



iGuzzini



## ***Social Innovation through Lighting***

### **iGuzzini's commitments and goals for a sustainable future**

We are an international Group at the service of architecture and the development of lighting culture, and we operate according to the principles of sustainable development.

Founded in 1959, today we are recognised as both a centre of excellence dedicated to the research, creation and management of light in all its forms, and a production centre with a strong, deep-rooted vocation for design and innovation. We produce indoor and outdoor lighting systems that use light to improve relationships between human beings, architecture and the environment in Cultural, Work, Retail and Urban locations, Infrastructures and the Hospitality & Living sector.

Lighting as an element of social innovation has always been our hallmark. For over sixty years, we have worked together with leading architects, lighting designers and engineering studios to create innovative, high performance, intelligent lighting designs that enhance architecture and spaces. Light allows us to create places that are safer, sociable and comfortable, and which help influence people's mood as well as the colours and forms of nature and art. This is why we have adopted four guidelines to develop our vision of Social innovation through lighting: **Connectivity; Culture; Design; Sustainability**.

#### **Our values**

*Humanity, Integrity, Openness, Innovation and Beauty* are the values on which our responsible commitment is founded.

1. **Humanity** - Our work plays an important role in promoting the well-being of mankind, the company and the environment. Caring for and appreciating people, empathy, working relationships and reciprocal trust are the foundations of all our activities.
2. **Integrity** - Ethics, morality, responsibility and playing by the rules are our guidelines for guaranteeing the sustainable growth of people, the local area and society. We invest daily in environmental safety and protection to safeguard our future.
3. **Openness** - We contribute to the development of an international community by maintaining strong bonds and solid roots with our history and homeland. We love operating in a network with no borders that sees differences as a way of growing.
4. **Innovation** - imagination, creativity and enterprise are essential components of our way of thinking, being and working. We are extremely proud of our research tradition, in both the concept of the company and the development of our industry.
5. **Beauty** - We use our sensitivity to enhance the beauty of the world through our conduct, the intelligence of our solutions and our services. We conduct research into continuous improvement and excellence with passion and care to stimulate emotion and wonder.

#### **Our codes and our commitments to sustainability**

Guided by the principles and behavioural guidelines of our **Code of Behaviour** (Leg. decree 231/2001) and the **Code of Conduct drawn up by the Fagerhult Group** - which we joined in 2019 - we operate as

a reliable and honest group that respects people and the commitments we have made. We believe in long-term business relationships, in which we - together with our partners - lay the foundations for **solid results that combine business growth and financial solidity with social and environmental sustainability.**



Ph. Sustainability Report 2020, Fagerhult Group

Our commitment to **sustainable and responsible company development** is in line with ONU's 2030 Agenda for Sustainable Development, from which we have chosen as our key priorities, four of the 17 **Sustainable Development Goals (SDGs)**:

- **Clean and accessible energy (SDG n. 7)** - Ensure everyone has access to affordable, reliable, sustainable and modern energy systems;
- **Sustainable cities and communities (SDG n. 11)** - Make cities inclusive, safe, resilient and sustainable;
- **Responsible consumption and production (SDG n. 12)** - Ensure sustainable consumption and production patterns;
- **Climate action (SDG n. 13)** - Take urgent action to combat climate change and its impacts.



Ph. Sustainability Report 2020, Fagerhult Group

## Our people

People are the core of our business and the decisive factor behind our growth, both inside and outside the company. We invest daily in the training and well-being of our employees, and improving our working environments, especially in terms of the health and safety of the people who work with us on a daily basis (in addition to our employees, suppliers and customers) in order to benefit the geographical areas we operate in.

We are present in Italy and abroad with 3 production sites and 41 operational offices spread over 5 continents. We employ 1360 employees: 763 in Italy and 597 abroad. Our main production site is in Recanati, but we also have sites in Shanghai and Montreal - for the Asia Pacific and North American markets. All of these are perfectly integrated in a global logistic network designed to leverage local expertise and technologies within a centrally-coordinated framework. The other Group companies in their respective countries promote and sell iGuzzini brand products domestically.

For more information about our commitments, please refer to our 'Policy on Human Rights and Working Conditions', our 'Policy on Conflict Minerals', our 'Policy on Health and Safety in the Workplace', our 'Policy for a Sustainable Supply Chain' and our 'Quality Policy'.

## Our value chain

We believe in the importance of constructing long-lasting professional relationships. We invest constantly in improving processes, and our products and services, and we are actively committed to ensuring our company and business partners have due regard for environmental issues and social commitment. All three production sites use a local supply chain. For more information on this theme, please refer to our 'Policy for a Sustainable Supply Chain', our 'Policy on Conflict Minerals', our 'Policy on Human Rights and Working Conditions' and our 'Quality Policy'.

## Our responsibility for the environment

Containing the environmental impact of our activities and solutions is one of our key priorities. Safeguarding the environment, reducing risks, and therefore protecting people's health and safety, as

well as energy saving, energy efficiency and improving overall energy performance are fundamental factors in guaranteeing the protection and development of the geographical areas we operate in and increasing the company's competitiveness. For more information on our commitments, please refer to our 'Environment and Efficient Energy Consumption Policy' and our 'Quality Policy'.

## Policy on Human Rights and Working Conditions

Observing human rights and guaranteeing the best working conditions are the essential elements on which our company culture and strategy is based, and which constitutes an absolute priority. This Policy therefore represents iGuzzini's public commitment to this issue and confirms the values (see operating principles below) that inspire the company's choices and conduct. In addition to the iGuzzini Code of Behaviour (Leg. decree 231) and the Fagerhult Group Code of Conduct, this Policy transposes the international treaties and conventions regarding human rights, like the International Bill of Human Rights, including the United Nations (ONU) Universal Declaration of Human Rights, and the basic conventions of the International Labour Organization (ILO). iGuzzini also helps achieve the 2030 Agenda Sustainable Development Goals (SDGs).

### Field of application

This Policy applies to all iGuzzini production sites and operational offices. Each person, in the company is required to observe its principles and contents. This includes employees, managers and members of the Board of Directors. Any companies that work within our facilities are also required to observe it. The principles stipulated in the Policy also extend to our suppliers.

### Operating principles

These principles are also part of our Charter of Values

1. **Humanity** - Our work plays an important role in promoting the well-being of mankind, the company and the environment. Caring for and appreciating people, empathy, working relationships and reciprocal trust are the foundations of all our activities.
2. **Integrity** - Ethics, morality, responsibility and playing by the rules are our guidelines for guaranteeing the sustainable growth of people, the local area and society. We invest daily in environmental safety and protection to safeguard our future.
3. **Openness** - We contribute to the development of an international community by maintaining strong bonds and solid roots with our history and homeland. We love operating in a network with no borders that sees differences as a way of growing.
4. **Innovation** - imagination, creativity and enterprise are essential components of our way of thinking, being and working. We are extremely proud of our research tradition, in both the concept of the company and the development of our industry.
5. **Beauty** - We use our sensitivity to enhance the beauty of the world through our conduct, the intelligence of our solutions and our services. We conduct research into continuous improvement and excellence with passion and care to stimulate emotion and wonder.

## **Our commitments**

### **Compliance and legality**

All iGuzzini production units must operate in full compliance of the laws and regulations governing the activities they conduct in the countries they are located in. No form of corruption, bribery or unethical company practice is tolerated.

### **No child or forced labour**

iGuzzini respects international conventions regarding human rights. It supports and respects basic human rights in all its activities. It will not tolerate, in any circumstance, child labour and it respects the minimum employment age in compliance with local legislation. It also rejects any knowing use of forced or obligatory labour, including slave labour, forced labour for prison inmates and any form of harassment or physical, sexual, psychological or verbal maltreatment, intimidation or abuse.

### **Working hours and a fair wage**

Employees cannot be requested to work beyond the limits established by the legislation in force in the local area. The salaries paid and the services supplied in compliance with the standards stipulated for the category in question, including overtime and other compensation, must be equal to or above the minimum level guaranteed by the law and collective labour agreements for the category.

### **Protecting health and safety in the workplace**

iGuzzini is committed to offering high safety standards in the workplace for both its own employees and the people who work with us on a daily basis (e.g. suppliers, customers). Every production unit must adopt the provisions required for the prevention and management of potential occupational accidents and illnesses.

In accordance with the relevant national regulations, iGuzzini operates in such a way as to identify, assess and reduce all occupational health and safety risks. At the same time, it works to continuously improve the working environment for its personnel. Our goal is to reach a stable level of 'zero accidents' and guarantee the operating conditions required to reduce the risk of occupational illnesses.

### **Diversity and equal opportunities**

iGuzzini recognises and respects diversity and cultural differences, regardless of gender, family status, ethnicity, nationality, sexual orientation, religion, political opinions, age or disability. In every sphere of professional life (recruitment, promotion, remuneration, provision of benefits, training, dismissal and termination of employment) every employee will be considered and treated in a fair and non-discriminatory way.

### **Training staff and developing their careers**

iGuzzini is committed to training its workers in order to encourage their development and make the company competitive with regard to business and market requirements. The training courses offered by the company are designed to adapt the knowhow and skills required by the role in question and to boost the professional development of iGuzzini workers.

iGuzzini respects all the legal obligations regarding mandatory training activities in the countries it is operating in. Every company in the Group is responsible for ensuring that the mandatory training legally required by the country they are operating in, is provided.

**Freedom of association and collective bargaining**

All employees are free to exercise their legal right to constitute organisations representing their interests and to become members of them or not. No employee must be subject to intimidation or harassment when exercising these rights. Every worker's right to collective bargaining must be respected.

**Personnel data and information security**

In compliance with the European Ruling 679/2016 (GDPR) and the regulations in force in each of the countries we operate in, iGuzzini is committed to protecting the integrity, confidentiality and availability of the personal data of each employee, worker (internal or external), consultant, supplier, customer and/or third party that works with the company continually and not temporarily.

**Responsible supply chain management**

iGuzzini believes that responsible supply chain management is indispensable for guaranteeing high product and service quality standards and achieving continuous process improvement. Quality, ethics, human rights and working conditions, health and safety, the environment and energy are all aspects that are carefully considered and assessed throughout our production and distribution supply chain, from our selection of suppliers to their systematic monitoring and the implementation of training and awareness raising initiatives.

**Implementation and monitoring**

All employees and suppliers are informed of this Policy, either through specific training sessions designed to suit the roles and responsibility of the employee and given when they first join the company, or by consulting the policy that is published on the company website and intranet. This is why it is available in the languages of the countries the production units are based in. The Policy will also be regularly revised to ensure it is properly implemented, relevant, and ready to adapt to any changes in the external context.

The Management is responsible for implementing, diffusing and checking that all production units comply with this Policy. These units are also responsible for training employees, who, in turn, are responsible for acting in compliance with this Policy.

The Management also undertakes to regularly monitor that each iGuzzini unit complies with the Policy through prevention activities (training and information on the issues indicated in this Policy) and systematic reporting on the indicators defined in it



### Violations and whistle blowing

Employees:

- may be subject to disciplinary action, depending on the facts and circumstances, if the following policy is violated;
- are encouraged and required to refer to the iGuzzini Chief People Officer's local Line Manager any problems or violations of this policy and they will in no way be subject to reprisals or other negative consequences;
- can indicate violations by writing to this email address [organismodivigilanza@iguzzini.com](mailto:organismodivigilanza@iguzzini.com). Any communications will remain strictly confidential.



**Cristiano Venturini**

Chief Executive Officer

## Quality Policy

We believe in the importance of constructing, through the combined commitment of iGuzzini and its suppliers, a set of processes for producing and marketing innovative products and services that ensure our customers' expectations are satisfied. This is why in our Quality Policy we have defined our commitment to applying and propagating our principles of **total quality** and **continuous process improvement** throughout the value chain.

### Field of application

This Policy applies to all company processes that have an impact on our product/service quality, from purchasing to design and from production to marketing, in all our production sites and operational offices in Italy and abroad.

### Operating principles

iGuzzini has always considered quality as a strategic company tool for achieving effectiveness and efficiency in all company activities, from a reactive, preventive and proactive perspective. It is well aware that the market - in the sense of all the customers in its distribution network - is demanding increasingly higher quality for products (in terms of design, performance, sustainability, reliability and safety) and services (in terms of on-time delivery, flexibility and cost containment). The company is convinced of the absolute need to provide positive responses to these demands and therefore to tackle quality issues in a global and dynamic way in order to achieve total quality and continuous improvement.

Our Quality Management System adopts a process-based approach in order to identify interfaces and achieve customer satisfaction downstream from every process, both on the market and within the organisation itself. It is founded on risk analysis that allows us to determine the factors that may deviate our processes from their planned goals and to implement preventive actions to minimise negative effects and exploit market opportunities by anticipating trends.

### Our commitments

iGuzzini undertakes to:

- **Observe all relevant product and system regulations and standards**, with a special focus on those that impact the health and safety of our customers;
- **Define customer requirements**, both implicit and explicit, **and satisfy them**;
- **Take responsibility for the quality of the company's products, processes and services**, directing the activities of all the company functions accordingly and verifying that these directions are correctly interpreted and applied;

- **Promote a culture of total quality** at all company levels and functions and with suppliers too;
- **Pursue continuous improvement**, by defining increasingly challenging quality goals based on a zero defects concept and customer care;
- **Assess the Quality System regularly**, at least once a year by the Management to ensure it is adequate, effective and improves over time.

### Implementation and monitoring

All iGuzzini employees and suppliers are informed of this Policy, the iGuzzini Code of Behaviour and the Fagerhult Group Code of Conduct.

The Management is responsible for activating, monitoring and accounting the Policy as well as updating and reviewing it.



**Cristiano Venturini**

Chief Executive Officer

## Environment and Efficient Energy Consumption Policy

We believe that safeguarding the environment, preventing pollution, conserving biodiversity and using energy sources efficiently are indispensable requirements for developing a sustainable business model that includes the entire product life cycle in its assessment.

### Field of application of the Policy

This Policy applies to all the company processes performed in our production sites and operational offices, to all our product and service suppliers and to the impacts of our products during their use and at the end of their life.

### Operating principles

1. **Compliance and legality** - Observing legal obligations through the robust monitoring of relevant requirements and process checks are the conditions on which to build a culture based on respect for the environment and responsible energy consumption.
2. **The local area and community** - A good relationship with the local community and safeguarding the area in which we live are fundamental conditions for the sustainable growth of the company, that has established itself as a guide for the local social fabric on issues, such as environmental protection and the safeguarding of natural resources in the sphere of local industrial production.
3. **Communication, culture and dialogue** - Training and involving all company staff, and all company stakeholders is fundamental for achieving any goal in the environment and energy sector.
4. **Risk management and prevention** - Correct and prompt risk analysis is essential for avoiding deviations from the processes required to reach company goals and potential emergency situations.
5. **Reliability and innovation** - Selecting products and services, and therefore technologies and reliable suppliers that are updated with the most advanced practices regarding their environmental impact and efficient consumption of resources, is a fundamental requirement for implementing processes that are efficient and effective in the long term, too.
6. **Continuous improvement** - A sustainable business model must be based on stimulating the organisation to continually develop by defining and achieving increasingly challenging goals and identifying opportunities linked to key environmental aspects.



## Our commitments

iGuzzini undertakes to:

- **Develop products in order to continuously reduce their environmental and energy impact measured over their entire life cycle;**
- **Protect the environment through risk analysis and pollution prevention**, guaranteeing compliance with environmental and energy standards;
- **Reduce the consumption of any drinking water** not used for that purpose, **minimize the consumption of chemical products, eliminate from products any components that cannot be recycled at the end of their life, reduce greenhouse gases and VOC emissions and water pollution, and eliminate the consumption of energy from non-renewable resources;**
- **Promote**, through information and training, **the knowhow of our staff with regard to environmental protection and the responsible use of energy;**
- **Guarantee measurable improvements** in company performance in compliance with scientifically defined goals.

More specifically, to improve its internal and external processes, iGuzzini undertakes to:

- **Select technological and management processes that can guarantee by 2030 an absolute reduction in CO2 emissions of at least:**
    - 35% of Scope 1 and 2 emissions;
    - 22.5% of Scope 3 emissions;
- In line with the Fagerhult Group's Sustainability Policies and the targets defined in the 2015 Paris Agreement (1.5°), the reference baseline is defined by the 2021 emission profile;
- **Apply the principles of ecodesign increasingly strictly** including complying with recognised international standards like the LCA, EPD etc.;
  - **Take advantage of the best tools and collaborations to guarantee a constant analysis** of standard updates and all relative obligations;
  - Select technological and management processes aligned with the best available, applicable technologies;
  - **Supply everyone with the information and tools they need** to reach set goals and targets;
  - **Measure and constantly assess consumption and, more in general, the environmental impact** of products and processes through a system of shared data collection.

### **Implementation and monitoring**

iGuzzini communicates this Policy, its procedures and activities for safeguarding the environment and efficient energy management, as well as the iGuzzini Code of Behaviour and the Fagerhult Group Code of Conduct, to employees, suppliers, customers and anyone operating in our production sites and operational offices.

It is the responsibility of the Management to implement this Policy and review its suitability at least once a year and in the event of significant changes to infrastructure or production processes that impact the environment and energy consumption.

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**Cristiano Venturini**

Chief Executive Officer

## Policy on Health and Safety in the Workplace

We believe in the importance of people, who are the core of our business and the decisive factor for the sustainable development of the company and the geographical areas in which it operates. This is why our first commitment is to guaranteeing a healthy and comfortable work environment with high safety standards for both our employees and the people who work with us on a daily basis. Our goal is to reach a stable level of 'zero accidents' and guarantee the operating conditions required to reduce the risk of occupational illnesses. That is why we have defined in our Policy, our commitment to applying and propagating our principles of health, safety and well-being in company spaces and any other areas the company operates in.

### Field of application

This Policy can be applied to all employees and supply companies operating in the company's production sites and operational offices in Italy and abroad.

### Operating principles

1. **Compliance and legality** - Observing legal obligations through the robust monitoring and inspection of all relevant standard and legal requirements is an essential foundation for building a culture based on health and safety in the workplace.
2. **The local area and community** - A good relationship with the local community and safeguarding the area in which we live are fundamental conditions for the sustainable growth of the company, that has established itself as a guide for the local social fabric on the issue of health and safety in the workplace, as well as exerting its influence on its stakeholders.
3. **Communication, culture and dialogue** - Training and involving all company staff and all company stakeholders is fundamental for achieving any goal regarding health and safety in the workplace.
4. **Risk management and prevention** - Correct and prompt risk analysis is essential for avoiding deviations from the processes required to reach company goals.
5. **Reliability and innovation** - Selecting technologies and reliable suppliers that are updated with the most advanced practices is a fundamental requirement for implementing processes that are efficient, effective and therefore safe.
6. **Continuous improvement** - A sustainable business model must be based on stimulating the organisation to continuously seek excellence and innovation.

## Our commitments

To achieve the aims of this policy, iGuzzini undertakes to:

- **Guarantee that the goal of zero accidents (and occupational illnesses) in the workplace is reached every year** for both staff and guests;
- **Improve the comfort and ergonomics of workstations** to reduce the risk of occupational illnesses;
- **Propagate widespread and specific knowledge** of safety matters to establish a solid and long-lasting safety culture within the company by promoting a sense of collective and individual responsibility;
- **Define specific goals and a system for monitoring performance** to allow continuous improvement of our results and way of operating by promoting teamwork and involving all company representatives in risk reduction.

Our suppliers are an integral part of the safety management policy, and that is why we are committed to:

- **Ensure that all third parties who enter our sites are provided with the necessary information about risks** that may interfere with people's health and the safety of the workplaces in which they operate, and checking that they are suitably equipped to safely carry out their duties in our plants;
- **Consider correct health and safety management**, that complies with current legislation, **to be a fundamental aspect when selecting and assessing our suppliers.**

So, in the sphere of its internal and external processes, iGuzzini seeks to:

- **Identify work methods guaranteeing sufficient safety standards** and then sharing and circulating them throughout the entire company population, including trade union representatives;
- **Promote continuous technological updates by gradually eliminating major sources of risk and correctly managing any residual risks;**
- **Plan, activate and monitor constant training and awareness raising activities regarding the prevention** of accidents and occupational illnesses to encourage a specific and technical approach to company tasks;
- Apply the same level of attention to protect health and safety in the workplace, not only in internal production processes, but also in the design of our end products, in order to minimize risks for both our staff and those of our customers during installation and when using our products.
- **Reward virtuous company workforce behaviour** in order to inspire everyone inside and outside the company.

## Implementation and monitoring



The Company also undertakes to inform its employees and the supply companies that operate in its production sites of this Policy, as well as the iGuzzini Code of Behaviour and the Fagerhult Group Code of Conduct.

The Management is responsible for activating, monitoring and accounting the Policy as well as updating and reviewing it.

A handwritten signature in blue ink, appearing to read "C. Venturini", with a long horizontal stroke extending to the right.

**Cristiano Venturini**

Chief Executive Officer

## Policy for a Sustainable Supply Chain

We believe in the importance of constructing long-lasting business relationships as we are convinced that the quality of our interaction, our constant dialogue and the combined commitment of iGuzzini and its suppliers helps us to develop innovative products and services, continuously improve our processes and propagate our principles for sustainable development throughout the sector we operate in. This is why in our Policy for a Sustainable Supply Chain we have defined our commitment to applying and propagating our principles of sustainability throughout the supply chain.

### Field of application

This Policy can be applied to all purchases of raw material, products and services at all the company's production sites and operational offices in Italy and abroad.

### Operating principles

1. **Quality** - We believe that a close working relationship with our supply chain is indispensable for reaching high levels of quality and sustainability in our products, services and production activities. Launching working relationships and propagating best practice and cooperation in different spheres (technology, environment and society) are the ways in which iGuzzini involves and interacts with its suppliers. Suppliers are strategic allies that help us create successful products that can offer customers the best in terms of quality, innovation, efficiency and performance.
2. **Reliability and innovation** - We believe that selecting reliable and innovative suppliers who are ready to build a positive working and long-lasting relationship together, starting from a high level of added value creation, commitment, social and environmental responsibility and flexibility is the fundamental requirement for shared success.
3. **Neighbourhood supply chain** - We encourage relationships with suppliers located close to production units in order to establish a neighbourhood supply chain that guarantees speed, flexibility, limited transport and a reduction in CO2 emissions while also promoting local development.
4. **Dialogue and sharing knowhow** - We involve the supplier, as a specialist in materials/production processes, right from the initial phase of the project in order to define together the highest level of technology that can be implemented on the product/component, the most suitable material and the least energy-consuming production process, while also reducing product/service launch times. The aim is to obtain an outsourcing process that is extremely effective and efficient, and includes principles of sustainability and standardisation by optimising product development times and costs in an increasingly competitive market.
5. **Long-term working relationships and continuous improvement** - We seek to establish with and between suppliers, long-term working relationships, characterised by transparency and cooperation. Development, growth and efficiency begin in the supplier selection and qualification phase where we launch a working relationship that takes place according to a documented procedure that guarantees impartiality and equal opportunities to everyone involved.

- 6. Limiting reciprocal dependency** - We seek to avoid reciprocal dependency situations. We avoid creating supply monopolies in the same product category, while also seeking to limit as far as possible the degree of supplier dependency on orders from iGuzzini.

### Our commitments

iGuzzini undertakes to:

- **Include sustainability criteria as part of the supply chain process** and in particular:
  - identify and assess potential negative social and environmental impacts inside its own supply chain; and
  - categorise the different supply types according to their potential negative social and environmental impacts.
- **Require its suppliers and contractors to:**
  - Observe laws and regulations regarding Human Rights, Ethics, Health and Safety in the Workplace, the Environment and Energy;
  - and ensure that all the components/products supplied are ROHS and REACH compliant;
  - Sign up to the company's Code of Behaviour (Leg.Decree 231/2001) and the Fagerhult Group Code of Conduct.

iGuzzini has set itself the target of **sending** this document to **100% of the suppliers in its supply chain by the end of 2023**, whether they are new or already active. At the same time, iGuzzini undertakes to select and train suppliers as required so they will all have accepted and signed the Code of Conduct by the end of 2030.

iGuzzini also undertakes to:

- **Raise the awareness of our suppliers and contractors** so they apply and promote the following in their company and sphere of influence:
  - basic labour principles and rights including protecting the health and safety of workers, refuting any kind of discrimination, forced labour or child labour and observing working hours, correct remuneration and freedom of association;
  - ethical principles of integrity and anti-corruption;
  - environment protection practices that reduce pollution and resource waste and encourage sustainable procurement.
- **Increase the points score** of suppliers who implement sustainable development practices, like voluntarily gaining certification, (e.g. SA 8000, ISO 14001, EMAS, ISO 45000, ISO 50000, etc.) and taking part in sustainable development programmes (e.g. EcoVadis, UN Global Compact, Conflict Minerals etc.);
- **Choose products with ecosustainable features** - that can also be demonstrated with specific labelling (e.g. FSC, PEFC, Ecolabel) - as long as they do not compromise technical and/or quality performance;
- **Reduce the impact of our distribution**, by encouraging the procurement of materials, products and services from local companies.

In the sphere of its supplier selection and qualification process, iGuzzini seeks to:

- **Identify the suppliers that may present risks** connected to human rights, ethics and the environment;
- **Assess risks** through analysis that takes into consideration parameters such as: geographical operating areas, type of activities conducted, reputation and specific company characteristics, and observing their developments and trends;
- **Implement a system of continuous assessment** for the product supply chain performance in order to guarantee required standards over time. Continuous monitoring regards quality trends, level of service and state of the art in terms of the certification obtained by the supplier with regard to the issues of workers' rights, health and safety, environment and ethics;
- **Run a continuous supplier training programme** designed to share best company sustainability practices (Sustainability Talks).
- **Perform documented checks** (assessment questionnaires) and/or **online or in-person audits** to assess the adoption of CSR policies and procedures;
- **Draw up prevention, mitigation and improvement plans**, even together with suppliers, that may include the extension, revision and reinforcement of policies and procedures;
- **Provide continuous training** to internal procurement personnel regarding sustainable purchasing principles;
- **Regularly monitor the results reached** in terms of sustainable procurement.

iGuzzini has set itself the target of:

- starting a monitoring program by the end of 2023 aimed at suppliers characterised by potential environmental and/or social risks and not properly certified by third parties with regard to these issues. iGuzzini will help these suppliers to define improvement targets regarding green energy, emission reductions, waste recycling, etc...
- By the end of 2030, all suppliers characterised by environmental/social risk will be endowed with third party certification regarding their environmental and/or social impact.

### Implementation and monitoring

All iGuzzini employees and suppliers are informed of this Policy, the iGuzzini Code of Behaviour and the Fagerhult Group Code of Conduct.

The Management is responsible for activating, monitoring and accounting the Policy as well as updating and reviewing it.



**Cristiano Venturini**

Chief Executive Officer



## Policy on Conflict Minerals

For iGuzzini, the responsible procurement of minerals is an important part of its commitment to sustainability. It is our intention to do everything in our power to ensure that the products and components in our procurement chain do not contain minerals that have contributed to conflicts in the Democratic Republic of Congo (DRC) or any bordering countries (Angola, Burundi, the Central African Republic, the Republic of Congo, Ruanda, Southern Sudan, Tanzania, Uganda and Zambia) - in line with the requirements of the Dodd-Frank Act and EU regulation UE 2017/821.<sup>1</sup> We therefore expect a similar commitment from our suppliers and the adoption of measures guaranteeing that the tantalum, tin, tungsten and gold (also known as '3TG minerals') contained in their manufactured products are not connected either directly or indirectly to the Democratic Republic of Congo or any bordering countries (hereafter referred to as the 'Conflict Region').

### Field of application

This Policy applies to all purchases of raw material, products and services at all production sites in Italy and abroad.

### Our commitments

iGuzzini undertakes to **design and develop products that are free of 'Conflict Minerals'** and, in particular, to not intentionally purchase materials or components containing 3TG originating from 'Conflict Region' mines and foundries and are not certified as 'Conflict Free'.

More specifically iGuzzini undertakes to:

- **Request its suppliers to analyse and confirm** whether the components/products supplied contain one or more of the 3TG;
- **Request its suppliers to share their Policy on Conflict Minerals and raise awareness with any who do not have one** in order to apply and promote within their sphere of influence a policy aimed at guaranteeing that the 3TG metals present in their products do not finance or encourage, directly or indirectly, armed groups in the RDC or any bordering countries;
- Request its suppliers to share or adopt due diligence measures and a management system designed to guarantee that the products supplied are 'Conflict Minerals Free';
- **Ask its supply chain to collaborate by promptly indicating** to iGuzzini whenever a product supplied is not 'Conflict Minerals Free'.

In the sphere of its supplier selection, qualification and monitoring process, iGuzzini undertakes to:

- **Increase the points score** for suppliers with a specific policy on 'Conflict Minerals' procurement.
- **Request its suppliers to participate in the 'Conflict Minerals Compliance Programme'** also by using the Conflict Minerals Reporting Template (CMRT) questionnaire.

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<sup>1</sup> In 2012, following the Dodd-Frank Wall Street Reform and Consumer Protection Act, the United States Securities and Exchange Commission (SEC) adopted standards that require listed companies to indicate the use of any so-called conflict minerals, i.e. tantalum, tin, tungsten and gold (also called 3TG) in their products. Several years ago, the European Parliament and Council Regulation (UE) 2017/821 established a series of obligations regarding due diligence in the procurement chain for EU importers of tantalum, tin and tungsten minerals and gold originating from conflict zones.

- **Help suppliers**, with dedicated training, if necessary, **to find out more about and implement a management system.**

### **Implementation and monitoring**

All iGuzzini employees and suppliers are informed of this Policy, the iGuzzini Code of Behaviour and the Fagerhult Group Code of Conduct.

The Management is responsible for activating, monitoring and accounting the Policy as well as updating and reviewing it.



**Cristiano Venturini**

Chief Executive Officer