

Make your space

responsible

2020-2021

Sustainability report

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Letter from the Management Board

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Dear Reader,

Today, we are presenting to you the latest Sustainability Report of Nowy Styl. Although it refers to our operations in 2020/2021, it was actually prepared at a special time. As we were preparing it, the whole world anxiously followed the developments in Ukraine. The war threatened the health and lives of many people, but it also caused massive economic turmoil, especially on European markets, which are the core of our company's operations. We stand against unjustified aggression and acts of violence taking place in Ukraine, where we send our thoughts and actions. For this reason, we have decided to leave the Russian market. We believe this to be the only right decision, which will contribute to the mass voice of the international community calling for immediate cessation of hostilities.

Nor can we forget about the ongoing COVID-19 pandemic, which has started a period of immense uncertainty and left a lasting mark of change on both the economy and our daily lives. The effects of the pandemic presented us with a number of challenges related to adjusting our offering to the changing reality, needs and expectations of customers. We are already working on expanding our range of home office furnishing products, which have gained popularity in recent years, while on the other hand we are keeping a close eye on new office trends. Shortly before the launch of this report, we issued a publication entitled *'Reunion: a new reality in the office'*. It is based on the concept of the office as a place to meet, integrate and rebuild relationships in teams. We are already implementing products to enable this concept and support the dynamic Agile working style.

In this difficult period, we have not given up on investment projects. In recent years, there were no trade fairs or other industry events, which had been the place for presenting our company's offering and winning new customers. So keeping in

touch with customers and enabling them to safely test our products has become a huge challenge. In response to this need, we focused our activities on developing the network of showrooms. Our flagship showroom, the Office Inspiration Centre in Cracow, has been fully redesigned and completely new locations have been opened in Gdańsk, Prague, Paris, Budapest and Berlin, among others. We have also showed our products to customers remotely – we organised virtual presentations of our solutions, created visualisations and videos.

Sustainability is extremely important to our organisation. However, we know that there is still a lot of work ahead of us. Therefore, looking back on our 2020-2022 achievements with humility, today we are setting new goals, which we will account for in our next report with full responsibility. We want to develop the Kusch+Co brand portfolio, specifically products for the design, healthcare and transportation areas. We also wish to popularise workplace-related knowledge, inform and raise people's awareness about noise in the workplace and help solve this problem. Our ambition is to increase the share of recycled materials and implement new products based on eco-design. We also plan to include a module on sustainability and CSR in our on-boarding programme and expand the ethics training programme to include anti-corruption. Finally, we intend to continue our engagement with local communities, while aiming to target our assistance more precisely than before and focus on activities that will provide the most needed and effective support. These are, of course, just a few of the areas we will be working on hard to best deliver on the promises we make to ourselves as an organisation and to each of our stakeholders.

In the meantime, we invite you to read this report to learn more about our sustainability achievements to date.

Nowy Styl Management Board

Our mission



With passion and respect for the natural environment, we help people arrange offices and other public utility facilities, so that they best meet their needs in terms of health and comfort, increase their efficiency and enjoyment at work, and cater to individual ergonomic and aesthetic needs. So that they simply serve them in the best possible way.





In order to complete the company mission, to achieve competitiveness in the market and to strengthen the trust of our customers and thus ensure business continuity, we focus on achieving goals in line with the **UN Global Compact's Sustainable Development Goals (SDGs)** based on the following assumptions.

We provide our clients with comprehensive services and meet their ever growing expectations.

3 GOOD HEALTH AND WELL-BEING



We regularly improve the usability, ergonomics and durability of our products.

3 GOOD HEALTH AND WELL-BEING



We guarantee continuous development of the company by expanding to international markets and increasing our global and local responsibility.

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



We eliminate potential threats by identifying, analysing and assessing risks and opportunities in processes and workplaces.

3 GOOD HEALTH AND WELL-BEING



We provide safe and hygienic working conditions to prevent injuries and diseases.

3 GOOD HEALTH AND WELL-BEING



We protect the health and safety of the people who work in our plants and offices, as well as customers and subcontractors.

3 GOOD HEALTH AND WELL-BEING



We engage our employees and stakeholders in building a culture of safety.

3 GOOD HEALTH AND WELL-BEING



We identify and monitor environmental aspects, thereby minimising the negative impact on the natural environment.

7 AFFORDABLE AND CLEAN ENERGY



13 CLIMATE ACTION



We care about rational consumption of natural resources, using technologies that reduce production waste.

13 CLIMATE ACTION



We design products in line with the circular economy model.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



We train employees to raise awareness of their impact on the environment, quality and safety.

4 QUALITY EDUCATION



We achieve compliance with applicable regulations and comply with other requirements.

10 REDUCED INEQUALITIES



Completion of the 2020-2021 commitments



We have been able to fully or partially complete as many as 24 of the 26 commitments presented in the previous CSR report for 2018-2019. The remaining ones are in progress.

Commitment delivery rate (28)



80-100% completion

Ethics	We will update our Code of Ethics and implement an Anti-Bullying and Discrimination Policy and Procedure.
Product	We want to obtain the 2020 Well-being Quality Certificate, so we will analyse our products in an effort to improve their ergonomics and impact on the well-being of public space users.
Product	We will develop our products for the healthcare segment, introduce antibacterial finishes and products to support employee safety.
Product	We will work to expand our offerings for remote and hybrid workers (Home Office).
Product	We will pay particular attention to intuitive product use and keep unnecessary or unclear functions to a minimum.
Product	We will develop a BIM solids design library for all new product lines and provide databases of their models.
Product	In order to optimise time and travel, and therefore also reduce our carbon footprint, we will develop an e-learning and online training platform for employees and partners in the countries we operate in.
Employees	We will simplify the remuneration system for direct and indirect production employees and develop a transparent assessment system.
Employees	We will implement a new periodic assessment formula based on the values and organisational culture characteristics in the Technical as well as Production Planning and Procurement Divisions:
BHP	For the sake of workplace safety, we will implement the requirements of the ISO 45001:2018 standard and certification at the Armchair and Chair Production Plant and the Office Furniture Factory.
BHP	We will audit the Metal Production Plant for compliance with health, safety and fire protection regulations.
Supply chain	We will update the current documents, Nowy Styl Supplier Code and General Terms of Cooperation, as well as develop a new Purchasing Policy.
Supply chain	We will pay more attention to the importance of ethical and environmental criteria in the evaluation of our suppliers.
Supply chain	We will get ready for the FEMB level and Mobelfakta certification process, so we will develop good practices in the supply chain area.

Environment	We will increase the share of green electricity in the energy mix by 2025. Currently, the green energy content is at 9.8%, but by 2025, we want to increase its share to 30% in the Polish facilities. We will implement the process in stages, year by year, at the rate of 5% per year.
Environment	We will reduce CO ₂ emissions by 4,3% per year by 2025. This target is linked to the company's annual turnover.
Environment	We will build a 10,000 m ² energy-saving warehouse. The warehouse is being built, for logistic purposes next to the factories (storage and distribution of products) and it meets the energy-saving parameters (appropriate wall and roof thickness, LED lighting, mechanical ventilation with heat recovery).
Local communities	We will continue our commitment to local development and we will support organisations in the Podkarpackie Province.
Product	We will implement products that respond to the changing style of work in offices – Agile and hybrid offices. These will include easy-to-use, mobile and multi-purpose furniture.
Employees	We will develop a programme to help local first- and second-level technical and trade school students complete their compulsory apprenticeships.

50–79% completed

Employees	We will carry out development programmes for possible succession and/or takeover of significant roles in the organisation for office and production employees.
Employees	We will implement managerial on-boarding for employees who take on a leadership role for the first time. We will prepare them to manage the work of the team through a series of training courses in the area of core managerial competencies.
Supply chain	We will reduce carbon dioxide emissions in international transport by expanding our fleet of natural gas-powered vehicles.
Supply chain	We will reduce the amount of packing material in transport by delivering products using BDF systems.

Less than 50% completed

IT	We will consolidate the IT system in place at six production facilities and over a dozen distribution centres in terms of data security, standardised production automation and streamlined logistics and financial operations.
Local communities	We will increase financing for educational scholarships funded through the Janusz Korczak Foundation.

Nowy Styl in figures

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One of the leaders in
Europe's
furniture industry

€ 336 million
in sales revenue in 2021

More than
4200* employees
in 12 countries

* the number of employees as of 2022

**29 of our
showrooms**
as well as in-house
structures and offices
in 12 countries

A modern interior space with blue walls and white tables. The ceiling is made of white slats. There are several green plants hanging from the ceiling and on the walls. The floor is made of light-colored wood. The overall atmosphere is clean and contemporary.

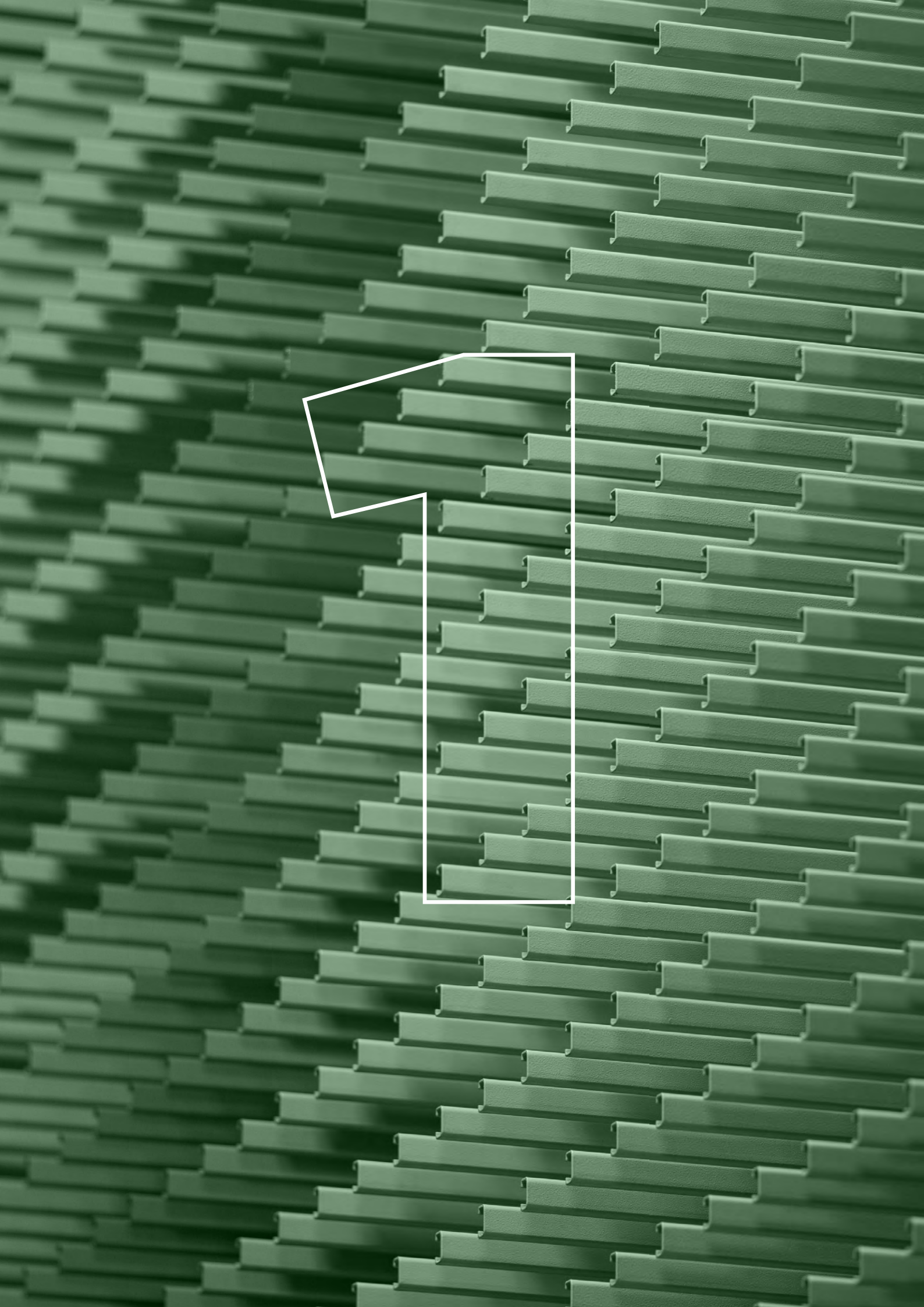
Products delivered to over
100 countries

Founded in
1992

Nearly
63 474 m²
of warehouse space
in various European countries

More than **400**
product lines offered

141 645 m²
of production space across
4 countries



1 About Nowy Styl

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The founders of Nowy Styl are brothers – Adam and Jerzy Krzanowski. In 1992, they set up their company with 7 employees, selling 3 chair models. Almost

everything has changed at Nowy Styl since then. Almost, because we strive hard to keep certain things in their original form.

1.1 How and where we operate

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In 1992, the brothers worked in a makeshift assembly plant based near Krosno, a small town in south-eastern Poland. Today, more than **4089 people** work at our factories and offices in 12 countries. This enables us to respond to every need and adapt to local conditions. Through our companies, branches and sales departments, **the products and**

solutions offered by Nowy Styl are exported worldwide – to a total of around 100 countries. The best summary of the last quarter of a century's achievements, however, is the leading position in the field of comprehensive arrangement of offices and public spaces – stadiums, halls, cinemas, theatres, passenger terminals and hotels.



Office Furniture Factory in Jasto, Poland

Nowy Styl globally



Our locations:

Krosno – headquarters and management office

Jasło – main production location

Cracow – management office





The Nowy Styl Capital Group includes: Nowy Styl Sp. z o.o. as the parent company, and subsidiaries. Selected companies are presented in the table below. Our Sustainability Report focuses on the following compa-

nies only: **Nowy Styl Sp. z o.o., Nowy Styl GmbH, Kusch+Co GmbH, Nowy Styl Deutschland GmbH, Sitag AG** as they have the most impact on company data representing the company due to the proportion of employment and production taking place in them (over 95% for both aspects).

The structure of Nowy Styl*



* In the previous report, we reported a few companies that are not listed in the attached graphic due to change of names, i.e. : Rhode & Grahl changed its name to Nowy Styl Deutschland GmbH, Telmex Nowy Styl Zrt. changed its name to Nowy Styl Hungary Zrt, Rhode & Grahl B.V. changed its name to Nowy Styl Groep Nederland B.V. Additionally, in the previous CSR reports, we also listed the joint-venture companies in the company's structure. We are not listing them now due to the ownership structure – the shareholders of Nowy Styl are the only shareholders of the joint-venture companies.

1.2 Company leadership

“A leader is someone people will follow, someone you want to work with and trust. A leader is authentic. This person must have a good rapport with employees – they must set an example for them,” Adam Krzanowski, CEO of Nowy Styl, told Forbes magazine in mid-June 2020. We quote his words here on purpose as the Nowy Styl Management Board strongly believes in true leadership, partnership based on dialogue, engaging employees and delegating authority and responsibility to them, as well as teamwork at every level of the organisation.

This leadership model has its roots in our Management Board, which was established in 2008 with several members. We run a ‘functional’ model, which means that

the members of the Management Board have divided their competences and are responsible for their respective areas of the company’s operations in each of our locations in Poland and abroad. The most important decisions, however, are made after joint discussions and consultations. The teamwork that we run at the top executive tier carries over into every level of our organisation.

The area of sustainability is the direct responsibility of the Marketing Director Karolina Manikowska, who heads the corporate marketing team implementing direct CSR and ESG goals. The Marketing Department Director reports directly to the Member of the Management Board, Roman Przybylski.

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Distribution of responsibilities among Management Board members

PRESIDENT



**Adam
Krzanowski**

Production
Technology
HR, BHP
Workplace Research
and Consulting

VICE-PRESIDENT



**Jerzy
Krzanowski**

Investment
Strategic
Procurement
Quality

VICE-PRESIDENT



**Rafał
Chwast**

Finance
IT
Customer Service
Logistics

BOARD MEMBER



**Roman
Przybylski**

International Sales
Product Management
Marketing
Workplace

In order to streamline the operations and have a better insight into the projects implemented by Nowy Styl, we have additionally established an ‘Extended Management

Board’ that complements and extends top management in key business areas. The powers of the members of the Extended Management Board are as follows:



**Tomasz
Bardzik**

Production
Planning,
Internal Supply
Chain Division,
Quality Director



**Bartosz
Karasiński**

International
Sales
Director



**Małgorzata
Naparło**

Customer
Service
Department
Director



**Rafał
Siwek**

Logistics
Director



**Paweł
Smaś**

Technical
Division
Director



**Mariusz
Sobociński**

IT Director

1.3 Strategy



The main premise of Nowy Styl's business strategy is to combine organic growth with acquisitions of companies whose portfolios complement our offering and allow us to expand our operations into new sectors and markets.

By organic growth we mean, above all, strengthening the existing commercial structures in the individual

countries, continuous improvement of customer relations, building a global image, making choices to focus more strength and resources in key markets and leading segments, investing in production and logistics, developing new proprietary products and seeking partners with whom we can gain a competitive advantage.

Financial results of Nowy Styl sp. z o.o. Capital Group (PLN million)		
All figures are in PLN million	2020	2021
Sales revenue	1,452	1,535
Operating expenses excluding salaries and employee benefits	914	984
Salaries and employee benefits	473	456
Payments to investors	0	0

Our brands

The largest and dominant brand with a comprehensive portfolio of products and services for office and public spaces.

Excellent quality and design of chairs and furniture, as well as specialised solutions for the healthcare sector and passenger terminals.

Durable seating and auditorium solutions for sports venues, cinemas, theatres, concert halls and lecture theatres.

A wide selection of robust and ergonomic office and conference chairs at affordable prices and of good quality.

A local Swiss brand with a tradition, offering high-quality chairs and office furniture.

Capital Group sales revenue 2020-2021 (net EUR million)



2019 marks the beginning of the global COVID-19 pandemic, which has affected almost every industry. It has not spared the office furniture segment either, which is why we saw a decline in 2020-2021 sales revenue.

1.4 Impacts, opportunities and risks

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Risks and opportunities analysis is part of the Integrated Management System.

At Nowy Styl, we carry it out while considering both the context and the changing environment of the organisation, the needs and expectations of our stakeholders as well as business aspects. The risks we identify are ethical, social, employee safety, environmental, climate, financial and data security, related to production, transport and product use.

In accordance with the Risk Analysis Procedure for Processes we have implemented, risk management that covers: identification of risks and description of their impact on individual processes, risk assessment according to the adopted criteria, determination of risk significance level, determination of risk management method and identification of existing security measures as well as monitoring of changes to risks and opportunities.

In 2021, as we extended the environmental management system to include the scope of ISO 14006, we expanded the existing analysis to include thinking about our products throughout their life cycle – from design, through implementation, provision of raw materials and materials, production, transport, use, decommissioning and disposal.

[Click to find out more](#)

The register of risks and opportunities is updated once a year as part of the revision of the Integrated Management System and each time there are significant changes affecting the processes.

Risk analysis for the supply chain is a separate process. The Strategic Purchasing Department assesses risks related to each new and existing supplier.

[Click to find out more](#)

Examples of selected potential risks from the Process Risk Analysis for Nowy Styl

Area	Risk
Environment	Non-compliance with regulations and environmental permits
	Poor supervision of waste management
	Shortage and high prices of green energy on the Polish energy market
	Poor management of chemicals
Product design and implementation	Shortage of recycled materials, wood, and raw material on the market
	Technical problems with the implementation of extended product life
	Technical problems with designing for recycling
Ethics	No communication or unreliable communication of the company's ethical policies
	Mobbing and discrimination
	Abuse of company property
Social	Poor hazard identification
	Unplanned or unforeseen hazardous situations
	Changes in the production area
	Risks related to a biological factor – risk of illness, transmission of infectious diseases, epidemic outbreaks, pandemic
	Shortage of qualified workforce on the labour market

We note the significant impact of human-induced climate change, which has been happening for many years and is translating into a dramatic depletion of natural resources. We can feel the direct impact of the situation on our daily work. In addition, growing legislative requirements as well as the expectations of customers, partners and the public towards large enterprises in the area of ESG give a new direction to actions taken and oblige businesses to adopt more and more ambitious goals in this area. We believe the intensification of Nowy Styl's sustainability policy is the only right thing to do, and it is also an opportunity

for us to build an authentic image of a committed and responsible company. This makes us a good partner for the stakeholders, who understand the ongoing changes and the key importance of sustainability for business.

For Nowy Styl, ESG and CSR involve a number of coordinated activities that are constantly shaping the functioning of the organisation and instilling a responsible approach among customers, employees, partners, suppliers and local communities.

1.5 Ethics at Nowy Styl

Different cultures, languages, ages and nature of work. Despite our many differences and the fact that we work in an international environment, we strive to rely on four

values: ambition, integrity, humbleness and tolerance. They are at the heart of the message we send to our employees in our corporate documents.



Our values



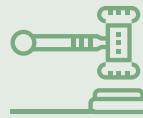
Ambition

Our company is made up of ambitious, young-at-heart people who are constantly improving the way they work and looking for new solutions in order to achieve even better results.



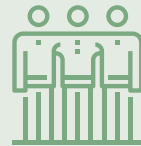
Humbleness

Appreciating other companies' experience and knowledge, we are constantly learning and improving our competences. We are able to recognize our mistakes and learn from them. At the same time, we are proud of what we have already achieved.



Integrity

By observing the law and our company's internal rules, as well as keeping our business promises, we maintain good relationships with people. We believe that ethical standards and decency are equally binding in business and in private life.



Tolerance

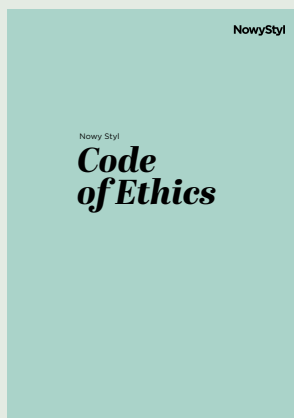
We consider cultural diversity in our company and the environment as great treasures. We treat each other with respect and strive for mutual understanding.

Documents related to corporate responsibility



All our employees are bound by the *Code of Ethics*. In accordance with it, we build relationships on equal opportunities in terms of employment, remuneration, benefits, promotion and professional development. We do not accept any form of discrimination

for gender, age, disability, race, religion, political affiliation, origin, nationality, sexual preference or physical appearance. The *Code of Ethics* was developed at Nowy Styl in 2017 and an updated version was published in 2020



Nowy Styl's *Code of Ethics* is the result of many years of business and managerial practice. It is a summary of what we have learned so far, as well as a sort of look into the future and goal-setting – who we want to be in the future. The development of the Code was another step towards strengthening global and local responsibility and encouraging respect in our actions towards one another. The Code sets out Nowy Styl's ethical principles regarding, among other things, company property and brand protection, relations with employees, customers and suppliers. The document also describes the general principles related to adherence to the Code, defines the role of the superiors in shaping ethical attitudes, outlines the position of the Ethics Officer and specifies how to report irregularities.



**Click to view
the whole document**

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In the reporting period (2020–2021), we provided ethics training to 3,285 employees, i.e. 96% of the organisation's workforce. Ethics Officers play a special role in guaranteeing compliance with the Code. Nowy Styl employees can address all questions and concerns to them, as well as report any violations of the Code. According to the Ethics Officers Report, no cases of discrimination were reported in 2020-2021.

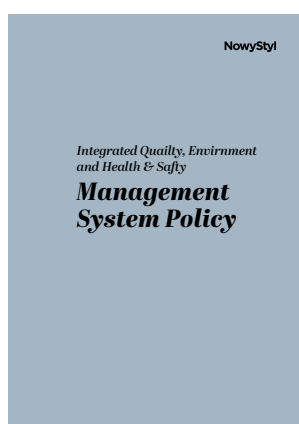
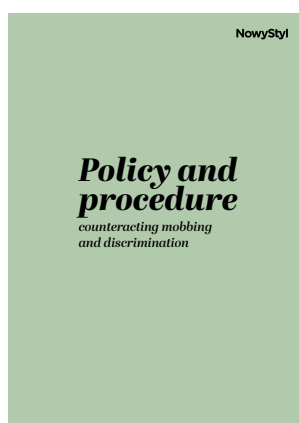
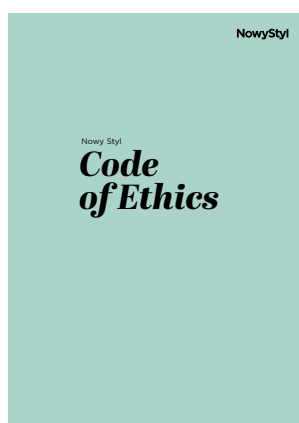
To take care of the working conditions and to counteract potential unethical behaviour in the workplace, a *Policy and Procedure counteracting Mobbing and Discrimination* has

been established. On June 19, 2020, the Management Board of Nowy Styl officially published both documents. The implementation of the new policy involves gradual training of all employees, regardless of their form of employment, position and workplace. To date, a total of 3,194 people have been trained. Given the constraints caused by the COVID-19 pandemic, training was organised online, wherever possible, or on-site with maintenance of a full sanitation regime. The training programme addressed issues related to bullying and discrimination and provided information on how to report such acts informally and formally.

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At Nowy Styl, we have a zero-tolerance approach to corruption. This applies to all employees, associates and business partners acting on our behalf. Nowy Styl's management is committed to taking a key role in creating an organisational culture in which corruption has no chance to appear and is unacceptable in any form. Nowy Styl's ethical principles, including

anti-corruption, are described in the Code of Ethics, developed back in 2017 (and updated in 2020). Recently, we have developed a separate document on the subject – Nowy Styl's *Anti-Corruption Policy*, which was published in February 2022. The document has been made available to employees by email as well as posted on Nowy Styl's website. We also plan to train employees in this respect.



Our main documents related to corporate responsibility are available on the website for all parties:
www.nowystyl.com



[Click to find out more](#)

1.6 Sustainability policy

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The role of the sustainability policy in our company has been growing every year. From the very beginning, we have been building our company on a foundation of responsibility and values, but for many years these principles were never written down, which obviously is not an isolated case. Naturally, as we grew and expanded, we started paying attention to many new issues. The first sustainability report we published was for 2012-2013 and – this needs to be emphasised – it was one

of the few publications of its kind in Poland at the time. We followed the example of the Western countries, where the policy of accountability had already played a huge part.

The project to publish sustainability reports on a biennial basis became an obligatory part of our activities. This was reflected in the subsequent publications – for 2014-2015, 2016-2017, 2018-2019 (published in September 2020) and the current one covering our activities in 2020-2021.

We were recognised for our CSR by:

- **EcoVadis** – the organisation uses a total of 21 criteria in its assessment, divided into four areas: employee and human rights, environment, ethics and sustainable purchasing. Our approach to CSR management was assessed as structured and proactive. As a result of the evaluation for 2021, Nowy Styl was awarded a platinum medal. As a gold medal winner in 2020, Nowy Styl ranked among the top 2% of the best-rated companies. And as a platinum medal winner, the company ranks in the most prestigious group of just 1% of companies.

[Click to find out more](#)

- **Responsible Companies Ranking** – prepared by Professor Bolesław Rok of Centrum Etyki Biznesu Akademii Leona Koźmińskiego (Business Ethics Centre at the Kozminski University), Deloitte and Dziennik Gazeta Prawna. In 2020, we ranked 7th in the industry

[Click to find out more](#)

- **‘Responsible Business in Poland. Good practices’** – a publication of the Responsible Business Forum – the 2020 Report describes nine Nowy Styl practices.

[Click to find out more](#)

1.7 Areas of impact

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Our sustainability is in line with the UN Global Compact, to which we are a signatory, and the ‘Guiding Principles on Business and Human Rights’ endorsed by the United Nations, and our strategic

objectives are consistent with the selected United Nations 2030 Sustainable Development Goals outlined below. We relate our actions to these, as indicated in the following pages of the report.

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



We are responsible for managing the impact we have on our surroundings. Therefore, we want to actively shape a world that is friendly to future generations. Key areas of Nowy Styl's impact and value creation:



Impact on the economy

- > Dominant employer in the region – creating jobs
- > Cooperation with local suppliers – our partners grow and develop with us
- > Employee compensation and benefits
- > Taxes help develop national and regional economies
- > Sponsorship – culture, sports, design industry and modern business services
- > Konfederacja Lewiatan (The Polish Confederation Lewiatan), Podkarpacki Klub Biznesu (Podkarpackie Business Club),
- > Stowarzyszenie Firm Rodzinnych (Association of Family Businesses), sectoral organisations – contributing to and promoting good business practices



Social Impact

- > Health and safety – educating about workplaces that support health; occupational health and safety measures and building a safety culture across our own workplaces
- > Making ergonomic products that improve work comfort
- > Well-being – better quality of life and well-being thanks to ergonomic and effective workplaces
- > Talent development – training and development programmes for employees, cooperation with universities, internship programmes and dissertations; scholarships for talented young people
- > Social commitment – support for culture, sports, healthcare and groups at risk of social exclusion



Environmental impact

- > Reducing CO₂ and greenhouse gas emissions
- > Reducing the emissions of harmful substances
- > Reducing the production of waste and recycling
- > Reducing energy and water consumption

Thanks to the consistent implementation of the company's policy in the area of ethics, as in previous years, we have not recorded any violations of the principles of free compe-

tition, fair free market competition or any behaviour with the hallmarks of corruption. Nor have we been subject to any penalties related to non-compliance with laws or regulations in the social and economic area.

1.8 Stakeholders

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We regularly engage in dialogue with our key stakeholders. Listening carefully to the needs of our customers and being able to respond to them quickly is fundamental to the development of our business, especially our product portfolio.

Parallel to the ongoing communication with stake-

holders, in 2021 we conducted qualitative research based on the design thinking methodology as part of the new sustainable development strategy preparation process. Its goal was to identify new needs with respect to sustainable development among our key stakeholders.

Stakeholder mapping

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We carried out stakeholder mapping using the *design thinking* methodology. The survey was prepared by an interdisciplinary team who updated the list of our stakeholders and identified their importance to the organisation in a moderated workshop. Then the team

selected personae for research interviews, both from among the stakeholders who have a strong impact on our company and those who are potentially interested in our business (heavy users, non-users, mainstream), and proposed scenarios for interviews with them.

Surveys

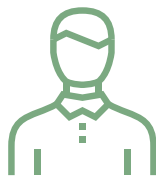
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Members of the sustainability & CSR team conducted a survey among all stakeholder groups, asking about current and future sustainability needs and expectations. The interviews provided a specific

perspective and the transcripts formed the basis for further work on strategic goals and ideas for actions to address the needs raised.

Personae who took part in the survey:



- > public sector client,
- > corporate client,
- > distributors,
- > architects,
- > suppliers,
- > employees,
- > candidates for employees,
- > subcontractors,
- > driver – transport company employee.

Analysis of the importance of topics based on the interviews

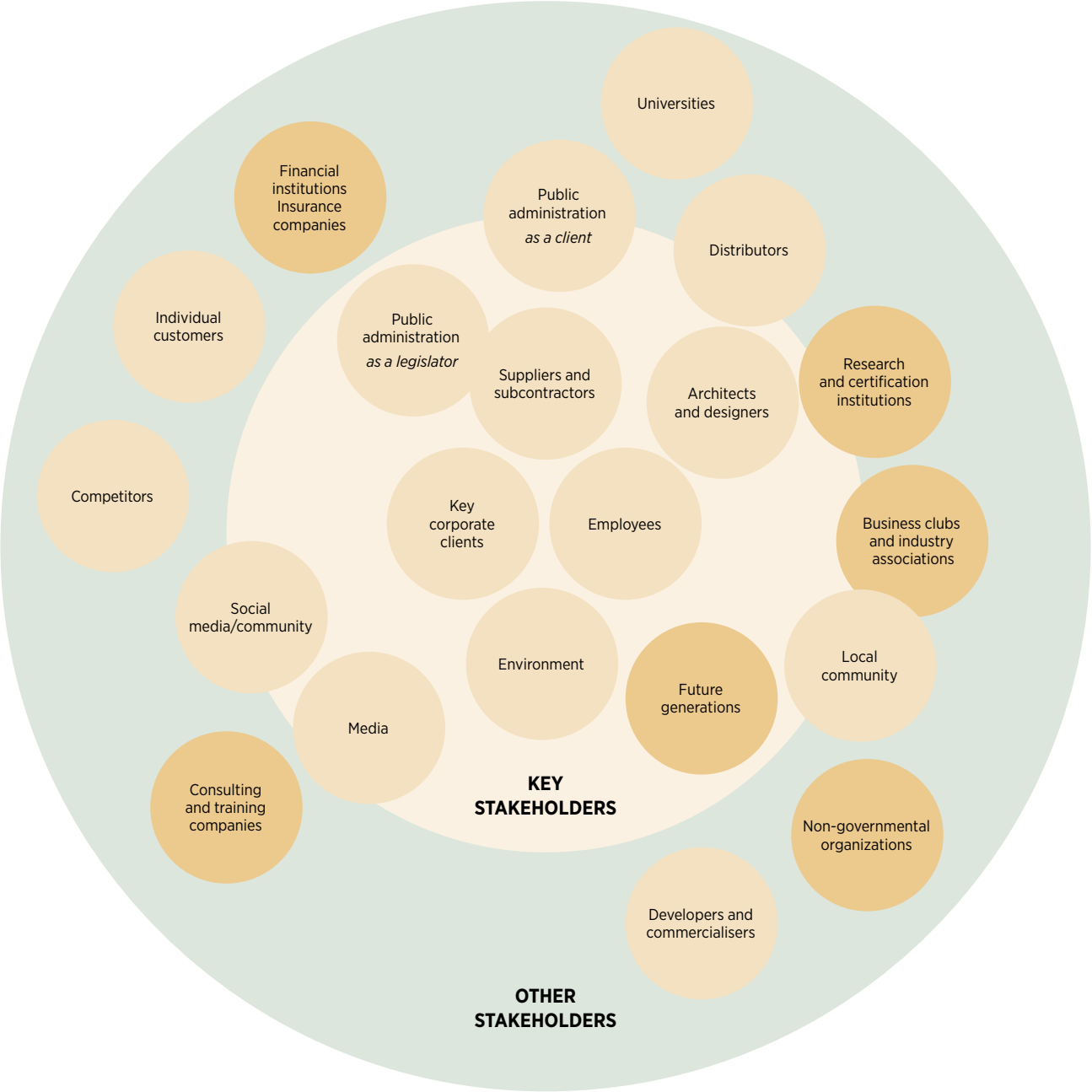
Key stakeholders	Main topics and issues raised by stakeholders
Key corporate clients (private and public sector)	<ul style="list-style-type: none"> • The need to reduce packaging, greater share of recycled materials and circularity of products.
Distributors and individual customers	<ul style="list-style-type: none"> • The need for products with green certificates, a high proportion of recycled materials and environmentally-friendly packaging. • The need for services to help close the material cycle. • Commitment to decarbonisation.
Architects and designers	<ul style="list-style-type: none"> • The need for products made from recycled materials. • The need for knowledge and a ready-made narrative about the responsible origin of the products. • Businesses are increasingly open to second-hand furniture.
Employees	<ul style="list-style-type: none"> • Needs linked with the implementation of a sustainable development culture in the company • Suggestions of HR programs and pro-social projects.
Public administration – legislator	<ul style="list-style-type: none"> • Compliance with environmental and socio-economic regulations. • Changes in legislation related to the implementation of the EU Green Deal and the EU directive on the protection of whistleblowers.
Suppliers and subcontractors	<ul style="list-style-type: none"> • Requirements for suppliers and products • Development projects run with suppliers. • Education of customers in responsible consumption is a common challenge. • The need for process improvements and new communication tools. • Training needs.

The survey shows that the topics Nowy Styl's stakeholders are interested in have not changed between 2020 and 2021, although the company's commitment to sustainability in the eyes of the stakeholders is not as strong. This is an indication for the future that there are still areas that need improvement, especially in terms of stronger communi-

cation. The conclusions of the analysis will be taken into account in the implementation of current actions and operational plans for the years to come. We considered these conclusions when assessing the relevance and selection of aspects we describe in this report.

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Nowy Styl stakeholders



At Nowy Styl, we attach great importance to building responsible communication with our stakeholders. We regularly expand our www.NowyStyl.com website, which is available in several languages. It features news about products, completed projects and company life updates, as well as lots of inspiration and expert information. In addition to numerous articles, the 'Knowledge' tab includes our reports on current market needs, case studies and the company's 'UPstream' magazine. The latter is meant for architects and designers, as well as anyone looking for interesting content related to design, office

arrangement, and public spaces. All publications on the website are available free of charge. Regular communication with our clients is also facilitated by our monthly newsletter distributed among subscribers, as well as by ongoing social media activity.

We also share information on Facebook, LinkedIn and Instagram that may be of value to our stakeholders.

Every two years, as we start working on our CSR report, we conduct a study of all our stakeholder groups using a selected study method (surveys or interviews).



Factory complex in Jasło, Poland

1.9 Organisations and associations



As Nowy Styl, but also as companies operating in individual country markets, we connect initiatives and organisations that set and help maintain standards for products and business practices.

Internationally:

- **UN Global Compact Initiative** – since 2012, we have been members of the Global Compact, an international platform for companies and institutions that adhere to the UN's universal principles on human rights, labour standards, environmental protection and anti-corruption.
- **FEMB European Office Furniture Federation** – in 2013, Nowy Styl joined the group of associate members of FEMB, an organisation which provides reliable economic information on the development of the office furniture industry and works to standardise the industry in Europe. We are delighted with this opportunity, as it is extremely rare for private companies to be accepted into the ranks of FEMB.

In Poland:

- **Konfederacja Lewiatan** – one of the most influential Polish business organisations, member of the social dialogue council. It brings together more than 4,100 companies with a workforce of over 1 million people.
- **Executive Club** – a business organisation for the managers of Poland's largest companies.
- **Pro Progressio Club** – it brings together organisations from the Modern Business Services sector as well as their direct and indirect environment.
- **Stowarzyszenie Firm Rodzinnych** Family Business Association – an organisation for owners of family businesses as well as experts and academics who support the community. As firm believers that family businesses are the backbone of European business, Adam and Jerzy Krzanowski contribute to this discussion by participating in panels and closed business meetings.
- **Podkarpacki Klub Biznesu** Podkarpackie Business Club – an organisation for entrepreneurs and employers of the Podkarpacie region. It was co-founded by Jerzy Krzanowski, Vice President of the Management Board of Nowy Styl.
- **Polsko-Ukraińska Izba Gospodarcza** Polish-Ukrainian Chamber of Commerce – a business self-government organisation which represents the interests of its affiliated Polish and Ukrainian business entities in dealings with authorities and non-governmental organisations of both countries.
- **Polska Rada Biznesu** Polish Business Council – a business association of owners and key managers of the largest Polish companies and international businesses operating in Poland.

In Germany:

- **IBA** Industrieverband Büro und Arbeitswelt e.V. – a German organisation of office furniture manufacturers that runs research and industry statistics, promotes its members as well as represents the industry in dealings with standardisation institutions and initiates sectoral projects.
- **DNB** Deutsches Netzwerk Büro – an association that supports and promotes healthy, ergonomic office work.
- **German Design Council** – since autumn 2017, we have been a member of the German Design Council, one of Europe's leading organisations responsible for design development.

In France:

- **Ameublement Français** National Chamber of the French Furniture Industry
- **ARSEG** Association of Workplace Managers

In the Netherlands:

- **MVO Nederland** CSR Netherlands – in the MVO Nederland network business owners come together with experts to develop tools and share best CSR practices.
- **VIP** Vereniging van Interieur Professionals – an Organisation for specialists in office interior design. Nowy Styl is one of the main businesses that contributed to the document about developing circular economy, signed by the members of the Organisation.
- **BNI** Bond voor Nederlandse Architecten – a Dutch organisation for interior designers. It supports them in the Netherlands and abroad.
- **NEN** The Royal Netherlands Standardization Institute – a non-profit organisation related to the Dutch Committee for Standardisation.

Switzerland:

- **«möbelschweiz»** Swiss Association of Furniture Companies – Employers' association Association of the Swiss furniture industry.



2

2 About and around the product

Commitments for 2022-2023:



- > We will renew the 'Well-being Quality Certificate' for the upcoming years
- > We will popularise workplace knowledge through an e-learning platform and website
- > We will educate and raise people's awareness of the problem of noise in the workplace. We will share knowledge on how to solve this problem.



- > We will implement the new ISO 22955 standard, which clarifies acoustic performance requirements in different types of open-space offices.
- > We will develop the Kusch+Co brand portfolio, specifically products dedicated to the areas of healthcare, transport and design.



- > We will increase the share of recycled materials in our products.
- > We will implement new products based on the implemented eco-design system, with a view to minimising negative impact on the environment.
- > We will update the Technical Data Sheets for the company's acoustic products.

Our products are used daily by hundreds of thousands of people in more than 100 countries around the world. We supply them not only with chairs and desks, but also with all-round solutions for specific office space and public

areas. Big scale means big responsibility, so in this chapter we will tell you more about our brands and the processes that Nowy Styl products go through.

2.1 Our portfolio

In 2022, Nowy Styl is celebrated its 30th anniversary. During this time the company has gradually expanded its portfolio and today it offers solutions not just for offices, but also

for stadiums, hospitals or airports. Due to the variety of products, the company's portfolio currently consists of several brands.

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Nowy Styl's portfolio:

NowyStyl

NowyStyl

KUSCH+CO

SOHOS
by Nowy Styl

SITAG
by Nowy Styl

forum
by Nowy Styl

- **Nowy Styl** – the largest and dominant brand with products and services for office spaces and public places.
- **Kusch+Co** – a brand appreciated globally for the excellent quality and exceptional design of chairs and furniture, as well as specialised solutions for the healthcare sector and passenger terminals.
- **Sitag** – a local Swiss brand with a tradition which offers high-quality office furniture.
- **SOHOS** by Nowy Styl – a sub-brand with a wide portfolio of solid and ergonomic office chairs at an affordable price and of good quality.
- **Forum** by Nowy Styl – seating and auditorium solutions for lecture theatres, cinemas, theatres and sports venues.



Showroom in Berlin



Showroom in Zurich



Showroom in Zurich



Showroom in Zurich

Our portfolio is constantly changing as we keep improving our products and offerings to best meet the users' needs. We want to offer 21st-century solutions – designed thoughtfully, with attention to comfort and safety and in the spirit of sustainability. Therefore, we extend our certification every year.

We showcase Nowy Styl solutions and products in more than 30 showrooms in many countries around the world. The Covid-19 pandemic has not prevented us from investing in this form of exhibiting our solutions. Between 2020 and 2021, we have successfully opened or refurbished more than a dozen showrooms in anticipation of the return of visitors.

Before the product reaches the customer

We guide our customers through the process of fitting out a new office from A to Z. We prepare an offer based on a needs analysis and product layout design, manufacture the furniture and then deliver and assemble it, considering the logistical and organisational capacity of the facility. We provide after-sales support for the client's company, including product training, the ability to quickly order additional equipment and, if necessary, efficient service.

When designing our products, our customers are front and centre. Our client's comfort and health are of most importance to us and we consider the products' environmental impact at every stage of the life-cycle. We check the durability and recyclability of raw materials used in our solutions. We provide them with varied functionality since we know that versatile products last longer.

The fact that the final product finds its place in an office, clinic, airport, stadium or home office is the result of the work of multiple teams. These include designers, builders, technicians, architects, programmers, acousticians, sales,

marketing and many, others. In the product context, we would like to mention two teams in particular.

The first one deserves a mention because of its particular influence on product design and development, it is the Product Management Department. This department looks after the portfolio, implements new products and ensures certification in all geographical markets and for all product brands. The department is also tasked with reducing time-to-market and ensuring that new launches are relevant, i.e. they correspond with the customers' needs and financial capabilities. What makes the **Product Management Department** unique is its interdisciplinary nature – it overlaps with practically every area of the company's operations: including production, marketing, sales and customer service.

The individual areas of the department's operations are presented below:

Product Management Department

Portfolio Management & Optimisation

- portfolio development for individual brands
- portfolio optimisation
- price positioning
- development of product trim concepts
- market and competition monitoring

Product Training and Consulting

- product training
- e-learning platform maintenance
- support for sales teams during presentations at key customer premises

Product Development

- new product implementation projects
 - through prototyping to final product preparation for production
- development of existing product lines

Product Support and Certification

- preparation for product certification required in given markets
- preparation of necessary environmental documentation for commercial projects
- eco-design and circular economy support for implementation teams

Product Marketing

- developing and implementing product promotion strategies

With proper office zoning as well as thoughtful positioning of acoustic products, a space can support effective work and get the full potential out of the products placed in it. Therefore, the second team we would like to mention here is the **Workspace Research and Consulting Department**. It provides consultancy in the field of effective and ergonomic office space arrangement to a match different employee preferences, nature and style of their work. It comprises two teams: the Workplace Consulting team, which specialises in providing research and consultancy

services to our clients, developing publications and sharing knowledge from the latest workplace news, and the Workplace Planning team, which consists of experienced interior designers and architects, who design spaces for clients. Owing to the work of the above teams, our products are placed in interiors in a way that best serves their purpose, which is slightly different for each organisation.



The crowning achievement of our expertise and efforts aimed at creating effective work spaces is the Well-being Quality Certificate 2020 – an award for companies whose products and services enhance the well-being of people and organisations.



Showroom in London

2.2 In the spirit of circular economy

We are aware of the damage man causes to the environment. We can see that the availability of natural resources has been dropping over the years and climate change has become more severe. Therefore, as an organisation,

we have been trying to introduce as many solutions as possible in the recent years that are in line with the spirit of eco-design and closer to the principles of circular economy.

Eco-design

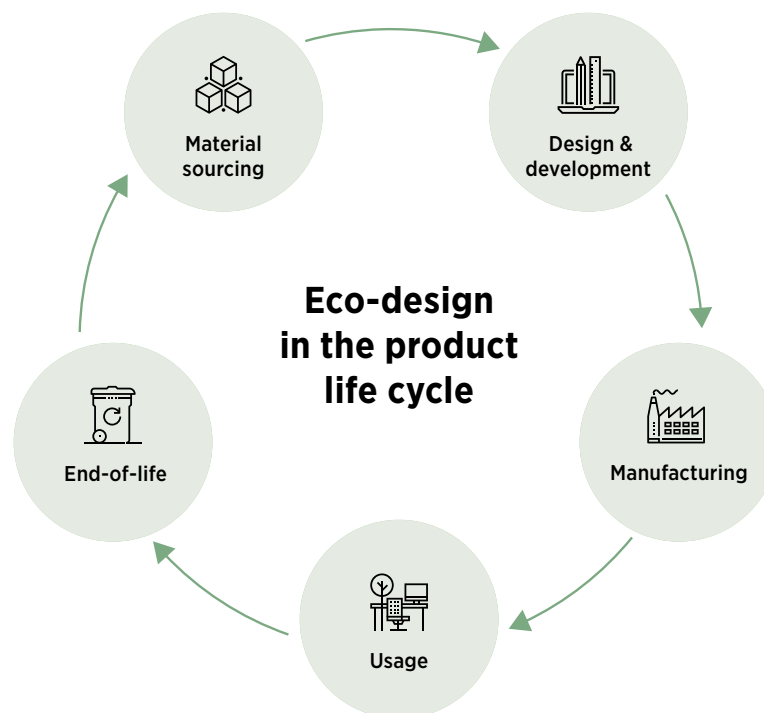
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In 2021, Nowy Styl implemented an eco-design management system in accordance with ISO 14006 (Environmental Management Systems – Guidelines for incorporating eco-design). Its implementation has expanded the organisation's environmental management according to the ISO 14001 standard. We build on the experience of designing and implementing new products, and the knowledge gained from the practice of eco-certification of office solutions and certification of

green office solutions. Based on these, we have developed procedures and trained employees to create new products that are environmentally friendly, from cradle to cradle' even more efficiently.

The key to eco-design is to approach the product holistically, i.e. to consider the environmental aspects throughout its life cycle. Sometimes a single ingredient is the key to whether a product can ultimately be reprocessed and will not generate waste.



In our procedures, environmental requirements are parameterised and defined on several levels, in line with legislative requirements as well as leading office furniture certifications and management systems. These include environmental aspects in the broadest sense, such as:

- design for subsequent recycling,
- extending product life (availability of spare parts, interchangeability of parts and upgrade options),
- reduction of energy and water consumption in the production process,

- efficient use of materials,
- increased share of recycled and sustainably sourced raw materials,
- reduced (mainly plastic) packaging,
- elimination of substances and chemicals that pose a risk to humans and the environment (e.g. REACH and candidate list substances, formaldehyde or VOCs).



Due to the growing interest in more environmentally responsible products, the world is struggling with green-washing. Certification and environmental management systems give us and our customers confidence that the products offered by Nowy Styl have indeed been created with environmental aspects in mind



Rafał Styrkosz

Product and Certification Support
Team Manager
Nowy Styl

Circularity

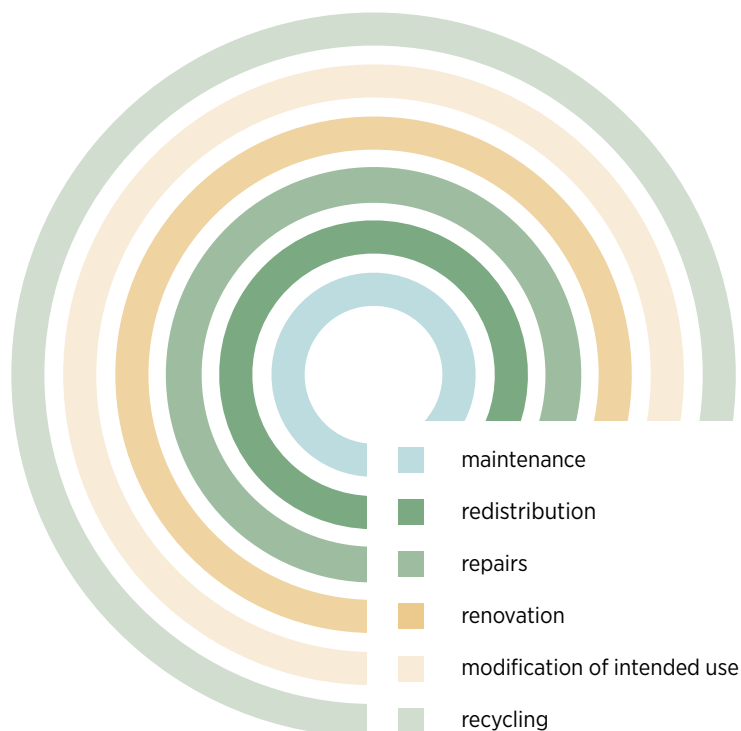
Circularity (or circular economy) is a concept that involves using resources rationally and efficiently and minimising the adverse environmental impact of the manufactured products. Circular economy aims to keep raw materials and products in circulation for as long as possible, as an alternative to a linear economy based on the 'take, use and throw away' principle.

At Nowy Styl, we are trying to develop a business model

based on circular economy. We are gradually developing new services that allow companies to manage their office equipment more sustainably. In doing this, we follow the *6 loops of circularity* model..

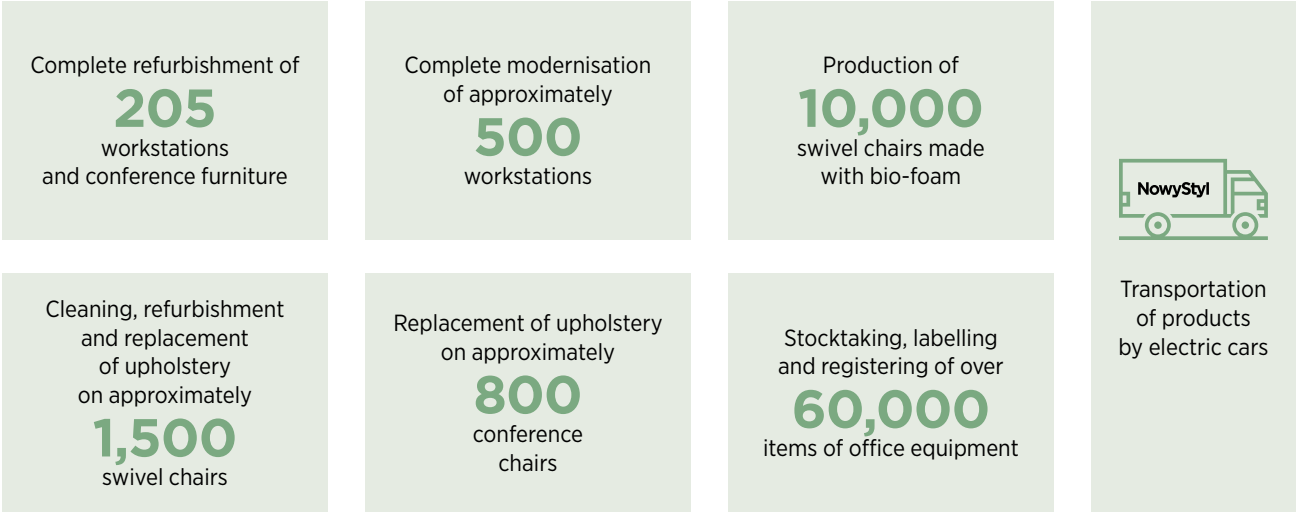
In the years reported, we have continued a pilot project commissioned by the Dutch government based on circular economy principles. Below is a selection of the actions we have undertaken as part of this collaboration.

6 loops of circularity



In the years reported, we have continued a pilot project commissioned by the Dutch government based on circular

economy principles. Below is a selection of the actions we have undertaken as part of this collaboration.



We are also trying to implement the principles of circular economy in our products. One example is the **Xilium chair range** which is almost entirely recyclable at the end of its life. Moreover, most of its components are replaceable, and

more than half of them can be replaced DIY, with simple tools and instructions. This helps reduce waste as well as save money. Xilium is built to last a long time, which is why products in this range come with a five-year guarantee.

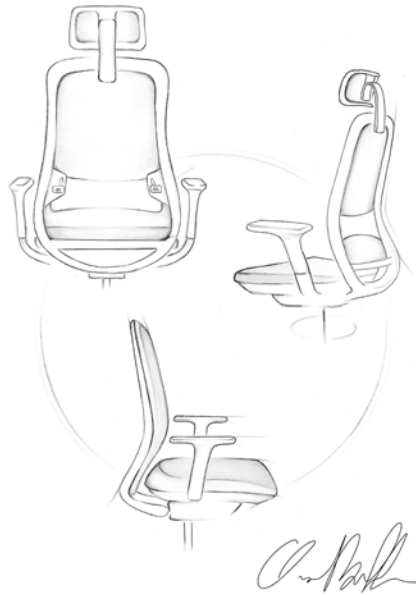


Xilium chair examples



Another example of a chair from Nowy Styl's range is a 2021 model, the **Souly**. The MV mesh used for its backrest is made of 80% recycled polyester. Its seat, headrest and lumbar support can be easily removed and replaced by the user at any time. All of the chair's components are easy to separate, sort and dispose of. An additional advantage

that is difficult to achieve in the furniture industry is that Souly's packaging is very compact and not too heavy, so it can be shipped to its destination by courier without a pallet. Also, we have designed its packaging to use as little plastic as possible.



Souly chair examples



More and more of our product lines have a **Type III Environmental Declaration, the so-called EPD**. It is an independently tested and registered document, which provides transparent and comparable information on the environmental impact of products at various stages of their manufacture and throughout their life cycle. EPDs operate in accordance with the ISO 14025 and ISO 14040 standards. Our products' environmental impact analysis in the EPD covers a number of indicators, such as CO₂ emissions throughout the various product life cycles (e.g. at the

stage of sourcing raw materials, transport to our production locations or production of the final product itself). EPDs are increasingly becoming a requirement for commercial projects we take part in as Nowy Styl, as they make it possible to submit bids as part of what is known as 'green public procurement'. Type III environmental declarations for our products have been approved by Instytut Techniki Budowlanej (Building Research Institute) in Warsaw, which is a member of the European Platform of institutions authorised to issue documents such as the ECO Platform.

2.3 A well and safely planned space

Several factors are key to how comfortable and ergonomic one's workspace is. Therefore, when we talk about a well-suited workspace, we mean more than just a desk and a

chair. When arranging offices, we also take care of acoustic issues and design spaces to be as comfortable and safe as possible.

Ergonomics

People spend an average of 13 hours a day seated. Sitting, often in a wrong way, exposes our bodies to a variety of ailments. The strain on our spine and the associated pain do not disappear when we leave the office. That is why it is so important to change positions frequently. The ideal model assumes that during the working day we should be sitting for 50% of the time, standing for 25% of the time (standing work, meetings at a high table) and be on the move for 25% of the time (moving around the office, getting a coffee or water).

With this, as well as the much wider ergonomics knowledge in mind, we strive to design furniture with a view to

how it can benefit the health of its users. That is why we have developed an entire range of **innovative ergonomic systems** such as:

- > **GLIDE-TEC** – a patented solution to protect the user's back when changing positions,
- > **Duo-back** – recommended for spinal dysfunctions,
- > **S-MOVE** – designed for the 4ME chair line,
- > **X-MOVE** – a patented mobile link between the backrest and the seat,
- > **AirCare** – a system of air chambers located inside the seat for dynamically responsive support.



In the years reported, we have expanded our range of desks with electric height adjustment for standing work to include eUP electric desks as well as the eModel 2.0 and Xio 2.0 lines with advanced settings. Our offering also includes Play&Work and eRange system electric desks. In response to the needs of hybrid and home office work, we have introduced a single-column desk with electric height adjustment – the eModel 2.0 mini, with dimensions optimised for courier delivery. The desk is also available in an

electrically independent version – where height adjustment is hand-operated with a crank. A wide selection of these products is due to the increasing need to design ergonomic workstations and employers' growing awareness of ergonomic principles. Just like in previous years, we regularly provide training to employees, distributors and end-users on how to properly adjust our furniture to best suit ergonomic work.



Acoustics

Even the best office will not do its job well if it is noisy. And this is often the case when dozens of conversations, the hum of printers and ringing telephones all happen together. The problem of noise in the office can be solved by a properly planned space and skilful management or soundproofing with acoustic products. Nowy Styl has such products in its offer.

However, before an acoustic product gets added to the portfolio, we test it for effectiveness. So far, we have conducted acoustic tests in several centres in Poland and abroad: at the Technical Acoustics Laboratory at the AGH University of Science and Technology in Cracow, the Building Research Institute in Warsaw, Müller-BBM GmbH in Munich, and in cooperation with one of the world's most

respected acoustical consultancy firms, Nagata Acoustics. Our team in charge of acoustic products and their implementation is made up of people with relevant education and experience, who are continually learning from industry publications and case studies from previous years.

We also have our own laboratory equipped with hardware and software for testing the sound-absorbing properties of materials used in the furniture industry. This is where we carry out computer simulations using acoustic products. We are also working on developing a range of sound-absorbing products for office interiors and public use. The solutions we have implemented include wall panels with varied absorption characteristics and sound-absorbing fleece made from production waste.

Space planning

Offices change depending on circumstances. The COVID-19 pandemic showed us quickly and bluntly how much what we perceive as our workplace can change. Responding to the changing realities of the office was one of the biggest challenges Nowy Styl had to face in 2020-2021. We got many of our experts involved in the change process.

As a result, we developed our Safety Solutions offering, which expanded on our current products to include, among other things, plexiglass walls to ensure hygiene in the workplace. Together with our Workspace Research and Consulting Department, we also developed reports to respond to the pandemic situation. The first one –

'Welcome back... to the office! See how to prepare your office for the return of your employees' is a practical collection of solutions and recommendations to increase office safety. The publication includes, for example, suggestions for rearranging the workspace, so that the necessary distances are maintained. The second report, 'Workspace of tomorrow. Communication Hub. What might a hybrid office look like?' speculates about the future of offices and the effective combination of working from the office and from home. It also includes numerous recommendations for planning a new space.



Report: Workspace of tomorrow. Communication Hub. What might a hybrid office look like?

The report presents our most interesting solutions for work organisation in the near future. It aims to inspire and help create the offices of tomorrow. Remote work? Or maybe hybrid work? How will the changing working styles affect the look and feel of offices?

Enjoy the read!



*Click to find out more
about the report*



2.4 Responsible manufacturing – standards and certifications

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To guarantee the highest quality, we make sure 100% of our products are tested for impact on the health and safety of users. We test products at our own testing centre in Poland, as well as in certified external testing units in Poland and abroad. We collect all certificates, reports, declarations and approvals in one place for our employees. In this way, all of them can consult the

resources at any time and check what requirements are met by a particular product.

We also tell our customers what requirements we meet. Those looking for sustainable furniture solutions for their offices can choose from a wide portfolio of Nowy Styl products with certificates to confirm their safety as well as environmental and durability-related properties.

Selected certifications:



European Level by FEMB Certificate – a pan-European certification system designed to provide the most open and transparent means of assessing and communicating the environmental and social impact of furniture. In 2021, a group of our products successfully passed another demanding assessment process and was awarded a new LEVEL certificate. The LEVEL audit and assessment covers not only the selection of materials used in the products and the manufacturing process, but also the company's social responsibility, energy consumption and the impact of the chemical ingredients used on the environment and people. It takes account of European legislation, the principles of green public procurement and the EU circular economy guidelines. In all the categories submitted, our products achieved the highest level of compliance, i.e. LEVEL 3.



Blue Angel – the oldest and best-known eco-certificate in the world, focused especially on the environmental impact of the processing of raw materials and the production of goods. Blue Angel is an environmental signal which lets the consumer know which products are environmentally high-quality and promote environmentally conscious consumption. Products with this label have extremely low emission levels, ensuring a healthy indoor climate. This is extremely important for users who focus on the sustainability of the products used as well as on health-related safety.



Forest Stewardship Council® (FSC®) – is an international non-profit organisation for the certification of forests and products containing wood or wood-based material. The FSC® certificate is a reliable confirmation that these materials have been sourced from responsibly managed forests, and with respect for social and environmental aspects. Our selected product lines in the price list are FSC-certified.



PEFC – is an international non-profit organisation which aims to promote responsible forest management through independent third-party certification. Currently, PEFC includes certification systems respected in more than 30 countries. In total, they are responsible for the certification of more than 275 million hectares of forest. Kusch + CO GmbH offers several PEFC-certified product lines.



Möbelfakta – a certificate awarded to products that meet high standards in terms of sustainability and safety, environmental care and social responsibility. It is one of the most respected standards on the Scandinavian market. The basic criteria for assessing furniture include requirements in three areas: quality, environment and social responsibility as well as a responsible supply chain. Nowy Styl's product line was awarded this certificate for the first time in early May 2022.

The full list of certificates awarded can be found in the index at the end of the publication.

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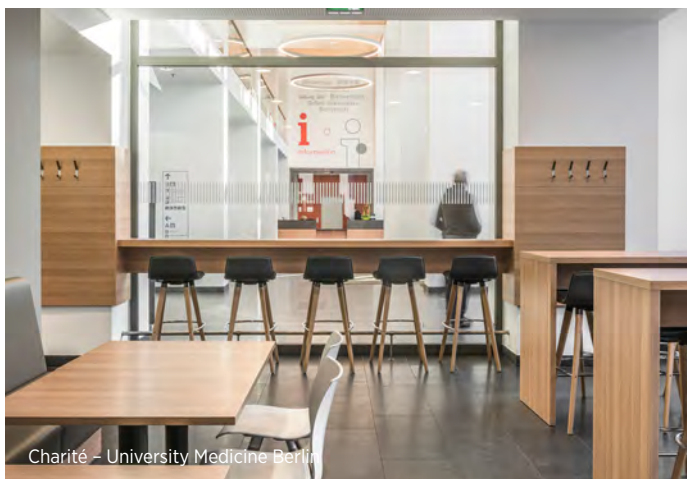


Products for hospitals and other medical facilities

One of our brands, Kusch+Co, has specialised in providing proven solutions designed for the healthcare sector for many years. The experience accumulated over the years has allowed the brand to develop the special Kuschmed range. It is based on close cooperation with experts and German institutions operating in this area.

The brand continues to develop its range of hygiene-related solutions. Many of its products have been tried and tested for durability in frequent contact with disinfect-

ants. In-house technical implementation as well as the tried and tested components have enabled the brand to develop furniture solutions that meet the requirements of this market sector. One of Kusch+Co's products for the healthcare sector is Embla. In the years reported, we also began work on the implementation of the V-Care chair for offices, medical facilities and public areas. The product features a durable antibacterial surface and is particularly resistant to cleaning agents and disinfectants.

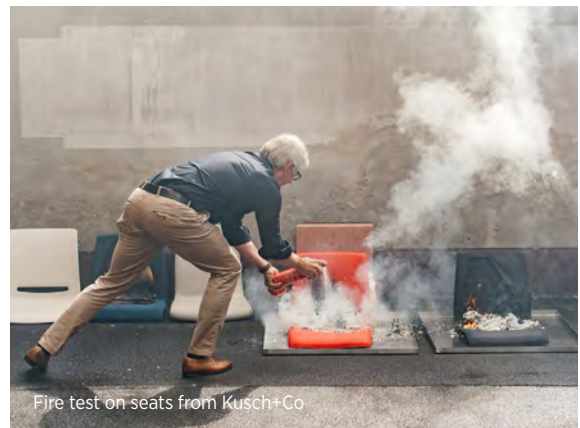


The flash resistance of our products

Stadiums, sports halls, airports, concert halls, clinics and hospitals – furniture in these places must meet special safety standards in terms of flash resistance. Two of our brands, Forum by Nowy Styl and Kusch+Co, have products in their portfolio that meet these standards. 100% of Forum by Nowy Styl products are tested and classified as flash-resistant according to regional standards.

Kusch+Co is a member of the German Institute for

Standardisation (DIN Berlin) and actively participates in the NA 062-05-43 GA committee, which deals with the fire resistance of furniture and textiles. In late 2022, we plan to open the Kusch+Co Competence Centre for Fire Protection and Hygiene (Kusch+CoCompetence test laboratory). The Centre will conduct fire test simulations in accordance with the DIN standard, as well as numerous training courses.



German Institute for Standardisation (DIN)

It is an ISO member organisation based in Berlin. It is recognised by the German government as the official national standardisation body which represents German interests at the international and European level. Approximately 30,000 standards have been developed as a result of DIN's operation, covering almost every field of technology.

Compliance with standards

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It is our priority that customers and users perceive Nowy Styl as a reliable partner and manufacturer. That is why we pay special attention to making sure our products comply with the applicable standards. This is confirmed by the fact that no penalties were imposed **on Nowy Styl during the reporting period for non-compli-**

ance with regulations and voluntary codes concerning the impact of products and services on health and safety. Nor did we record any violations in terms of non-compliance with product and service labelling, reliability of marketing information requirements or non-compliance with laws or regulations in the social and economic area.

2.5 Design awards

At a time when technology makes it possible to put just about any idea into practice and the market is full of unnecessary products, the biggest challenge for the design world is to only design things that have a real impact on people's lives – helping them in their daily work or protecting

their health. To achieve this goal, at Nowy Styl we invite renowned designers to work with all Nowy Styl companies. Our joint work is often rewarded with awards, some of which are presented below.

Selected awards



reddot winner 2022



Designers



WertelOberfell



Andreas Krob



Mac Stopa



Martin Ballendat



2DODESIGN



Jens Korte



Ray Carter



Hilary Birkbeck



Bernd Crabus



Jerzy Langier



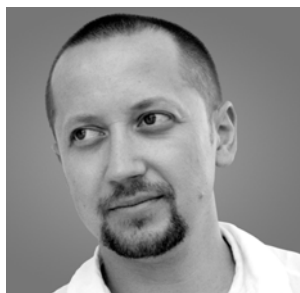
Claudio Bellini



Kaschkasch



Rebecca Stewart



Arkadiusz Kulon



Luigi Colani



Norbert Geelen



Justus Kolberg



Oscar Buffon



Vincent van der Horst



Armin Sander



3 We are a team

Commitments for 2022–2023:



- > We will conduct a talent programme for professionals in technical positions to develop their soft skills and prepare them for managerial roles.
- > We will conduct a development programme for managers to shape leadership attitudes consistent with our values and organisational culture, and to strengthen intergenerational management competencies.
- > We will include a module on sustainability and CSR in the on-boarding programme as well as in sales department training and the managerial programme.
- > We will arrange the election of new employee representatives. A popular vote will be an opportunity to promote employee rights to co-determine key issues.
- > We will expand the ethics training programme to include the topic of anti-corruption and will continue the anti-bullying and anti-discrimination training. These will be mandatory for employees every two years.



- > We will develop a recruitment procedure to promote the principles of equality and diversity and ensure that they are respected at all stages of the process.
- > We will extend the internal policy breach reporting system to include new companies from the Nowy Styl capital group

Today, Nowy Styl is Europe's leading office furniture manufacturer. It is hard to believe that all we had 30 years ago when we started production was seven employees and three chair models. We have built modern factories and a research centre, which has supported our development. What makes Nowy Styl a success above all, however, is our people. Creative, ambitious, committed.

In this chapter, we will talk more about people. We will analyse the number and diversity of people working for us, we will discuss recruitment, on-boarding and the company's ethical principles. We will also touch on issues related to safety and development opportunities.

3.1 Our employees

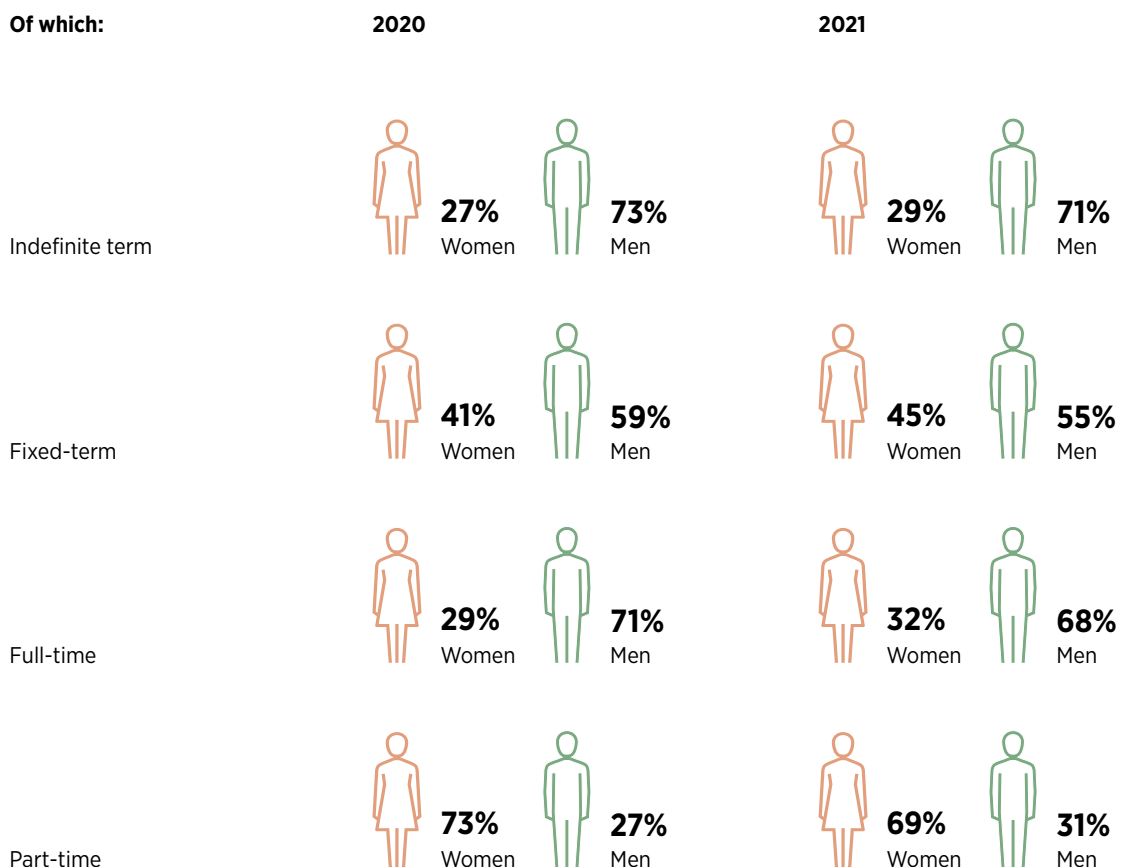
GRI 102-7 In late 2021, there were 4,039 people working at the reported Nowy Styl companies. Our employees are primarily employed locally (in the respective units' region

of operations). Most of our employees, 3,421 people, work for us in Poland, 95% of whom work in the Podkarpackie Province, where our largest factories are located.

GRI 102-8 Employment structure by gender, contract category and contract type

Contract type	2020	2021
Indefinite term	82%	79%
Fixed-term	18%	21%
Full-time	97,5%	98%
Part-time	2,5%	2%

Of which:



We employ people on an employment contract basis. Less than 0.3% of our employees worked under civil law contracts in the reporting period. Self-employed individuals are also an insignificant group among the company's

employees, therefore they are not registered by the HR department. 1.5% of the entire workforce are employees of temporary employment agencies. In accordance with the current EU law, we do not employ children.

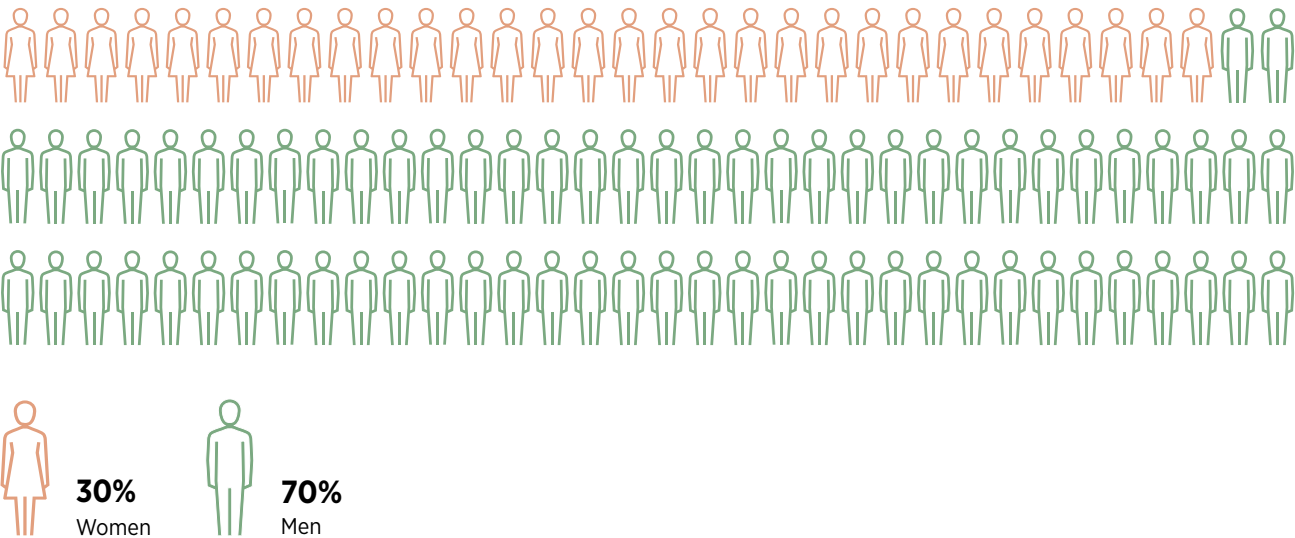
The structure of the workforce shows some disproportion between men and women. The numerical predominance of men is due to the physical requirements that must be

met in order to work in many factory positions. In recent years, however, we have noticed an increasing number of women who are willing to take on factory work.

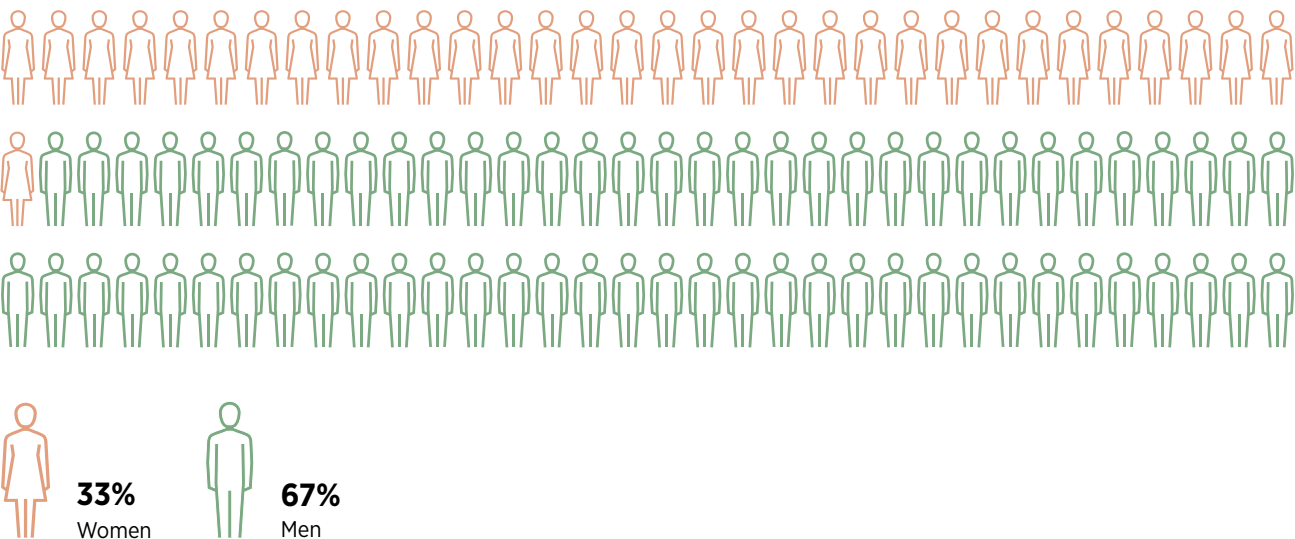
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Employment structure by gender

2020



2021

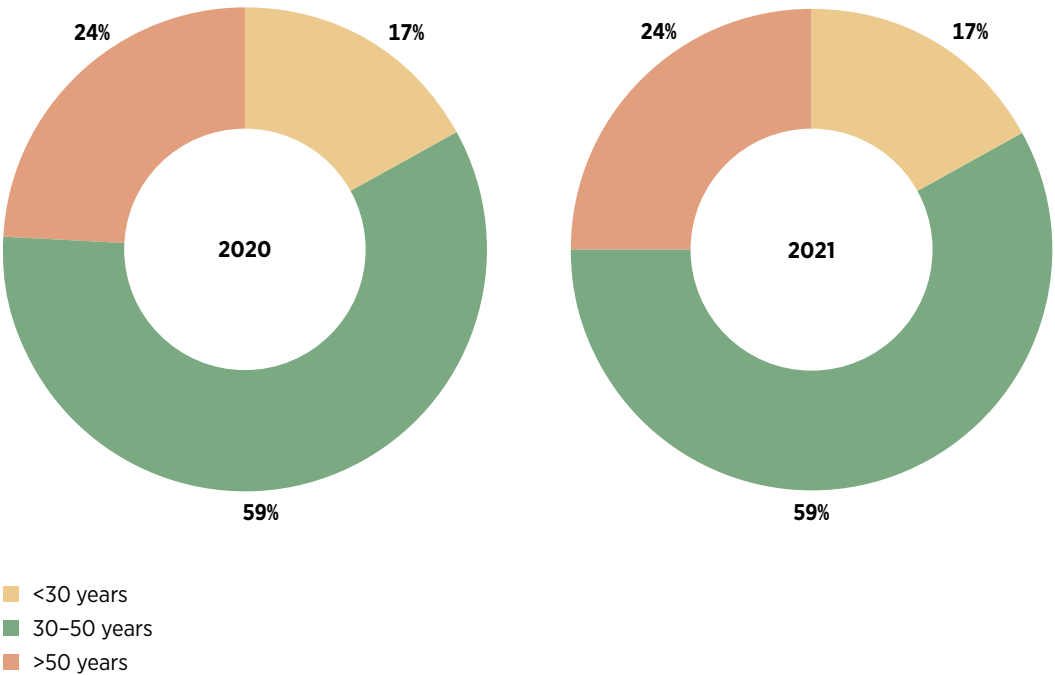


We value diversity. We employ people from different age groups, so that we can keep learning from one another and find it easier to look at different issues from several points of view.

More details about the employment structure at Nowy Styl, including the management level structure, are presented in the tables in the index at the end of the document.



Employment structure by age



Remuneration

We invariably base our employee remuneration principles on equal treatment of men and women for work of equal value. They are aligned with local legislation. Salaries depend on experience, education, seniority and the nature of the work performed.

More details about the employment structure at Nowy Styl, including the management level structure, are presented in the tables in the index at the end of the document.

Employee benefits

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401-2

Our employees have access to a number of benefits that make life easier and help take care of health and well-being. The benefits listed below are available to

all employees employed at Nowy Styl Sp. z o.o., including those hired on a part-time basis.



Life insurance and private medical care

Voluntary group insurance available to the employee, their spouse/partner and adult children. The insurance offer also includes private medical care.



Flu and Covid-19 vaccinations

Voluntary and free flu vaccinations organised in autumn across all our company locations in Poland. Also voluntary and free Covid-19 vaccination organised in spring for all employees of our company in Poland.



Medcover Sport card

Co-financed Medcover Sport package for employees.



Gifts from Santa

Gifts from Santa for children up to the age of 12. The gifts are PLN 100 vouchers to be redeemed in shops and bookshops. It is worth noting that every parent receives a voucher for each child. As there are many married couples working in our organisation, many children have received vouchers for PLN 200.



Camps for children

Trips for children aged 8 to 16 organised in summer. The company covers between 50% and 90% of the cost of the trip.



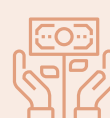
Cash benefits

Additional cash benefits paid twice a year.



Discounts on our products

Attractive discounts on products from our brands.



Cash assistance

Non-repayable cash benefits for employees who find themselves in a difficult life situation.

Recruitment

We conducted 145 recruitment processes in 2020 and 152 recruitment processes in 2021. Every person who takes part in a recruitment process at Nowy Styl is assessed against the same predefined criteria with respect to the requirements profile. In this way, we maintain equal opportunities and prevent discrimination. To have the process structured this way was very important to us, as we interview candidates almost every day. We use a standardised interview form that takes account of the stages developed before:

- preparation of a requirements profile – we identify the skills and knowledge needed for the position,
- development of a candidate assessment matrix – we assign points according to the requirements profile criteria,

- preparation of phone call scenarios – we conduct a preliminary interview before we invite the candidate into a meeting,
- STAR method – we prepare a competency interview based on behavioural questions.

Our employees can also participate in internal recruitment. This gives them a development opportunity within the company structure as well as vertical and horizontal promotion options.





Adaptation and on-boarding

The process of adapting a production worker or on-boarding office workers allows new employees to understand how the company operates, learn about the scale, business operations and development of Nowy Styl. By participating in training and workshops, employees learn about the history, organisational culture, values, organisational

structure, our customers and the geographical scope of our business. On-boarding takes place at least once every two months and is 3 days long.

In the reporting period, a total of 864 people were trained as part of production worker adaptation. 228 employees took part in office worker on-boarding.

Year	On-boarding	No. of participants	Adaptation	No. of participants	Total number of participants
2020	7	82	42	223	305
2021	10	146	143	641	787
All editions total	17	-	185	-	1,092



Employee assessment

GRI 404-3 We watch over the development of our employees. To test their performance, the quality of their work and their preferred direction of development, we run periodic employee assessments. In 2020, we conducted them in the Technical Division and the Production Planning and Procurement Division. For the interviews, we prepared a new set of competencies that better reflected the values and characteristics of Nowy Styl's organisational culture. We had planned to hold interviews in 2021, but we cancelled the meetings due to the pandemic.

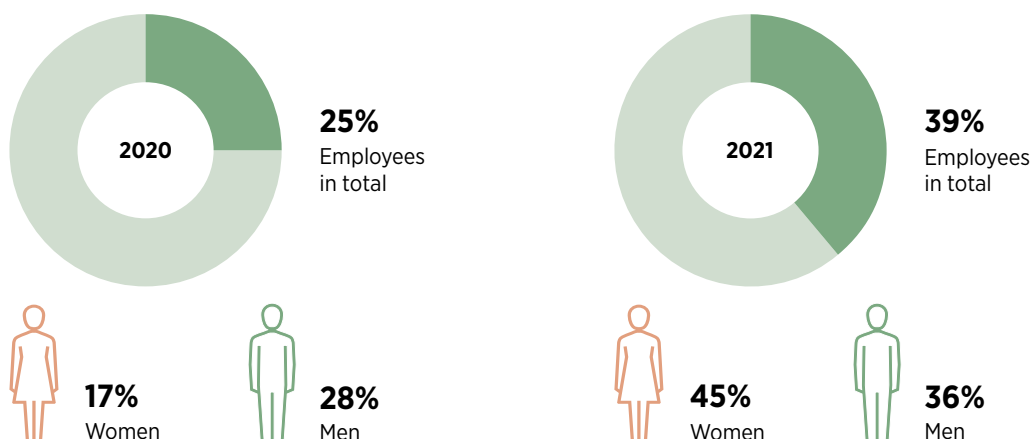
Our production workers receive feedback and skills evaluation as well. We have prepared an evaluation scheme and evaluation criteria that enable us to replace subjective opinions with objective criteria. Through such measures, we can appropriately match actions to raise the

level of professional competences and qualifications, and we have the opportunity to assist in career planning and assess development and training needs.

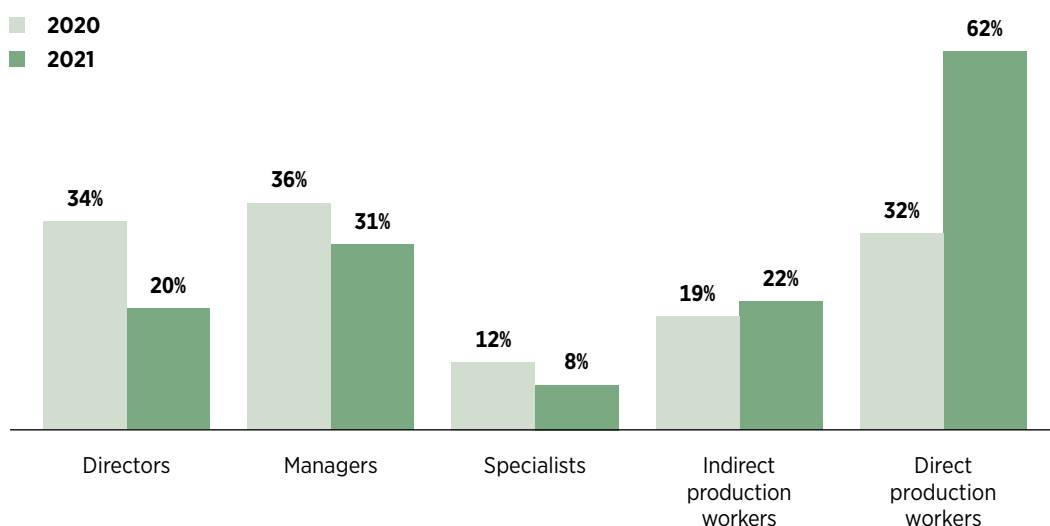
In the years reported, we also ran a development programme called 'Manager's Academy', which prepared managers to conduct performance assessments. Training in this area included:

- employee assessment criteria, good practices and assessment errors,
- conducting a periodic interview with an employee (bosses and managers),
- post-assessment action (foremen) – talks with employees rated below expectations and particularly high-performing employees.

GRI 404-3 Percentage of employees subjected to regular quality of work assessments and career development reviews by gender



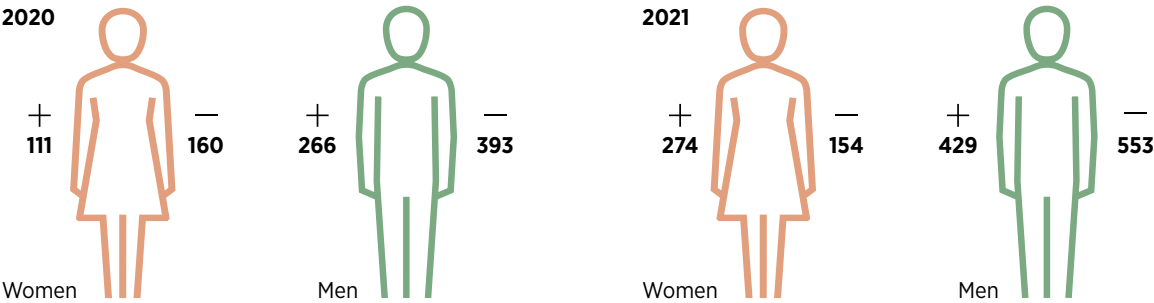
GRI 404-3 Percentage of staff subjected to regular performance assessments and career development reviews by employment category



Hirings and resignations

The staff who joined the Nowy Styl team in 2020-2021 are mostly under 30 years old, with up to 7% of new hires between 30 and 50 years old. Those aged 30-50 were the most likely to leave the organisation.

GRI 401-1 Hirings and resignations



GRI 401-1 Q2 2020 was a difficult period due to the prolonged COVID-19 pandemic. It was then that employment contracts with nearly 60 of our employees were not extended or were terminated by mutual agreement at the employer’s initiative. In order to best prepare all parties for this decision, we prepared ‘off-boarding packages’. The package for managers included a guide with advice on how to talk to an employee whose contract will not be renewed and, subsequently, other members of the team. The document has been a practical tool for managers not only during the pandemic, but at any time when a contract is terminated at the initiative of the employer.

The employee packages also offered tips on what to do after losing a job. They included information on district employment offices with their contact details. We added guidance on employee insurance and registration with the Job Centre. In addition, our HR department pointed out the most popular local job portals, and offered support in writing application documents – CV and cover letters as well as helping with interview preparation.

Despite the Covid crisis, we managed to avoid group layoffs.

Exit Interview

We have been conducting employee exit interviews at Nowy Styl since 2018. For this purpose, we contact those who have decided to leave their employer of their own accord. Conducting exit interviews is a good tool for us to collect feedback. These, in turn, inform actions that will counteract employee turnover and increase overall job satisfaction.

In 2020, we interviewed almost half (46.5%) of those

who had terminated their relationship with Nowy Styl of their own accord. In 2021, the number went up to 57%.

We made attempts to contact all those who had given notice. The estimated interview time is between 15 and 45 minutes per person. We currently do face-to-face interviews, where possible, subject to employee availability. The responses we get help us guide change within the organisation.

3.2 Focusing on personal development

We invest in employee development at all times. We prepare many training courses and development programmes for them to support their daily work. Our company is made up of people who are ambitious and young at heart, which is why the courses we develop are popular.

Employee training



Nowy Styl supports employees in the development of their competencies. Employees have the opportunity to participate in external and in-house training courses, workshops, conferences and international trade fairs. This gives them the chance to learn and develop their hard and soft skills.

Key training areas at Nowy Styl in 2020-2021:

<p>Know-how workshops</p> <p>local and international meetings where we share knowledge and experience of working with customers in a given market</p>	<p>General development workshops</p> <p>efficient meetings, public speaking, professional assessment interviews</p>	<p>Specialised workshops</p> <p>in manufacturing, logistics, quality, trade, finance, workplace design, workplace optimisation strategy and office change project management</p>
<p>Training in lean manufacturing</p> <p>conducted by our Continuous Improvement Process Department</p>	<p>Technical training</p> <p>related to the introduction of innovative software used by design engineers</p>	<p>Sales training</p> <p>trade negotiations, sales techniques</p>
	<p>Product training</p> <p>chair and soft seating offer for the project market, acoustics, product changes</p>	<p>Language training</p> <p>based on the demands of a specific position</p>

Development programmes

The development initiatives we have implemented in the recent years have helped maintain an appropriately qualified workforce and supported the participants' personal development. As a result of the various

programmes and with the specialist knowledge gained, our employees were able to feel more confident in their positions and perform their daily work better.

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Programmes we initiated in 2020/2021

Leadership at Nowy Styl	The aim of the project was to identify high-potential individuals and prepare them to take on manager or project manager roles at Nowy Styl. The project ran from January to December 2020.	24 participants from the Production, Technical, Production Planning, Procurement and Logistics Divisions
Foremen/Forewomen at Nowy Styl	The project was aimed at people who might take up the role of Foreman/Forewoman in the future. Its aim was to prepare back-up staff to take up the position of Foreman/Forewoman in all production plants. We ran the first edition from January 2020 to June 2021. We started the second one in May 2021 and plan to complete it in September 2022.	30 participants in total in both editions 43 training workshops in total in both editions
Managerial on-boarding	The programme was dedicated to people with little managerial experience. Its aim was to make it easier to fill a new role for people who are starting out in a managerial position and have not had the opportunity to prepare for the job before. The programme was also open to people who had held a managerial position for several years, but did not have the opportunity to test their competence in this area. The whole programme ran remotely from May to July 2020.	16 participants 16 training hours
Project: Maintaining team engagement in a crisis	The recipients of this project were directors and managers. It enabled them to solidify their skills in motivating teams in the face of a pandemic crisis. The aim was for managers to motivate their teams effectively. The project was executed in May and June 2020.	46 participants 30 training hours
Production and Logistics Manager Academy	The programme supports the development of the competencies of Product and Logistics managers, supports the implementation of a periodic evaluation system in the Production Division and promotes an exchange of experiences and cooperation between production and logistics plants and departments. The project started in September 2021 and ended in June 2022.	108 participants
Individual development activities	The training courses were a response to the needs expressed by the managers' superiors. They aimed to develop the managerial skills of four recently recruited managers.	4 participants 17 training hours
Development programme for female product managers	The training courses define the role of a female product manager and the competences needed to perform this role effectively. The project continued in 2022 with 3 training courses.	9 participants



In addition, at our Sitag AG company, we have developed a programme in which, 5 years before retirement, every employee can receive free advice from our insurance expert and discuss the financial aspects of planning for retirement.

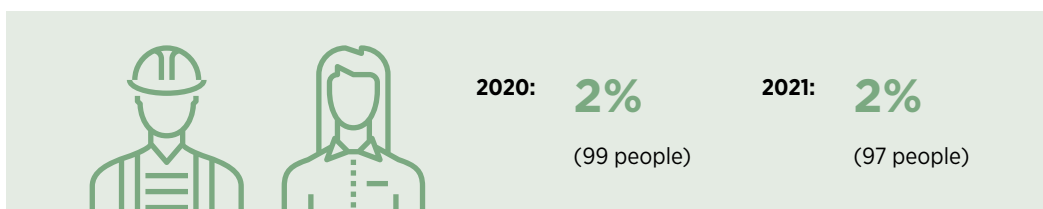
Respecting diversity

At Nowy Styl, we work in an international environment, but in line with the motto ‘think globally, act locally’, we have a local employment policy. The vast majority of our employees work locally, so as an organisation we

contribute to the growth of the labour market in our regions of operation. We are one of the main employers in the Podkarpacie region.



Percentage of foreign nationals in total staff of the organisation
(meaning people working outside their country of origin)



Respect for diversity, inclusiveness in the workplace and gender equality – these are ethical issues of particular importance in an all-round growing company. To expand networking and gain awareness, our company’s representatives took part in the UN Global Compact Target Gender Equality initiative. It was an opportunity to participate in interesting workshops, webinars or debates on issues related to equal opportunities in business, responsible communication or Diversity & Inclusion strategies.

3.3 Safety culture

GRI 103-2 **GRI 103-3** Safety is one of the most important needs of every human being. At Nowy Styl, we are constantly working to ensure that the quality of workplace safety is built on the highest standards of Occupational Health & Safety. We eliminate potential threats by identifying, analysing and assessing risks and opportunities in our processes and workplaces. We provide safe and hygienic working conditions to prevent injuries and diseases. We protect the health and safety of people working at our sites, as well as customers and contractors. We train our employees, emphasizing the importance of their awareness, attitude and commitment for everyone's

safety.

GRI 403-1 **GRI 403-5** The company Nowy Styl Sp. z o.o. and its subsidiary companies have a formalised and certified occupational health and safety management system in place, based on the ISO 45001 standard implemented and renewed annually. All employees of the organisation, including temporary workers and employees of external companies, are provided by their managers the necessary instructions on occupational health and safety, evacuation and rescue, what to do in the event of an emergency, wearing the necessary personal protective equipment and what to do if an accident occurs.

Health and Safety committees, worker representatives and hazard identification, risk assessment and accident investigation

GRI 403-1 **GRI 403-2** **GRI 403-3** **GRI 403-4** Out of concern for the safety of our employees, we monitor workplaces exposed to the risk of harmful factors on an ongoing basis. We aim to reduce exposure, so we invest to improve working conditions, introduce collective safety measures, assess risks, train employees and investigate incidents, if any. We have put in place a number of preventive and health-promotion measures.

All our companies have Health and Safety Committees. The person to represent employees and the employer in matters related to health and safety at work depends on the company and is determined by applicable regulations in the specific country. However, all the 'Occupational Health and Safety Committees' have similar tasks consisting in carrying out periodic assessments of work safety within their company, discussing, consulting and preventing accidents at work, as well as working together to improve working conditions. Committee meetings are held at least once a year.

Measures undertaken in each of the companies have been shown in more detail below.

The OHS department collects and processes confidential data in compliance with the relevant regulations, specifically the GDPR, and with the data processing rules provided for in those regulations. Only data relevant for a specific case is processed, only persons authorised by the employer have access to such data, and only to the extent necessary for the performance of the specific task. Nowy Styl has organisational and technical solutions in place to ensure that all operations on confidential data are performed by authorised persons only.

Nowy Styl sp. z o.o.

The organisation carries out occupational risk assessments according to the Polish standard PN-N-18002. This method uses two risk parameters: the severity of the consequences (effects) of hazards present at the workplace and the probability with which such consequences (injuries, diseases)

are likely to occur. The occupational risk assessment team is made up of the head of the area to which the position being assessed belongs, the Health and Safety Officer, the head of department, and optionally a representative of the staff or an occupational medicine doctor conducting preventive check-ups. Because the organisation conducts various types of training, the employees who are part of the occupational risk assessment team are familiar with and understand the principles of occupational risk assessment, have the knowledge necessary to identify threats present at the workplaces under assessment, know how to use protection measures for threat prevention and can assess the harmful effects of existing threats.

Moreover, the organisation has **programmes for reporting NEAR MISSES (NM) in place, as well as an EMPLOYEE SUGGESTION PROGRAMME (ESP)**. An employee witnessing a near-miss situation is required to report it as soon as possible in order for appropriate corrective action to be taken. As part of the ESP programme, an employee can submit their ideas, suggestions and solutions with respect to near misses or work processes in general. Employees are rewarded for engaging in these programmes to motivate them to provide suggestions.

The company has a Health and Safety Committee composed of the employees' and employer's representatives, each with the same number of representatives. The former are elected in democratic elections and represent 100% of the workforce. Consultations with employer's representatives are organised to discuss issues related to occupational risk assessment, allocation of protection measures, monitoring of working conditions and participation in health and safety training programmes. The representatives also provide feedback on measures taken by the employer to prevent accidents and occupational diseases. The OHS Committee analyses working conditions and formulates proposals for their improvement, periodically assesses health and safety at work and cooperates with the employer in the performance of his duties in this

area. Members of the OHS Committee meet at least once in every quarter.

Nowy Styl GmbH

The organisation manages work-related hazard identification and risk assessment processes through the work of the OHS Committee, external safety inspector, external doctor, plant manager and works council. In addition, it conducts annual employee examinations, and inspects and analyses all workplaces. Employee representatives represent 78% of the company's workforce. The OHS Committee is responsible for health and safety at the company, carrying out safety checks twice a year.

Nowy Styl Deutschland GmbH

Meetings of the OHS Committee are attended by the company doctor and an external specialist. Potential risks are analysed at the meetings. In the next step, meeting attendees walk through the factory, where they are shown areas with potential for improvement, and define measures and goals. In addition to the Occupational Safety Officer, Nowy Styl Deutschland GmbH also has a dedicated safety person in each area/department. Names of the people assigned to this task are available on the information board at the plant. Any suggestions are discussed with the Occupational Safety Officer and at the meetings of the Occupational Safety Committee (ASA). Corrective action is taken where necessary. The Trust Council makes sure that employees who report suggestions regarding threats and risks at work are protected.

Kusch+Co GmbH

The company has trade unions, which represent the workers' side. The Works Council, elected by the employees, represents the majority of employees. Members of the Health and Safety Committee are selected from the various departments in accordance with the German regulations on occupational safety. The Committee advises on health and safety and accident prevention issues, assesses risks and carries out internal audits. It is also involved in suggesting improvements and implementing innovations in the area of OSH. The Committee meets at least quarterly. Safety aspects are not consulted with the trade unions, but with the Works Council.

For each work area, the responsible person, in cooperation with the Occupational Safety Officer, has carried out and documented a risk assessment for workplaces, work equipment and activities. These risk assessments are updated each time there is a change in the work area; in addition, this assessment is reviewed at least annually. The organisation is prepared for a potential health and safety inspection by the Employers' Liability Insurance Association, which makes assessments based on Nohl's risk matrix. General hazards are documented by a Safety Officer, discussed by the Committee and eliminated or minimised.

All accidents and near misses should be reported directly to the Safety Officer. An accident is investigated by the Safety Officer and head of the department where it occurred. If an employee is absent from work for more than 3 working days due to an injury, the Safety Officer prepares an accident report for the Employer Liability Insurance Company. The causes of the accident are investigated and appropriate countermeasures are identified for improvement. Corrective action involves risk assessment in the specific areas, in line with the hierarchy of goals and measures principle, or in the protocol of the Occupational Safety Committee (ASA).

Accidents lasting more or less than 3 days, as well as reported near misses, are checked for causes by the Occupational Safety Officer and the person responsible for the specific area (supervisor), and remedial measures are determined, if necessary. No separate register is kept for these measures. All occupational safety measures are recorded in an ASA protocol or in the risk assessments for the individual departments.

Every employee can submit suggestions regarding work safety to the company doctor, members of the works council and the Safety Officer without fear of negative consequences.

Sitag AG



GAV – a collective employment contract of the Swiss furniture industry – is in place at the company. Employees who have completed a practical health and safety course for officers and supervisors can become members of the OHS Committee. The organisation, together with the employees, conducts weekly audits based on the 6S methodology. It is a set of techniques and methods that help create and maintain workplaces with optimal ergonomics, while ensuring good work organisation, stabilization of processes, and improvement of organisational culture. 6S is designed to improve performance by eliminating losses, streamlining processes and reducing unnecessary processes. Moreover, a comprehensive internal and external audit is carried out on a yearly basis. The results of these processes are saved on a matrix, while all open tasks are registered in the Trello application, where every task has a responsible person assigned to it.

The organisation is regularly inspected by an external accident insurance institution SUVA, which advises and, where necessary, supports organisations in preventing accidents at work. All incidents classified as accidents at work are reported to SUVA. Employees can contact SUVA through the company or via publicly available contacts.

Work-related injuries

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As in previous years, there were no fatal accidents at work in any of our plants in 2020 or 2021. There were no serious accidents either.

Accident reporting and analysis are carried out in accordance with the applicable requirements of the labour law of the country in which a company is located. There-

fore, some companies record accidents without breaking them down into accidents at work and accidents on the way to or from work. On the other hand, the number of accidents may not be equal to the number of injured people where the same person was involved in an accident more than once.

Total number of accidents at work

	2020			2021		
	Women	Men	Overall	Women	Men	Overall
Nowy Styl sp. z o.o.	3	7	10	5	17	22
Nowy Styl Deutschland GmbH	0	19	19	0	14	14
Nowy Styl GmbH	0	0	0	0	0	0
Sitag AG	0	7	7	1	2	3
Kusch+Co GmbH	0	5	5	0	3	3
Total	3	38	41	6	36	42

Total number of people injured in accidents at work

	2020			2021		
	Women	Men	Overall	Women	Men	Overall
Nowy Styl sp. z o.o.	3	7	10	5	17	22
Nowy Styl Deutschland GmbH	0	19	19	0	14	14
Nowy Styl GmbH	0	0	0	0	0	0
Sitag AG	0	7	7	1	2	3
Kusch+Co GmbH	0	5	5	0	3	3
Total	3	38	41	6	36	42

Total number of days of sickness absence caused by an accident at work

	2020			2021		
	Women	Men	Overall	Women	Men	Overall
Nowy Styl sp. z o.o.	144	833	977	156	1091	1247
Nowy Styl Deutschland GmbH	0	317	317	0	231	231
Nowy Styl GmbH	0	0	0	0	0	0
Sitag AG	0	58	58	0.5	11	11.5
Kusch+Co GmbH	0	91	91	0	93	93
Total	144	1299	1443	156.5	1426	1582.5

We monitor workplaces exposed to harmful factors on an ongoing basis. We aim to reduce exposure, so we invest to improve working conditions, introduce collective safety measures, assess risks and train employees. We have put in place a number of preventive and health-promotion measures.

Protection against harmful factors

GRI 403-3 We are aware that the plants of our companies Nowy Styl Sp. z o.o. and Kusch+Co GmbH have workplaces where the maximum permissible levels and concentrations of harmful factors in the working environment: noise, industrial dust, wood dust, mechanical vibrations and chemical compounds have been exceeded. At Nowy Styl Sp. z o.o., measurements of the levels and concentrations of harmful factors are carried out by external institutions. At Kusch+Co GmbH, such measurements are carried out by a professional association.

Number of employees exposed to harmful factors:

2020	Noise	Wood dust/ industrial dust	Mechanical vibrations	Chemical compounds	Workers exposed to two or more factors	Total employees
Nowy Styl sp. z o.o.	224	122	83	6	435	3291
Sitag AG	18	15	0	2	2	129
Nowy Styl GmbH	0	0	0	0	0	17
Kusch+Co GmbH	27	19	0	15	15	236
Nowy Styl Deutschland GmbH	15	20	N/A	29	64	366

2021	Noise	Wood dust/ industrial dust	Mechanical vibrations	Chemical compounds	Workers exposed to two or more factors	Total employees
Nowy Styl sp. z o.o.	220	122	71	6	419	3421
Sitag AG	18	15	0	2	2	129
Nowy Styl GmbH	0	0	0	0	0	14
Kusch+Co GmbH	26	17	0	15	12	217
Nowy Styl Deutschland GmbH	2	6	N/A	8	16	312



Office Furniture Factory in Jasło



Office Furniture Factory in Jasło

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We are determined to reduce the risks associated with working in unfavourable conditions. Therefore, employees in all workplaces where harmful factors are present are provided with work clothing or protective clothing, appropriate footwear and personal protective equipment (hearing protection, protective goggles, masks, protective visors etc.).

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We take measures to promote health and safety among our employees, for instance by offering sports packages or providing free fruit and meals in the canteen. At Nowy Styl Sp. z o.o. and Kusch+Co GmbH, employees can get a flu vaccine free of charge every year. In addition, the latter company has engaged a company physician who is available to each employee once a week during appointment hours.

Additionally, we have a Near Miss (NM) Reporting Programme and an Employee Suggestion Programme (ESP) in our factories in Poland. An employee witnessing a near-miss situation is encouraged to submit his or her ideas, suggestions and solutions to help reduce the risk, or referring to work processes in general. Our employees are rewarded for taking part in these programmes to motivate other people to participate.



4 Local development

Commitments for 2022–2023:



- > We will continue our commitment to local development and support for organisations from the Podkarpackie Province.
- > We will continue to organise the Charity Balls, an organised party event for children and young people from childcare centres in the Podkarpackie Province.

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Nowy Styl is an international company. Nevertheless, we do not forget about our roots, which is why our commitment is focused on local communities, mainly from the Podkarpackie Province. We want to be an active member of the communities where we have our offices and plants, as they are strongly influenced by our company's operations on a daily basis.

Our social commitment is guided by the following principles:

- > **localness** – we focus our social commitment on initiatives implemented on a regional and local level – in locations directly affected by the company's operations;

- > **continuation** – we are aware of how the stability and predictability of our commitment is important to local communities, so we strive to maintain relationships once established.

We have chosen the priorities for our commitment taking into account considering the most important needs of local communities. We also mind the potential effectiveness of Nowy Styl's impact. We take decisions concerning support for new projects based on guidelines stipulated in our *Donations, Social Commitment and Sponsorship Policy*.

As we are deeply rooted in the life of the Podkarpackie Province, we understand its needs and problems. We believe that we have a real impact on shaping the potential of the local community. Being rooted in the life of Podkarpacie makes us understand its needs and problems. We believe that we have a real impact on shaping the potential of the local community. Although we do not consult the local community on our operational decisions, we support it through our long-term strategic projects (e.g. the annual

Charity Ball for the charges of childcare facilities in the Podkarpacie) as well as big and small initiatives implemented by our social partners. The most important of them are presented below. Apart from Nowy Styl's activities in the Podkarpacie, 100% of the Group's companies carry out their own activities supporting their local communities (based on the location of the company – e.g. financial support for the fire brigade in Saint Marcellin, France).

Donation values PLN

Nowy Styl sp. z o.o.	2020	2021
In kind	243,231	230,109
In cash	339,150	204,800
Total	582,381	434,909



Education for children and young people

Since we are aware of the importance of education from an early age, we take measures aimed at providing equal opportunities in access to education for children and young people, including those with disabilities. We are also involved in initiatives which promote entrepreneurship.



Support for culture

As we realise the importance of culture as an element of social development, we support selected cultural organisations and projects.



Popularisation and support for sports

We promote physical exercise as an instrument of disease prevention. We believe that sport helps shape a person's character, and we support young athletes in their sporting challenges.

4.1 Education

Janusz Korczak Foundation

Funded by Adam and Jerzy Krzanowski, the Janusz Korczak Foundation in Jasło has been supporting the education of talented children and young people from the Podkarpackie province since 2001. We fund scholarships for several dozen pupils and students every year. Many of our scholarship holders study two majors at the same time, which means they do not have time for paid work. Nowy Styl covers the cost of their university tuition fees or, in the case of secondary school students, provides them with special funds earmarked for preparatory courses for university. Holders of our first scholarships graduated

long ago, and some of them have found employment with our company. They work in various roles including engineers, where they develop new technologies and solutions, therefore contributing to the development of an ergonomic workplace environment for thousands of people using Nowy Styl products every day. With our scholarships, students have a chance for a better life, and they can develop their talents and interests. We hope that the fact that they have received aid is an additional driver for them to study, and, at a later stage, a reason to go on and 'pass it forward.'

Siemacha Association

Established 25 years ago, the Cracow-based Siemacha Association is one of the leading organisations in Poland providing organised aid to children and young people. Education, sports and therapy are the pillars of the organisation's long-term and comprehensive support. One of its flag-

ship projects is a modern Children's Home in Odporyszów near Tarnów. The facility was established and is developing thanks to a group of sponsors, Nowy Styl being one of them. In 2021, we furnished a special apartment for young people who leave the foundation after reaching adulthood.



Siemacha Association

Demos Foundation

The Foundation, established in 2002, is running an educational and recreational centre in Odporyszów. It is an excellent facility that provides young people with both leisure and development opportunities. Convenient accommodation and opportunities for workshop work, as well as the proximity of a forest and the presence of animals make

it a lively and vibrant place. To make young people's stay at the centre even more attractive and comfortable, we helped the Foundation furnish a screening room. A year later a dining room, a cafe point and a foyer of the screening room were refurbished thanks to our support.

Children's University of Technology

The Children's University of Technology classes are intended for primary school students aged 7-12. Lectures, exercises and laboratory classes are prepared in such a way that every child can understand and remember as much as possible. The priority is for children not to get bored during the classes and to gain knowledge through play and the

forms of education that children find most accessible. The Rzeszów University of Technology is the first university in the region to open its lecture halls to school children. The programme is completely free of charge for participants. Nowy Styl has been a strategic partner of this project since 2021.

Charity Ball

The New Year's Charity Ball is a well known event in the Podkarpacie region. For over 20 years, Nowy Styl has been inviting children from children's homes, schools and education centres, care centres, organisations working with the disabled and foster families to celebrate together. The event is an opportunity to have a great time, but also to integrate and learn. Every year, the company comes up with an interesting theme to arouse new passions in our little guests and encourage their development. A highlight of the New Year's Charity Ball is a visit from Santa Claus, who hands round gifts that the guests asked for in their letters. These often include financial support for the statutory activities of a foundation helping children, field trips or furnishings for childcare institutions.

In 2020, the event was attended by over 1,100 people. As usual, the participants had a great time, enjoyed the gifts and could meet exceptional guests, who this year

were distinguished athletes. The biggest surprise came with a video from Robert Lewandowski, who had a special message for our guests.

In 2021, the purpose remained the same – support for children's homes, and care and educational institutions in Podkarpacie, but because of the ongoing COVID-19 pandemic our support took a different form. We collected information about the needs of the families, institutions and organisations that we had invited to the Ball in the previous years, and we prepared gifts in cash and in kind for them. We are aware that it is important for both the managers of the institutions and their charges that the event is held so regularly. As we find out every year, the Ball occupies a special place in the lives of our guests. We hope we can return to organising it in the traditional form.



Thank you very much for the gifts for our orphanage. Despite the pandemic and the impossibility of meeting at the ball, New Style made sure that the long-standing tradition continued. We thank you from the bottom of our hearts and hope that in 2022 we will meet as before at a wonderful ball.

Ewa Pruchnicka

Director of the Children's Home
in Sanok



“It was so important to us that Nowy Styl offered to support us in this extremely difficult time. Thank you for your kindness and willingness to help. With this kind of support we can achieve our goals and plans.

Children

from the “Jaś”, “Małgosia” and “Maciek” Care and Educational Facilities in Przemyśl

Economic education

Entrepreneurship is one of the important features of our organisational culture. We believe that a good understanding of basic economics helps one make informed life decisions, which is why it should be taught from an early age. In 2014, at the initiative of Patrycja Krzanowska, Jerzy Krzanowski's daughter, a textbook titled “The World of Money” was published. The book is an exciting story for the youngest readers about the history and importance of money (illustrated by the famous illustrator Magda Grabowska-Wacławek aka Grabowska). The book was received with great enthusiasm by both entrepreneurs and children. A few of the biggest Polish companies have ordered a reprint for their own purposes, and we have

founded the World of Money foundation to popularise the publication. The circulation has reached at least 50,000 copies to date. In consultation with the local government of Krosno and the local chief education officer, the foundation launched pilot economics classes at the Primary School No. 14 in Krosno, and the project was then extended to almost all primary schools in Krosno in the school year 2018/2019. The classes for fifth graders are held once a week and are conducted by trained teachers, based on Patrycja Krzanowska's textbook. The classes are interactive and filled with games and contests for pupils. This is an attractive way to teach children about interest, exchange rate and other economic concepts.

4.2 Culture

Young Arts Festival in Krosno

The Young Arts festival is part of the Emanacje festival organised by the European Centre for Music in Luślawice. It is an important event on the cultural map of Krosno and the region, promoting classical music. From the very beginning, the organisers could count on Nowy Styl's support, which is how the festival can continue to work on a free-of-charge

basis. The first edition took place in the summer of 2016, to be continued in the following years after a very warm welcome and huge turnout. In 2021, the following artists appeared on the Young Arts Festival stage: Jan Garbarek Group, Miuosh and Jakub Józef Orliński.



Nówka Sztuka

Nówka Sztuka ('brand new art') is a trade fair event featuring artists and designers, held by the Academy of Fine Arts in Cracow. The event is addressed to artists, art and design aficionados, original work lovers and talent hunters. It is a top opportunity to discover or buy modern artworks. In addition to the exhibition part, Nówka Sztuka

also includes an extensive programme with educational and accompanying events such as lectures, discussion panels, workshops, a portfolio review and consultations with valued representatives of the artistic circles. Nowy Styl has sponsored the event since its 4th edition in 2021.





4.3 Sports

We are present in the world of sports both in terms of our business activities and because of a passion for sports and a spirit of physical exercise that we want to spread as

an organisation. We combine our business goals with our willingness to support regional initiatives by sponsoring sports institutions and projects.

Poland Business Run

Every year, our company takes part in the Cracow Business Run charity event. It involves a relay race where every competitor has to run a 3.8 km stretch of the entire route through Cracow's city centre. The Poland Business Run Foundation uses funds raised from the run to help amputees and patients with motor dysfunctions. Nowy Styl employees from the Cracow office volunteered to join the event by organising a 'silent auction' fundraiser, where

people could bid, without knowing what to expect, on the offers of their office colleagues. These included tango classes, a hand-made ceramic bowl or a trip to the mountains. All proceeds from the auction were donated to the beneficiaries of the run event, which is how we managed to collect PLN 4,010, giving us the 6th place on the list of companies supporting the event in 2020. In 2021, we collected PLN 3,380, which gave us the 5th place.



Juvenia Cracow

Rugby is one of the most team-oriented sports in the world. On the pitch, an individual means nothing without the support from other team members. Just as team members can rely on each other on the pitch, the Cracow rugby team

can rely on our company's regular sponsorship support. The rugby club, along with the players' families, fans and supporters of the sport, is a unique community of people who support each other and enjoy spending time together.

The Magura Ultramarathon in Krempna and the Łemkowyna UltraTrail run

We are particularly fond of these two running marathons, for which we provide support every year by donating in-kind gifts such as furniture for the organisers' stands and T-shirts for competitors. The Magura Ultramarathon is one of the biggest and most challenging mountain runs in Poland. Athletes compete at distances of 58 and 92 km, and in a 20 km accompanying event MaguRun race. The Łemkowyna

Ultra Trail, on the other hand, attracts competitors from Poland and dozens of countries around the world with its challenging routes, often covered with mud – which has actually become the trademark of the event. The most challenging, almost legendary distance is a 150 km section from Krynica to Komańcza, attempted by the elite of runners every year.

4.4 Facing the pandemic

We think of the doctors, nurses, paramedics and volunteers who helped fight against the coronavirus as great heroes. We are grateful for their efforts and we work to support them. In 2020, we purchased disinfection equipment and personal protective equipment for hospitals in Jasło, Krosno, Cracow and Łańcut. We hope that, in this way, we have made the work of the medical services safer and at least a little easier.

Together with the SPLAST group, we also funded, a decontamination device for cleaning ambulances transporting patients. With the specialised equipment, paramedics in Krosno and Jasło received at least some support in the extremely difficult epidemic situation. Funds to help the medics were also donated by the Podkarpackie Business Club which had been, established by our company.



Jerzy Krzanowski
Co-founder and Vice
President of the Board
of Nowy Styl

We feel a connection to the region we are part of. The decision to respond to the needs of the local medical services, especially in this difficult time, was therefore absolutely obvious to us.

We also took action to support health care professionals in our branch in France. Nowy Styl's support for the fight against the coronavirus in France included several activities. The first one was donating protective equipment to healthcare workers in the Noyon region, where one of our factories is located. It is estimated that an average healthcare professional needs 10 gowns a day to be able to do their job properly. Hence, the equipment donated

included paper protective gowns and coveralls, normally used by our painters. Our seamstresses in France, on the other hand, started making protective masks. Rachida, Laurène and Gwenaëlle made 70 masks every day. In addition, our French branch started making protective visors on a 3D printer. Following successful in-house tests, we started supplying these visors to hospitals in Compiègne and Noyon, France.

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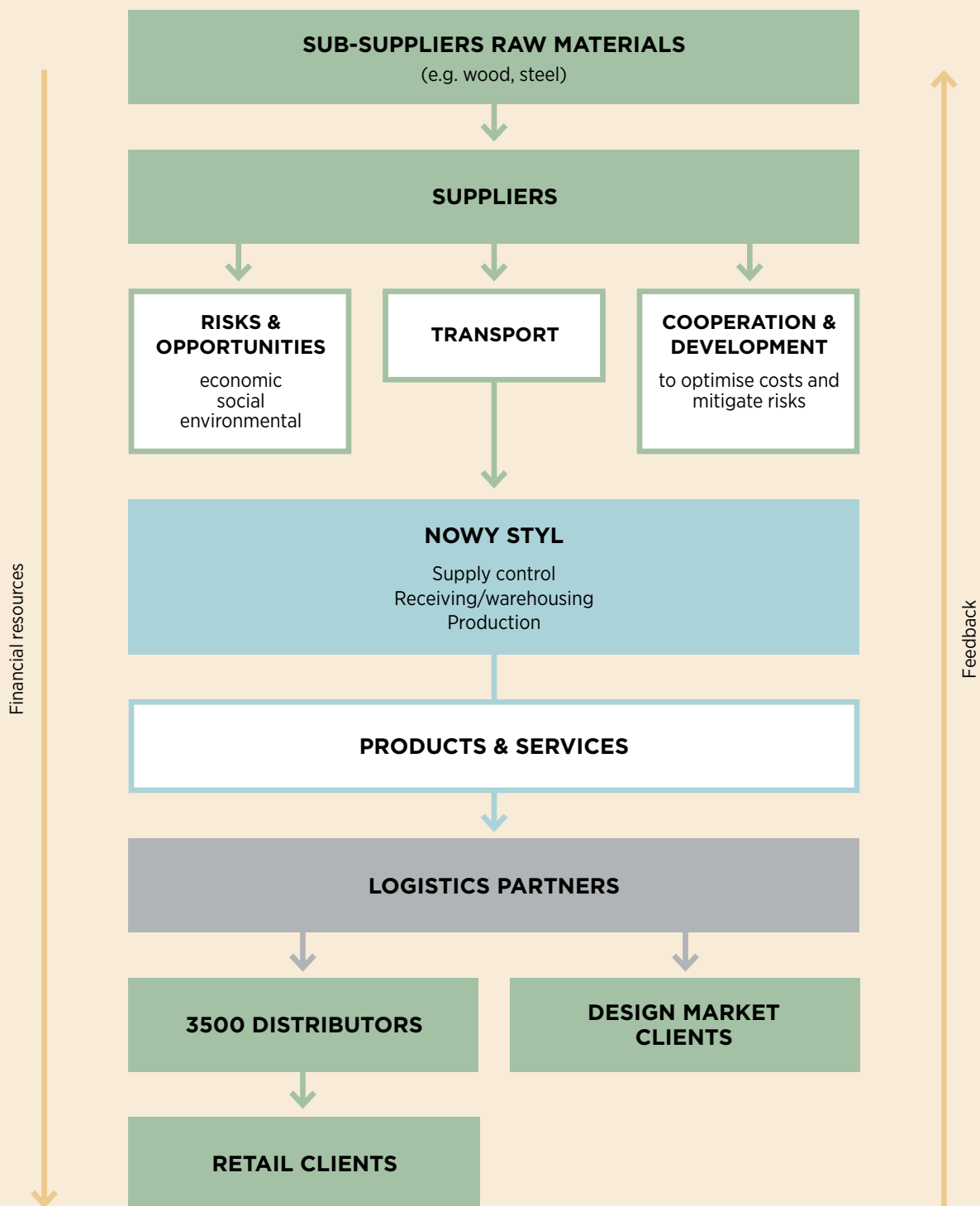
5 Building a sustainable supply chain

Commitments for 2022–2023:

- Implement IFS at the Kusch+Co production plant in Hallenberg in the Procurement area.
- Implement a complaint process for external suppliers following the launch of IFS at the Kusch+Co plant.
- Conduct periodic evaluation of suppliers with regard to social and environmental aspects, including GHG emissions in the period 2022-23.
- Increase the share of recycled raw materials used in components and packaging materials, e.g. stretch film.
- Increase the share of FSC-certified components for the group of wood products.
- Support employees in their professional development through specialised training in the area of purchasing.
- Reduce CO₂ emissions and energy consumption by shifting from CO₂ laser to fibre laser cutting technology – transferring production to an external 4 × 4 supplier.
- Introduce a steel tube supplier in the process of implementing the Green Steel (zero-emission steel) policy from the end of 2025.

The scope and scale of our operations make us a reliable and solid business partner for both customers and suppliers, as we can guarantee steady cooperation on fair terms. From our early days, we have been working

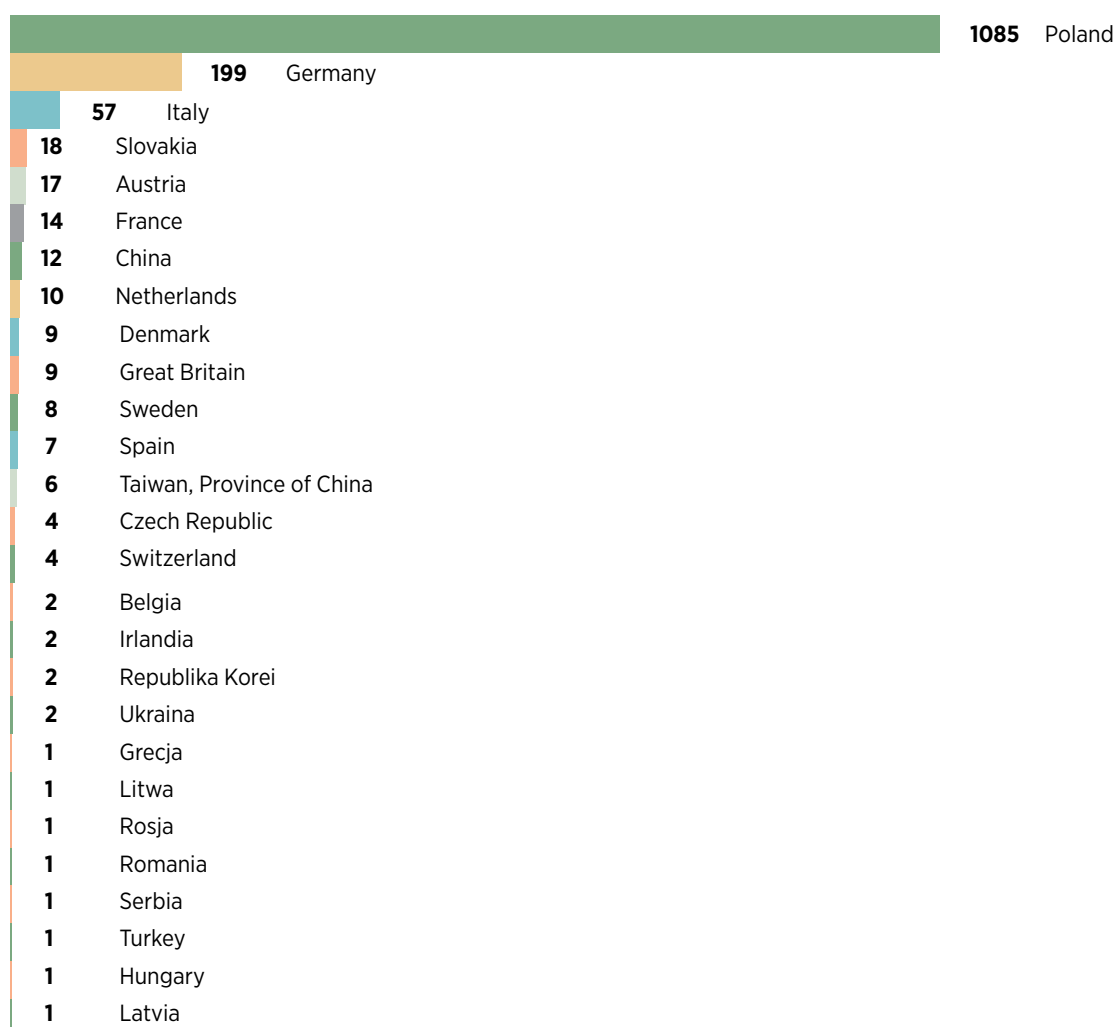
only with partners who share our vision and way of doing business in terms of ethical standards, respect for human rights and anti-corruption mechanisms.



GRI 103-2 Supply chain management is one of the most challenging areas of operations at any large company. At Nowy Styl, we strive to make suppliers our strategic partners and we aim to build long-term relationships with them. Therefore, we have always worked with partners who share our vision, both in ethical and environmental aspects. Our operations are based on the rigorous requirements of the ISO 9001: 2015, ISO 14001: 2015, ISO 14006: 2020 and ISO 45001: 2018 standards.

GRI 103-2 Due to the specificity nature of the market and our organisation, we define local suppliers as companies making products or services in Poland and Germany. In the years 2020-2021, the share of expenditures on products and services from local suppliers was 56% and 50%, respectively, on the Polish market and 72% and 63% on the German market.

Nowy Styl suppliers in 2021 by country of origin



Sustainable purchasing is one of the areas in which Nowy Styl made significant progress, as shown by the Eco Vadis rating – from 50 points in the previous assessment up to 80 points at the end of 2021.

5.1 Supplier Code of Conduct and Procurement Policy

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In order to structure the supply process and ensure the highest level of its security, we rely on the Nowy Styl Supplier Code. The Code is a global document that applies to all our suppliers. It sets the standards of ethical and social as well as environmental and economic responsibility, which we require from our suppliers.

In May 2020, Nowy Styl implemented a Purchasing Policy. It is a set of rules of conduct for Nowy Styl's suppliers of goods and services. We expect our partners to accept the rules set out in the Policy as their work standard.

Education is essential for such a dynamically developing field as sustainability. In May 2021, our Strategic

Purchasing Department Team attended a training on Corporate Social Responsibility in Public Procurement. The training addressed ethical and environmental issues in the supply chain. The same team also participated in an Anti-Corruption Policy training in December this year.



[Click here to read the Nowy Styl Supplier Code of Conduct](#)



[Click here to read the Nowy Styl Purchasing Policy](#)

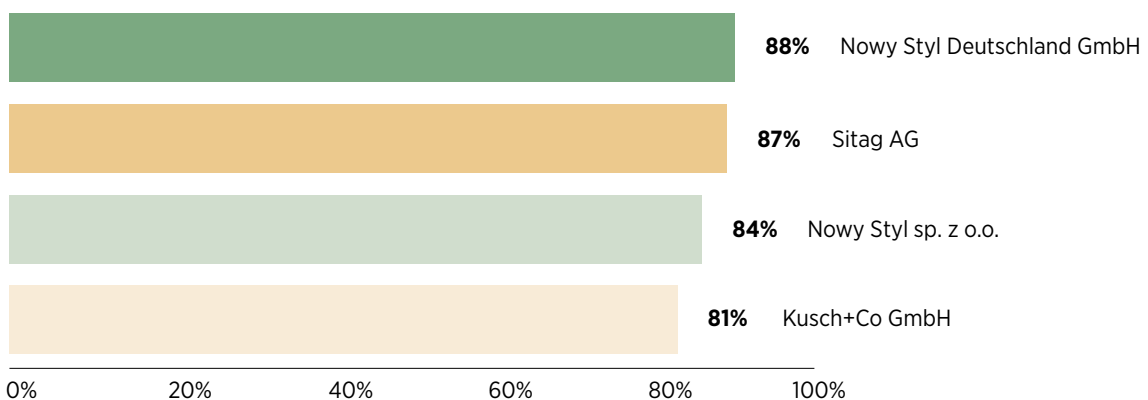
5.2 Supplier Assessment

In the reporting period, we undertook a number of measures to learn more about our suppliers and understand our supply chain better.

In 2020, we assessed 189 key suppliers, accounting for 80% of our turnover. This was done using a self-assessment tool specifically developed for the survey. The following areas were taken into account:

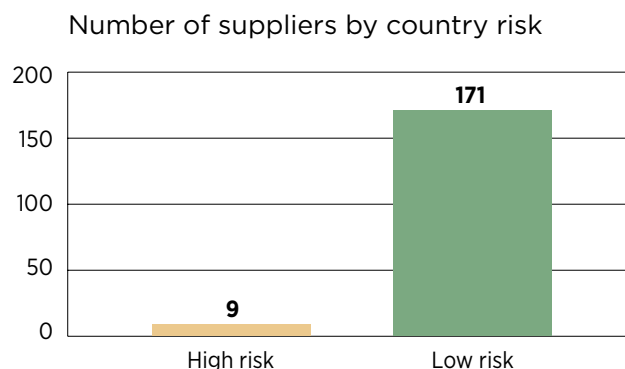
- > employment and health and safety conditions,
- > respect for human rights,
- > natural environment,
- > production processes,
- > purchasing processes,
- > maintenance,
- > improvement processes,
- > compliance with other provisions of the Supplier Code.

Average Score in Supplier Assessment by production



Suppliers with a score below 60% must provide a third party audit report, or a suitable audit will have to be performed by Nowy Styl. Suppliers from high-risk countries (high-risk

countries are identified based on the Amfori Risk Country Classification; we have 9 such suppliers) must provide a third party audit report.



In 2021, we carried out a risk analysis of 173 organisations. The study aims to monitor and supervise our current and future suppliers for potential threats.



In the reporting period, 100% of new suppliers were checked for compliance with environmental and social criteria using a self-assessment questionnaire, which was comprehensively assessed by Nowy Styl staff. Further decisions regarding cooperation with the supplier are made based on the assessment.

5.3 Getting ready to report CO₂ emissions in the supply chain

We take responsibility for more than just CO₂ emissions from our production processes and transportation of our products. We expect our business partners and suppliers to adopt the same attitude in operating their businesses. Global supply chains produce large amounts of carbon dioxide – from carbon dioxide emitted in the production process, to fossil fuels used in transportation, to emissions from storage and distribution.

At present, we calculate the carbon footprint of our organisation within Scopes 1 and 2, which means we take into account CO₂ emissions from energy consumption in our installations, by electricity suppliers for our offices and factories, as well as by company cars and air travel. However, we are aware that most of our impact in this area comes from suppliers manufacturing materials and compo-

nents for our needs. What is the scale of that impact? In 2021, we took the first step to identify this situation and, together with our partners, make an effort to reduce greenhouse gas emissions.

In response to a question about emissions sent to our key suppliers, we obtained incomplete data from selected companies. In this way, we identified the most emissions-conscious suppliers – including the winners of our Supplier Sustainability Award 2021: Gabriel A/S, BASF Polska and Rehau Sp. z o.o., with whom we can exchange knowledge and support each other on the way to reducing the carbon footprint. We gave a clear signal to the remaining suppliers, who had not monitored this kind of data before, that emission reporting would soon become our standard.

Emissions in the supply chain 2021

Monitored supply chain emissions (CO ₂ tons)	Emissions in tons / €1 000 000
769	86.96

Production only for Nowy Styl at monitored supplier plants



Supplier Sustainability Award competition

In 2021, Nowy Styl organised the first edition of the Supplier Sustainability Award competition.

In 2021, Nowy Styl organised the first edition of the Supplier Sustainability Award competition. We used the competition to encourage our suppliers to share good practices in areas such as product recycling, reduction of CO₂ emissions in transport services and energy-saving solutions. We wanted the competition to show that we appreciate the outstanding CSR activities of our key suppliers and to encourage them to engage in new environmental protection and social activity initiatives.

We think this competition proves that we and our suppliers are on the same side when it comes to sustainability. We have included presentations with the list of winners to showcase the best examples of sustainability campaigns carried out by our suppliers and to inspire others to follow.



Click and find out more

5.4 Supply chain at Nowy Styl

Supply chain management is one of the most challenging areas of operations at any large company. The longer the supply chain, the more potential sources of interruption can appear. The supply chain is about more than just

supplying materials for production. It is also about the organisation, storage, production planning, technological process, internal transport and shipping logistics.

Supply chain outline



Purchase
of raw
materials



Supply



Supply
quality
control



Production



Quality control
of the finished
product



Logistics



Additional
services



Office Furniture Factory in Jasło

Purchase of raw materials

The purchase of raw materials is a complex process that involves choosing new suppliers, conducting a cooperation risk audit and assessment, searching for new solutions for materials and products to meet customer requirements, optimisation of purchasing, quality and logistics parameters, analysis of purchasing indicators and implementing a process for complaints and supplier development.

At Nowy Styl, this part of the supply chain is the responsibility of the Strategic Purchasing Department, based at the company's head office in Poland. Details of cooperation with our company are described in Nowy Styl's *Procurement Policy*.

Nowy Styl's *Procurement Policy* is a set of principles and rules of conduct to be followed by suppliers of goods and services for our company. We expect suppliers to adopt the following principles as a standard of work and we require them to declare that the document will also be a reference point for them in their supply chain.



**Click and read Nowy Styl's
Procurement Policy**

Supply

We have centralised the supply process to make it easier to control expenses throughout the company. We benefit from a synergy effect as the entire organisation is guided by a single purchasing strategy. We have identical conditions in place for all our locations. Collaboration is made

easier thanks to purchasing processes on IT platforms we have put in place, such as the IFS management system, the Office 365 communication tool and systems for reporting purchasing parameters and purchasing data consolidation across all Nowy Styl companies.

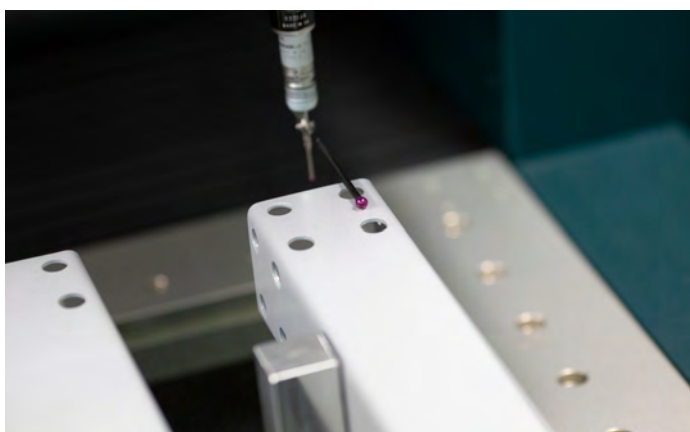


Office Furniture Factory in Jaslo

Supply quality control

We have implemented uniform standards throughout the organisation and follow the requirements of ISO 9001:2015. In addition to the quality of raw materials and materials, product quality is largely determined by the situation in the working environment, such as the understanding of processes on the shop floor, good information flow

between employees, regular training, a transparent pay policy and, above all, housekeeping and safety. Each of these elements is included in lean management – a concept of production process management ensuring that work in the factory is carried out in keeping with strictly defined standards to ensure the desired quality and performance.



Production

Production autonomy is one of Nowy Styl's strengths. Our factories with an area of over 141 000 m² in four European countries. Our production relies on modern production and IT technologies. We have an in-house tool shop and multifunctional machinery for the end-to-end processing of wood, metals and plastics. We also have our own Research and Development Centre and we invest in fourth-generation industrial solutions to better meet the needs of customers – produce in an efficient, environmentally friendly way, perfectly matched to our customer's preferences. Nowy Styl has been using lean tools in all of the company's factories for over a dozen years now. Their implementation and compliance are supervised by an international team of experts who have developed their model of operation, tailored to our needs and focused on increasing the synergy effect in production. Lean also allows us to respond quickly to changing market conditions. For instance, we are currently seeing a great fragmentation of production. For us, this is not a problem, because we can quickly retool and start manufacturing such an order, without extending the waiting time for order completion.

Logistics

As one of the leading manufacturers of furniture and chairs in Europe, we carry out hundreds of thousands of deliveries to our customers around the world. Our products are distributed to customers using our own, as well as external vehicle fleet. Nowy Styl's transport policy assumes that space occupied by transported products must be minimised and empty runs avoided.

Timely transport of products is crucial for our projects. As part of our standard process, we provide a trained assembly team who speak the local language. Before assembly work starts, we carry out an on-site inspection to see how advanced the works of other teams are, we discuss the details of our entry and stay in a given area with facility managers, and make arrangements with relevant authorities about aspects such as the maximum permissible weight of our delivery vehicles. Each of these steps saves valuable time and helps avoid surprises. As a result, we can be sure that work will be completed within the prescribed time limit. Until recently, packaging disposal was a big problem for every project. Because we have changed our approach to the method of packaging, we managed to take care of the environment, reduce the costs as well as cut down delivery and assembly times. For storage and transport, our furniture is protected against damage with pads placed on wheels and armrests, as well as reusable protective covers. This is a response to the needs of our customers, both those who perceive ecology and respect for the natural environment as important issues, and those with a restrictive fire policy.

[!\[\]\(666e09182d4cd268646ea700ea60dcdf_img.jpg\) Read more about our initiatives to reduce packaging in transport on page 94](#)

Products secured in this way are transported in double-deck vans, so the goods can be placed on two levels. Thanks to the rigid structure of the 2×180 cm high decks and a hydraulic lift, our goods are securely fixed and the

distribution process is efficient. In this way, we can increase the loading capacity for euro pallets by as much as 63% and reduce harmful exhaust gas emissions.

We also use IT systems to optimise the transport of our products. These include **CubelQ** – advanced cargo planning and optimisation software that can calculate the optimal cargo/packaging for containers, trucks, pallets and boxes. The main advantage of this tool is that calculations are represented in a graphic form, in different ways based on different data sources, e.g. different types of packaging. In addition, with manual adjustment (in 3D mode) of cardboard boxes on a pallet and pallets in a vehicle, the tool is even more accurate for the user. In addition, we also use L-shaped pallets wherever possible.

This has allowed us to increase the picking efficiency for group age loads.

We are increasing the share of 'collective packaging', which allows for a significant reduction of cardboard packaging and optimisation of cargo space. With this improvement, we have significantly reduced the number of shipments needed to get goods to their destination.

In addition, we also take action to contribute to the reduction of fuel consumption and exhaust emissions from transport. We are reducing the number of carriers with high exhaust and CO₂ emissions, and we establish cooperation with carriers with Euro 6 trucks.

Selected logistics operators have shared with us their plans and actions taken to reduce greenhouse gas emissions.

Additional services

Our services are closely related to logistics. In addition to supplying new products, Nowy Styl also offers additional services such as collection of old furniture, followed by maintenance and repair.





6 Concern for the environment and climate change

Commitments for 2022–2023:

- We will continue to work to reduce our carbon footprint – our goal is to reduce emissions by 30% by 2025, compared to 2018.
- We will continue to invest in technological and infrastructure solutions to improve our energy efficiency, and thus allow us to reduce our carbon footprint.
- We are continuing to replace our car fleet with hybrid cars, so as to achieve a reduction of CO₂ emissions in this area by approximately 20% by the end of 2023.
- We will completely eliminate the last solvent varnishes used in the Office Furniture Factory and replace them with environmentally friendly water-based varnishes.
- By the end of 2022, we will discontinue a blowing agent now used to make structural foam and replace it with an agent with a GPW=1, whose environmental impact is negligible.
- We will continue our efforts to further reduce the consumption of packaging materials in internal and external transport of our goods.

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Respect for the natural environment is an inherent part of Nowy Styl's mission. As a production company, we are fully aware of our environmental impact. **In our daily work, we identify, monitor and try to minimise the potentially negative impact of our activities by implementing several measures managed under the Environmental Action Programme.**

We work in accordance with certified management systems based on the requirements of ISO 9001, ISO 14001, ISO 45001, ISO 14006, and EMAS as well as the FSC and PEFC standards. We are also fully committed to the operation of those systems by providing the necessary resources for their maintenance and continuous improvement. Our Integrated Quality, Environment and Health & Safety Management System Policy define the overarching lines of action for our organisation. Environmental aspects are of particular importance to us, so the document would not be complete without provisions concerning the natural environment, including rational use of natural resources, reduction of production waste, designing products in line with the circular economy model or

identification and monitoring of environmental aspects. The analysis of ecological aspects performed throughout the product life cycle has become our point of departure for implementing the eco-design management system. It helps us predict and prevent the negative impact of our products on the environment already at the design stage, thus improving their environmental performance at all subsequent stages, i.e. the provision of raw materials and materials, implementation, production, transport, use, decommissioning and disposal.

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It is also very important for us to maintain continuous compliance with applicable legal regulations in the area of environmental protection, both national and EU. To make sure that we keep up with the changing legislation, we rely on the professional services of an external company that provides us with continuous review and monitoring of regulations, and carries out preventive periodic audits to assess compliance with legal requirements.



We care for the rational use of natural resources by using technologies that reduce the volume of production waste.

We identify and monitor environmental aspects throughout the product life cycle, minimising the adverse impact on the natural environment.

We design products in line with the circular economy model.

We train employees to raise their awareness of their impact on the environment, quality and safety.

Find out more about the goals we have set for our organisation in the *Integrated Management System Policy*.



Click and read *Integrated Quality, Environment and Health & Safety Management System Policy*



Nowy Styl Deutschland has a voluntary Eco-Management and Audit Scheme (EMAS) in place, imposing additional requirements such as active engagement of employees, and transparency in the broadest sense.

6.1 Our carbon footprint

Since 2019, Nowy Styl has been working with CO₂ Performance Ladder. This is a Dutch sustainable development support system companies can use to manage their carbon footprint and reduce CO₂ emissions. As part of this system, we collect data, set targets and a programme to achieve them, which are verified during annual surveillance audits by an external certification body. In line with the system's methodology, we determine the carbon footprint for Nowy Styl in Poland, Germany (Nowy Styl Deutschland GmbH) and Nowy Styl in the Netherlands (Nowy Styl Nederland B.V.).

Our previous goal set in the management system was to reduce carbon dioxide emissions by 15% in 2025 compared to 2018. The Nowy Styl handles the management and coordination of CO₂ Performance Ladder certification activities with an established international team of specialists.

Because the many initiatives completed in 2019-2021 produced significant results, 2021 was a record year for

Nowy Styl on the company's path to the decarbonisation of its operations. **We reduced our CO₂ emission index by 38% compared to 2018!**

Therefore, we have decided to raise our CO₂ emission reduction from 15% to 30% in 2025 compared to 2018.

Our calculations and efforts focus on direct and indirect emissions of our organisation, using the GHG Protocol methodology – in Scopes 1 and 2.

- **Scope 1 – direct emissions** from fuel consumption at sources owned or controlled by the organisation: 10% reduction (previously 1.3%) in 2025 compared to 2018.
- **Scope 2 – indirect emissions** coming mainly from the consumption of electricity produced in external installations: 40% reduction (previously 27%) in 2025 compared to 2018.

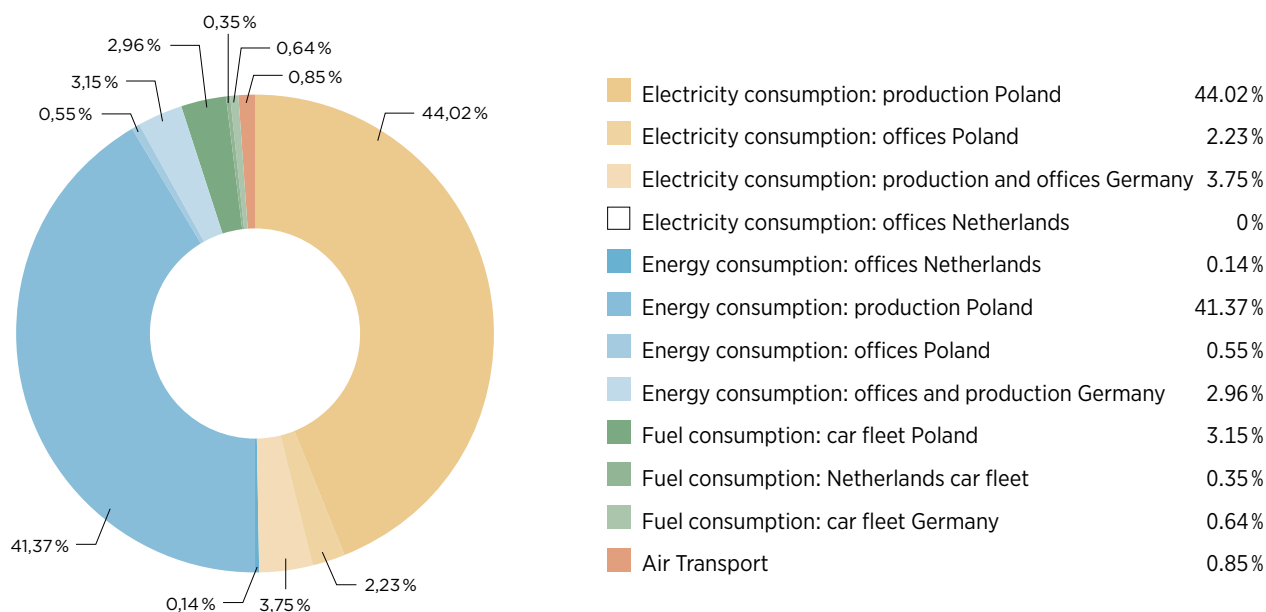
In addition, we supplement the data on CO₂ emissions with that on business air travel.

CO ₂ emissions in tonnes	2020	2021
Nowy Styl sp. z o.o.		
Scope 1	9 397	10 059
Scope 2	12615	10233
Total Scope 1 + Scope 2	22 012	20 292
Business air travel	285	174
Total Scope 1 + Scope 2 + Business air travel	22 297	20 466

Relative CO ₂ emissions in %	2018	2020	2021
Nowy Styl sp. z o.o.			
Scope 1	100%	86%	83%
Scope 2	100%	69%	51%
Total Scope 1 + Scope 2	100%	75%	63%
Business air travel	100%	52%	29%
Total Scope 1 + Scope 2 + Business air travel	100%	74%	62%

What processes are responsible for CO₂ emissions at Nowy Styl and how are we reducing them?

Data for 2021



Currently, we calculate the organisation's carbon footprint in scopes 1 and 2, i.e. taking into account CO₂ emissions during energy consumption in our installations, electricity suppliers for our offices and factories, and company cars. In addition, we supplement the data on CO₂ emissions with air business travel. However, we know that the bulk of our impact in this area occurs with suppliers who produce materials and components for our needs. What is the scale of this impact? In 2021, we took the first step to diagnose this situation and, together with our partners, make an effort to reduce greenhouse gas emissions.

In response to the emission inquiry we sent to our key suppliers, we obtained data from selected companies. In this way, we selected suppliers – including the winners of our Supplier Sustainability Award 2021 competition: Gabriel A/S, BASF Polska and Rehau sp. z o.o. they are highly aware of this issue and together we can exchange knowledge and support on the way to minimising the carbon footprint. We gave a clear signal to other suppliers who have not monitored this data so far that emission reporting will soon become our standard.

Nowy Styl is a production company, so most of our greenhouse gas emissions are generated by production

plants in Poland. In 2021, 41% of CO₂ emissions were generated in our own installations – gas boilers and the production of heat from biomass. The second amount (44%) was electricity purchased for power plants in Poland. The share of the latter in the organization's carbon footprint decreased by as much as 6% compared to the previous year, thanks to a significant increase in the share of green energy in our energy mix (in 2021, it accounted for 32.5% of purchased energy).

Our business travel accounts for approximately 7% of the emissions:

- Fuel consumption by our fleet is at 4.14%, which is why we are replacing the car fleet with electric and hybrid vehicles. In addition, we are a member of the Terberg Business Mobility group in the Netherlands where we compensate for all our car trips using the Climate Neutral Group tools.
- Business flights accounted for 0.85% of our indirect emissions in 2021. To further reduce travel, we encourage the use of a video conferencing system.

6.2 Saving energy

GRI
103-2

GRI
302-4

Nowy Styl is constantly working to improve its energy efficiency. This applies to both our production processes and our factories and buildings. Through our actions, we join the fight against global warming. We aim to reduce the consumption of energy from non-renewable sources as much as possible. We are gradually increasing the share of renewable energy in our energy mix. In 2020 it was 12.67%, growing to 32.5% in 2021.

This data does not include our German company Nowy Styl Deutschland GmbH, whose plants and offices are using 100% renewable energy (mainly from Scandinavian hydro-electric power plants). This is confirmed by the Ökostrom certificate, approved by TÜV SÜV auditors.

[Click to see the table - GRI 302-1](#)



Taking initiative

We have been gradually modernising the machinery of our sewing plant by replacing machines powered by traditional motors with modern ones, powered by energy-saving servo motors to ensure lower electricity consumption. Servo motor machines consume approximately 20% less energy compared to clutch motors. We plan to replace 85% of sewing machines with a clutch motor with new ones, equipped with servo motors, by the end of 2023.

A screw compressor with a dryer and a frequency converter type CSDX 165 T SFC was installed at our Wood Production Plant in Rzepedź, Poland in the first quarter of 2020. The compressor is equipped with state-of-the-art technical solutions which help save energy in various ways. By purchasing it, we made approximately 5-10% savings on the consumption of electricity needed to generate compressed air.

In 2020-2021, we implemented two more CNC machining centres for processing wood, wood-based materials, plastics and composites at our Wood Production Plant in Rzepedź, Poland. Thanks to innovative technological solutions, we have managed to cut down the detail processing time, which has automatically translated into reduced electricity consumption and tool wear. We have introduced a standby state, activated when a machine is not in use, which turns off all electrical and electronic devices which are not needed. All that has allowed us to make measurable energy savings of approximately 10-15%.

6.3 Reduction of volatile organic compounds emissions

To ensure the safety of our products and minimise their impact on the environment, we make sure to select the right raw materials and components. We continue our efforts to reduce emissions of volatile organic compounds (VOCs).

Strict control of the level of formaldehyde emissions is of key importance to us. Our in-house laboratory at the Wood Processing Plant in Rzepedź, Poland, in operation since 2016, where we regularly test plywood and wood-based components for safety. In addition, the internal tests are periodically verified by an independent auditor.

Formaldehyde emissions in the plywood we manufacture and wood-based materials purchased by our

company have been reduced by half compared to the value required by the European standard emission class E1, thus meeting the strict requirements of the German regulation on forbidden chemicals (ChemVerbotsVO). We also require our suppliers to confirm the reduced content of formaldehyde emissions in their products.

Our furniture systems and chairs hold hygiene certificates from the National Institute of Hygiene (PZH), which confirm that they are safe for health and environmentally friendly, and can be used in office and public spaces.

[!\[\]\(c694a3ff3b077d76910920a6a1593ab4_img.jpg\) Click to see the table – GRI 305-1, GRI 305-3, GRI 305-7 – regarding greenhouse gas emissions](#)

We are replacing solvent-based varnishes with safer water-based varnishes

In 2021, we conducted tests aimed at discontinuing the use of the last solvent-based (polyurethane) varnishes used in the production processes at the Office Furniture Factory, and replacing them with water-based varnishes. The process is currently underway and it is planned to be completed by the end of 2022. As a result, we will prevent the consumption of about 650 kg of solvent-based varnishes per year.

6.4 Raw materials and materials

Production autonomy is one of Nowy Styl's strengths. Our manufacturing is independent because we process all the raw materials needed for our operations in our production plants.

Raw materials we use in production include wood, chipboards and fibreboards, steel, fabrics and upholstery foams. We are committed to sourcing materials and raw materials for production in a sustainable manner, with respect for the natural environment and with no violation of human rights. We look for reliable sources, confirmed by certificates. We strive to rationally use the natural resources and materials we need for production. We continually work to improve our material efficiency, which includes developing technologies to reduce production waste.

In line with the implemented Eco-design system, we have implemented, we aim to design and manufacture in the spirit of sustainable development and in accordance with the circular economy model.

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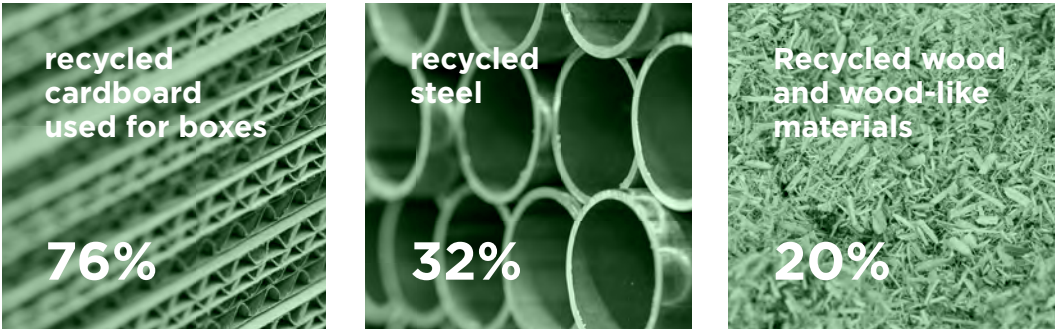
Raw materials/materials consumed by weight and volume

Our product range includes environmentally friendly raw materials such as FSC® certified (FSC-C120977) and PEFC-certified wood, finishing materials with the EU flower labels, wool upholsteries with the Wools of New Zealand certificate (guaranteeing sustainable sheep breeding) and thermoformable felt – a material made from recycled PET bottles.

Recycled materials

Based on the data collected from our suppliers in 2021, the rates of recycled and sustainable materials in our products are as follows:

Data obtained from suppliers generating 80% of the purchase value of the specific material.




The plastic components we use which weigh 50 g or more, and are marked as required by ISO 11469, and the specific type of plastic is indicated. Thus, we ensure our customers

are provided with clear information as to whether such components can be recycled and how they should be segregated.

Wood

Nowy Styl has its Wood Processing Plant based in Rzepedź, Poland. Wood is the material that best teaches us respect raw materials. If you visit our production plant in Rzepedź, Poland, you will meet people who treat wood with great respect and have cared for its quality for many years. To us, natural wood is simply a treasure.

 Out of concern for biodiversity and to make sure that the raw material we use comes from legitimate sources the wood used by Nowy Styl complies with the EUTR 995/2010 regulation, which focuses on combating illegal sourcing of wood. Much of the wood comes from sustainably managed forests that are FSC® or PEFC certified. By operating under the FSC® system, we help implement UN's Sustainable Development Goals and achieve compliance with the procurement policy for the public and private sectors, which provides a detailed definition of materials from responsible sources.





In 2021, our company, together with FSC®, invited our employees and partners to join an educational campaign called **FSC® Friday**. We displayed posters and published articles on our intranet, website and on social media, sharing all we know about the importance of forests for climate and biodiversity, and the benefits of sustainable forest management. At the end, the participants could test their knowledge in a quiz.



Click and read more about the educational campaign

FOREST WHY IS IT IMPORTANT?

NowyStyl

Produces oxygen

One adult, 60-year-old pine tree produces the amount of oxygen necessary for 3 people to live.

Purifies the air

100 trees remove approximately 454 kg of pollutants annually

Regulates the flow of water

Forests slow down the surface run-off of water, thus reducing the risk of flooding



Gives life

Forests are home to 80% of all terrestrial organisms on Earth

Regulates the temperature

Trees influence the microclimate and regulate the air temperature

Reduces CO₂

1 hectare of forest absorbs an average of 4-5 tons of CO₂ annually

Nowy Styl offers a wide range of FSC® certified products made from wood. Our products, such as Lupino, Njord and Embla, are labelled with the FSC® logo.

The FSC® certificate guarantees to customers that our

products are made from wood originating from a legitimate source, where management and distribution have been audited.

KUSCH+CO



Lupino

KUSCH+CO



Njord

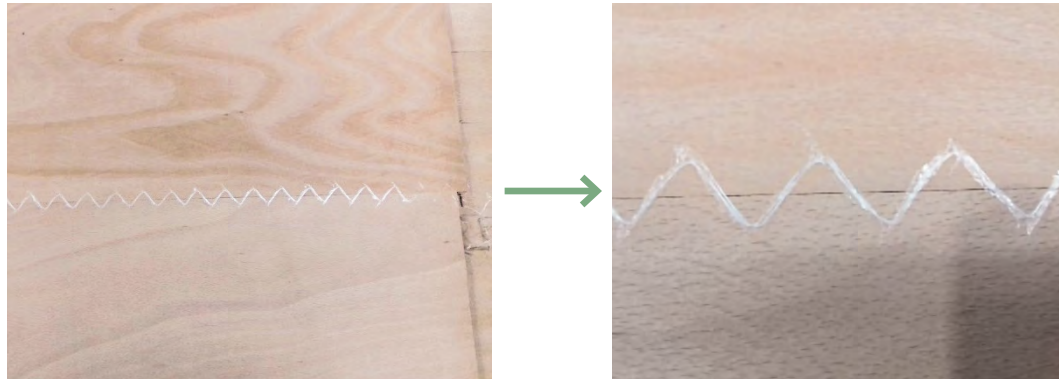
KUSCH+CO



Embla

Investments aimed at optimising wood consumption

- An investment project involving the implementation of a **veneer joining device, commonly known as „splicer”**, was completed at the Wood Processing Plant in Rzepedź, Poland in 2021. The device is designed to join veneers using a special, fusible adhesive thread. The thread forms a wavy trail on the surface and joins the sheets of veneer. The device makes it possible to join smaller sections of veneer into a compact whole. The introduction of a splicer has led to savings in round wood. As an additional benefit, we can eliminate the problem of storing smaller-size sheets of veneer which are difficult to use, while avoiding their unnecessary depreciation due to damage caused in storage.



- A device for treating defects in veneer, commonly known as **“patcher”**, which was implemented at the Wood Processing Plant in 2020, has a similar application. The device is designed to repair defective areas on veneer, resulting from imperfections in wood structure (such as knots, bark pockets etc.) as well as mechanical damage caused in the process of cutting wood. Repair involves mechanically cutting out the defect from a veneer sheet while at the same time inserting an undamaged „healthy insert” in its place. The device cuts out undamaged inserts from previously prepared strips of veneer. This method of repair increases the yield of Production Class 2 veneer, which is obtained by reclassifying Class 3 veneer. As a result, the input material (wood) is saved.



Defect before repair



Defect after repair

The average monthly round wood savings from the use of the repair process equipment described above are estimated at approximately 121 m³ less of purchased wood, adding up to approximately 1450 m³ annually.



Upholstery foams

We use three types of polyurethane foam in our products: foam cut to size, supplied in blocks by market-leading manufacturers, recycled ground foam made from production waste, and injection foam manufactured in-house at our plant.

As the process of manual cutting has been automated, we have improved work ergonomics and the quality of the product. In addition, foam production waste is not disposed of but it is reprocessed to finally return to the plant in the form of special ground foam.

Our upholstery foams have a health quality certificate, a product safety sheet and a hygiene certificate.

In 2021, we took steps to reduce the amount of materials used in the production of polyurethane foam by changing the method of filling moulds. The production process of polyurethane foam involves addition polymerisation of two components – isocyanates and polyols – with a catalyst and water. We wanted to find the best way of pouring the mixture to ensure it is as full, as even and as smooth as possible. The task was more difficult than it might seem and required the right skills and experience, because factors such as temperature, humidity and pressure need to be right for the foaming process to be successful. As a result, our annual savings on leading manufactured products reached 2,294 kg of isocyanates and 6,940 kg of polyols.

Fabrics

We are increasing the share of recycled or renewable fabrics in our portfolio of finishes. We offer a wide range of polyester fabrics, 97-100% of which are made from post-consumer polyester. It is made, among other things, from plastic PET bottles – the process of their recycling generates less CO₂ emissions than the production of virgin polyester fibres, and eliminates the need to purchase new raw materials. What is more, such fabrics can be recycled again when their useful life has ended.

Our portfolio also includes a wide selection of woolen fabrics. As a raw material, wool is 'naturally' and quickly renewable. It is characterised by high durability and a long life cycle, and it can be recycled at the end of its useful life. Converting wool into a usable textile fibre requires the lowest energy input out of all major fibre groups.

NOWY STYL upholsteries in 2020/2021 (exclusive of leathers and coated fabrics)

	Recycled	Wool	EU Ecolabel certificate	Oeko-Tex Standard 100 certificate
Overall in %	20.83%	20.83%	50%	54.17%

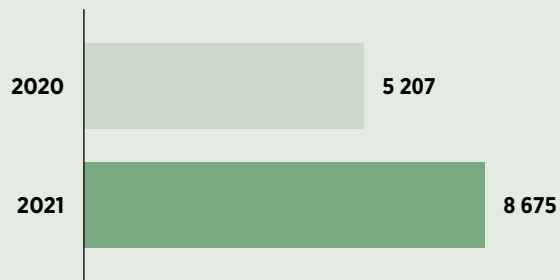


Panels in the Tepee modular system

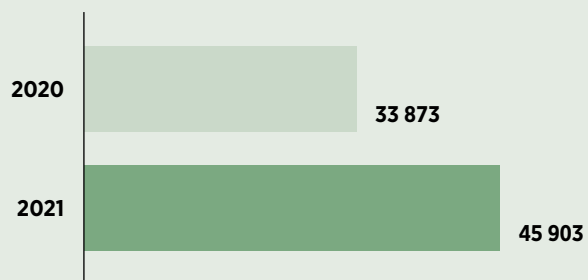
The panels are made of pressed felt, which is a 100% recycled material. The fibres are made from 100% recycled PET bottles. It takes 22 ground 500 ml plastic bottles to make 1 m² of the fabric.

Consumption of felt and natural wool in 2020-2021

Felt – fibres made from 100% recycled PET bottles (m²)



Natural wool (m²)



Oeko-Tex®

A certificate confirming the quality of textile and fibre products that come into direct contact with human skin. Oeko-Tex® awards certificates to products tested for the presence of one hundred most dangerous substances that pose risk to consumers.

EU Ecolabel

A certificate awarded by the European Commission to products and services that have a negligible impact on the natural environment throughout their life cycle.

Cradle to Cradle Bronze

A certification programme based on five criteria: materials that are safe for health, reuse of raw materials, use of renewable energy sources, carbon dioxide emissions, water resource management and social responsibility.

Wools of New Zealand

A certificate that confirms sustainable sheep farming. The organisation improves its methods, constantly looking for new ways to improve the quality of fibres and strives to leave a lasting footprint.



Packaging

We strive to reduce the impact of our packaging on the natural environment. In recent years, we have been gradually introducing improvements to **eliminate cardboard and single-use plastic**.

We use returnable packaging, such as:

- reusable protective covers we make from fabric remnants to secure products as they circulate internally and are transported to the customer,
- wooden crates for transporting collective components between the factories,
- transport blankets for moving cabinets, made from recycled fabrics and nonwovens.

In our internal logistics, we have implemented and use reusable spacers, racks, lashing straps as well as fabric remnants. These solutions provide great protection for our products when they are transported between plants, while eliminating the need for stretch film, used before, and other plastic items. These solutions, implemented in 2020-2021, prevented us from using about 7.2 tons of stretch film, which amounts to about 22% of the total annual consumption of stretch film in our internal transport. As a result, we have also significantly reduced stretch film waste.

Packaging line



Racks



Repurposing of fabric offcuts



In 2021, **we expanded our flatpack furniture packaging line** at the Office Furniture Factory. After the expansion, flatpacks with furniture and semi-finished furniture products are automatically transported by a conveyor system from the assembly hall to the Finished Products Warehouse. In the past, products were stored on pallets, wrapped in film and transported by forklifts. The installation of the conveyor allowed us to reduce film consumption in transport between the production hall and the Finished Products Warehouse by about 30%.

Moreover, the solution made it possible to achieve other environmental benefits, such as eliminating one forklift used for transporting products, and thus reducing the consumption of batteries and their disposal and reducing the consumption of electricity. The power consumed by the roller conveyor to perform the same work is 4-5 times lower than the power needed to charge the batteries in the forklift.



We also consider the environment when packing the final product. Protective plastic corners were replaced with ones made from cardboard. Also, we are discontinuing foamed plastic profiles to replace them with cardboard profiles. Collective packaging of products can save as much as 1.8 kg of cardboard per single desk. This means savings for us and less waste for customers buying our products.

In 2021, we started **implementing 12 micron layered 55 machine stretch film in production**, replacing the previously used multi-layer 17 micron film. As a result, we have reduced the amount of stretch film that needs to be recycled after goods are unpacked by about 30%.

We continue equipping more and more of our production cells at the Armchair and Chair Production Plant with pre-stretch film wrappers which can stretch film up to 300%, thus reducing its consumption by 15% at each cell.

We make efforts to use materials which do not contain harmful substances and have a limited impact on the environment as they degrade. We manage our use of chemicals in accordance with the REACH directive and we label our products and packaging in accordance with the CLP regulation.

BDF transport

Our efforts to reduce packaging materials are also supported by innovative and optimised logistics solutions. We deliver our products using BDF, a system of swap vehicle bodies with a variety of different superstructures available. The system offers many environmental benefits. First of all, products do not need to be transported in packaging. They are secured with reusable blankets and special straps. Shipping may or may not be done on pallets. With the double decks, extra transport space is gained where more chairs and furniture can be stacked. Placing products on two levels increases the load capacity of Euro pallets by 63%. By using the BDF system and reducing the traffic of cargo vehicles we reduce harmful exhaust gas emissions by 40%. While our products are transported in the BDF system, we use less transport packaging.

Packaging material savings illustrated in a completed project

Items	Cardboard savings (kg)	Plastic savings (kg)
Desk chairs	472	18
Canteen chairs	472	4
Training/meeting chairs	294	3
Pedestals	132	0
Canteen tables	271	0
Summary	1 761	25



Transport on Corlettes

Because we have changed our logistics system, we also changed the shipping method for some of our orders by replacing the pallet with a Corlette. Previously, assembled finished products on the cabinet production line were placed on pallets and secured with film for transport to the warehouse. Then, in the warehouse, they were repackaged onto the target carrier. Currently, for some orders to be ultimately transported on Corlettes, we change the carrier already at the production cell. In this way, we avoid unnecessary operations and do not waste pallets and film.



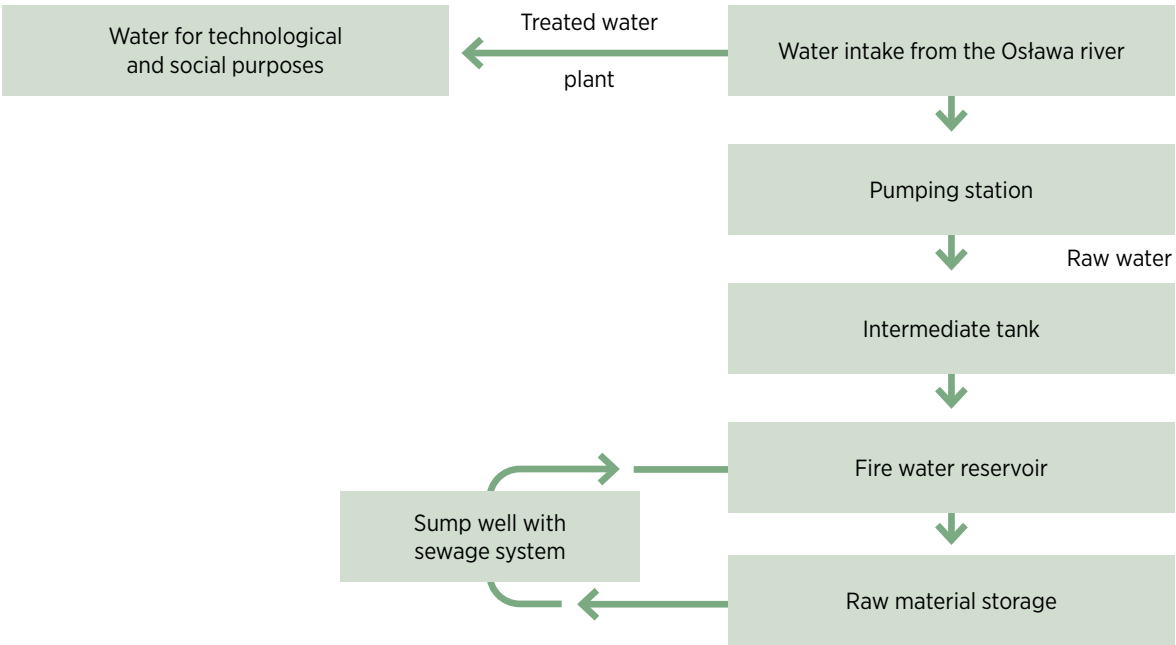
6.5 Water management and sewage

Water is the most valuable resource on Earth, so we take a responsible approach to water management. As a production company, we cannot completely eliminate water from our processes, but wherever possible we strive to improve our water efficiency to use less and less water. We achieve this, among other things, by introducing closed water circuits and eliminating losses.

We take water for the operation of our plants from three sources: municipal water supply systems, surface water intakes and deep wells. Water is used both for production processes, at some locations, and for household purposes, such as drinking.

In 2020, we completed the modernisation of a log deck spraying system at our plant in Rzepedź, Poland. A closed

water circuit was built to allow for significant savings in water consumption. Water taken from an intake goes into a pool, from where it is then drawn onto the log deck. Water flowing down from the logs (from the storage yard) is collected into a sump well, and then returned into the fire pool via a drain system. Water loss from the pool is small and it is replenished. Some of the water is absorbed by the logs stored in the yard. Evaporation of the accumulated water is greater in the summer. When it rains, on the other hand, the amount of water that needs to be drawn from the water intake to maintain a water level necessary for the process to work well is smaller. **The modernisation resulted in a reduction of water consumption by about 25,000 m³ compared to the previous year.**



We make sure that wastewater generated in the production process is managed and its amount reduced. Sanitary sewage is discharged into the sewage systems of Municipal Utility Companies. Our two plants located in Poland have their own sewage treatment plants. Domestic wastewater generated at the Wood Processing Plant in Rzepedź, Poland, is channelled into the Osławica river following the treatment in an on-site biological treatment plant. Industrial wastewater generated by the Metal Production Plant, on the other hand, goes into the Jasiołka river after being treated in an on-site industrial wastewater treatment plant.

In 2020, we started implementing two multi-stage modernisation investments at the Wood Processing Plant in Rzepedź, Poland, which we plan to complete by the end of 2022:

- modernisation of a water pumping station (water intake and treatment station); this project involved multiple repairs, replacing deposits, pumps and

a pipeline as well as installing flood sensors and a control cabinet to be able to monitor electricity and water consumption 24 hours a day. As a result, we can comprehensively monitor water consumption and control damage in case of a pumping station failure.

- modernisation of a biological wastewater treatment plant which involved the replacement of deposits, making new wastewater drainage and aeration systems and installation of a wastewater flow meter at the outlet. These measures will help us increase the efficiency of our wastewater treatment process and monitor it better.

 [Click to see the table – GRI 303-3 – Total water withdrawal by source](#)

 [Click to see the table – GRI 303-4 – Sewage](#)

6.6 Chemicals under control

The safety of our employees is our priority. Therefore, it is very important for us to manage chemicals we use in our plants in such a way that they pose the lowest possible risk to employees and the natural environment. All issues related to the handling of chemicals, from purchase planning through delivery, transport, storage, registration, training, use in processes, and the disposal of chemical waste and packaging, are determined by the existing internal procedure for handling chemicals.

To ensure efficient and comprehensive management of chemicals, our company has implemented an electronic Central Database of Chemicals where every chemical we use is registered, regardless of its purpose – whether it is used in a production process or, for example, for maintenance or in an on-site laboratory. The database contains safety data sheets for chemical substances, feedback on putting them into use and workplace instructions on how to handle the chemicals. Having such instructions is not a legal requirement but we have introduced them as an additional measure, to improve the safety of our employees. They are based on data from safety data sheets and they make it easier to quickly access information, e.g. in the event of an accident or emergency.

In addition, the database is used to collect information on the classification of substances with regard to the CLP regulation, H-phrases contained, REACH declarations and Technical Data Sheets.

This systemic and comprehensive approach to chemicals is helpful when we need to carry out analysis to design and launch new products in line with Ecodesign, which we have implemented, based on the ISO 14006:2020 standard, and with regard to requirements set by leading environmental certifications.

We still strive to reduce the amount of chemicals, especially hazardous, used in our processes, or to replace them with alternatives which are more employee – and environment-friendly. Examples include our efforts to completely eliminate solvent-based varnishes from the production processes carried out at the Office Furniture Factory and replace them with water-based varnishes (see page ...). Another example is the reduction of polyols and isocyanates used to make polyurethane foam thanks to the development of a special method of filling moulds.

 [Click to find out more](#)

6.7 Waste management

Our waste comes mainly from production processes. We make efforts to reduce it by cutting down the consumption of materials and making investments to reduce its volume. Hazardous waste and waste that can no longer be processed is collected by external companies.

[Click to see the table - GRI 306-3 - Generated waste](#)

[Click to see the table - GRI 306-4 - Recovered waste](#)

[Click to see the table - GRI 306-5 - Waste for disposal](#)

In 2021, we completed an **investment project to help manage sludge generated in the process of grinding metal materials** at the Metal Production Plant. The filtration method uses a flow-based system. The first stage of filtration involves running coolant through a magnetic filter, which retains approximately 30% of the recyclable material, while the remaining waste is deposited in a “tank” (decanter) with a capacity of 1 m³. The second

stage of filtration is carried out periodically, once every 1-3 months. The coolant is recycled to be reused and the waste is disposed of. Before the introduction of the filtration process, we disposed of 48,234 Mg, whereas after the change of the filtration technology we disposed of 18,025 Mg of waste. We managed to reduce the amount of waste by 62%.

Stage 1 - solution



Installation after modification



Magnetic filter installed



Ferrous steel scrap after filtration



When designing our products, we attach great importance to extending their life cycle. We use recycled or renewable materials. In addition, we offer our customers additional services, such as repair or modification of the intended use of the product, and processing of furniture unsuitable for further use. These solutions are fully in line with the assumptions and principles of circular economy. An example of how the life of a product can be maximised and the product recycled at the end of its useful life is the Xilium line. The characteristic feature of this chair is that more than half of its components can be replaced independently by the user.

Stage 2 - filtration



Non-magnetic material for the filtration process



1m³ industrial vacuum cleaner required

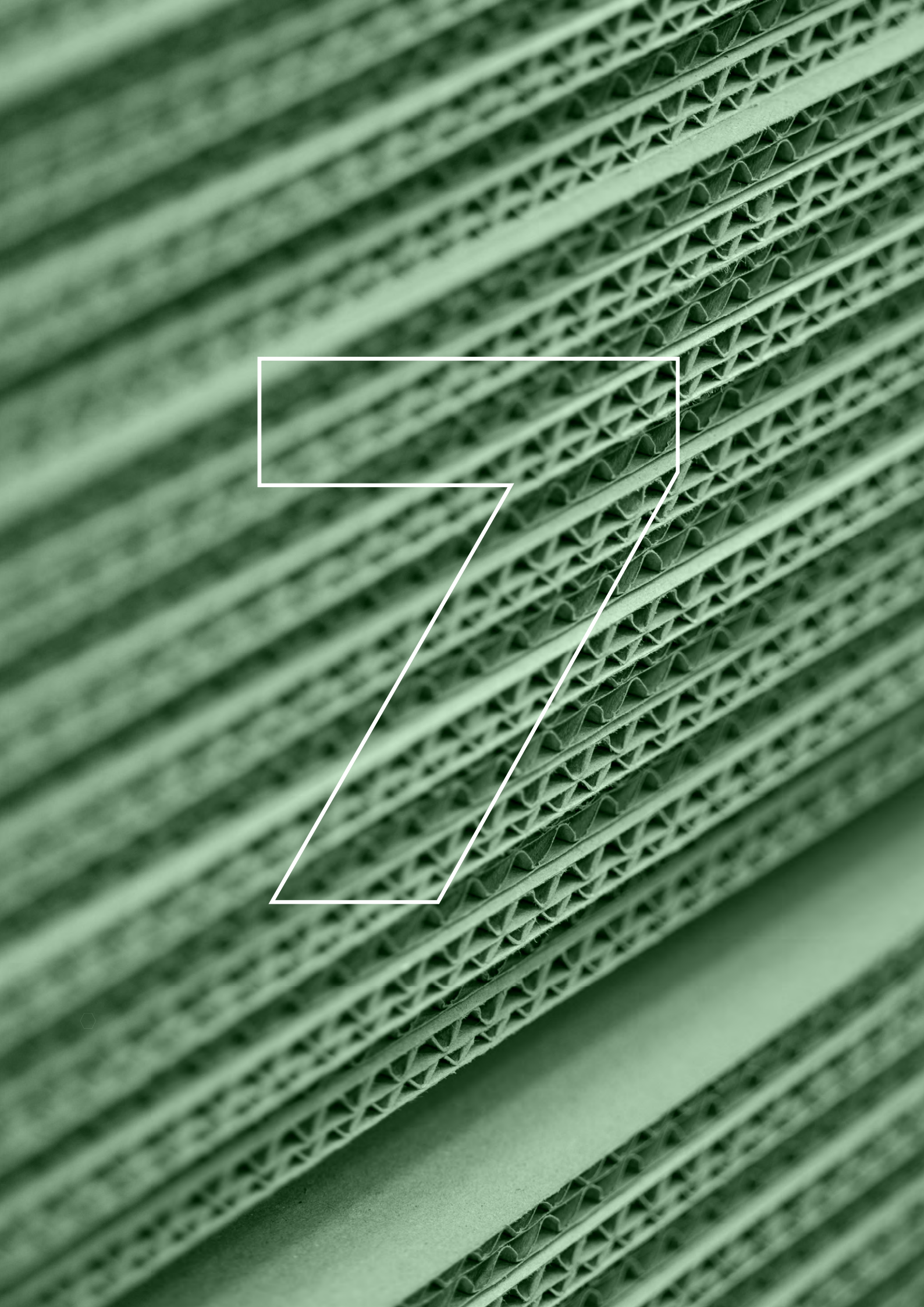


Filter press available



Waste material after the filtration process





7 About this report



This is our fifth sustainability report. It presents the impact of the activities of Nowy Styl Sp. z o.o. and its selected subsidiaries in the period from 1 January 2020 to 31 December 2021. The report is published every two years. The previous report Make Your Space Responsible, covering the years 2018-2019, was published in autumn 2020.

Like the previous report Make Your Space Responsible, this publication was based on the Core option of the Global Reporting Initiative Standards. The report has undergone independent external verification by the company Deloitte Advisory Sp. z o.o. sp. k. The verification covered selected GRI indicators (marked with an* in the GRI table). The financial data comes from financial reports audited by independent certified auditors (Ernst&Young Audyt

Polska). This guarantees to us and the readers of this report that the data it includes concerning the key areas of sustainability: employee relations, impact on the environment, local community and the market, is reliable and complete, and that these areas are managed effectively.

At Nowy Styl, we are continually optimising our production processes and adapting to changes taking place on the markets we serve. Therefore, part of the production at Nowy Styl Deutschland GmbH has been stopped and transferred to Nowy Styl sp. z o.o., which had an impact on the employment structure and environmental data in the reporting period. In addition, due to the cessation of production at Nowy Styl – Majencia SAS, data from that company is not reported in this report.



Nowy Styl is a private enterprise. This report includes data on five (Nowy Styl sp. z o.o., Nowy Styl GmbH, Kusch+Co GmbH, Nowy Styl Deutschland GmbH, Sitag AG) out of 28 companies, as these account for over 95% of the group's production and employment. The indicators presented in this report were selected based on the expectations of key stakeholder groups, employees, partners, journalists and suppliers, as well as on competitor benchmarking and Nowy Styl's internal policy.

In accordance with the GRI reporting principles, we selected the aspects and issues of sustainable develop-

ment important to our company in a multi-stage process:

- identification of indicators relevant for the entire industry, based on competitor benchmarking and previous Nowy Styl reports, assessment of the significance of the aspects based on dialogue with stakeholders,
- evaluation based on customer needs and the results of the EcoVadis assessment,
- validation session with the management team, at which we accepted the scope of the report and the detailed indicators.

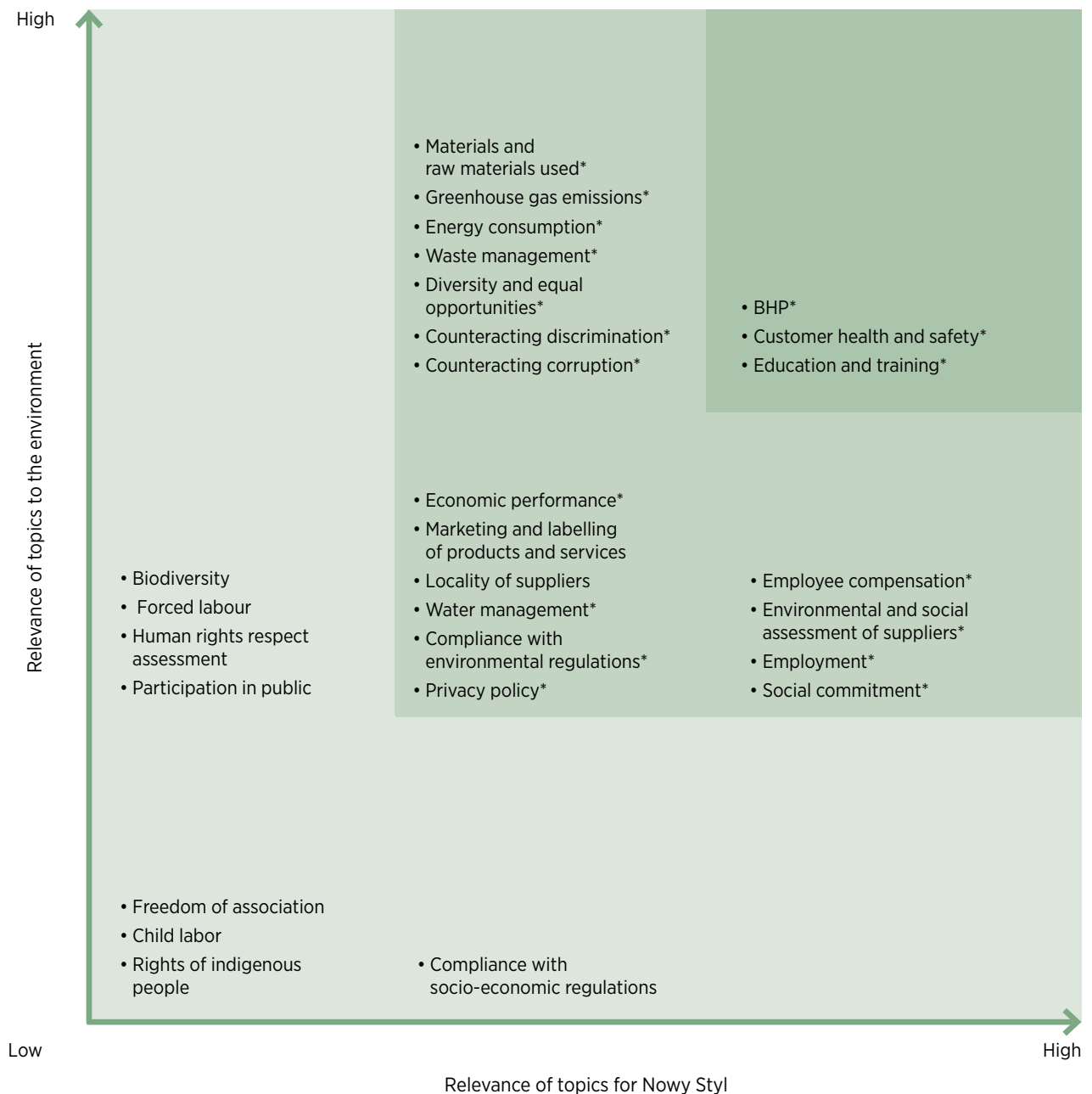
Relevant topics covered in the report

In accordance with the GRI reporting principles, we selected the aspects and issues of sustainable development important to our company in a multi-stage process:

- identification of indicators relevant for the entire industry, based on competitor benchmarking and previous Nowy Styl reports,
- surveying the needs of stakeholders as part of the

- process of preparing the Sustainability Strategy, risk analysis – with reference to the key risks for our organisation identified in the Strategy
- results of the EcoVadis evaluation,
- validation with the management team, at which we accepted the scope of the report and the detailed indicators.

Analysis of the importance of the topics based on the dialogue:



* Wybrane tematy przedstawione w raporcie.

Nowy Styl's sustainability report is a highly analytical document and it describes the activities of the organisation in a cross-sectional manner, which is why employees from all divisions of the organisation, as well as external stakeholders contributed to its preparation. The report has a global dimension, which is why we have presented initiatives from all our leading markets to show the impact of our activities. Employees from our companies in Germany, the

Netherlands, Switzerland, France and the United Kingdom were engaged in the development of the report. Unfortunately, we were not always able to present aggregate data for the entire group. Where this could not be done, we presented data for selected companies, making it our goal for the coming years to collect aggregate data.

We would like to thank everyone whose engagement made it possible to create this report.



If you have any questions about this report, please feel free to contact me:

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Independent Limited Assurance Report on selected Indicators Presented in the Sustainability Report of Nowy Styl Sp. z o.o. for the years ended 31 December 2020 and 31 December 2021.

To the Management Board of Nowy Styl Sp. z o.o.

Pużaka 49
38-400 Krosno

Scope of work performed and applicable criteria

We have undertaken a limited assurance engagement on the selected indicators presented in the Sustainability Report of Nowy Styl Sp. z o.o. for the year from 1st January 2020 – 31st December 2021 (**the "The ESG Report"**), developed by Nowy Styl Sp. z o.o. (**the "Company"**).

The scope of our work covered all of the Company's reported General Disclosures presented in the GRI index and selected Topic Specific Disclosures. The indicators included in the GRI index presented in the ESG Report have been reported in the "Core" option in the manner defined in the GRI Standards - Sustainability Reporting Guidelines, issued by the Global Reporting Initiative (GRI).

Our limited assurance engagement has been limited to the indicators presented in the ESG Report and marked "*" in the GRI Table Index and does not extend to the other information included in the report, nor the report as a whole. Accordingly, our conclusion below applies only the GRI indicators within the scope of our work and not all data presented, or any other information included in the ESG Report.

Responsibility of the Management Board of the Company

The Management Board of the Company is responsible for the preparation and presentation of the indicators presented in the ESG Report in accordance with Sustainability Reporting Guidelines GRI Standards for the "Core" option, as issued by Global Reporting Initiative (GRI). This responsibility includes establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived. The Management Board of the Company is also responsible for the provision of reliable, correct, and fair information, and for the correct preparation of the documentation provided to us.

Our Independence and Quality Control

In performing the service, we have complied with the independence and other ethical requirements set out in the International Code of Ethics for Professional Accountants (including International Standards of Independence) developed and approved by the International Ethics Standards Board for Accountants, which includes independence requirements and other requirements based on integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

In accordance with International Quality Control Standard No 1, issued by the International Federation of Accountants IFAC, we maintain a comprehensive system of quality control that includes documented policies and procedures for ensuring compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the selected indicators as marked in the GRI index presented in the ESG Report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this

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engagement to obtain limited assurance about whether the selected GRI indicators presented in the ESG Report are not inconsistent with the GRI Standards Guidelines for Sustainability Reporting.

The procedures performed under the limited assurance engagement are different in nature and limited in scope both in terms of risk assessment procedures, including an understanding of internal control, and in terms of the procedures performed in response to the risks assessed compared to the reasonable assurance engagement. As a result, the level of assurance obtained through an assurance service providing limited assurance is significantly lower than the level of assurance that could be obtained through an assurance service providing reasonable assurance.

The procedures we performed were based on our professional judgement, our assessment of the risk of material misstatement of the indicators due to intentional actions or misstatements, and included interviews, observations of the processes performed, examination of documents, analytical procedures, assessments of the appropriateness of calculation methods and reporting policies and reconciling with underlying records.

In order to form our conclusion on the selected indicators as marked in the GRI index presented in the ESG Report, we undertook in the period 21st April 2022 – 08th December 2022 the following procedures:

- Through inquiries, obtained an understanding of Nowy Styl's control environment and information systems relevant to reporting the indicators under review, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Obtained through inquiries, analytical procedures, observation and other applicable evidence gathering procedures on a sample basis, an understanding of the key structures, systems, processes, procedures and internal controls relating to collation, aggregation, validation and reporting of data for the indicators under review.
- Evaluated whether Company's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately obtained our own estimates against which to evaluate Company's estimates.
- Compared the information in the ESG Report with the GRI Standards guidelines for the indicators under review.
- Compared the information included in the ESG Report to internal documentation of the Company.

Inherent limitations

The process the organization adopts to define, gather and report data on its non-financial performance is not subject to the formal processes adopted for financial reporting. Therefore, data of this nature is subject to variations in definitions, collection and reporting methodology with no consistent, accepted standard. This may result in non-comparable information between organizations and from year to year within the organization as methodologies develop. The accuracy and completeness of the information disclosed in the Sustainability Report is subject to inherent limitations given its nature and the methods for determining, calculating or estimating such information.

Conclusion

Based on the work we have done and the procedures we have performed, nothing has come to our attention that causes us to believe that the indicators in the scope of our work, presented in the ESG Report and marked "*" in the GRI content index, for the years ended 31 December 2020 and 31 December 2021 prepared by Nowy Styl Sp. z o.o., have not been prepared, or compiled, in all material respects, in accordance with the GRI Standards in the "Core" option issued by the Global Reporting Initiative.

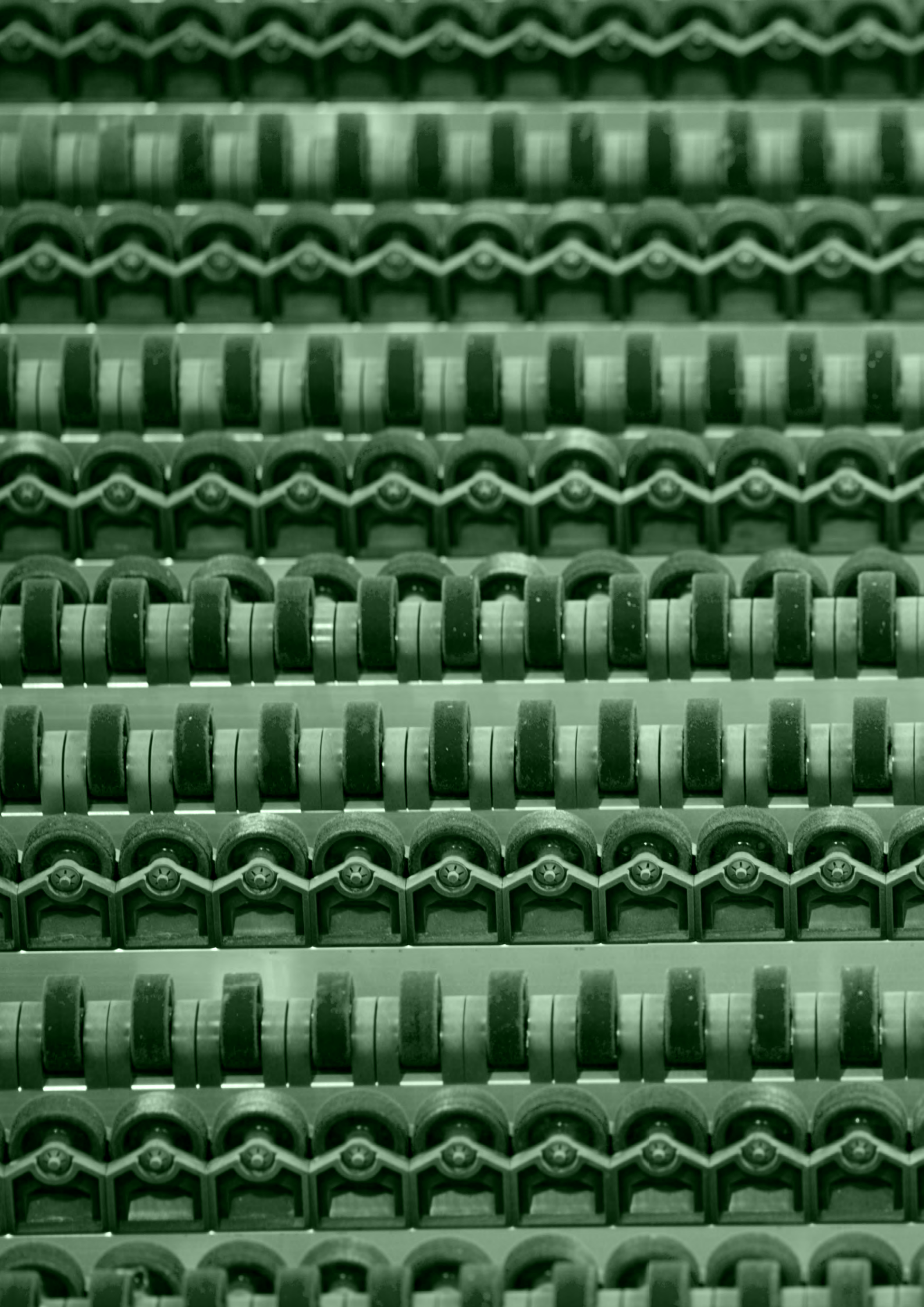
Deloitte Audyt sp. z o.o. sp.k.
Warsaw, 08th December 2022

This Report is an English version of the original Polish version. In case of any discrepancies between the Polish and English version shall prevail.

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Index tabel

Certificates

Strength, durability, safety			
	Certification bodies	Country	Number of product lines with these certificates
GS Certificate (Geprüfte Sicherheit)	TÜV Rheinland	Germany	44
GS Certificate (Geprüfte Sicherheit)	TÜV SÜD	Germany	28
NF Office Excellence Certificate	l'Institut Technologique Forêt Cellulose Bois-construction Ameublement – FCBA	France	11
Certificates and test reports confirming standards for furniture and chairs	Instytut Nadzoru Technicznego (Technical Supervision Institute)	Poland	16
	Instytut Technologii Drewna (Wood Technology Institute)	Poland	1
	Szutest (Engineering Test Institute)	Poland	1
Quality Office Certificate	Qualitätsforum	Germany	24

Quality Office Certificate			
	Certification bodies	Country	Number of product lines with these certificates
Ergonomie Geprüft Certificate	TÜV Rheinland	Germany	4
Certificate of conformity with the Dutch standard NPR 1813	TÜV SÜD	Germany	8
Ergonomics Approved Certificate	TÜV SÜD	Germany	12
Ergonomic Assessment Protocols	Nofer Institute of Occupational Medicine	Poland	14

Safety in the context of hazardous substances, volatile organic compounds and formaldehyde emissions			
	Certification bodies	Country	Number of product lines with these certificates
Schadstoffgeprüft Certificate (Toxproof)	TÜV Rheinland, TÜV SÜD	Germany	4
Hygienic Certificates – confirmation of national safety requirements for public spaces in Poland	Medical University of Gdańsk – Department of Environmental Toxicology National Public Health Institute – National Institute of Hygiene	Poland	26
Test reports confirming hygiene class E1 (formaldehyde emissions) and compliance with the strict German requirements in this regard (German ChemVerbotsV Formaldehyde class E1) for all wood-based components in our products	European research bodies authorised to certify in this field		

Confirmation of environmental requirements			
	Certification bodies	Country	Number of product lines with these certificates
European Level Certificate (FEMB LEVEL)	TÜV Rheinland	Germany	9
Blue Angel Certificate	RAL GmbH	Germany	15
NF Environnement	l'Institut Technologique Forêt Cellulose Bois-construction Ameublement – FCBA	France	9
Möbelfakta Certificate	Möbelfakta Sverige AB	Sweden	1

Certificates cont.

No content of hazardous substances and reducing the environmental impact of our upholsteries			
	Certification bodies	Number of upholsteries in our portfolio with the following certifications	
		Fabrics	Meshes
EU Ecolabel Certificate	European research bodies authorised to certify in this field	12	2
Oeko-Tex Standard 100 Certificate	European research bodies authorised to certify in this field	13	4

GRI
102-8

Employment structure by gender and contract type

2020	Contract type							
			Full-time			Part-time		
	Women	Men	Women	Men	Total	Women	Men	Total
Nowy Styl Sp. z o.o.	986	2,305	980	2,301	3,281	6	4	10
Nowy Styl GmbH	36	61	22	60	82	14	1	15
Kusch+Co	69	168	40	164	204	29	4	33
Nowy Styl Deutschland GmbH	56	175	38	166	204	18	9	27
Sitag AG	31	85	25	76	101	6	9	15
Nowy Styl	1,178	2,794	1,105	2,767	3,872	73	27	100
Total % breakdown	30%	70%	28%	71%	97%	7%	27%	2%

2021	Contract type							
			Full-time			Part-time		
	Women	Men	Women	Men	Total	Women	Men	Total
Nowy Styl Sp. z o.o.	1,135	2,286	1,130	2,280	3,410	5	6	11
Nowy Styl GmbH	36	57	22	55	77	14	2	16
Kusch+Co	61	156	36	151	187	25	5	30
Nowy Styl Deutschland GmbH	35	101	22	94	116	13	7	20
Sitag AG	27	85	23	78	101	4	7	11
Nowy Styl	1,294	2,685	1,233	2,658	3,891	61	27	88
Total % breakdown	32%	67%	32%	68%	98%	69%	31%	2%

Includes employment adjustments: NS Deutschland of 30.05.2022; Kusch+Co. of 09.06.2022; NS GmbH of 09.06.2022

Salaries of the lowest-level employees by gender in relation to the minimum wage

	Location	2020		2021	
		Women	Men	Women	Men
Nowy Styl sp. z o.o.	Poland	124.18%	135.52%	119.39%	130.64%
Nowy Styl GmbH	Germany	180.49%	180.49%	180.59%	180.59%
Kusch+Co GmbH	Germany	140.00%	149.41%	139.79%	149.16%
Nowy Styl Deutschland GmbH	Germany	117.86%	138.24%	129.46%	145.71%
Sitag AG	Switzerland	113.24%	116.28%	109.90%	122.92%

							Number of employees at NS Sp. z o.o. (employment contract)	temporary employee	Total number of employees
Indefinite term			Definite term						
Women	Men	Total	Women	Men	Total				
717	1,917	2,634	269	388	657		3,291	32	3,323
34	61	95	2	0	2		97		97
66	166	232	3	2	5		237		237
44	152	196	12	23	35		231		231
30	83	113	1	2	3		116		116
891	2,379	3,270	287	415	702		3,972	32	4,004
27%	73%	82%	41%	59%	18%			0.8%	

							Number of employees at NS Sp. z o.o. (employment contract)	temporary employee	Total number of employees
Indefinite term			Definite term						
Women	Men	Total	Women	Men	Total				
774	1,853	2,627	361	433	794		3,421	62	3,483
33	57	90	3	0	3		93		93
59	154	213	2	2	4		217		217
28	88	116	7	13	20		136		136
27	83	110	0	2	2		112		112
921	2,235	3,156	373	450	823		3,979	62	4,041
29%	71%	79%	45%	55%	21%			1.5%	

Share of expenditure on services/products from local suppliers

2020				
Name of location	Total expenditure on products/services from suppliers	Expenditure on products/services from local suppliers	Share of expenditure on products/services from local suppliers in the total expenditure on products/services	Data sources
Nowy Styl sp. z o. o	360,050,000 PLN	158,750,000 PLN	44%	IFS, Navision, SAP, BI, PENTA
Nowy Styl Deutschland GmbH Nowy Styl GmbH Sitag AG, Kusch+Co	171,000,000 PLN	123,000,000 PLN	72%	IFS, Navision, SAP, BI, PENTA
2021				
Name of location	Total expenditure on products/services from suppliers	Expenditure on products/services from local suppliers	Share of expenditure on products/services from local suppliers in the total expenditure on products/services	Data sources
Nowy Styl sp. z o. o	514,320,000 PLN	257,880,000 PLN	50%	IFS, Navision, SAP, BI, PENTA
Nowy Styl Deutschland GmbH Nowy Styl GmbH Sitag AG, Kusch+Co	169,000,000 PLN	107,000,000 PLN	63%	IFS, Navision, SAP, BI, PENTA

Raw materials/materials consumed by weight and volume

2020	Wood (m³)			Plastics (t)	Metal (t)	Fabrics (m²)	Foam (kg)
	Fibreboards, chipboards and similar (m³)	Veneer logs (m³)					
		with FSC certificate	without FSC certificate				
Nowy Styl sp. z o.o.	18,767	3,889	9,692	20,171,111	9,448	1,320,571	819,354
Nowy Styl GmbH	—	—	—	—	—	—	—
Nowy Styl Deutschland GmbH	2,010	—	100	446	257	22	121
Kusch+Co GmbH	—	—	—	—	—	—	—
Sitag AG	0	0	0	0	10	0	0
Nowy Styl TOTAL	20,777	3,889	9,792	20,171,557	9,716	1,320,593	819,475

2021	Wood (m³)			Plastics (t)	Metal (t)	Fabrics (m²)	Foam (kg)
	Fibreboards, chipboards and similar (m³)	Veneer logs (m³)					
		with FSC certificate	without FSC certificate				
Nowy Styl sp. z o.o.	22,713	3,990	10,118	12,226,835	8,849	1,401,784	811,841
Nowy Styl GmbH	—	—	—	—	—	—	—
Nowy Styl Deutschland GmbH	1,069	—	100	298	640	9	147
Kusch+Co GmbH	—	—	—	—	—	—	—
Sitag AG	0	0	0	72,493	8	16,648	9,881
Nowy Styl TOTAL	23,782	3,990	10,218	12,299,626	9,497	1,418,441	821,869

Energy consumption by the type of raw material
Nowy Styl total

Total consumption of energy from non-renewable resources (own or purchased) by the type of raw material	Values (in MWh)	Values (in MWh)	Values (in GJ)	Values (in GJ)
	2020	2021	2020	2021
coal	884	594	0	0
natural gas	6,972	8,496	0	0
heating oil	1,324	1,035	0	0
diesel	1,727	1,839	0	0
Total consumption	10,907	11,963	0	0
Total consumption of energy from renewable raw materials (own or purchased) by the type of raw material	Values (in MWh)	Values (in MWh)	Values (in GJ)	Values (in GJ)
	2020	2021	2020	2021
biomass	38,987	38,896	0	0
biofuels	0	0	0	0
wind energy	0	0	0	0
solar energy	0	0	0	0
geothermal energy	0	0	0	0
hydropower	1,663	1,381	0	0
other (t)	2,259	3,542	0	0
Total consumption	42,909	43,819	0	0
Total consumption of energy, own or purchased, broken down into electricity and heat	Values (in MWh)	Values (in MWh)	Values (in GJ)	Values (in GJ)
	2020	2021	2020	2021
electricity	27,491	27,312	5,672	5,533
thermal energy (including consumption of steam and cooling energy)	12,949	15,647	0	0
Energy consumption	40,439	42,959	5,672	5,533

Total water intake by sources

Total volume of water taken in by the company by source (in m³)		Total volume (m³)	
		2020	2021
Surface waters	Nowy Styl sp. z o.o.	79,383	54,009
	Nowy Styl GmbH	0	0
	Kusch+Co GmbH	0	0
	Nowy Styl Deutschland GmbH	0	0
	Sitag AG	0	0
	NOWY STYL TOTAL	79,383	54,009
Municipal water supply	Nowy Styl sp. z o.o.	49,655	48,063
	Nowy Styl GmbH	0	0
	Kusch+Co GmbH	1,692	1,527
	Nowy Styl Deutschland GmbH	2,616	2,406
	Sitag AG	0	0
	NOWY STYL TOTAL	53,963	51,996
Water from other sources	Nowy Styl sp. z o.o.	0	0
	Nowy Styl GmbH	0	0
	Kusch+Co GmbH	4,605	3,238
	Nowy Styl Deutschland GmbH	0	0
	Sitag AG	1,036	807
	NOWY STYL TOTAL	5,641	4,045
Sum total		138,987	110,050

Sewage

Place where sewage is discharged	2020 Volume (in ml)				2021 Volume (in ml)			
	Groundwater	Surface waters (lakes, rivers etc.)	Municipal utility companies	Total sewage	Groundwater	Surface waters (lakes, rivers etc.)	Municipal utility companies	Total sewage
Nowy Styl sp. z o.o.	0	28	32	60	0	24	23	47
Nowy Styl GmbH	0	0	0	0	0	0	0	0
Nowy Styl Deutschland GmbH	0	0	2,616	2,616	0	0	2,406	2,406
Kusch+Co GmbH	0	0	1,564	1,564	0	0	1,512	1,512
Sitag AG	0	0	1,036	1,036	0	0	807	807
Nowy Styl total	0	28	5,248	5,276	0	24	4,748	4,772

GRI
305-1

Direct GHG emissions (Scope 1)

Direct emissions	GHG emissions (tCO ₂ e)	
	2020	2021
Emissions from the generation of heat and technological processes	19,141	20,201
Emissions from physical and chemical processing	245	233
Total direct emissions	19,386	20,434

GRI
305-3

Other indirect GHG emissions (Scope 3)

indirect emissions	GHG emissions (tCO ₂ e)	
	2020	2021
Emissions from the transport of materials, products and waste – external carriers (estimates covering 3 major carriers)	373	263

GRI
305-7Emissions of NO_x, SO_x, and other relevant compounds released into the air

Emissions of NO _x , SO _x , and other relevant compounds emitted into the air	Weight of relevant emissions into the air (in t)	
	2020	2021
NO _x	27.56	28.48
SO _x	5.07	4.08
Volatile organic compounds (LZO/VOC)	54.92	57.93
Pyły (PM)	12.71	12.01

GRI
306-3GRI
306-4GRI
306-5

Waste generated, diverted to recovery and/or disposal

Total weight of waste by handling method	Weight of waste in 2020 r. [t]				Weight of waste in 2021 r. [t]			
	non-hazardous waste		hazardous waste		non-hazardous waste		hazardous waste	
	on-site	outside the organisation	on-site	outside the organisation	on-site	outside the organisation	on-site	outside the organisation
Waste recovered, including:								
Preparation for reuse	0	11.1	0	0	0	8.6	0	0
Recycling	0	5,646	0	39	0	7,154	0	35
Other recovery methods	0	2,495	0	389	0	2,001	0	402
Waste recycled, including:								
Combustion (with energy recovery)	576	45	0	0	218	70	0	0
Combustion (without energy recovery)	0	0	0	0	0	0	0	0
Storage	0	10	0	0	0	48	0	10
Other disposal methods	0	16	0	14	0	0	0	12
TOTAL	576	8,222	0	442	218	9,281	0	459

New suppliers who have been assessed with regard to the environmental criteria

Numerical indicators for assessing the environmental impact in the supply chain	2020	2021
Total number of new suppliers	11	12
Total number of new suppliers who have been assessed with regard to the environmental criteria	11	12
Percentage of new suppliers who have been assessed	100%	100%

Hirings

2020	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires
	By gender				By age					
	Men		Women		Age <30		Age 30-50		Age >50	
Nowy Styl sp. z o.o.	239	10%	95	10%	184	6%	136	4%	14	0%
Nowy Styl GmbH	2	3%	1	3%	2	2%	1	1%	0	0%
Kusch+Co GmbH	12	7%	6	9%	11	5%	5	2%	2	1%
Nowy Styl Deutschland GmbH	6	3%	6	11%	10	4%	2	1%	0	0%
Sitag AG	7	8%	3	10%	1	1%	5	4%	4	3%
Total	266	10%	111	9%	208	5%	149	4%	20	1%

Hirings

2021	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires
	By gender				By age					
	Men		Women		Age <30		Age 30-50		Age >50	
Nowy Styl sp. z o.o.	411	18%	265	23%	338	10%	271	8%	67	2%
Nowy Styl GmbH	1	2%	4	11%	4	4%	1	1%	0	0%
Kusch+Co GmbH	2	1%	1	2%	1	0,5%	1	0,5%	1	0,5%
Nowy Styl Deutschland GmbH	4	4%	2	6%	3	2%	2	1%	1	1%
Sitag AG	11	13%	2	7%	4	4%	5	4%	4	4%
Total	429	16%	274	21%	350	9%	280	7%	73	2%

Resignations

2020	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations
	By gender				By age					
	Men		Women		Age <30		Age 30-50		Age >50	
Nowy Styl sp. z o.o.	331	14%	136	14%	183	6%	207	6%	77	2%
Nowy Styl GmbH	1	2%	0	0%	1	1%	0	0%	0	0%
Kusch+Co GmbH	14	8%	10	14%	11	5%	10	4%	3	1%
Nowy Styl Deutschland GmbH	34	19%	11	20%	17	7%	10	4%	18	8%
Sitag AG	13	15%	3	10%	3	3%	6	5%	4	3%
Total	393	14%	160	14%	215	5%	233	6%	102	3%

Resignations

2021	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations
	By gender				By age					
	Men		Women		Age <30		Age 30-50		Age >50	
Nowy Styl sp. z o.o.	433	19%	105	9%	198	6%	254	7%	86	3%
Nowy Styl GmbH	17	30%	7	19%	3	3%	10	11%	11	12%
Kusch+Co GmbH	14	9%	9	15%	15	7%	7	3%	1	0%
Nowy Styl Deutschland GmbH*	78	77%	27	77%	23	17%	35	26%	47	35%
Sitag AG	11	13%	6	22%	4	4%	4	4%	9	8%
Total	553	21%	154	12%	243	6%	310	8%	154	4%

* Due to changes on the market, structural changes and restructuring activities were necessary at the production plant owned by Nowy Styl Deutschland GmbH, which had a significant impact on the employment structural modifications.

IR accident frequency rate

	2020			2021		
	Women	Men	Total	Women	Men	Total
Nowy Styl sp. z o.o.	0.91	2.12	3.03	1.46	4.96	6.43
Nowy Styl Deutschland GmbH	0	51.91	51.91	0	44.87	44.87
Nowy Styl GmbH	0	0	0	0	0	0
Sitag AG	0	54.26	54.26	7.81	15.62	23.43
Kusch+Co GmbH	0	21.18	21.18	0	13.82	13.82
Average	0.18	25.89	26.07	1.85	15.85	17.71

IR, calculated as the total number of people injured in accidents/employment × 1000

Accident severity rate

	2020			2021		
	Women	Men	Total	Women	Men	Total
Nowy Styl sp. z o.o.	14.4	83.3	97.7	7.09	49.59	56.68
Nowy Styl Deutschland GmbH	0	16.68	16.68	0	16.5	16.5
Nowy Styl GmbH	0	0	0	0	0	0
Sitag AG	0	8.28	8.28	0.16	3.66	3.83
Kusch+Co GmbH	0	18.2	18.2	0	31	31
Average	2.88	25.29	47.71	1.45	20.15	21.60

Calculated as the number of days of incapacity for work due to an accident/number of accidents.

Total number of people injured in accidents by gender

	2020			2021		
	Women	Men	Total	Women	Men	Total
Nowy Styl sp. z o.o.	3	7	10	5	17	22
Nowy Styl Deutschland GmbH	0	19	19	0	14	14
Nowy Styl GmbH	0	0	0	0	0	0
Sitag AG	0	7	7	1	2	3
Kusch+Co GmbH	0	5	5	0	3	3
Total	3	38	41	6	36	42

Calculated as the total number of days lost/the number of employees' scheduled working hours in the reported period × 200,000.

No data available for Nowy Styl – Majencia SAS.

Total number of days of sickness absence caused by an accident at work

	2020			2021		
	Women	Men	Total	Women	Men	Total
Nowy Styl sp. z o.o.	144	833	977	156	1,091	1,247
Nowy Styl Deutschland GmbH	0	317	317	0	231	231
Nowy Styl GmbH	0	0	0	0	0	0
Sitag AG	0	58	58	0,5	11	11,5
Kusch+Co GmbH	0	91	91	0	93	93
Total	144	1,299	1,443	156.5	1,426	1,582.5

Calculated as the total number of days lost/the number of employees' scheduled working hours in the reported period × 200,000.
No data available for Nowy Styl – Majencia SAS.

Number of employees exposed to harmful factors

2020	Noise	Wood dust / industrial dust	Mechanical vibrations	Chemical compounds	Workers exposed to two or more factors	Total employees
Nowy Styl sp. z o.o.	224	122	83	6	435	3,291
Sitag AG	18	15	0	2	2	129
Nowy Styl GmbH	0	0	0	0	0	17
Kusch+Co GmbH	27	19	0	15	15	236
Nowy Styl Deutschland GmbH	15	20	N/A	29	64	366

2021	Noise	Wood dust / industrial dust	Mechanical vibrations	Chemical compounds	Workers exposed to two or more factors	Total employees
Nowy Styl sp. z o.o.	220	122	71	6	419	3,421
Sitag AG	18	15	0	2	2	129
Nowy Styl GmbH	0	0	0	0	0	14
Kusch+Co GmbH	26	17	0	15	12	217
Nowy Styl Deutschland GmbH	2	6	—	8	16	312

Overall accident rate

	2020	2021
Nowy Styl sp. z o.o.	0.80	0.88
Nowy Styl GmbH	0	0
Nowy Styl Deutschland GmbH	8.33	6.14
Sitag AG	7.91	3.47
Kusch+Co GmbH	3.58	2.15
Average	4.12	2.52

Accident frequency rate with respect to Lost Time Index (LTI)

	2020			2021		
	Women	Men	Total	Women	Men	Total
Nowy Styl sp. z o.o.	0.60	1.40	2.00	0.91	3.11	4.02
Nowy Styl GmbH	0	0	0	0	0	0
Nowy Styl Deutschland GmbH	0	41.67	41,67	0	37.46	37.46
Sitag AG	0	39.59	39,59	5.79	11.59	17.38
Kusch+Co GmbH	0	17.94	17.94	0	12.19	12.19
Average	0.12	20.12	20.24	1.34	13.67	14.21

For direct employees, it is calculated as the total number of accidents related to accidents resulting in loss of working time × 1 000 000 / total number of hours worked throughout the company.

Injury severity rate with respect to Lost Time Index (LTI)

	2020			2021		
	Women	Men	Total	Women	Men	Total
Nowy Styl sp. z o.o.	0.02	0.16	0.19	0.02	0.19	0.22
Nowy Styl GmbH	0	0	0	0	0	0
Nowy Styl Deutschland GmbH	0	0.69	0.69	0	0.61	0.61
Sitag AG	0	0.32	0.32	0.002	0.062	0.66
Kusch+Co GmbH	0	0.32	0.32	0	0.37	0.37
Average	0.008	0.29	0.30	0.004	0.24	0.37

For direct employees, it is calculated as the number of days lost due to injuries × 1000 / total number of hours worked.

Average number of training hours per year per employee at Nowy Styl Sp. z o.o.

	2020	2021	2020-2021
Number of people working at Nowy Styl Sp. z o.o.	3,291	3,421	3,421
Number of people who have received career – or skill-related training	2,736	2,189	3,664
% of people who have received career – or skill-related training	83%	63%	107%
Number of people who received anti-discrimination training	2,061	1,133	3,194
% of people who received anti-discrimination training	62%	33%	93%
Number of people who received ethics-related training	2,081	1,204	3,285
% of people who received ethics-related training	63%	35%	96%

Average number of training hours per year per employee at Nowy Styl Sp. z o.o.

2020						
	Location name	Directors	Managers	Specialists	Indirect production workers	Direct production workers
Total number of employees by employment structure	Nowy Styl Sp. z o.o.	38	113	804	628	1,708
	Nowy Styl GmbH	1	8	51	20	17
	Kusch+Co GmbH	7	18	95	51	64
	Nowy Styl Deutschland GmbH	13	11	24	59	122
	Sitag AG	2	7	14	46	44
	Nowy Styl	61	157	988	804	1,955
Total number of training hours by employment structure	Nowy Styl Sp. z o.o.	326	2,974.5	9,539.5	7,167	11,989
	Nowy Styl GmbH	N/A	N/A	N/A	N/A	N/A
	Kusch+Co GmbH	0	12	289	83	238
	Nowy Styl Deutschland GmbH	19.5	8	246.5	41.25	174
	Sitag AG	0	7	51	1245	64
	Nowy Styl	345.50	3,001.50	10,126	8,536.25	12,465
Average number of training hours per employee by employment structure	Nowy Styl Sp. z o.o.	8.58	26.32	11.87	11.41	7.02
	Nowy Styl GmbH	N/A	N/A	N/A	N/A	N/A
	Kusch+Co GmbH	0	0.67	3.04	1.63	3.72
	Nowy Styl Deutschland GmbH	1.50	0.73	10.27	0.70	1.43
	Sitag AG	0	1	3.64	27.07	1.45
	Nowy Styl	5.04	13.53	11.07	6.06	4.22
2021						
	Location name	Directors	Managers	Specialists	Indirect production workers	Direct production workers
Total number of employees by employment structure	Nowy Styl Sp. z o.o.	41	123	811	705	1,741
	Nowy Styl GmbH	0	8	52	18	14
	Kusch+Co GmbH	6	17	87	45	61
	Nowy Styl Deutschland GmbH	10	10	20	41	53
	Sitag AG	2	7	14	45	42
	Nowy Styl	59	165	984	854	1,911
Total number of training hours by employment structure	Nowy Styl Sp. z o.o.	291	5,283.5	9,503	10,791	19,712
	Nowy Styl GmbH	N/A	N/A	N/A	N/A	N/A
	Kusch+Co GmbH	0	0	266	50	181
	Nowy Styl Deutschland GmbH	6.75	37.5	30	229	203.5
	Sitag AG	0	0	52	1246	66
	Nowy Styl	345.5	3,001.5	10,126	8,536.25	12,465
Average number of training hours per employee by employment structure	Nowy Styl Sp. z o.o.	8.58	26.32	11.87	11.41	7.02
	Nowy Styl GmbH	N/A	N/A	N/A	N/A	N/A
	Kusch+Co GmbH	0	0.67	3.04	1.63	3.72
	Nowy Styl Deutschland GmbH	1.50	0.73	10.27	0.70	1.43
	Sitag AG	0.00	1.00	3.64	27.07	1.45
	Nowy Styl	5.04	13.53	11.07	6.06	4.22

Number of employee training hours by gender

2020				
	Location name	Women	Men	Total
Total number of training hours by gender	Nowy Styl Sp. z o.o.	10,553	21,443	31,996
	Nowy Styl GmbH	N/A	N/A	N/A
	Kusch+Co GmbH	234	388	622
	Nowy Styl Deutschland GmbH	65	424	489
	Sitag AG	571	796	1,367
	Nowy styl	11,423.25	23,051.00	34,474.25
Average number of training hours per employee by gender	Nowy Styl Sp. z o.o.	10.70	9.30	9.72
	Nowy Styl GmbH	N/A	N/A	N/A
	Kusch+Co GmbH	3.39	2.32	2.86
	Nowy Styl Deutschland GmbH	1.17	2.42	1,795
	Sitag AG	18.42	9.36	13.89
	Nowy Styl	8.42	5.85	7.07
2021				
	Location name	Women	Men	Total
Total number of training hours by gender	Nowy Styl Sp. z o.o.	14,703	30,877.5	45,580.5
	Nowy Styl GmbH	N/A	N/A	N/A
	Kusch+Co GmbH	177	320	497
	Nowy Styl Deutschland GmbH	128	379	507
	Sitag AG	334	1,030	1,364
Average number of training hours per employee by gender	Nowy Styl	15,342.00	32,606.25	47,948.25
	Nowy Styl Sp. z o.o.	12.95	13.51	13.32
	Nowy Styl GmbH	N/A	N/A	N/A
	Kusch+Co GmbH	2.9	2.05	2.48
	Nowy Styl Deutschland GmbH	3.66	3.75	3.705
	Sitag AG	12.37	12.12	12,245
	Nowy Styl	7.97	7.86	7.94

Top management by age and diversity

2020	Women	Men	Age <30	Age 30–50	Age >50
Nowy Styl sp. z o.o.	6	32	0	31	7
Nowy Styl GmbH	0	0	0	0	0
Kusch+Co GmbH	0	7	0	2	5
Nowy Styl Deutschland GmbH	0	13	1	8	4
Sitag AG	0%	2%	0	1	1
NOWY STYL TOTAL	6	54	1	42	17
Overall breakdown %	10%	90%	2%	70%	28%

2021	Women	Men	Age <30	Age 30–50	Age >50
Nowy Styl sp. z o.o.	7	34	0	34	7
Nowy Styl GmbH	0	0	0	0	0
Kusch+Co GmbH	0	6	0	2	4
Nowy Styl Deutschland GmbH	0	10	1	3	6
Sitag AG	0	2	0	1	1
NOWY STYL TOTAL	7	52	1	1	1
Overall breakdown %	12%	88%	2%	68%	30%

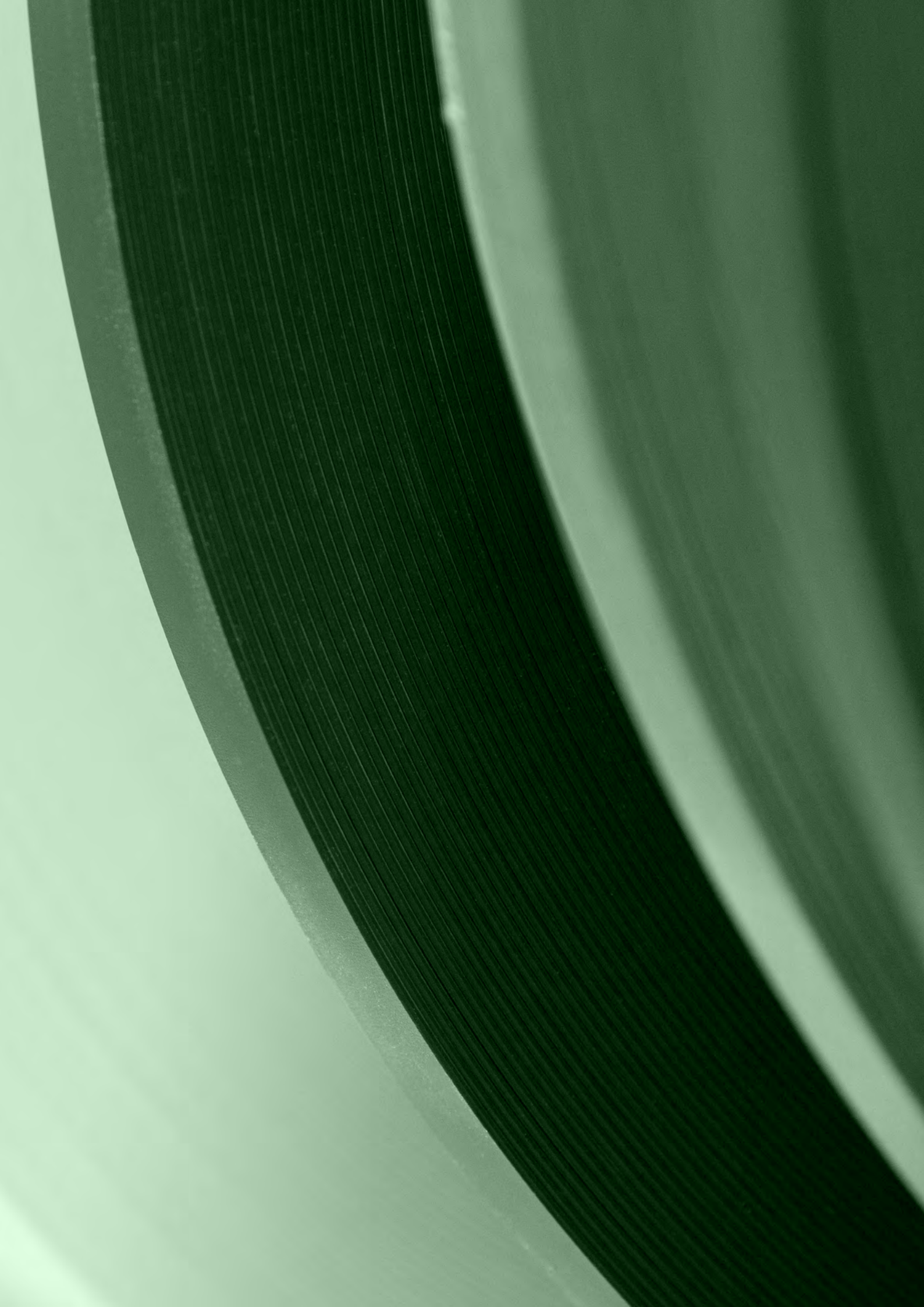
Ratio of women's basic salary to men's basic salary by employment structure

2020	Direct production workers	Indirect production workers	Specialists	Managers	Directors
Nowy Styl sp. z o.o.	92.37%	93.92%	96.75%	103.61%	123.82%
Nowy Styl GmbH	97.30%	N/A	106.50%	87.56%	N/A
Kusch+Co GmbH	91.77%	73.39%	62.32%	84.76%	0%
Nowy Styl Deutschland GmbH	85.26%	106.58%	113%	nd.	74.39%
Sitag AG	92.48%	81.32%	91.93%	62.18%	0%
Total	91.84%	88.80%	94.10%	84.53%	99.11%

2021	Direct production workers	Indirect production workers	Specialists	Managers	Directors
Nowy Styl sp. z o.o.	91.28%	91.02%	96.57%	106.04%	107.54%
Nowy Styl GmbH	97.31%	N/A	96.43%	83.10%	N/A
Kusch+Co GmbH	91.92%	71.00%	84.06%	73.00%	0%
Nowy Styl Deutschland GmbH	88.85%	113.58%	109.21%	113.71%	72.22%
Sitag AG	90.12%	79.94%	90.95%	62.18%	0%
Total	91.90%	88.89%	95.44%	87.61%	89.88%

New suppliers who have been assessed according to the social criteria

Numerical indicators for assessing the environmental impact in the supply chain	2020	2021
Total number of new suppliers that the organisation intended to or started doing business with	11	12
Number of new suppliers who have been verified according to social criteria.	11	12



Indicator number	Indicator name	Pages
PROFILE INDICATORS		
Organisation profile		
GRI 102-1*	Organisation name	11
GRI 102-2*	Description of the organisation's activities, major brands, products and/or services	11, 15, 28
GRI 102-3*	Location of the organisation's headquarters	12, 127
GRI 102-4*	Location of operations	12
GRI 102-5*	Form of ownership and legal structure of the organisation	13, 103
GRI 102-6*	Markets served	12
GRI 102-7*	Scale of activities	8-9, 11, 15
GRI 102-8*	Data on employees and other persons performing work for the organisation	110
GRI 102-9*	Description of the supply chain	74
GRI 102-10*	Significant changes regarding the size, structure, form of ownership or value chain in the reporting period	13, 103
GRI 102-11*	Explanation of whether and how the organisation applies the precautionary principle	16, 83
GRI 102-12*	Economic, environmental and social declarations, guidelines and other initiatives external to, adopted by or supported by the organisation	5, 19, 24
GRI 102-13*	Membership in associations and organisations	24
Strategy 2016		
GRI 102-14*	Statement from top management	2-3
GRI 102-15*	Description of key impacts, opportunities and risks	6, 16
Ethics and integrity		
GRI 102-16*	Organisation's values, code of ethics, policies and standards of conduct	17-18
GRI 102-17*	Internal and external mechanisms for obtaining advice on conduct regarding ethical and legal issues and matters related to the integrity of the organisation	18
Organisational governance		
GRI 102-18*	Supervisory structure of the organisation along with committees reporting to the highest supervisory authority	14
Stakeholder involvement		
GRI 102-40*	List of stakeholder groups engaged by the reporting organisation	22
GRI 102-41*	Employees covered by collective agreements	58 2.3% of employees at all the reported companies are covered by a collective agreement (100% of employees at Sitag AG)
GRI 102-42*	Basis for identification and selection of stakeholders engaged by the organisation	21-22
GRI 102-43*	Approach to stakeholder engagement, including the frequency of engagement by type and stakeholder group	21, 23
GRI 102-44*	Key topics and problems raised by stakeholders and the response from the organisation, including by reporting them	21

Indicator number	Indicator name	Pages
Reporting practice		
GRI 102-45*	The process of defining the content of the report and aspect boundaries	13, 15, 103
GRI 102-46*	Relevant topics identified	103
GRI 102-47*	Explanations regarding the effects of any corrections to information provided in previous reports, along with reasons for which they were made and	104
GRI 102-48*	Explanations regarding the effects of any corrections to information provided in previous reports, along with reasons for which they were made and their impact (e.g. mergers, acquisitions, change of base year/period, nature of business or measurement methods)	13, 103
GRI 102-49*	Changes to reporting	103
GRI 102-50*	Reporting period	19, 103
GRI 102-51*	Date of publication of the latest report (if published)	19, 103
GRI 102-52*	Reporting cycle	19, 103
GRI 102-53*	Contact details	105
GRI 102-54*	Indication whether the report was prepared in line with the Core or Comprehensive option of the GRI Standard	103
GRI 102-55*	GRI index	126 – 129
GRI 102-56*	Policy and current practice for external verification of the report	103, 106–107
Approach to management		
GRI 103-1*	Explanation of the topics identified as relevant along with an indication of limitations	20, 104
GRI 103-2*	Approach to management and its elements	17–19, 20, 57, 63, 75–76, 83, 87
GRI 103-3*	Evaluation of the approach to management	6, 19, 32, 57, 63, 76, 83
ECONOMIC MATTERS		
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GRI 201-1	Direct economic value generated and distributed (including revenues, operating costs, employee remuneration, subsidies and other investments for the community, retained earnings and payments to owners of capital and state institutions)	15
Market presence		
GRI 202-1	Compensation of the lowest-grade employees relative to the minimum wage by gender	111
Procurement practices		
GRI 204-1*	Share of expenditure on services/products from local suppliers	112
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GRI 205-3*	Confirmed cases of corruption and actions taken	20
GRI 206-1	Total number of legal actions taken against the organisation regarding violations of free competition rules, monopolistic practices and their consequences	20

Indicator number	Indicator name	Pages
ENVIRONMENTAL MATTERS		
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GRI 302-1*	Energy consumption by the organisation, taking into account the type of raw materials	113
GRI 302-4	Reduction of energy consumption	87
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GRI 305-3	Other relevant indirect greenhouse gas emissions by weight	115
GRI 305-7*	Emissions of NO _x , SO _x and other relevant compounds emitted into the air	115
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Custom indicator	Relative CO ₂ emissions	85
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306-3*	Waste generated	115
306-4*	Waste sent for recovery	115
306-5*	Waste sent for disposal	115
Compliance with environmental regulations		
GRI 307-1	Monetary value of fines and total number of non-financial sanctions for non-compliance with environmental protection laws and/or regulations	No penalties were imposed
Environmental assessment of suppliers		
GRI 308-1*	New suppliers who have been assessed with regard to the environmental criteria	77, 116
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GRI 403-2*	Hazard identification processes, risk assessment and accident investigation	57
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Indicator number	Indicator name	Pages
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GRI 413-1*	Organisation's business units taking into account social commitment, impact measurement and development programmes	64
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GRI 416-2*	Cases of non-compliance with regulations and voluntary codes regarding the impact of products and services on health and safety	42
Marketing and labelling of products and services		
GRI 417-2*	Cases of non-compliance with regulations and voluntary codes regarding the labelling of products and services and information about them	42
GRI 417-3*	Cases of non-compliance with regulations and voluntary codes regarding marketing communications	42
Compliance with socio-economic regulations		
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*The indicators are subject to independent external verification by Deloitte Audyt sp. z o.o. sp.k.

GRI
102-3

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Make your space

responsible

2020-2021

Sustainability report

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Letter from the Management Board

GRI
102-14

Dear Reader,

Today, we are presenting to you the latest Sustainability Report of Nowy Styl. Although it refers to our operations in 2020/2021, it was actually prepared at a special time. As we were preparing it, the whole world anxiously followed the developments in Ukraine. The war threatened the health and lives of many people, but it also caused massive economic turmoil, especially on European markets, which are the core of our company's operations. We stand against unjustified aggression and acts of violence taking place in Ukraine, where we send our thoughts and actions. For this reason, we have decided to leave the Russian market. We believe this to be the only right decision, which will contribute to the mass voice of the international community calling for immediate cessation of hostilities.

Nor can we forget about the ongoing COVID-19 pandemic, which has started a period of immense uncertainty and left a lasting mark of change on both the economy and our daily lives. The effects of the pandemic presented us with a number of challenges related to adjusting our offering to the changing reality, needs and expectations of customers. We are already working on expanding our range of home office furnishing products, which have gained popularity in recent years, while on the other hand we are keeping a close eye on new office trends. Shortly before the launch of this report, we issued a publication entitled *'Reunion: a new reality in the office'*. It is based on the concept of the office as a place to meet, integrate and rebuild relationships in teams. We are already implementing products to enable this concept and support the dynamic Agile working style.

In this difficult period, we have not given up on investment projects. In recent years, there were no trade fairs or other industry events, which had been the place for presenting our company's offering and winning new customers. So keeping in

touch with customers and enabling them to safely test our products has become a huge challenge. In response to this need, we focused our activities on developing the network of showrooms. Our flagship showroom, the Office Inspiration Centre in Cracow, has been fully redesigned and completely new locations have been opened in Gdańsk, Prague, Paris, Budapest and Berlin, among others. We have also showed our products to customers remotely – we organised virtual presentations of our solutions, created visualisations and videos.

Sustainability is extremely important to our organisation. However, we know that there is still a lot of work ahead of us. Therefore, looking back on our 2020-2022 achievements with humility, today we are setting new goals, which we will account for in our next report with full responsibility. We want to develop the Kusch+Co brand portfolio, specifically products for the design, healthcare and transportation areas. We also wish to popularise workplace-related knowledge, inform and raise people's awareness about noise in the workplace and help solve this problem. Our ambition is to increase the share of recycled materials and implement new products based on eco-design. We also plan to include a module on sustainability and CSR in our on-boarding programme and expand the ethics training programme to include anti-corruption. Finally, we intend to continue our engagement with local communities, while aiming to target our assistance more precisely than before and focus on activities that will provide the most needed and effective support. These are, of course, just a few of the areas we will be working on hard to best deliver on the promises we make to ourselves as an organisation and to each of our stakeholders.

In the meantime, we invite you to read this report to learn more about our sustainability achievements to date.

Nowy Styl Management Board

Our mission



With passion and respect for the natural environment, we help people arrange offices and other public utility facilities, so that they best meet their needs in terms of health and comfort, increase their efficiency and enjoyment at work, and cater to individual ergonomic and aesthetic needs. So that they simply serve them in the best possible way.





In order to complete the company mission, to achieve competitiveness in the market and to strengthen the trust of our customers and thus ensure business continuity, we focus on achieving goals in line with the **UN Global Compact's Sustainable Development Goals (SDGs)** based on the following assumptions.

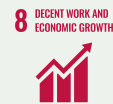
We provide our clients with comprehensive services and meet their ever growing expectations.



We regularly improve the usability, ergonomics and durability of our products.



We guarantee continuous development of the company by expanding to international markets and increasing our global and local responsibility.



We eliminate potential threats by identifying, analysing and assessing risks and opportunities in processes and workplaces.



We provide safe and hygienic working conditions to prevent injuries and diseases.



We protect the health and safety of the people who work in our plants and offices, as well as customers and subcontractors.



We engage our employees and stakeholders in building a culture of safety.



We identify and monitor environmental aspects, thereby minimising the negative impact on the natural environment.



We care about rational consumption of natural resources, using technologies that reduce production waste.



We design products in line with the circular economy model.



We train employees to raise awareness of their impact on the environment, quality and safety.



We achieve compliance with applicable regulations and comply with other requirements.



Completion of the 2020-2021 commitments



We have been able to fully or partially complete as many as 24 of the 26 commitments presented in the previous CSR report for 2018-2019. The remaining ones are in progress.

Commitment delivery rate (28)



80-100% completion

Ethics	We will update our Code of Ethics and implement an Anti-Bullying and Discrimination Policy and Procedure.
Product	We want to obtain the 2020 Well-being Quality Certificate, so we will analyse our products in an effort to improve their ergonomics and impact on the well-being of public space users.
Product	We will develop our products for the healthcare segment, introduce antibacterial finishes and products to support employee safety.
Product	We will work to expand our offerings for remote and hybrid workers (Home Office).
Product	We will pay particular attention to intuitive product use and keep unnecessary or unclear functions to a minimum.
Product	We will develop a BIM solids design library for all new product lines and provide databases of their models.
Product	In order to optimise time and travel, and therefore also reduce our carbon footprint, we will develop an e-learning and online training platform for employees and partners in the countries we operate in.
Employees	We will simplify the remuneration system for direct and indirect production employees and develop a transparent assessment system.
Employees	We will implement a new periodic assessment formula based on the values and organisational culture characteristics in the Technical as well as Production Planning and Procurement Divisions:
BHP	For the sake of workplace safety, we will implement the requirements of the ISO 45001:2018 standard and certification at the Armchair and Chair Production Plant and the Office Furniture Factory.
BHP	We will audit the Metal Production Plant for compliance with health, safety and fire protection regulations.
Supply chain	We will update the current documents, Nowy Styl Supplier Code and General Terms of Cooperation, as well as develop a new Purchasing Policy.
Supply chain	We will pay more attention to the importance of ethical and environmental criteria in the evaluation of our suppliers.
Supply chain	We will get ready for the FEMB level and Mobelfakta certification process, so we will develop good practices in the supply chain area.

Environment	We will increase the share of green electricity in the energy mix by 2025. Currently, the green energy content is at 9.8%, but by 2025, we want to increase its share to 30% in the Polish facilities. We will implement the process in stages, year by year, at the rate of 5% per year.
Environment	We will reduce CO ₂ emissions by 4,3% per year by 2025. This target is linked to the company's annual turnover.
Environment	We will build a 10,000 m ² energy-saving warehouse. The warehouse is being built, for logistic purposes next to the factories (storage and distribution of products) and it meets the energy-saving parameters (appropriate wall and roof thickness, LED lighting, mechanical ventilation with heat recovery).
Local communities	We will continue our commitment to local development and we will support organisations in the Podkarpackie Province.
Product	We will implement products that respond to the changing style of work in offices – Agile and hybrid offices. These will include easy-to-use, mobile and multi-purpose furniture.
Employees	We will develop a programme to help local first- and second-level technical and trade school students complete their compulsory apprenticeships.

50–79% completed

Employees	We will carry out development programmes for possible succession and/or takeover of significant roles in the organisation for office and production employees.
Employees	We will implement managerial on-boarding for employees who take on a leadership role for the first time. We will prepare them to manage the work of the team through a series of training courses in the area of core managerial competencies.
Supply chain	We will reduce carbon dioxide emissions in international transport by expanding our fleet of natural gas-powered vehicles.
Supply chain	We will reduce the amount of packing material in transport by delivering products using BDF systems.

Less than 50% completed

IT	We will consolidate the IT system in place at six production facilities and over a dozen distribution centres in terms of data security, standardised production automation and streamlined logistics and financial operations.
Local communities	We will increase financing for educational scholarships funded through the Janusz Korczak Foundation.

Nowy Styl in figures

GRI
102-7

One of the leaders in
Europe's
furniture industry

€ 336 million
in sales revenue in 2021

More than
4200* employees
in 12 countries

* the number of employees as of 2022

**29 of our
showrooms**
as well as in-house
structures and offices
in 12 countries



A modern interior space with a blue wall and a wooden floor. The ceiling is made of blue slats. There are two tables: a dark blue one with black chairs and a light wood one with light wood chairs. There are also some plants and a hanging light fixture.

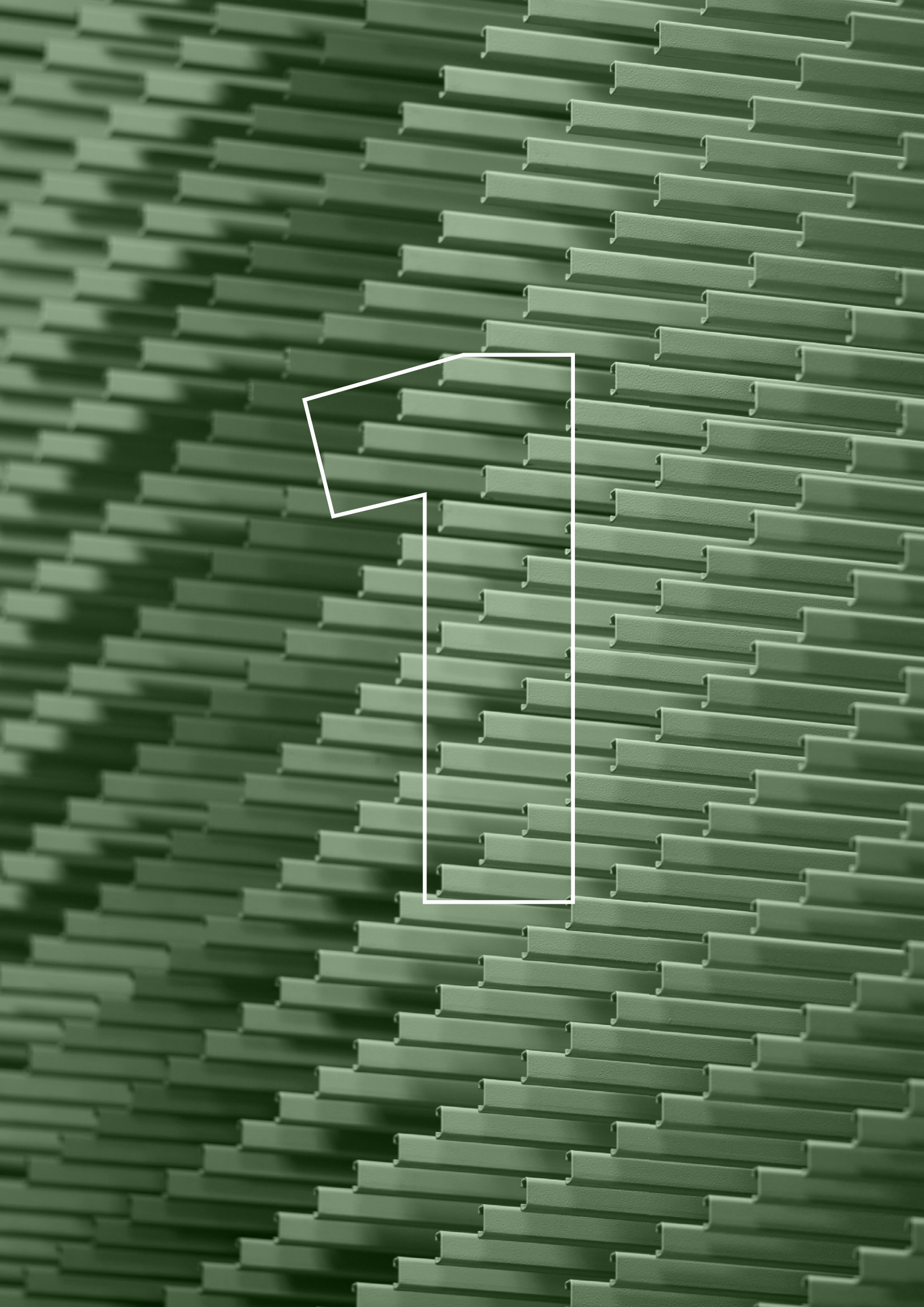
Products delivered to over
100 countries

Founded in
1992

Nearly
63 474 m²
of warehouse space
in various European countries

More than 400
product lines offered

141 645 m²
of production space across
4 countries



1 About Nowy Styl

GRI
102-1

The founders of Nowy Styl are brothers – Adam and Jerzy Krzanowski. In 1992, they set up their company with 7 employees, selling 3 chair models. Almost

everything has changed at Nowy Styl since then. Almost, because we strive hard to keep certain things in their original form.

1.1 How and where we operate

GRI
102-2

GRI
102-7

In 1992, the brothers worked in a makeshift assembly plant based near Krosno, a small town in south-eastern Poland. Today, more than **4089 people** work at our factories and offices in 12 countries. This enables us to respond to every need and adapt to local conditions. Through our companies, branches and sales departments, **the products and solutions offered by**

Nowy Styl are exported worldwide – to a total of around 100 countries. The best summary of the last quarter of a century's achievements, however, is the leading position in the field of comprehensive arrangement of offices and public spaces – stadiums, halls, cinemas, theatres, passenger terminals and hotels.



Office Furniture Factory in Jasto, Poland

Nowy Styl globally



Our locations:

Krosno – headquarters and management office

Jasło – main production location

Cracow – management office





The Nowy Styl Capital Group includes: Nowy Styl Sp. z o.o. as the parent company, and subsidiaries. Selected companies are presented in the table below.

Our Sustainability Report focuses on the following

companies only: **Nowy Styl Sp. z o.o.**, **Nowy Styl GmbH**, **Kusch+Co GmbH**, **Nowy Styl Deutschland GmbH**, **Sitag AG** as they have the most impact on company data representing the company due to the proportion of employment and production taking place in them (over 95% for both aspects).

The structure of Nowy Styl*



*In the previous report, we reported a few companies that are not listed in the attached graphic due to change of names, i.e. : Rhode & Grahl changed its name to Nowy Styl Deutschland GmbH, Telmex Nowy Styl Zrt. changed its name to Nowy Styl Hungary Zrt, Rhode & Grahl B.V. changed its name to Nowy Styl Groep Nederland B.V. Additionally, in the previous CSR reports, we also listed the joint-venture companies in the company's structure. We are not listing them now due to the ownership structure – the shareholders of Nowy Styl are the only shareholders of the joint-venture companies.

1.2 Company leadership

“A leader is someone people will follow, someone you want to work with and trust. A leader is authentic. This person must have a good rapport with employees – they must set an example for them,” Adam Krzanowski, CEO of Nowy Styl, told Forbes magazine in mid-June 2020. We quote his words here on purpose as the Nowy Styl Management Board strongly believes in true leadership, partnership based on dialogue, engaging employees and delegating authority and responsibility to them, as well as teamwork at every level of the organisation.

This leadership model has its roots in our Management Board, which was established in 2008 with several members. We run a ‘functional’ model, which means that

the members of the Management Board have divided their competences and are responsible for their respective areas of the company’s operations in each of our locations in Poland and abroad. The most important decisions, however, are made after joint discussions and consultations. The teamwork that we run at the top executive tier carries over into every level of our organisation.

The area of sustainability is the direct responsibility of the Marketing Director Karolina Manikowska, who heads the corporate marketing team implementing direct CSR and ESG goals. The Marketing Department Director reports directly to the Member of the Management Board, Roman Przybylski.



Distribution of responsibilities among Management Board members

PRESIDENT



Adam Krzanowski

Production
Technology
HR, BHP
Workplace Research and Consulting

VICE-PRESIDENT



Jerzy Krzanowski

Investment
Strategic Procurement
Quality

VICE-PRESIDENT



Rafał Chwast

Finance
IT
Customer Service
Logistics

BOARD MEMBER



Roman Przybylski

International Sales
Product Management
Marketing
Workplace

In order to streamline the operations and have a better insight into the projects implemented by Nowy Styl, we have additionally established an ‘Extended Management

Board’ that complements and extends top management in key business areas. The powers of the members of the Extended Management Board are as follows:



Tomasz Bardzik

Production Planning, Internal Supply Chain Division, Quality Director



Bartosz Karasiński

International Sales Director



Małgorzata Naparło

Customer Service Department Director



Rafał Siwek

Logistics Director



Paweł Smaś

Technical Division Director



Mariusz Sobociński

IT Director

1.3 Strategy



The main premise of Nowy Styl's business strategy is to combine organic growth with acquisitions of companies whose portfolios complement our offering and allow us to expand our operations into new sectors and markets.

By organic growth we mean, above all, strengthening the existing commercial structures in the individual

countries, continuous improvement of customer relations, building a global image, making choices to focus more strength and resources in key markets and leading segments, investing in production and logistics, developing new proprietary products and seeking partners with whom we can gain a competitive advantage.

Financial results of Nowy Styl sp. z o.o. Capital Group (PLN million)		
All figures are in PLN million	2020	2021
Sales revenue	1,452	1,535
Operating expenses excluding salaries and employee benefits	914	984
Salaries and employee benefits	473	456
Payments to investors	0	0

Our brands

The largest and dominant brand with a comprehensive portfolio of products and services for office and public spaces.

Excellent quality and design of chairs and furniture, as well as specialised solutions for the healthcare sector and passenger terminals.

Durable seating and auditorium solutions for sports venues, cinemas, theatres, concert halls and lecture theatres.

A wide selection of robust and ergonomic office and conference chairs at affordable prices and of good quality.

A local Swiss brand with a tradition, offering high-quality chairs and office furniture.

Capital Group sales revenue 2020-2021 (net EUR million)



2019 marks the beginning of the global COVID-19 pandemic, which has affected almost every industry. It has not spared the office furniture segment either, which is why we saw a decline in 2020-2021 sales revenue.

1.4 Impacts, opportunities and risks



Risks and opportunities analysis is part of the Integrated Management System.

At Nowy Styl, we carry it out while considering both the context and the changing environment of the organisation, the needs and expectations of our stakeholders as well as business aspects. The risks we identify are ethical, social, employee safety, environmental, climate, financial and data security, related to production, transport and product use.

In accordance with the Risk Analysis Procedure for Processes we have implemented, risk management that covers: identification of risks and description of their impact on individual processes, risk assessment according to the adopted criteria, determination of risk significance level, determination of risk management method and identification of existing security measures as well as monitoring of changes to risks and opportunities.

In 2021, as we extended the environmental management system to include the scope of ISO 14006, we expanded the existing analysis to include thinking about our products throughout their life cycle – from design, through implementation, provision of raw materials and materials, production, transport, use, decommissioning and disposal.

[Click to find out more](#)

The register of risks and opportunities is updated once a year as part of the revision of the Integrated Management System and each time there are significant changes affecting the processes.

Risk analysis for the supply chain is a separate process. The Strategic Purchasing Department assesses risks related to each new and existing supplier.

[Click to find out more](#)

Examples of selected potential risks from the Process Risk Analysis for Nowy Styl

Area	Risk
Environment	Non-compliance with regulations and environmental permits
	Poor supervision of waste management
	Shortage and high prices of green energy on the Polish energy market
	Poor management of chemicals
Product design and implementation	Shortage of recycled materials, wood, and raw material on the market
	Technical problems with the implementation of extended product life
	Technical problems with designing for recycling
Ethics	No communication or unreliable communication of the company's ethical policies
	Mobbing and discrimination
	Abuse of company property
Social	Poor hazard identification
	Unplanned or unforeseen hazardous situations
	Changes in the production area
	Risks related to a biological factor – risk of illness, transmission of infectious diseases, epidemic outbreaks, pandemic
	Shortage of qualified workforce on the labour market

We note the significant impact of human-induced climate change, which has been happening for many years and is translating into a dramatic depletion of natural resources. We can feel the direct impact of the situation on our daily work. In addition, growing legislative requirements as well as the expectations of customers, partners and the public towards large enterprises in the area of ESG give a new direction to actions taken and oblige businesses to adopt more and more ambitious goals in this area. We believe the intensification of Nowy Styl's sustainability policy is the only right thing to do, and it is also an opportunity

for us to build an authentic image of a committed and responsible company. This makes us a good partner for the stakeholders, who understand the ongoing changes and the key importance of sustainability for business.

For Nowy Styl, ESG and CSR involve a number of coordinated activities that are constantly shaping the functioning of the organisation and instilling a responsible approach among customers, employees, partners, suppliers and local communities.

1.5 Ethics at Nowy Styl

Different cultures, languages, ages and nature of work. Despite our many differences and the fact that we work in an international environment, we strive to rely on four

values: ambition, integrity, humbleness and tolerance. They are at the heart of the message we send to our employees in our corporate documents.



Our values



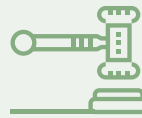
Ambition

Our company is made up of ambitious, young-at-heart people who are constantly improving the way they work and looking for new solutions in order to achieve even better results.



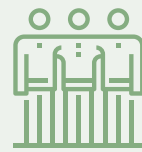
Humbleness

Appreciating other companies' experience and knowledge, we are constantly learning and improving our competences. We are able to recognize our mistakes and learn from them. At the same time, we are proud of what we have already achieved.



Integrity

By observing the law and our company's internal rules, as well as keeping our business promises, we maintain good relationships with people. We believe that ethical standards and decency are equally binding in business and in private life.



Tolerance

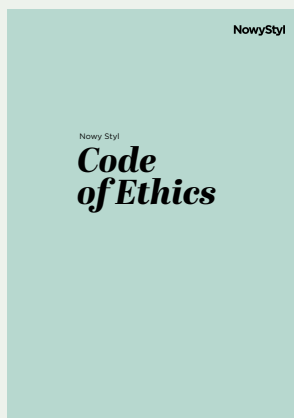
We consider cultural diversity in our company and the environment as great treasures. We treat each other with respect and strive for mutual understanding.

Documents related to corporate responsibility



All our employees are bound by the *Code of Ethics*. In accordance with it, we build relationships on equal opportunities in terms of employment, remuneration, benefits, promotion and professional development. We do not accept any form of discrimination

for gender, age, disability, race, religion, political affiliation, origin, nationality, sexual preference or physical appearance. The *Code of Ethics* was developed at Nowy Styl in 2017 and an updated version was published in 2020



Nowy Styl's *Code of Ethics* is the result of many years of business and managerial practice. It is a summary of what we have learned so far, as well as a sort of look into the future and goal-setting – who we want to be in the future. The development of the Code was another step towards strengthening global and local responsibility and encouraging respect in our actions towards one another. The Code sets out Nowy Styl's ethical principles regarding, among other things, company property and brand protection, relations with employees, customers and suppliers. The document also describes the general principles related to adherence to the Code, defines the role of the superiors in shaping ethical attitudes, outlines the position of the Ethics Officer and specifies how to report irregularities.



**Click to view
the whole document**

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In the reporting period (2020–2021), we provided ethics training to 3,285 employees, i.e. 96% of the organisation's workforce. Ethics Officers play a special role in guaranteeing compliance with the Code. Nowy Styl employees can address all questions and concerns to them, as well as report any violations of the Code. According to the Ethics Officers Report, no cases of discrimination were reported in 2020-2021.

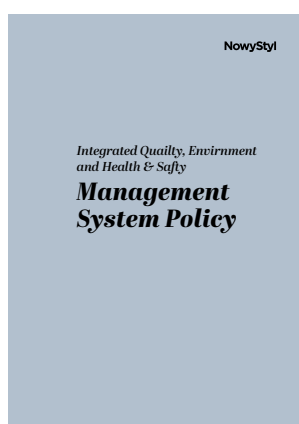
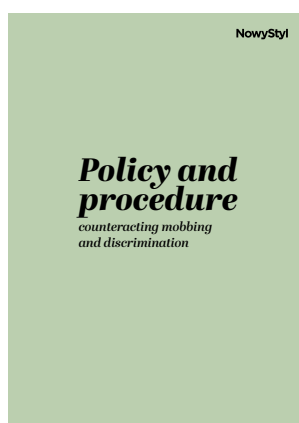
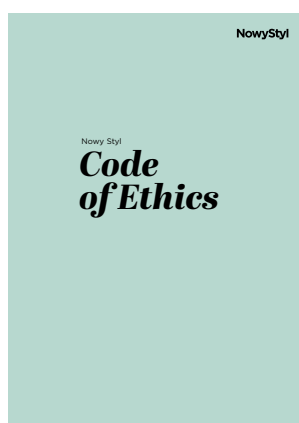
To take care of the working conditions and to counteract potential unethical behaviour in the workplace, a *Policy and Procedure counteracting Mobbing and Discrimination* has

been established. On June 19, 2020, the Management Board of Nowy Styl officially published both documents. The implementation of the new policy involves gradual training of all employees, regardless of their form of employment, position and workplace. To date, a total of 3,194 people have been trained. Given the constraints caused by the COVID-19 pandemic, training was organised online, wherever possible, or on-site with maintenance of a full sanitation regime. The training programme addressed issues related to bullying and discrimination and provided information on how to report such acts informally and formally.

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At Nowy Styl, we have a zero-tolerance approach to corruption. This applies to all employees, associates and business partners acting on our behalf. Nowy Styl's management is committed to taking a key role in creating an organisational culture in which corruption has no chance to appear and is unacceptable in any form. Nowy Styl's ethical principles, including

anti-corruption, are described in the *Code of Ethics*, developed back in 2017 (and updated in 2020). Recently, we have developed a separate document on the subject – Nowy Styl's *Anti-Corruption Policy*, which was published in February 2022. The document has been made available to employees by email as well as posted on Nowy Styl's website. We also plan to train employees in this respect.



Our main documents related to corporate responsibility are available on the website for all parties:
www.nowystyl.com



[Click to find out more](#)

1.6 Sustainability policy



The role of the sustainability policy in our company has been growing every year. From the very beginning, we have been building our company on a foundation of responsibility and values, but for many years these principles were never written down, which obviously is not an isolated case. Naturally, as we grew and expanded, we started paying attention to many new issues. The first sustainability report we published was for 2012-2013 and – this needs to be emphasised – it was one

of the few publications of its kind in Poland at the time. We followed the example of the Western countries, where the policy of accountability had already played a huge part.

The project to publish sustainability reports on a biennial basis became an obligatory part of our activities. This was reflected in the subsequent publications – for 2014-2015, 2016-2017, 2018-2019 (published in September 2020) and the current one covering our activities in 2020-2021.

We were recognised for our CSR by:

- **EcoVadis** – the organisation uses a total of 21 criteria in its assessment, divided into four areas: employee and human rights, environment, ethics and sustainable purchasing. Our approach to CSR management was assessed as structured and proactive. As a result of the evaluation for 2021, Nowy Styl was awarded a platinum medal. As a gold medal winner in 2020, Nowy Styl ranked among the top 2% of the best-rated companies. And as a platinum medal winner, the company ranks in the most prestigious group of just 1% of companies.

[Click to find out more](#)

- **Responsible Companies Ranking** – prepared by Professor Bolesław Rok of Centrum Etyki Biznesu Akademii Leona Koźmińskiego (Business Ethics Centre at the Kozminski University), Deloitte and Dziennik Gazeta Prawna. In 2020, we ranked 7th in the industry

[Click to find out more](#)

- **‘Responsible Business in Poland. Good practices’** – a publication of the Responsible Business Forum – the 2020 Report describes nine Nowy Styl practices.

[Click to find out more](#)

1.7 Areas of impact



Our sustainability is in line with the UN Global Compact, to which we are a signatory, and the ‘Guiding Principles on Business and Human Rights’ endorsed by the United Nations, and our strategic

objectives are consistent with the selected United Nations 2030 Sustainable Development Goals outlined below. We relate our actions to these, as indicated in the following pages of the report.

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



We are responsible for managing the impact we have on our surroundings. Therefore, we want to actively shape a world that is friendly to future generations. Key areas of Nowy Styl's impact and value creation:



Impact on the economy

- > Dominant employer in the region – creating jobs
- > Cooperation with local suppliers – our partners grow and develop with us
- > Employee compensation and benefits
- > Taxes help develop national and regional economies
- > Sponsorship – culture, sports, design industry and modern business services
- > Konfederacja Lewiatan (The Polish Confederation Lewiatan), Podkarpacki Klub Biznesu (Podkarpackie Business Club),
- > Stowarzyszenie Firm Rodzinnych (Association of Family Businesses), sectoral organisations – contributing to and promoting good business practices



Social Impact

- > Health and safety – educating about workplaces that support health; occupational health and safety measures and building a safety culture across our own workplaces
- > Making ergonomic products that improve work comfort
- > Well-being – better quality of life and well-being thanks to ergonomic and effective workplaces
- > Talent development – training and development programmes for employees, cooperation with universities, internship programmes and dissertations; scholarships for talented young people
- > Social commitment – support for culture, sports, healthcare and groups at risk of social exclusion



Environmental impact

- > Reducing CO₂ and greenhouse gas emissions
- > Reducing the emissions of harmful substances
- > Reducing the production of waste and recycling
- > Reducing energy and water consumption

Thanks to the consistent implementation of the company's policy in the area of ethics, as in previous years, we have not recorded any violations of the principles of free compe-

tition, fair free market competition or any behaviour with the hallmarks of corruption. Nor have we been subject to any penalties related to non-compliance with laws or regulations in the social and economic area.

1.8 Stakeholders

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We regularly engage in dialogue with our key stakeholders. Listening carefully to the needs of our customers and being able to respond to them quickly is fundamental to the development of our business, especially our product portfolio.

Parallel to the ongoing communication with stake-

holders, in 2021 we conducted qualitative research based on the design thinking methodology as part of the new sustainable development strategy preparation process. Its goal was to identify new needs with respect to sustainable development among our key stakeholders.

Stakeholder mapping

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We carried out stakeholder mapping using the *design thinking* methodology. The survey was prepared by an interdisciplinary team who updated the list of our stakeholders and identified their importance to the organisation in a moderated workshop. Then the team

selected personae for research interviews, both from among the stakeholders who have a strong impact on our company and those who are potentially interested in our business (heavy users, non-users, mainstream), and proposed scenarios for interviews with them.

Surveys

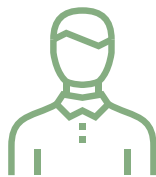
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Members of the sustainability & CSR team conducted a survey among all stakeholder groups, asking about current and future sustainability needs and expectations. The interviews provided a specific

perspective and the transcripts formed the basis for further work on strategic goals and ideas for actions to address the needs raised.

Personae who took part in the survey:



- > public sector client,
- > corporate client,
- > distributors,
- > architects,
- > suppliers,
- > employees,
- > candidates for employees,
- > subcontractors,
- > driver – transport company employee.

Analysis of the importance of topics based on the interviews

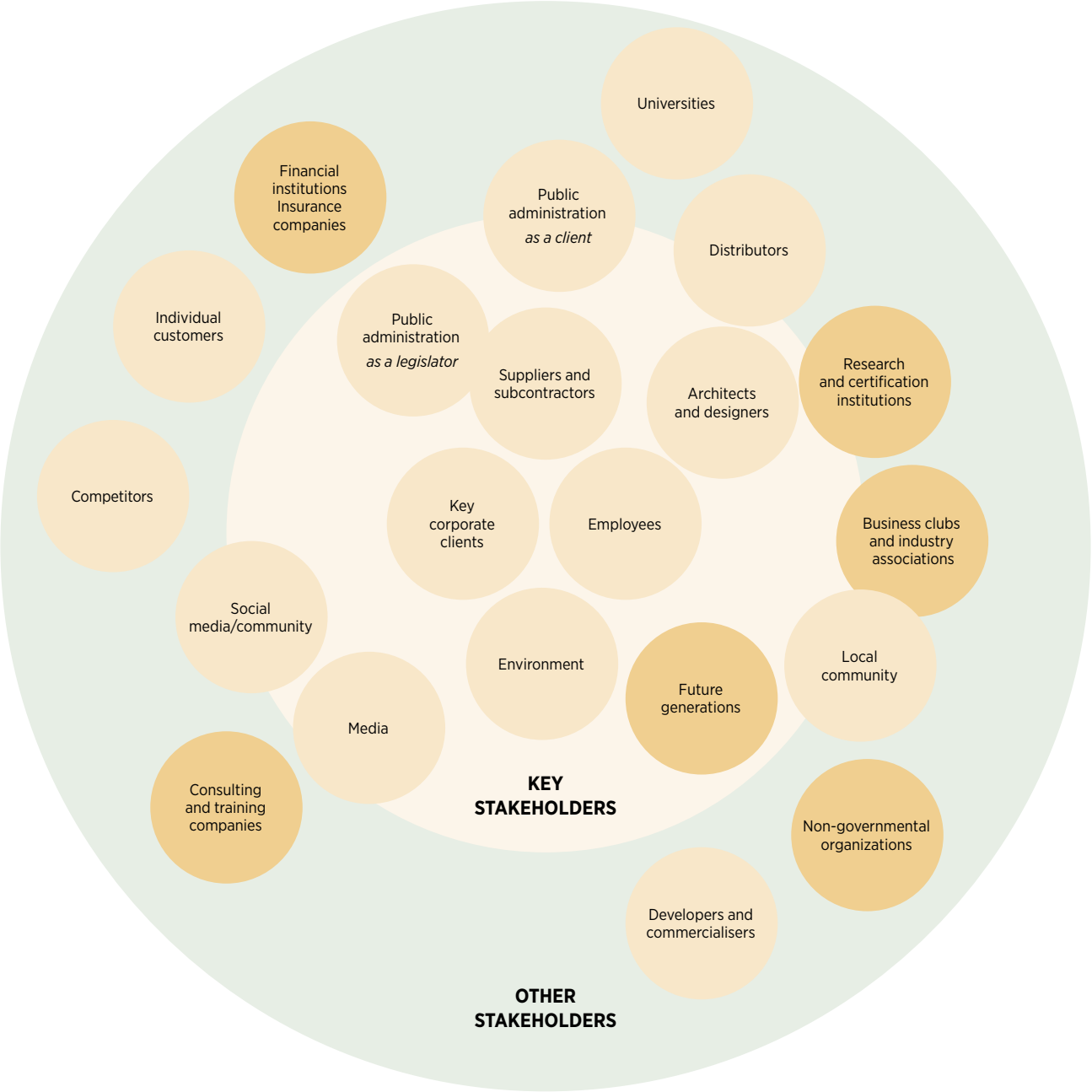
Key stakeholders	Main topics and issues raised by stakeholders
Key corporate clients (private and public sector)	<ul style="list-style-type: none"> • The need to reduce packaging, greater share of recycled materials and circularity of products.
Distributors and individual customers	<ul style="list-style-type: none"> • The need for products with green certificates, a high proportion of recycled materials and environmentally-friendly packaging. • The need for services to help close the material cycle. • Commitment to decarbonisation.
Architects and designers	<ul style="list-style-type: none"> • The need for products made from recycled materials. • The need for knowledge and a ready-made narrative about the responsible origin of the products. • Businesses are increasingly open to second-hand furniture.
Employees	<ul style="list-style-type: none"> • Needs linked with the implementation of a sustainable development culture in the company • Suggestions of HR programs and pro-social projects.
Public administration – legislator	<ul style="list-style-type: none"> • Compliance with environmental and socio-economic regulations. • Changes in legislation related to the implementation of the EU Green Deal and the EU directive on the protection of whistleblowers.
Suppliers and subcontractors	<ul style="list-style-type: none"> • Requirements for suppliers and products • Development projects run with suppliers. • Education of customers in responsible consumption is a common challenge. • The need for process improvements and new communication tools. • Training needs.

The survey shows that the topics Nowy Styl's stakeholders are interested in have not changed between 2020 and 2021, although the company's commitment to sustainability in the eyes of the stakeholders is not as strong. This is an indication for the future that there are still areas that need improvement, especially in terms of stronger communi-

cation. The conclusions of the analysis will be taken into account in the implementation of current actions and operational plans for the years to come. We considered these conclusions when assessing the relevance and selection of aspects we describe in this report.

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Nowy Styl stakeholders



At Nowy Styl, we attach great importance to building responsible communication with our stakeholders. We regularly expand our www.NowyStyl.com website, which is available in several languages. It features news about products, completed projects and company life updates, as well as lots of inspiration and expert information. In addition to numerous articles, the 'Knowledge' tab includes our reports on current market needs, case studies and the company's 'UPstream' magazine. The latter is meant for architects and designers, as well as anyone looking for interesting content related to design, office

arrangement, and public spaces. All publications on the website are available free of charge. Regular communication with our clients is also facilitated by our monthly newsletter distributed among subscribers, as well as by ongoing social media activity.

We also share information on Facebook, LinkedIn and Instagram that may be of value to our stakeholders.

Every two years, as we start working on our CSR report, we conduct a study of all our stakeholder groups using a selected study method (surveys or interviews).



Factory complex in Jasło, Poland

1.9 Organisations and associations

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102-13

As Nowy Styl, but also as companies operating in individual country markets, we connect initiatives and organisations that set and help maintain standards for products and business practices.

Internationally:

- **UN Global Compact Initiative** – since 2012, we have been members of the Global Compact, an international platform for companies and institutions that adhere to the UN's universal principles on human rights, labour standards, environmental protection and anti-corruption.
- **FEMB European Office Furniture Federation** – in 2013, Nowy Styl joined the group of associate members of FEMB, an organisation which provides reliable economic information on the development of the office furniture industry and works to standardise the industry in Europe. We are delighted with this opportunity, as it is extremely rare for private companies to be accepted into the ranks of FEMB.

In Poland:

- **Konfederacja Lewiatan** – one of the most influential Polish business organisations, member of the social dialogue council. It brings together more than 4,100 companies with a workforce of over 1 million people.
- **Executive Club** – a business organisation for the managers of Poland's largest companies.
- **Pro Progressio Club** – it brings together organisations from the Modern Business Services sector as well as their direct and indirect environment.
- **Stowarzyszenie Firm Rodzinnych** Family Business Association – an organisation for owners of family businesses as well as experts and academics who support the community. As firm believers that family businesses are the backbone of European business, Adam and Jerzy Krzanowski contribute to this discussion by participating in panels and closed business meetings.
- **Podkarpacki Klub Biznesu** Podkarpackie Business Club – an organisation for entrepreneurs and employers of the Podkarpacie region. It was co-founded by Jerzy Krzanowski, Vice President of the Management Board of Nowy Styl.
- **Polsko-Ukraińska Izba Gospodarcza** Polish-Ukrainian Chamber of Commerce – a business self-government organisation which represents the interests of its affiliated Polish and Ukrainian business entities in dealings with authorities and non-governmental organisations of both countries.
- **Polska Rada Biznesu** Polish Business Council – a business association of owners and key managers of the largest Polish companies and international businesses operating in Poland.

In Germany:

- **IBA** Industrieverband Büro und Arbeitswelt e.V. – a German organisation of office furniture manufacturers that runs research and industry statistics, promotes its members as well as represents the industry in dealings with standardisation institutions and initiates sectoral projects.
- **DNB** Deutsches Netzwerk Büro – an association that supports and promotes healthy, ergonomic office work.
- **German Design Council** – since autumn 2017, we have been a member of the German Design Council, one of Europe's leading organisations responsible for design development.

In France:

- **Ameublement Français** National Chamber of the French Furniture Industry
- **ARSEG** Association of Workplace Managers

In the Netherlands:

- **MVO Nederland** CSR Netherlands – in the MVO Nederland network business owners come together with experts to develop tools and share best CSR practices.
- **VIP** Vereniging van Interieur Professionals – an Organisation for specialists in office interior design. Nowy Styl is one of the main businesses that contributed to the document about developing circular economy, signed by the members of the Organisation.
- **BNI** Bond voor Nederlandse Architecten – a Dutch organisation for interior designers. It supports them in the Netherlands and abroad.
- **NEN** The Royal Netherlands Standardization Institute – a non-profit organisation related to the Dutch Committee for Standardisation.

Switzerland:

- **Möbelschweiz** Swiss Association of Furniture Companies – Employers' association Association of the Swiss furniture industry.



2

2 About and around the product

Commitments for 2022-2023:



- > We will renew the 'Well-being Quality Certificate' for the upcoming years
- > We will popularise workplace knowledge through an e-learning platform and website
- > We will educate and raise people's awareness of the problem of noise in the workplace. We will share knowledge on how to solve this problem.



- > We will implement the new ISO 22955 standard, which clarifies acoustic performance requirements in different types of open-space offices.
- > We will develop the Kusch+Co brand portfolio, specifically products dedicated to the areas of healthcare, transport and design.



- > We will increase the share of recycled materials in our products.
- > We will implement new products based on the implemented eco-design system, with a view to minimising negative impact on the environment.
- > We will update the Technical Data Sheets for the company's acoustic products.

Our products are used daily by hundreds of thousands of people in more than 100 countries around the world. We supply them not only with chairs and desks, but also with all-round solutions for specific office space and public

areas. Big scale means big responsibility, so in this chapter we will tell you more about our brands and the processes that Nowy Styl products go through.

2.1 Our portfolio

In 2022, Nowy Styl is celebrated its 30th anniversary. During this time the company has gradually expanded its portfolio and today it offers solutions not just for offices, but also

for stadiums, hospitals or airports. Due to the variety of products, the company's portfolio currently consists of several brands.

GRI
102-2

Nowy Styl's portfolio:

NowyStyl

NowyStyl

KUSCH+CO

SOHOS
by Nowy Styl

SITAG
by Nowy Styl

forum
by Nowy Styl

- **Nowy Styl** – the largest and dominant brand with products and services for office spaces and public places.
- **Kusch+Co** – a brand appreciated globally for the excellent quality and exceptional design of chairs and furniture, as well as specialised solutions for the healthcare sector and passenger terminals.
- **Sitag** – a local Swiss brand with a tradition which offers high-quality office furniture.
- **SOHOS** by Nowy Styl – a sub-brand with a wide portfolio of solid and ergonomic office chairs at an affordable price and of good quality.
- **Forum** by Nowy Styl – seating and auditorium solutions for lecture theatres, cinemas, theatres and sports venues.



Showroom in Berlin



Showroom in Zurich



Showroom in Zurich



Showroom in Zurich

Our portfolio is constantly changing as we keep improving our products and offerings to best meet the users' needs. We want to offer 21st-century solutions – designed thoughtfully, with attention to comfort and safety and in the spirit of sustainability. Therefore, we extend our certification every year.

We showcase Nowy Styl solutions and products in more than 30 showrooms in many countries around the world. The Covid-19 pandemic has not prevented us from investing in this form of exhibiting our solutions. Between 2020 and 2021, we have successfully opened or refurbished more than a dozen showrooms in anticipation of the return of visitors.

Before the product reaches the customer

We guide our customers through the process of fitting out a new office from A to Z. We prepare an offer based on a needs analysis and product layout design, manufacture the furniture and then deliver and assemble it, considering the logistical and organisational capacity of the facility. We provide after-sales support for the client's company, including product training, the ability to quickly order additional equipment and, if necessary, efficient service.

When designing our products, our customers are front and centre. Our client's comfort and health are of most importance to us and we consider the products' environmental impact at every stage of the life-cycle. We check the durability and recyclability of raw materials used in our solutions. We provide them with varied functionality since we know that versatile products last longer.

The fact that the final product finds its place in an office, clinic, airport, stadium or home office is the result of the work of multiple teams. These include designers, builders, technicians, architects, programmers, acousticians, sales,

marketing and many, others. In the product context, we would like to mention two teams in particular.

The first one deserves a mention because of its particular influence on product design and development, it is the Product Management Department. This department looks after the portfolio, implements new products and ensures certification in all geographical markets and for all product brands. The department is also tasked with reducing time-to-market and ensuring that new launches are relevant, i.e. they correspond with the customers' needs and financial capabilities. What makes the **Product Management Department** unique is its interdisciplinary nature – it overlaps with practically every area of the company's operations: including production, marketing, sales and customer service.

The individual areas of the department's operations are presented below:

Product Management Department

Portfolio Management & Optimisation

- portfolio development for individual brands
- portfolio optimisation
- price positioning
- development of product trim concepts
- market and competition monitoring

Product Training and Consulting

- product training
- e-learning platform maintenance
- support for sales teams during presentations at key customer premises

Product Development

- new product implementation projects
 - through prototyping to final product preparation for production
- development of existing product lines

Product Support and Certification

- preparation for product certification required in given markets
- preparation of necessary environmental documentation for commercial projects
- eco-design and circular economy support for implementation teams

Product Marketing

- developing and implementing product promotion strategies

With proper office zoning as well as thoughtful positioning of acoustic products, a space can support effective work and get the full potential out of the products placed in it. Therefore, the second team we would like to mention here is the **Workspace Research and Consulting Department**. It provides consultancy in the field of effective and ergonomic office space arrangement to a match different employee preferences, nature and style of their work. It comprises two teams: the Workplace Consulting team, which specialises in providing research and consultancy

services to our clients, developing publications and sharing knowledge from the latest workplace news, and the Workplace Planning team, which consists of experienced interior designers and architects, who design spaces for clients. Owing to the work of the above teams, our products are placed in interiors in a way that best serves their purpose, which is slightly different for each organisation.



The crowning achievement of our expertise and efforts aimed at creating effective work spaces is the Well-being Quality Certificate 2020 – an award for companies whose products and services enhance the well-being of people and organisations.





Showroom in London

2.2 In the spirit of circular economy

We are aware of the damage man causes to the environment. We can see that the availability of natural resources has been dropping over the years and climate change has become more severe. Therefore, as an organisation,

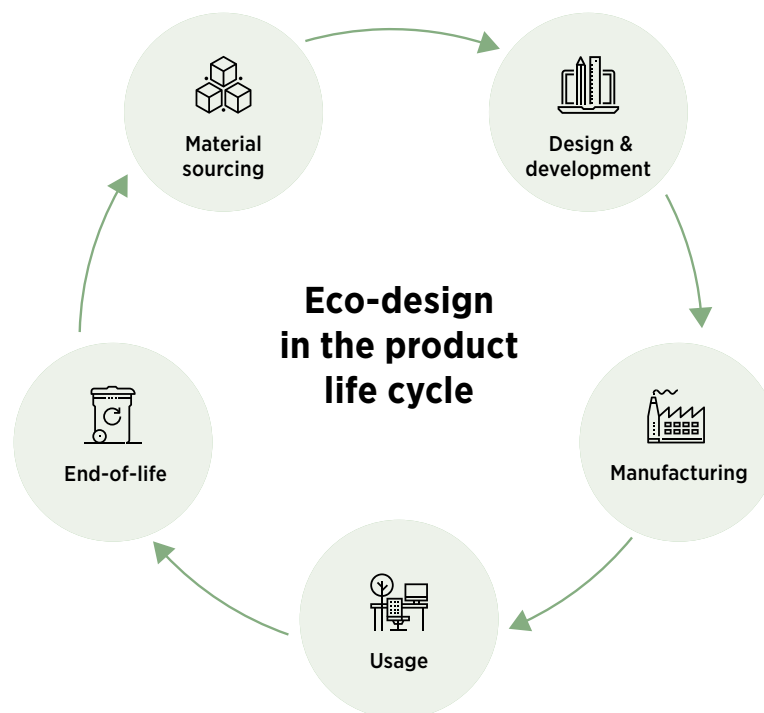
we have been trying to introduce as many solutions as possible in the recent years that are in line with the spirit of eco-design and closer to the principles of circular economy.

Eco-design

  In 2021, Nowy Styl implemented an eco-design management system in accordance with ISO 14006 (Environmental Management Systems – Guidelines for incorporating eco-design). Its implementation has expanded the organisation's environmental management according to the ISO 14001 standard. We build on the experience of designing and implementing new products, and the knowledge gained from the practice of eco-certification of office solutions and certification of

green office solutions. Based on these, we have developed procedures and trained employees to create new products that are environmentally friendly, from cradle to cradle' even more efficiently.

The key to eco-design is to approach the product holistically, i.e. to consider the environmental aspects throughout its life cycle. Sometimes a single ingredient is the key to whether a product can ultimately be reprocessed and will not generate waste.



In our procedures, environmental requirements are parameterised and defined on several levels, in line with legislative requirements as well as leading office furniture certifications and management systems. These include environmental aspects in the broadest sense, such as:

- design for subsequent recycling,
- extending product life (availability of spare parts, interchangeability of parts and upgrade options),
- reduction of energy and water consumption in the production process,
- efficient use of materials,
- increased share of recycled and sustainably sourced raw materials,
- reduced (mainly plastic) packaging,
- elimination of substances and chemicals that pose a risk to humans and the environment (e.g. REACH and candidate list substances, formaldehyde or VOCs).



Due to the growing interest in more environmentally responsible products, the world is struggling with green-washing. Certification and environmental management systems give us and our customers confidence that the products offered by Nowy Styl have indeed been created with environmental aspects in mind



Rafał Styrkosz

Product and Certification Support
Team Manager
Nowy Styl

Circularity

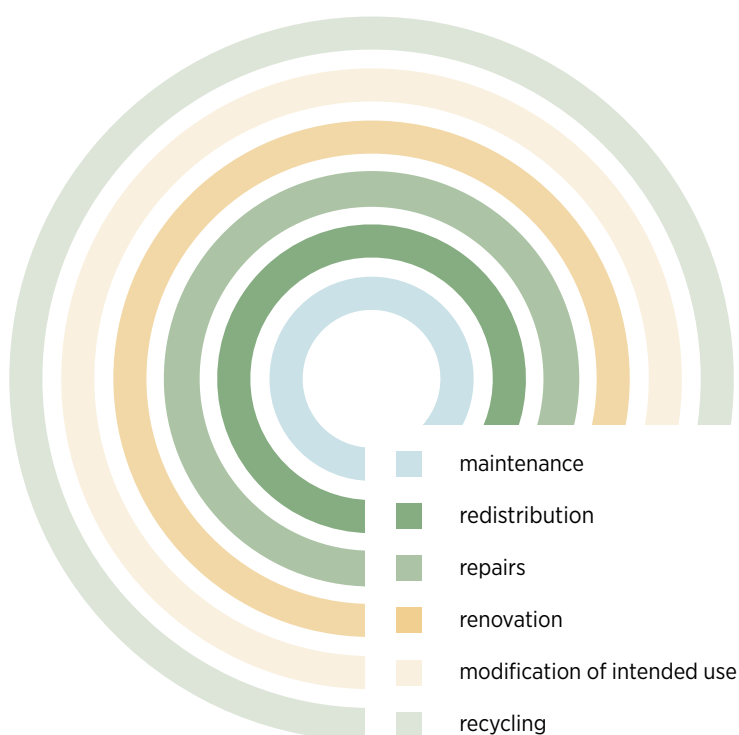
Circularity (or circular economy) is a concept that involves using resources rationally and efficiently and minimising the adverse environmental impact of the manufactured products. Circular economy aims to keep raw materials and products in circulation for as long as possible, as an alternative to a linear economy based on the 'take, use and throw away' principle.

At Nowy Styl, we are trying to develop a business model

based on circular economy. We are gradually developing new services that allow companies to manage their office equipment more sustainably. In doing this, we follow the *6 loops of circularity* model..

In the years reported, we have continued a pilot project commissioned by the Dutch government based on circular economy principles. Below is a selection of the actions we have undertaken as part of this collaboration.

6 loops of circularity



In the years reported, we have continued a pilot project commissioned by the Dutch government based on circular

economy principles. Below is a selection of the actions we have undertaken as part of this collaboration.

Complete refurbishment of
205
workstations
and conference furniture

Complete modernisation
of approximately
500
workstations

Production of
10,000
swivel chairs made
with bio-foam



Transportation
of products
by electric cars

Cleaning, refurbishment
and replacement
of upholstery
on approximately
1,500
swivel chairs

Replacement of upholstery
on approximately
800
conference
chairs

Stocktaking, labelling
and registering of over
60,000
items of office equipment

We are also trying to implement the principles of circular economy in our products. One example is the **Xilium chair range** which is almost entirely recyclable at the end of its life. Moreover, most of its components are replaceable, and

more than half of them can be replaced DIY, with simple tools and instructions. This helps reduce waste as well as save money. Xilium is built to last a long time, which is why products in this range come with a five-year guarantee.

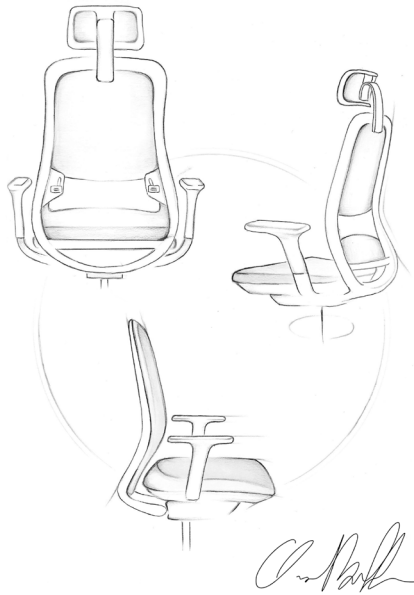


Xilium chair examples



Another example of a chair from Nowy Styl's range is a 2021 model, the **Souly**. The MV mesh used for its backrest is made of 80% recycled polyester. Its seat, headrest and lumbar support can be easily removed and replaced by the user at any time. All of the chair's components are easy to separate, sort and dispose of. An additional advantage

that is difficult to achieve in the furniture industry is that Souly's packaging is very compact and not too heavy, so it can be shipped to its destination by courier without a pallet. Also, we have designed its packaging to use as little plastic as possible.



Souly chair examples



More and more of our product lines have a **Type III Environmental Declaration, the so-called EPD**. It is an independently tested and registered document, which provides transparent and comparable information on the environmental impact of products at various stages of their manufacture and throughout their life cycle. EPDs operate in accordance with the ISO 14025 and ISO 14040 standards. Our products' environmental impact analysis in the EPD covers a number of indicators, such as CO₂ emissions throughout the various product life cycles (e.g. at the

stage of sourcing raw materials, transport to our production locations or production of the final product itself). EPDs are increasingly becoming a requirement for commercial projects we take part in as Nowy Styl, as they make it possible to submit bids as part of what is known as 'green public procurement'. Type III environmental declarations for our products have been approved by Instytut Techniki Budowlanej (Building Research Institute) in Warsaw, which is a member of the European Platform of institutions authorised to issue documents such as the ECO Platform.

2.3 A well and safely planned space

Several factors are key to how comfortable and ergonomic one's workspace is. Therefore, when we talk about a well-suited workspace, we mean more than just a desk and a

chair. When arranging offices, we also take care of acoustic issues and design spaces to be as comfortable and safe as possible.

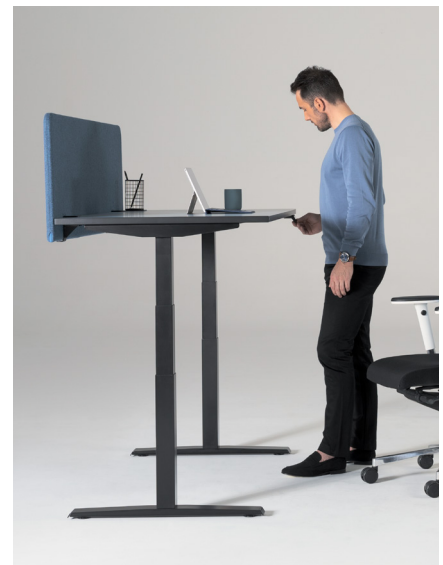
Ergonomics

People spend an average of 13 hours a day seated. Sitting, often in a wrong way, exposes our bodies to a variety of ailments. The strain on our spine and the associated pain do not disappear when we leave the office. That is why it is so important to change positions frequently. The ideal model assumes that during the working day we should be sitting for 50% of the time, standing for 25% of the time (standing work, meetings at a high table) and be on the move for 25% of the time (moving around the office, getting a coffee or water).

With this, as well as the much wider ergonomics knowledge in mind, we strive to design furniture with a view to

how it can benefit the health of its users. That is why we have developed an entire range of **innovative ergonomic systems** such as:

- > **GLIDE-TEC** – a patented solution to protect the user's back when changing positions,
- > **Duo-back** – recommended for spinal dysfunctions,
- > **S-MOVE** – designed for the 4ME chair line,
- > **X-MOVE** – a patented mobile link between the backrest and the seat,
- > **AirCare** – a system of air chambers located inside the seat for dynamically responsive support.



In the years reported, we have expanded our range of desks with electric height adjustment for standing work to include eUP electric desks as well as the eModel 2.0 and Xio 2.0 lines with advanced settings. Our offering also includes Play&Work and eRange system electric desks. In response to the needs of hybrid and home office work, we have introduced a single-column desk with electric height adjustment – the eModel 2.0 mini, with dimensions optimised for courier delivery. The desk is also available in an

electrically independent version – where height adjustment is hand-operated with a crank. A wide selection of these products is due to the increasing need to design ergonomic workstations and employers' growing awareness of ergonomic principles. Just like in previous years, we regularly provide training to employees, distributors and end-users on how to properly adjust our furniture to best suit ergonomic work.



Acoustics

Even the best office will not do its job well if it is noisy. And this is often the case when dozens of conversations, the hum of printers and ringing telephones all happen together. The problem of noise in the office can be solved by a properly planned space and skilful management or soundproofing with acoustic products. Nowy Styl has such products in its offer.

However, before an acoustic product gets added to the portfolio, we test it for effectiveness. So far, we have conducted acoustic tests in several centres in Poland and abroad: at the Technical Acoustics Laboratory at the AGH University of Science and Technology in Cracow, the Building Research Institute in Warsaw, Müller-BBM GmbH in Munich, and in cooperation with one of the world's most

respected acoustical consultancy firms, Nagata Acoustics. Our team in charge of acoustic products and their implementation is made up of people with relevant education and experience, who are continually learning from industry publications and case studies from previous years.

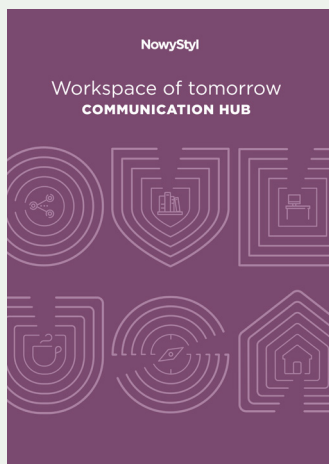
We also have our own laboratory equipped with hardware and software for testing the sound-absorbing properties of materials used in the furniture industry. This is where we carry out computer simulations using acoustic products. We are also working on developing a range of sound-absorbing products for office interiors and public use. The solutions we have implemented include wall panels with varied absorption characteristics and sound-absorbing fleece made from production waste.

Space planning

Offices change depending on circumstances. The COVID-19 pandemic showed us quickly and bluntly how much what we perceive as our workplace can change. Responding to the changing realities of the office was one of the biggest challenges Nowy Styl had to face in 2020-2021. We got many of our experts involved in the change process.

As a result, we developed our Safety Solutions offering, which expanded on our current products to include, among other things, plexiglass walls to ensure hygiene in the workplace. Together with our Workspace Research and Consulting Department, we also developed reports to respond to the pandemic situation. The first one –

'Welcome back... to the office! See how to prepare your office for the return of your employees' is a practical collection of solutions and recommendations to increase office safety. The publication includes, for example, suggestions for rearranging the workspace, so that the necessary distances are maintained. The second report, 'Workspace of tomorrow. Communication Hub. What might a hybrid office look like?' speculates about the future of offices and the effective combination of working from the office and from home. It also includes numerous recommendations for planning a new space.



Report: Workspace of tomorrow. Communication Hub. What might a hybrid office look like?

The report presents our most interesting solutions for work organisation in the near future. It aims to inspire and help create the offices of tomorrow. Remote work? Or maybe hybrid work? How will the changing working styles affect the look and feel of offices?

Enjoy the read!



*Click to find out more
about the report*



2.4 Responsible manufacturing – standards and certifications



To guarantee the highest quality, we make sure 100% of our products are tested for impact on the health and safety of users. We test products at our own testing centre in Poland, as well as in certified external testing units in Poland and abroad. We collect all certificates, reports, declarations and approvals in one place for our employees. In this way, all of them can consult the

resources at any time and check what requirements are met by a particular product.

We also tell our customers what requirements we meet. Those looking for sustainable furniture solutions for their offices can choose from a wide portfolio of Nowy Styl products with certificates to confirm their safety as well as environmental and durability-related properties.

Selected certifications:



European Level by FEMB Certificate – a pan-European certification system designed to provide the most open and transparent means of assessing and communicating the environmental and social impact of furniture. In 2021, a group of our products successfully passed another demanding assessment process and was awarded a new LEVEL certificate. The LEVEL audit and assessment covers not only the selection of materials used in the products and the manufacturing process, but also the company's social responsibility, energy consumption and the impact of the chemical ingredients used on the environment and people. It takes account of European legislation, the principles of green public procurement and the EU circular economy guidelines. In all the categories submitted, our products achieved the highest level of compliance, i.e. LEVEL 3.



Blue Angel – the oldest and best-known eco-certificate in the world, focused especially on the environmental impact of the processing of raw materials and the production of goods. Blue Angel is an environmental signal which lets the consumer know which products are environmentally high-quality and promote environmentally conscious consumption. Products with this label have extremely low emission levels, ensuring a healthy indoor climate. This is extremely important for users who focus on the sustainability of the products used as well as on health-related safety.



Forest Stewardship Council® (FSC®) – is an international non-profit organisation for the certification of forests and products containing wood or wood-based material. The FSC® certificate is a reliable confirmation that these materials have been sourced from responsibly managed forests, and with respect for social and environmental aspects. Our selected product lines in the price list are FSC-certified.



PEFC – is an international non-profit organisation which aims to promote responsible forest management through independent third-party certification. Currently, PEFC includes certification systems respected in more than 30 countries. In total, they are responsible for the certification of more than 275 million hectares of forest. Kusch + CO GmbH offers several PEFC-certified product lines.



Möbelfakta – a certificate awarded to products that meet high standards in terms of sustainability and safety, environmental care and social responsibility. It is one of the most respected standards on the Scandinavian market. The basic criteria for assessing furniture include requirements in three areas: quality, environment and social responsibility as well as a responsible supply chain. Nowy Styl's product line was awarded this certificate for the first time in early May 2022.

The full list of certificates awarded can be found in the index at the end of the publication.

[Click to read more](#)



Products for hospitals and other medical facilities

One of our brands, Kusch+Co, has specialised in providing proven solutions designed for the healthcare sector for many years. The experience accumulated over the years has allowed the brand to develop the special Kuschmed range. It is based on close cooperation with experts and German institutions operating in this area.

The brand continues to develop its range of hygiene-related solutions. Many of its products have been tried and tested for durability in frequent contact with disinfectants.

In-house technical implementation as well as the tried and tested components have enabled the brand to develop furniture solutions that meet the requirements of this market sector. One of Kusch+Co's products for the healthcare sector is Embla. In the years reported, we also began work on the implementation of the V-Care chair for offices, medical facilities and public areas. The product features a durable antibacterial surface and is particularly resistant to cleaning agents and disinfectants.



The flash resistance of our products

Stadiums, sports halls, airports, concert halls, clinics and hospitals – furniture in these places must meet special safety standards in terms of flash resistance. Two of our brands, Forum by Nowy Styl and Kusch+Co, have products in their portfolio that meet these standards. 100% of Forum by Nowy Styl products are tested and classified as flash-resistant according to regional standards.

Kusch+Co is a member of the German Institute for

Standardisation (DIN Berlin) and actively participates in the NA 062-05-43 GA committee, which deals with the fire resistance of furniture and textiles. In late 2022, we plan to open the Kusch+Co Competence Centre for Fire Protection and Hygiene (Kusch+CoCompetence test laboratory). The Centre will conduct fire test simulations in accordance with the DIN standard, as well as numerous training courses.



German Institute for Standardisation (DIN)

It is an ISO member organisation based in Berlin. It is recognised by the German government as the official national standardisation body which represents German interests at the international and European level. Approximately 30,000 standards have been developed as a result of DIN's operation, covering almost every field of technology.

Compliance with standards

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It is our priority that customers and users perceive Nowy Styl as a reliable partner and manufacturer. That is why we pay special attention to making sure our products comply with the applicable standards. This is confirmed by the fact that no penalties were imposed **on Nowy Styl during the reporting period for non-compli-**

ance with regulations and voluntary codes concerning the impact of products and services on health and safety. Nor did we record any violations in terms of non-compliance with product and service labelling, reliability of marketing information requirements or non-compliance with laws or regulations in the social and economic area.

2.5 Design awards

At a time when technology makes it possible to put just about any idea into practice and the market is full of unnecessary products, the biggest challenge for the design world is to only design things that have a real impact on people's lives – helping them in their daily work or protecting

their health. To achieve this goal, at Nowy Styl we invite renowned designers to work with all Nowy Styl companies. Our joint work is often rewarded with awards, some of which are presented below.

Selected awards



reddot winner 2022



winner



winner

Designers



WertelOberfell



Andreas Krob



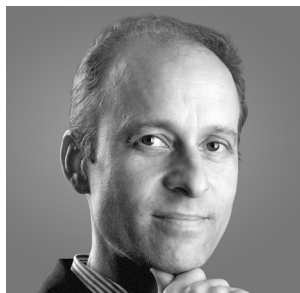
Mac Stopa



Martin Ballendat



2DODESIGN



Jens Korte



Ray Carter



Hilary Birkbeck



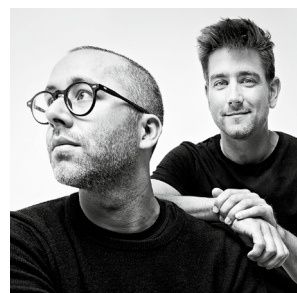
Bernd Crabus



Jerzy Langier



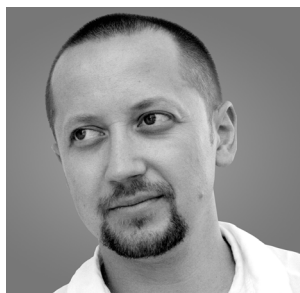
Claudio Bellini



Kaschkasch



Rebecca Stewart



Arkadiusz Kulon



Luigi Colani



Norbert Geelen



Justus Kolberg



Oscar Buffon



Vincent van der Horst



Armin Sander



3 We are a team

Commitments for 2022–2023:



- > We will conduct a talent programme for professionals in technical positions to develop their soft skills and prepare them for managerial roles.
- > We will conduct a development programme for managers to shape leadership attitudes consistent with our values and organisational culture, and to strengthen intergenerational management competencies.
- > We will include a module on sustainability and CSR in the on-boarding programme as well as in sales department training and the managerial programme.
- > We will arrange the election of new employee representatives. A popular vote will be an opportunity to promote employee rights to co-determine key issues.
- > We will expand the ethics training programme to include the topic of anti-corruption and will continue the anti-bullying and anti-discrimination training. These will be mandatory for employees every two years.



- > We will develop a recruitment procedure to promote the principles of equality and diversity and ensure that they are respected at all stages of the process.
- > We will extend the internal policy breach reporting system to include new companies from the Nowy Styl capital group

Today, Nowy Styl is Europe's leading office furniture manufacturer. It is hard to believe that all we had 30 years ago when we started production was seven employees and three chair models. We have built modern factories and a research centre, which has supported our development. What makes Nowy Styl a success above all, however, is our people. Creative, ambitious, committed.

In this chapter, we will talk more about people. We will analyse the number and diversity of people working for us, we will discuss recruitment, on-boarding and the company's ethical principles. We will also touch on issues related to safety and development opportunities.

3.1 Our employees

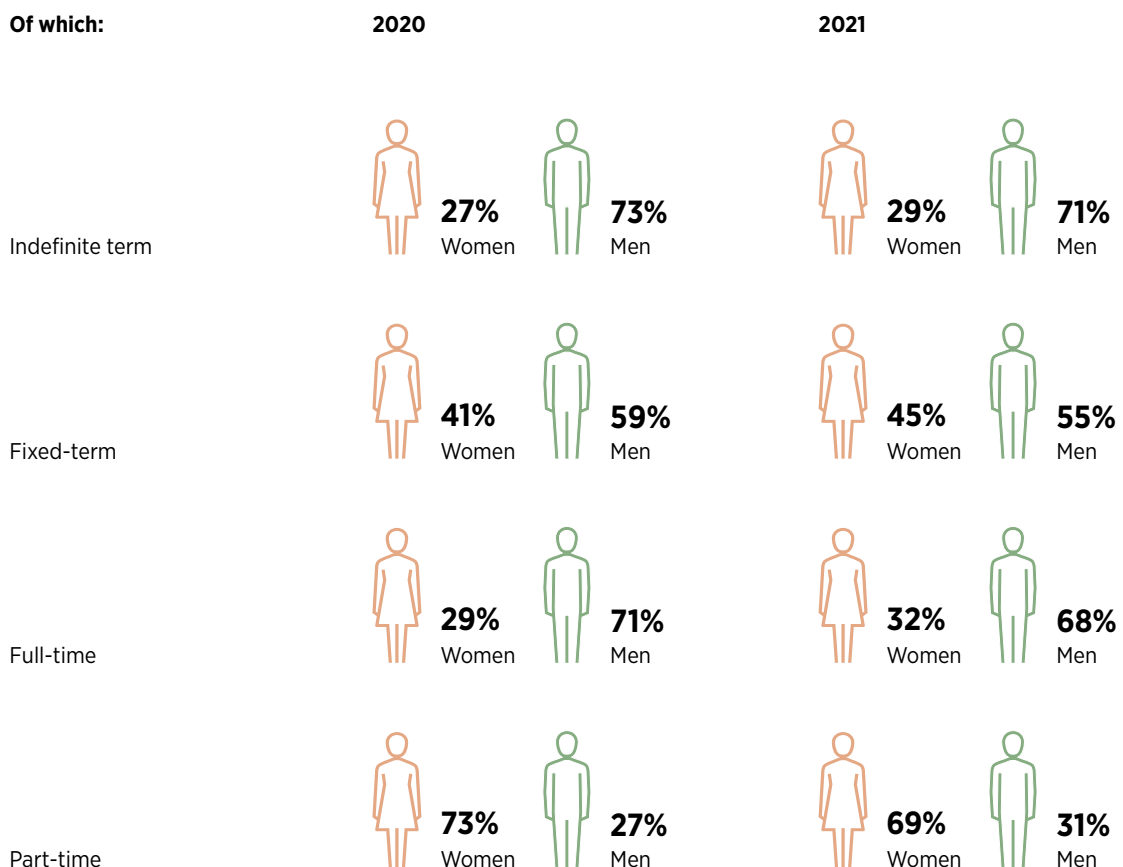
GRI 102-7 In late 2021, there were 4,039 people working at the reported Nowy Styl companies. Our employees are primarily employed locally (in the respective units' region

of operations). Most of our employees, 3,421 people, work for us in Poland, 95% of whom work in the Podkarpackie Province, where our largest factories are located.

GRI 102-8 Employment structure by gender, contract category and contract type

Contract type	2020	2021
Indefinite term	82%	79%
Fixed-term	18%	21%
Full-time	97,5%	98%
Part-time	2,5%	2%

Of which:



We employ people on an employment contract basis. Less than 0.3% of our employees worked under civil law contracts in the reporting period. Self-employed individuals are also an insignificant group among the company's

employees, therefore they are not registered by the HR department. 1.5% of the entire workforce are employees of temporary employment agencies. In accordance with the current EU law, we do not employ children.

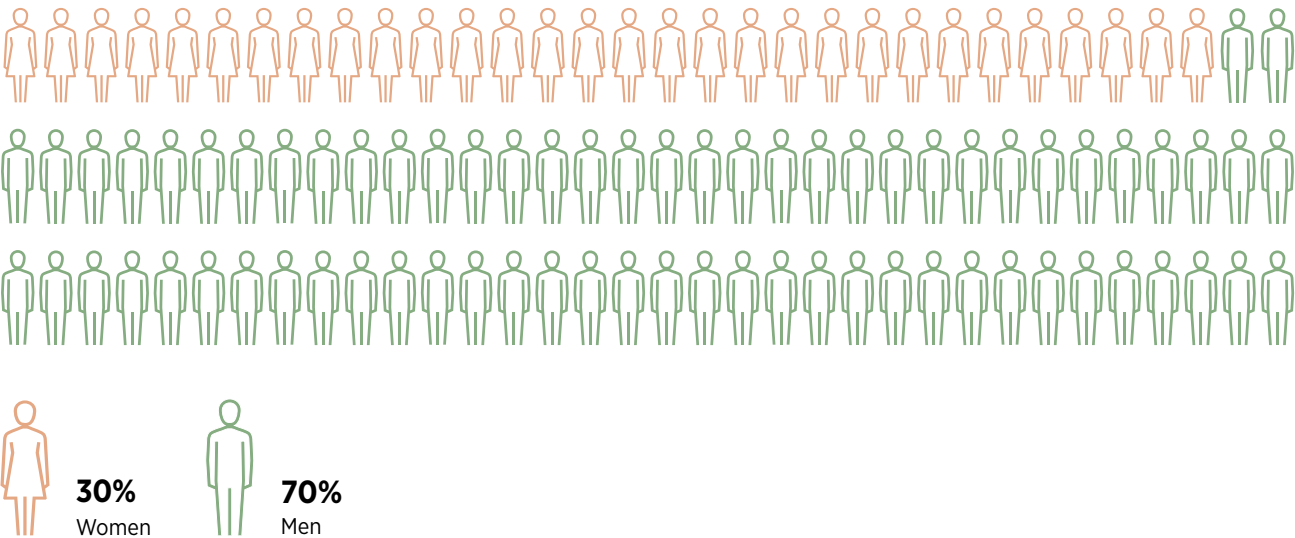
The structure of the workforce shows some disproportion between men and women. The numerical predominance of men is due to the physical requirements that must be

met in order to work in many factory positions. In recent years, however, we have noticed an increasing number of women who are willing to take on factory work.

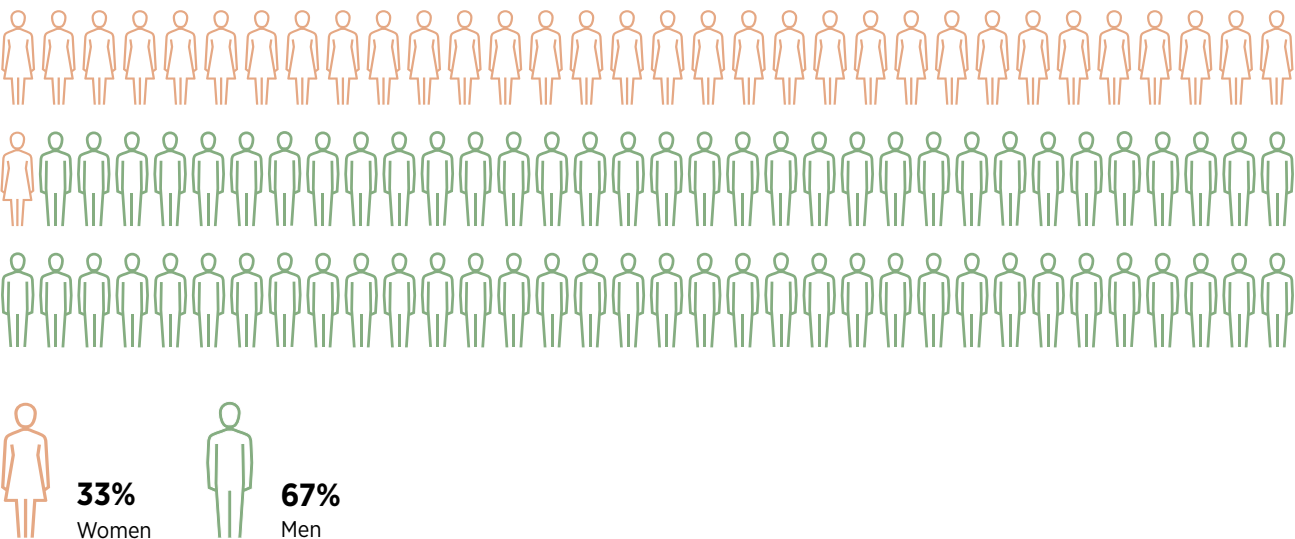
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Employment structure by gender

2020



2021

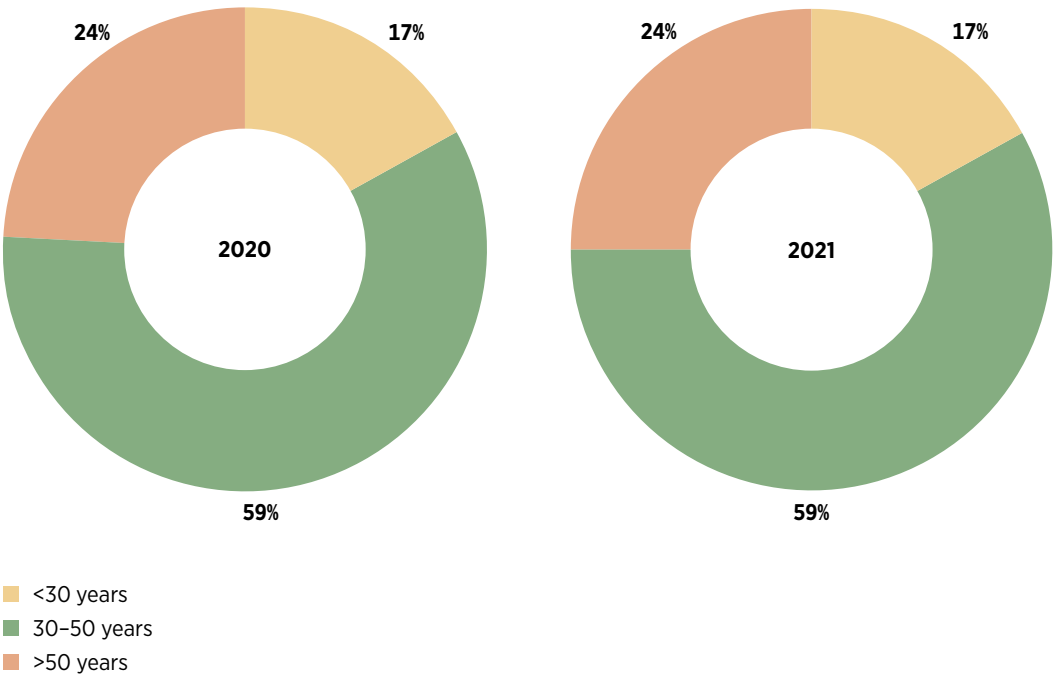


We value diversity. We employ people from different age groups, so that we can keep learning from one another and find it easier to look at different issues from several points of view.

More details about the employment structure at Nowy Styl, including the management level structure, are presented in the tables in the index at the end of the document.



Employment structure by age



Remuneration

We invariably base our employee remuneration principles on equal treatment of men and women for work of equal value. They are aligned with local legislation. Salaries depend on experience, education, seniority and the nature of the work performed.

More details about the employment structure at Nowy Styl, including the management level structure, are presented in the tables in the index at the end of the document.

Employee benefits

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Our employees have access to a number of benefits that make life easier and help take care of health and well-being. The benefits listed below are available to

all employees employed at Nowy Styl Sp. z o.o., including those hired on a part-time basis.



Life insurance and private medical care

Voluntary group insurance available to the employee, their spouse/partner and adult children. The insurance offer also includes private medical care.



Flu and Covid-19 vaccinations

Voluntary and free flu vaccinations organised in autumn across all our company locations in Poland. Also voluntary and free Covid-19 vaccination organised in spring for all employees of our company in Poland.



Medicover Sport card

Co-financed Medicover Sport package for employees.



Gifts from Santa

Gifts from Santa for children up to the age of 12. The gifts are PLN 100 vouchers to be redeemed in shops and bookshops. It is worth noting that every parent receives a voucher for each child. As there are many married couples working in our organisation, many children have received vouchers for PLN 200.



Camps for children

Trips for children aged 8 to 16 organised in summer. The company covers between 50% and 90% of the cost of the trip.



Cash benefits

Additional cash benefits paid twice a year.



Discounts on our products

Attractive discounts on products from our brands.



Cash assistance

Non-repayable cash benefits for employees who find themselves in a difficult life situation.

Recruitment

We conducted 145 recruitment processes in 2020 and 152 recruitment processes in 2021. Every person who takes part in a recruitment process at Nowy Styl is assessed against the same predefined criteria with respect to the requirements profile. In this way, we maintain equal opportunities and prevent discrimination. To have the process structured this way was very important to us, as we interview candidates almost every day. We use a standardised interview form that takes account of the stages developed before:

- preparation of a requirements profile – we identify the skills and knowledge needed for the position,
- development of a candidate assessment matrix – we assign points according to the requirements profile criteria,

- preparation of phone call scenarios – we conduct a preliminary interview before we invite the candidate into a meeting,
- STAR method – we prepare a competency interview based on behavioural questions.

Our employees can also participate in internal recruitment. This gives them a development opportunity within the company structure as well as vertical and horizontal promotion options.





Adaptation and on-boarding

The process of adapting a production worker or on-boarding office workers allows new employees to understand how the company operates, learn about the scale, business operations and development of Nowy Styl. By participating in training and workshops, employees learn about the history, organisational culture, values, organisational

structure, our customers and the geographical scope of our business. On-boarding takes place at least once every two months and is 3 days long.

In the reporting period, a total of 864 people were trained as part of production worker adaptation. 228 employees took part in office worker on-boarding.

Year	On-boarding	No. of participants	Adaptation	No. of participants	Total number of participants
2020	7	82	42	223	305
2021	10	146	143	641	787
All editions total	17	-	185	-	1,092



Employee assessment

GRI 404-3 We watch over the development of our employees. To test their performance, the quality of their work and their preferred direction of development, we run periodic employee assessments. In 2020, we conducted them in the Technical Division and the Production Planning and Procurement Division. For the interviews, we prepared a new set of competencies that better reflected the values and characteristics of Nowy Styl's organisational culture. We had planned to hold interviews in 2021, but we cancelled the meetings due to the pandemic.

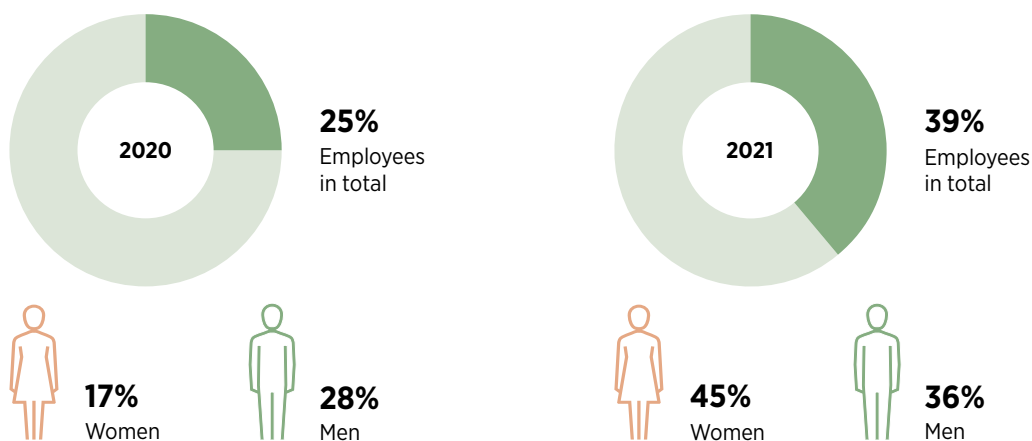
Our production workers receive feedback and skills evaluation as well. We have prepared an evaluation scheme and evaluation criteria that enable us to replace subjective opinions with objective criteria. Through such measures, we can appropriately match actions to raise the

level of professional competences and qualifications, and we have the opportunity to assist in career planning and assess development and training needs.

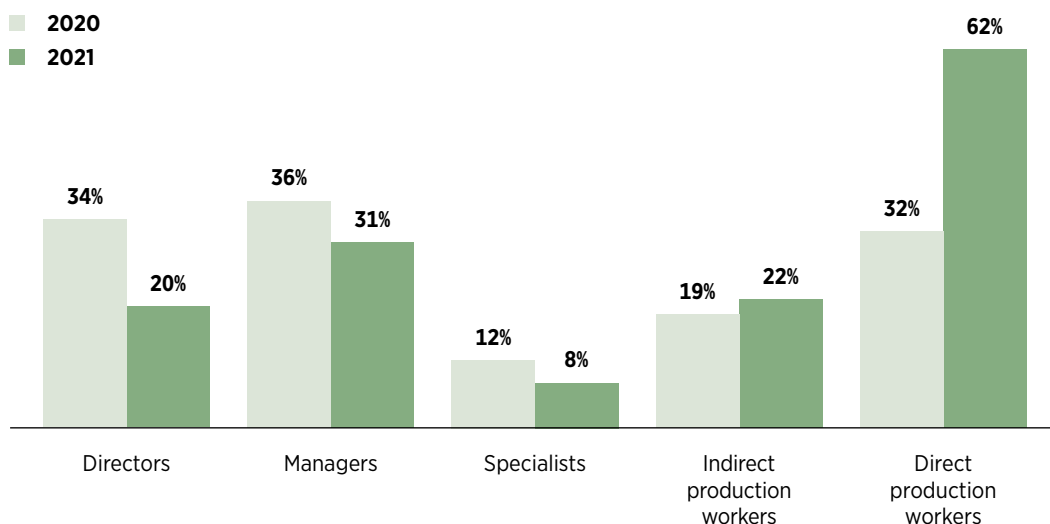
In the years reported, we also ran a development programme called 'Manager's Academy', which prepared managers to conduct performance assessments. Training in this area included:

- employee assessment criteria, good practices and assessment errors,
- conducting a periodic interview with an employee (bosses and managers),
- post-assessment action (foremen) – talks with employees rated below expectations and particularly high-performing employees.

GRI 404-3 Percentage of employees subjected to regular quality of work assessments and career development reviews by gender



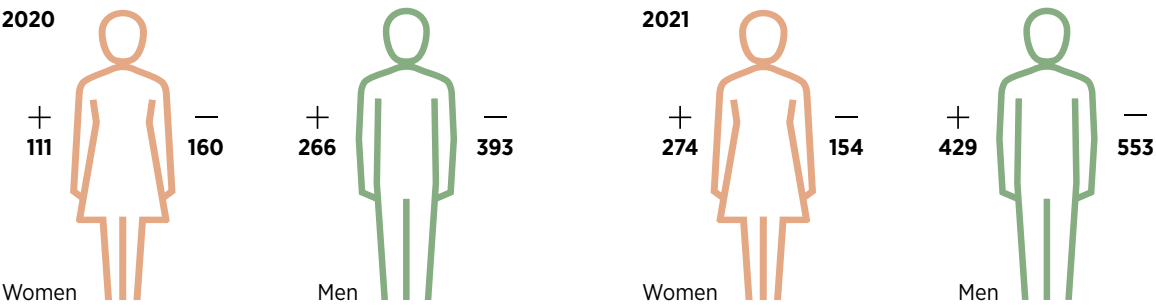
GRI 404-3 Percentage of staff subjected to regular performance assessments and career development reviews by employment category



Hirings and resignations

The staff who joined the Nowy Styl team in 2020-2021 are mostly under 30 years old, with up to 7% of new hires between 30 and 50 years old. Those aged 30-50 were the most likely to leave the organisation.

GRI 401-1 Hirings and resignations



GRI 401-1 Q2 2020 was a difficult period due to the prolonged COVID-19 pandemic. It was then that employment contracts with nearly 60 of our employees were not extended or were terminated by mutual agreement at the employer’s initiative. In order to best prepare all parties for this decision, we prepared ‘off-boarding packages’. The package for managers included a guide with advice on how to talk to an employee whose contract will not be renewed and, subsequently, other members of the team. The document has been a practical tool for managers not only during the pandemic, but at any time when a contract is terminated at the initiative of the employer.

The employee packages also offered tips on what to do after losing a job. They included information on district employment offices with their contact details. We added guidance on employee insurance and registration with the Job Centre. In addition, our HR department pointed out the most popular local job portals, and offered support in writing application documents – CV and cover letters as well as helping with interview preparation.

Despite the Covid crisis, we managed to avoid group layoffs.

Exit Interview

We have been conducting employee exit interviews at Nowy Styl since 2018. For this purpose, we contact those who have decided to leave their employer of their own accord. Conducting exit interviews is a good tool for us to collect feedback. These, in turn, inform actions that will counteract employee turnover and increase overall job satisfaction.

In 2020, we interviewed almost half (46.5%) of those

who had terminated their relationship with Nowy Styl of their own accord. In 2021, the number went up to 57%.

We made attempts to contact all those who had given notice. The estimated interview time is between 15 and 45 minutes per person. We currently do face-to-face interviews, where possible, subject to employee availability. The responses we get help us guide change within the organisation.

3.2 Focusing on personal development

We invest in employee development at all times. We prepare many training courses and development programmes for them to support their daily work. Our company is made up of people who are ambitious and young at heart, which is why the courses we develop are popular.

Employee training

GRI 404-2

Nowy Styl supports employees in the development of their competencies. Employees have the opportunity to participate in external and in-house training courses, workshops, conferences and international trade fairs. This gives them the chance to learn and develop their hard and soft skills.

Key training areas at Nowy Styl in 2020-2021:

Know-how workshops

local and international meetings where we share knowledge and experience of working with customers in a given market

General development workshops

efficient meetings, public speaking, professional assessment interviews

Specialised workshops

in manufacturing, logistics, quality, trade, finance, workplace design, workplace optimisation strategy and office change project management

Training in lean manufacturing


conducted by our Continuous Improvement Process Department

Technical training

related to the introduction of innovative software used by design engineers

Sales training

trade negotiations, sales techniques




Product training

chair and soft seating offer for the project market, acoustics, product changes

Language training

based on the demands of a specific position

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Development programmes

The development initiatives we have implemented in the recent years have helped maintain an appropriately qualified workforce and supported the participants' personal development. As a result of the various

programmes and with the specialist knowledge gained, our employees were able to feel more confident in their positions and perform their daily work better.

GRI
404-2

Programmes we initiated in 2020/2021

Leadership at Nowy Styl	The aim of the project was to identify high-potential individuals and prepare them to take on manager or project manager roles at Nowy Styl. The project ran from January to December 2020.	24 participants from the Production, Technical, Production Planning, Procurement and Logistics Divisions
Foremen/Forewomen at Nowy Styl	The project was aimed at people who might take up the role of Foreman/Forewoman in the future. Its aim was to prepare back-up staff to take up the position of Foreman/Forewoman in all production plants. We ran the first edition from January 2020 to June 2021. We started the second one in May 2021 and plan to complete it in September 2022.	30 participants in total in both editions 43 training workshops in total in both editions
Managerial on-boarding	The programme was dedicated to people with little managerial experience. Its aim was to make it easier to fill a new role for people who are starting out in a managerial position and have not had the opportunity to prepare for the job before. The programme was also open to people who had held a managerial position for several years, but did not have the opportunity to test their competence in this area. The whole programme ran remotely from May to July 2020.	16 participants 16 training hours
Project: Maintaining team engagement in a crisis	The recipients of this project were directors and managers. It enabled them to solidify their skills in motivating teams in the face of a pandemic crisis. The aim was for managers to motivate their teams effectively. The project was executed in May and June 2020.	46 participants 30 training hours
Production and Logistics Manager Academy	The programme supports the development of the competencies of Product and Logistics managers, supports the implementation of a periodic evaluation system in the Production Division and promotes an exchange of experiences and cooperation between production and logistics plants and departments. The project started in September 2021 and ended in June 2022.	108 participants
Individual development activities	The training courses were a response to the needs expressed by the managers' superiors. They aimed to develop the managerial skills of four recently recruited managers.	4 participants 17 training hours
Development programme for female product managers	The training courses define the role of a female product manager and the competences needed to perform this role effectively. The project continued in 2022 with 3 training courses.	9 participants



In addition, at our Sitag AG company, we have developed a programme in which, 5 years before retirement, every employee can receive free advice from our insurance expert and discuss the financial aspects of planning for retirement.

Respecting diversity

At Nowy Styl, we work in an international environment, but in line with the motto ‘think globally, act locally’, we have a local employment policy. The vast majority of our employees work locally, so as an organisation we

contribute to the growth of the labour market in our regions of operation. We are one of the main employers in the Podkarpacie region.



Percentage of foreign nationals in total staff of the organisation
(meaning people working outside their country of origin)



Respect for diversity, inclusiveness in the workplace and gender equality – these are ethical issues of particular importance in an all-round growing company. To expand networking and gain awareness, our company’s representatives took part in the UN Global Compact Target Gender Equality initiative. It was an opportunity to participate in interesting workshops, webinars or debates on issues related to equal opportunities in business, responsible communication or Diversity & Inclusion strategies.

3.3 Safety culture

GRI 103-2 **GRI 103-3** Safety is one of the most important needs of every human being. At Nowy Styl, we are constantly working to ensure that the quality of workplace safety is built on the highest standards of Occupational Health & Safety. We eliminate potential threats by identifying, analysing and assessing risks and opportunities in our processes and workplaces. We provide safe and hygienic working conditions to prevent injuries and diseases. We protect the health and safety of people working at our sites, as well as customers and contractors. We train our employees, emphasizing the importance of their awareness, attitude and commitment for everyone's

safety.

GRI 403-1 **GRI 403-5** The company Nowy Styl Sp. z o.o. and its subsidiary companies have a formalised and certified occupational health and safety management system in place, based on the ISO 45001 standard implemented and renewed annually. All employees of the organisation, including temporary workers and employees of external companies, are provided by their managers the necessary instructions on occupational health and safety, evacuation and rescue, what to do in the event of an emergency, wearing the necessary personal protective equipment and what to do if an accident occurs.

Health and Safety committees, worker representatives and hazard identification, risk assessment and accident investigation

GRI 403-1 **GRI 403-2** **GRI 403-3** **GRI 403-4** Out of concern for the safety of our employees, we monitor workplaces exposed to the risk of harmful factors on an ongoing basis. We aim to reduce exposure, so we invest to improve working conditions, introduce collective safety measures, assess risks, train employees and investigate incidents, if any. We have put in place a number of preventive and health-promotion measures.

All our companies have Health and Safety Committees. The person to represent employees and the employer in matters related to health and safety at work depends on the company and is determined by applicable regulations in the specific country. However, all the 'Occupational Health and Safety Committees' have similar tasks consisting in carrying out periodic assessments of work safety within their company, discussing, consulting and preventing accidents at work, as well as working together to improve working conditions. Committee meetings are held at least once a year.

Measures undertaken in each of the companies have been shown in more detail below.

The OHS department collects and processes confidential data in compliance with the relevant regulations, specifically the GDPR, and with the data processing rules provided for in those regulations. Only data relevant for a specific case is processed, only persons authorised by the employer have access to such data, and only to the extent necessary for the performance of the specific task. Nowy Styl has organisational and technical solutions in place to ensure that all operations on confidential data are performed by authorised persons only.

Nowy Styl sp. z o.o.

The organisation carries out occupational risk assessments according to the Polish standard PN-N-18002. This method uses two risk parameters: the severity of the consequences (effects) of hazards present at the workplace and the probability with which such consequences (injuries, diseases)

are likely to occur. The occupational risk assessment team is made up of the head of the area to which the position being assessed belongs, the Health and Safety Officer, the head of department, and optionally a representative of the staff or an occupational medicine doctor conducting preventive check-ups. Because the organisation conducts various types of training, the employees who are part of the occupational risk assessment team are familiar with and understand the principles of occupational risk assessment, have the knowledge necessary to identify threats present at the workplaces under assessment, know how to use protection measures for threat prevention and can assess the harmful effects of existing threats.

Moreover, the organisation has **programmes for reporting NEAR MISSES (NM) in place, as well as an EMPLOYEE SUGGESTION PROGRAMME (ESP)**. An employee witnessing a near-miss situation is required to report it as soon as possible in order for appropriate corrective action to be taken. As part of the ESP programme, an employee can submit their ideas, suggestions and solutions with respect to near misses or work processes in general. Employees are rewarded for engaging in these programmes to motivate them to provide suggestions.

The company has a Health and Safety Committee composed of the employees' and employer's representatives, each with the same number of representatives. The former are elected in democratic elections and represent 100% of the workforce. Consultations with employer's representatives are organised to discuss issues related to occupational risk assessment, allocation of protection measures, monitoring of working conditions and participation in health and safety training programmes. The representatives also provide feedback on measures taken by the employer to prevent accidents and occupational diseases. The OHS Committee analyses working conditions and formulates proposals for their improvement, periodically assesses health and safety at work and cooperates with the employer in the performance of his duties in this

area. Members of the OHS Committee meet at least once in every quarter.

Nowy Styl GmbH

The organisation manages work-related hazard identification and risk assessment processes through the work of the OHS Committee, external safety inspector, external doctor, plant manager and works council. In addition, it conducts annual employee examinations, and inspects and analyses all workplaces. Employee representatives represent 78% of the company's workforce. The OHS Committee is responsible for health and safety at the company, carrying out safety checks twice a year.

Nowy Styl Deutschland GmbH

Meetings of the OHS Committee are attended by the company doctor and an external specialist. Potential risks are analysed at the meetings. In the next step, meeting attendees walk through the factory, where they are shown areas with potential for improvement, and define measures and goals. In addition to the Occupational Safety Officer, Nowy Styl Deutschland GmbH also has a dedicated safety person in each area/department. Names of the people assigned to this task are available on the information board at the plant. Any suggestions are discussed with the Occupational Safety Officer and at the meetings of the Occupational Safety Committee (ASA). Corrective action is taken where necessary. The Trust Council makes sure that employees who report suggestions regarding threats and risks at work are protected.

Kusch+Co GmbH

The company has trade unions, which represent the workers' side. The Works Council, elected by the employees, represents the majority of employees. Members of the Health and Safety Committee are selected from the various departments in accordance with the German regulations on occupational safety. The Committee advises on health and safety and accident prevention issues, assesses risks and carries out internal audits. It is also involved in suggesting improvements and implementing innovations in the area of OSH. The Committee meets at least quarterly. Safety aspects are not consulted with the trade unions, but with the Works Council.

For each work area, the responsible person, in cooperation with the Occupational Safety Officer, has carried out and documented a risk assessment for workplaces, work equipment and activities. These risk assessments are updated each time there is a change in the work area; in addition, this assessment is reviewed at least annually. The organisation is prepared for a potential health and safety inspection by the Employers' Liability Insurance Association, which makes assessments based on Nohl's risk matrix. General hazards are documented by a Safety Officer, discussed by the Committee and eliminated or minimised.

All accidents and near misses should be reported directly to the Safety Officer. An accident is investigated by the Safety Officer and head of the department where it occurred. If an employee is absent from work for more than 3 working days due to an injury, the Safety Officer prepares an accident report for the Employer Liability Insurance Company. The causes of the accident are investigated and appropriate countermeasures are identified for improvement. Corrective action involves risk assessment in the specific areas, in line with the hierarchy of goals and measures principle, or in the protocol of the Occupational Safety Committee (ASA).

Accidents lasting more or less than 3 days, as well as reported near misses, are checked for causes by the Occupational Safety Officer and the person responsible for the specific area (supervisor), and remedial measures are determined, if necessary. No separate register is kept for these measures. All occupational safety measures are recorded in an ASA protocol or in the risk assessments for the individual departments.

Every employee can submit suggestions regarding work safety to the company doctor, members of the works council and the Safety Officer without fear of negative consequences.

Sitag AG



GAV – a collective employment contract of the Swiss furniture industry – is in place at the company. Employees who have completed a practical health and safety course for officers and supervisors can become members of the OHS Committee. The organisation, together with the employees, conducts weekly audits based on the 6S methodology. It is a set of techniques and methods that help create and maintain workplaces with optimal ergonomics, while ensuring good work organisation, stabilization of processes, and improvement of organisational culture. 6S is designed to improve performance by eliminating losses, streamlining processes and reducing unnecessary processes. Moreover, a comprehensive internal and external audit is carried out on a yearly basis. The results of these processes are saved on a matrix, while all open tasks are registered in the Trello application, where every task has a responsible person assigned to it.

The organisation is regularly inspected by an external accident insurance institution SUVA, which advises and, where necessary, supports organisations in preventing accidents at work. All incidents classified as accidents at work are reported to SUVA. Employees can contact SUVA through the company or via publicly available contacts.

Work-related injuries

GRI
403-9

As in previous years, there were no fatal accidents at work in any of our plants in 2020 or 2021. There were no serious accidents either.

Accident reporting and analysis are carried out in accordance with the applicable requirements of the labour law of the country in which a company is located. There-

fore, some companies record accidents without breaking them down into accidents at work and accidents on the way to or from work. On the other hand, the number of accidents may not be equal to the number of injured people where the same person was involved in an accident more than once.

Total number of accidents at work

	2020			2021		
	Women	Men	Overall	Women	Men	Overall
Nowy Styl sp. z o.o.	3	7	10	5	17	22
Nowy Styl Deutschland GmbH	0	19	19	0	14	14
Nowy Styl GmbH	0	0	0	0	0	0
Sitag AG	0	7	7	1	2	3
Kusch+Co GmbH	0	5	5	0	3	3
Total	3	38	41	6	36	42

Total number of people injured in accidents at work

	2020			2021		
	Women	Men	Overall	Women	Men	Overall
Nowy Styl sp. z o.o.	3	7	10	5	17	22
Nowy Styl Deutschland GmbH	0	19	19	0	14	14
Nowy Styl GmbH	0	0	0	0	0	0
Sitag AG	0	7	7	1	2	3
Kusch+Co GmbH	0	5	5	0	3	3
Total	3	38	41	6	36	42

Total number of days of sickness absence caused by an accident at work

	2020			2021		
	Women	Men	Overall	Women	Men	Overall
Nowy Styl sp. z o.o.	144	833	977	156	1091	1247
Nowy Styl Deutschland GmbH	0	317	317	0	231	231
Nowy Styl GmbH	0	0	0	0	0	0
Sitag AG	0	58	58	0.5	11	11.5
Kusch+Co GmbH	0	91	91	0	93	93
Total	144	1299	1443	156.5	1426	1582.5

We monitor workplaces exposed to harmful factors on an ongoing basis. We aim to reduce exposure, so we invest to improve working conditions, introduce collective safety measures, assess risks and train employees. We have put in place a number of preventive and health-promotion measures.

Protection against harmful factors

GRI
403-3

We are aware that the plants of our companies Nowy Styl Sp. z o.o. and Kusch+Co GmbH have workplaces where the maximum permissible levels and concentrations of harmful factors in the working environment: noise, industrial dust, wood dust, mechanical

vibrations and chemical compounds have been exceeded. At Nowy Styl Sp. z o.o., measurements of the levels and concentrations of harmful factors are carried out by external institutions. At Kusch+Co GmbH, such measurements are carried out by a professional association.

Number of employees exposed to harmful factors:

2020	Noise	Wood dust/ industrial dust	Mechanical vibrations	Chemical compounds	Workers exposed to two or more factors	Total employees
Nowy Styl sp. z o.o.	224	122	83	6	435	3291
Sitag AG	18	15	0	2	2	129
Nowy Styl GmbH	0	0	0	0	0	17
Kusch+Co GmbH	27	19	0	15	15	236
Nowy Styl Deutschland GmbH	15	20	N/A	29	64	366

2021	Noise	Wood dust/ industrial dust	Mechanical vibrations	Chemical compounds	Workers exposed to two or more factors	Total employees
Nowy Styl sp. z o.o.	220	122	71	6	419	3421
Sitag AG	18	15	0	2	2	129
Nowy Styl GmbH	0	0	0	0	0	14
Kusch+Co GmbH	26	17	0	15	12	217
Nowy Styl Deutschland GmbH	2	6	N/A	8	16	312



Office Furniture Factory in Jasło



Office Furniture Factory in Jasło

GRI
403-4

We are determined to reduce the risks associated with working in unfavourable conditions. Therefore, employees in all workplaces where harmful factors are present are provided with work clothing or protective clothing, appropriate footwear and personal protective equipment (hearing protection, protective goggles, masks, protective visors etc.).

GRI
403-6

We take measures to promote health and safety among our employees, for instance by offering sports packages or providing free fruit and meals in the canteen. At Nowy Styl Sp. z o.o. and Kusch+Co GmbH, employees can get a flu vaccine free of charge every year. In addition, the latter company has engaged a company physician who is available to each employee once a week during appointment hours.

Additionally, we have a Near Miss (NM) Reporting Programme and an Employee Suggestion Programme (ESP) in our factories in Poland. An employee witnessing a near-miss situation is encouraged to submit his or her ideas, suggestions and solutions to help reduce the risk, or referring to work processes in general. Our employees are rewarded for taking part in these programmes to motivate other people to participate.



4 Local development

Commitments for 2022–2023:



- > We will continue our commitment to local development and support for organisations from the Podkarpackie Province.
- > We will continue to organise the Charity Balls, an organised party event for children and young people from childcare centres in the Podkarpackie Province.

GRI
103-2

GRI
103-3

GRI
413-1

Nowy Styl is an international company. Nevertheless, we do not forget about our roots, which is why our commitment is focused on local communities, mainly from the Podkarpackie Province. We want to be an active member of the communities where we have our offices and plants, as they are strongly influenced by our company's operations on a daily basis.

Our social commitment is guided by the following principles:

- > **localness** – we focus our social commitment on initiatives implemented on a regional and local level – in locations directly affected by the company's operations;

- > **continuation** – we are aware of how the stability and predictability of our commitment is important to local communities, so we strive to maintain relationships once established.

We have chosen the priorities for our commitment taking into account considering the most important needs of local communities. We also mind the potential effectiveness of Nowy Styl's impact. We take decisions concerning support for new projects based on guidelines stipulated in our *Donations, Social Commitment and Sponsorship Policy*.

As we are deeply rooted in the life of the Podkarpackie Province, we understand its needs and problems. We believe that we have a real impact on shaping the potential of the local community. Being rooted in the life of Podkarpackie makes us understand its needs and problems. We believe that we have a real impact on shaping the potential of the local community. Although we do not consult the local community on our operational decisions, we support it through our long-term strategic projects (e.g. the annual

Charity Ball for the charges of childcare facilities in the Podkarpackie) as well as big and small initiatives implemented by our social partners. The most important of them are presented below. Apart from Nowy Styl's activities in the Podkarpackie, 100% of the Group's companies carry out their own activities supporting their local communities (based on the location of the company – e.g. financial support for the fire brigade in Saint Marcellin, France).

Donation values PLN

Nowy Styl sp. z o.o.	2020	2021
In kind	243,231	230,109
In cash	339,150	204,800
Total	582,381	434,909



Education for children and young people

Since we are aware of the importance of education from an early age, we take measures aimed at providing equal opportunities in access to education for children and young people, including those with disabilities. We are also involved in initiatives which promote entrepreneurship.



Support for culture

As we realise the importance of culture as an element of social development, we support selected cultural organisations and projects.



Popularisation and support for sports

We promote physical exercise as an instrument of disease prevention. We believe that sport helps shape a person's character, and we support young athletes in their sporting challenges.

4.1 Education

Janusz Korczak Foundation

Funded by Adam and Jerzy Krzanowski, the Janusz Korczak Foundation in Jasło has been supporting the education of talented children and young people from the Podkarpackie province since 2001. We fund scholarships for several dozen pupils and students every year. Many of our scholarship holders study two majors at the same time, which means they do not have time for paid work. Nowy Styl covers the cost of their university tuition fees or, in the case of secondary school students, provides them with special funds earmarked for preparatory courses for university. Holders of our first scholarships graduated

long ago, and some of them have found employment with our company. They work in various roles including engineers, where they develop new technologies and solutions, therefore contributing to the development of an ergonomic workplace environment for thousands of people using Nowy Styl products every day. With our scholarships, students have a chance for a better life, and they can develop their talents and interests. We hope that the fact that they have received aid is an additional driver for them to study, and, at a later stage, a reason to go on and 'pass it forward.'

Siemacha Association

Established 25 years ago, the Cracow-based Siemacha Association is one of the leading organisations in Poland providing organised aid to children and young people. Education, sports and therapy are the pillars of the organisation's long-term and comprehensive support. One of its flag-

ship projects is a modern Children's Home in Odporyszów near Tarnów. The facility was established and is developing thanks to a group of sponsors, Nowy Styl being one of them. In 2021, we furnished a special apartment for young people who leave the foundation after reaching adulthood.



Siemacha Association

Demos Foundation

The Foundation, established in 2002, is running an educational and recreational centre in Odporyszów. It is an excellent facility that provides young people with both leisure and development opportunities. Convenient accommodation and opportunities for workshop work, as well as the proximity of a forest and the presence of animals make

it a lively and vibrant place. To make young people's stay at the centre even more attractive and comfortable, we helped the Foundation furnish a screening room. A year later a dining room, a cafe point and a foyer of the screening room were refurbished thanks to our support.

Children's University of Technology

The Children's University of Technology classes are intended for primary school students aged 7-12. Lectures, exercises and laboratory classes are prepared in such a way that every child can understand and remember as much as possible. The priority is for children not to get bored during the classes and to gain knowledge through play and the

forms of education that children find most accessible. The Rzeszów University of Technology is the first university in the region to open its lecture halls to school children. The programme is completely free of charge for participants. Nowy Styl has been a strategic partner of this project since 2021.

Charity Ball

The New Year's Charity Ball is a well known event in the Podkarpacie region. For over 20 years, Nowy Styl has been inviting children from children's homes, schools and education centres, care centres, organisations working with the disabled and foster families to celebrate together. The event is an opportunity to have a great time, but also to integrate and learn. Every year, the company comes up with an interesting theme to arouse new passions in our little guests and encourage their development. A highlight of the New Year's Charity Ball is a visit from Santa Claus, who hands round gifts that the guests asked for in their letters. These often include financial support for the statutory activities of a foundation helping children, field trips or furnishings for childcare institutions.

In 2020, the event was attended by over 1,100 people. As usual, the participants had a great time, enjoyed the gifts and could meet exceptional guests, who this year

were distinguished athletes. The biggest surprise came with a video from Robert Lewandowski, who had a special message for our guests.

In 2021, the purpose remained the same – support for children's homes, and care and educational institutions in Podkarpacie, but because of the ongoing COVID-19 pandemic our support took a different form. We collected information about the needs of the families, institutions and organisations that we had invited to the Ball in the previous years, and we prepared gifts in cash and in kind for them. We are aware that it is important for both the managers of the institutions and their charges that the event is held so regularly. As we find out every year, the Ball occupies a special place in the lives of our guests. We hope we can return to organising it in the traditional form.



Thank you very much for the gifts for our orphanage. Despite the pandemic and the impossibility of meeting at the ball, New Style made sure that the long-standing tradition continued. We thank you from the bottom of our hearts and hope that in 2022 we will meet as before at a wonderful ball.

Ewa Pruchnicka

Director of the Children's Home
in Sanok



Bal Charytatywny Nowego Stylu



“It was so important to us that Nowy Styl offered to support us in this extremely difficult time. Thank you for your kindness and willingness to help. With this kind of support we can achieve our goals and plans.

Children

from the “Jaś”, “Małgosia” and “Maciek” Care and Educational Facilities in Przemyśl

Economic education

Entrepreneurship is one of the important features of our organisational culture. We believe that a good understanding of basic economics helps one make informed life decisions, which is why it should be taught from an early age. In 2014, at the initiative of Patrycja Krzanowska, Jerzy Krzanowski's daughter, a textbook titled “The World of Money” was published. The book is an exciting story for the youngest readers about the history and importance of money (illustrated by the famous illustrator Magda Grabowska-Wacławek aka Grabowska). The book was received with great enthusiasm by both entrepreneurs and children. A few of the biggest Polish companies have ordered a reprint for their own purposes, and we have

founded the World of Money foundation to popularise the publication. The circulation has reached at least 50,000 copies to date. In consultation with the local government of Krosno and the local chief education officer, the foundation launched pilot economics classes at the Primary School No. 14 in Krosno, and the project was then extended to almost all primary schools in Krosno in the school year 2018/2019. The classes for fifth graders are held once a week and are conducted by trained teachers, based on Patrycja Krzanowska's textbook. The classes are interactive and filled with games and contests for pupils. This is an attractive way to teach children about interest, exchange rate and other economic concepts.

4.2 Culture

Young Arts Festival in Krosno

The Young Arts festival is part of the Emanacje festival organised by the European Centre for Music in Luślawice. It is an important event on the cultural map of Krosno and the region, promoting classical music. From the very beginning, the organisers could count on Nowy Styl's support, which is how the festival can continue to work on a free-of-charge

basis. The first edition took place in the summer of 2016, to be continued in the following years after a very warm welcome and huge turnout. In 2021, the following artists appeared on the Young Arts Festival stage: Jan Garbarek Group, Miuosh and Jakub Józef Orliński.



Nówka Sztuka

Nówka Sztuka ('brand new art') is a trade fair event featuring artists and designers, held by the Academy of Fine Arts in Cracow. The event is addressed to artists, art and design aficionados, original work lovers and talent hunters. It is a top opportunity to discover or buy modern artworks. In addition to the exhibition part, Nówka Sztuka

also includes an extensive programme with educational and accompanying events such as lectures, discussion panels, workshops, a portfolio review and consultations with valued representatives of the artistic circles. Nowy Styl has sponsored the event since its 4th edition in 2021.





4.3 Sports

We are present in the world of sports both in terms of our business activities and because of a passion for sports and a spirit of physical exercise that we want to spread as

an organisation. We combine our business goals with our willingness to support regional initiatives by sponsoring sports institutions and projects.

Poland Business Run

Every year, our company takes part in the Cracow Business Run charity event. It involves a relay race where every competitor has to run a 3.8 km stretch of the entire route through Cracow's city centre. The Poland Business Run Foundation uses funds raised from the run to help amputees and patients with motor dysfunctions. Nowy Styl employees from the Cracow office volunteered to join the event by organising a 'silent auction' fundraiser, where

people could bid, without knowing what to expect, on the offers of their office colleagues. These included tango classes, a hand-made ceramic bowl or a trip to the mountains. All proceeds from the auction were donated to the beneficiaries of the run event, which is how we managed to collect PLN 4,010, giving us the 6th place on the list of companies supporting the event in 2020. In 2021, we collected PLN 3,380, which gave us the 5th place.



Juvenia Cracow

Rugby is one of the most team-oriented sports in the world. On the pitch, an individual means nothing without the support from other team members. Just as team members can rely on each other on the pitch, the Cracow rugby team

can rely on our company's regular sponsorship support. The rugby club, along with the players' families, fans and supporters of the sport, is a unique community of people who support each other and enjoy spending time together.

The Magura Ultramarathon in Krempna and the Łemkowyna UltraTrail run

We are particularly fond of these two running marathons, for which we provide support every year by donating in-kind gifts such as furniture for the organisers' stands and T-shirts for competitors. The Magura Ultramarathon is one of the biggest and most challenging mountain runs in Poland. Athletes compete at distances of 58 and 92 km, and in a 20 km accompanying event MaguRun race. The Łemkowyna

Ultra Trail, on the other hand, attracts competitors from Poland and dozens of countries around the world with its challenging routes, often covered with mud – which has actually become the trademark of the event. The most challenging, almost legendary distance is a 150 km section from Krynica to Komańcza, attempted by the elite of runners every year.

4.4 Facing the pandemic

We think of the doctors, nurses, paramedics and volunteers who helped fight against the coronavirus as great heroes. We are grateful for their efforts and we work to support them. In 2020, we purchased disinfection equipment and personal protective equipment for hospitals in Jasło, Krosno, Cracow and Łańcut. We hope that, in this way, we have made the work of the medical services safer and at least a little easier.

Together with the SPLAST group, we also funded, a decontamination device for cleaning ambulances transporting patients. With the specialised equipment, paramedics in Krosno and Jasło received at least some support in the extremely difficult epidemic situation. Funds to help the medics were also donated by the Podkarpackie Business Club which had been, established by our company.




Jerzy Krzanowski
Co-founder and Vice
President of the Board
of Nowy Styl

We feel a connection to the region we are part of. The decision to respond to the needs of the local medical services, especially in this difficult time, was therefore absolutely obvious to us.

We also took action to support health care professionals in our branch in France. Nowy Styl's support for the fight against the coronavirus in France included several activities. The first one was donating protective equipment to healthcare workers in the Noyon region, where one of our factories is located. It is estimated that an average healthcare professional needs 10 gowns a day to be able to do their job properly. Hence, the equipment donated

included paper protective gowns and coveralls, normally used by our painters. Our seamstresses in France, on the other hand, started making protective masks. Rachida, Laurène and Gwenaëlle made 70 masks every day. In addition, our French branch started making protective visors on a 3D printer. Following successful in-house tests, we started supplying these visors to hospitals in Compiègne and Noyon, France.



5

5 Building a sustainable supply chain

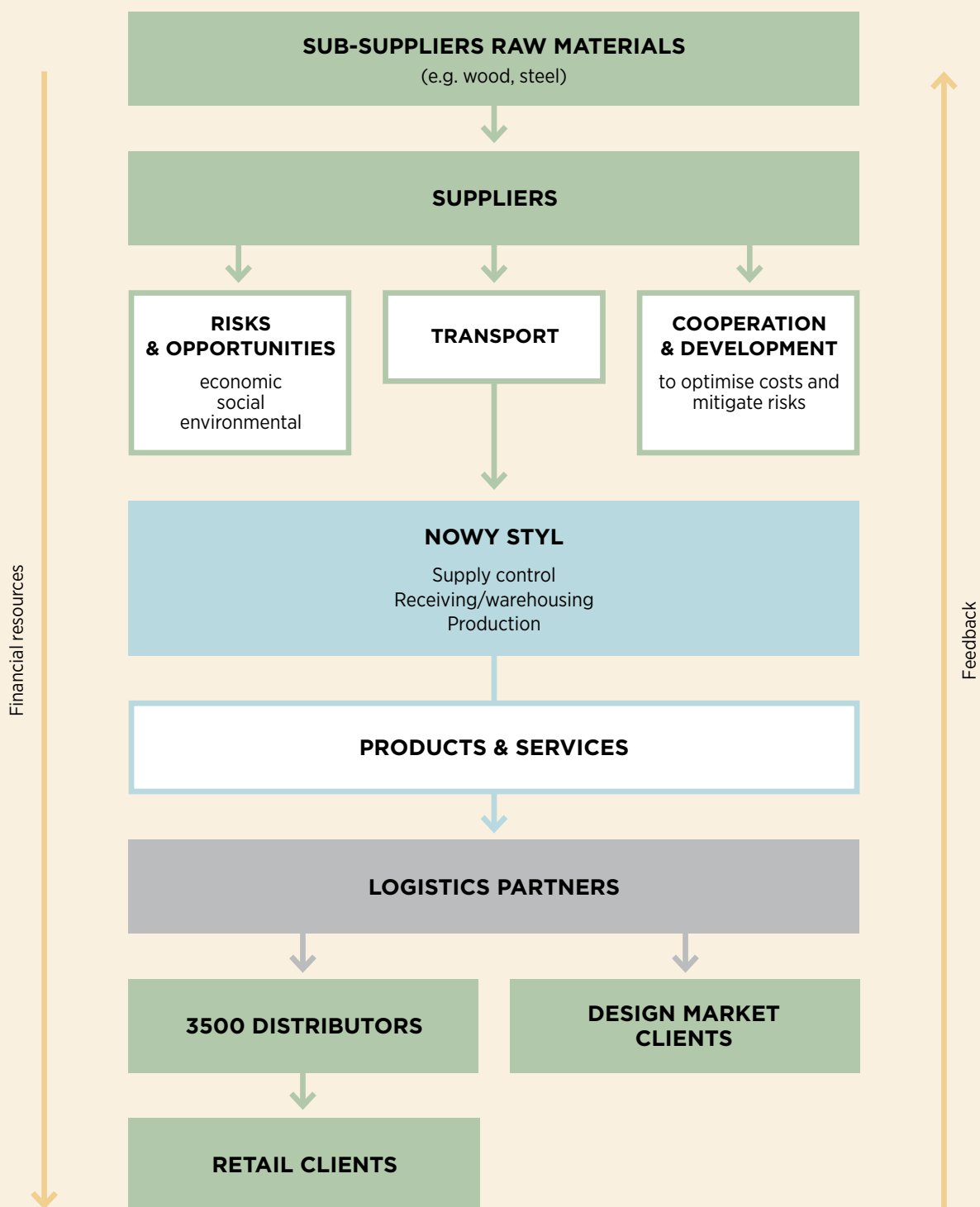
Commitments for 2022–2023:

- Implement IFS at the Kusch+Co production plant in Hallenberg in the Procurement area.
- Implement a complaint process for external suppliers following the launch of IFS at the Kusch+Co plant.
- Conduct periodic evaluation of suppliers with regard to social and environmental aspects, including GHG emissions in the period 2022-23.
- Increase the share of recycled raw materials used in components and packaging materials, e.g. stretch film.
- Increase the share of FSC-certified components for the group of wood products.
- Support employees in their professional development through specialised training in the area of purchasing.
- Reduce CO₂ emissions and energy consumption by shifting from CO₂ laser to fibre laser cutting technology – transferring production to an external 4 × 4 supplier.
- Introduce a steel tube supplier in the process of implementing the Green Steel (zero-emission steel) policy from the end of 2025.

The scope and scale of our operations make us a reliable and solid business partner for both customers and suppliers, as we can guarantee steady cooperation on fair terms. From our early days, we have been working

only with partners who share our vision and way of doing business in terms of ethical standards, respect for human rights and anti-corruption mechanisms.

Supply chain at Nowy Styl



GRI 103-2 Supply chain management is one of the most challenging areas of operations at any large company. At Nowy Styl, we strive to make suppliers our strategic partners and we aim to build long-term relationships with them. Therefore, we have always worked with partners who share our vision, both in ethical and environmental aspects. Our operations are based on the rigorous requirements of the ISO 9001: 2015, ISO 14001: 2015, ISO 14006: 2020 and ISO 45001: 2018 standards.

GRI 103-2 Due to the specificity nature of the market and our organisation, we define local suppliers as companies making products or services in Poland and Germany. In the years 2020-2021, the share of expenditures on products and services from local suppliers was 56% and 50%, respectively, on the Polish market and 72% and 63% on the German market.

Nowy Styl suppliers in 2021 by country of origin



Sustainable purchasing is one of the areas in which Nowy Styl made significant progress, as shown by the Eco Vadis rating – from 50 points in the previous assessment up to 80 points at the end of 2021.

5.1 Supplier Code of Conduct and Procurement Policy

GRI
103-2

GRI
103-3

In order to structure the supply process and ensure the highest level of its security, we rely on the Nowy Styl *Supplier Code*. The Code is a global document that applies to all our suppliers. It sets the standards of ethical and social as well as environmental and economic responsibility, which we require from our suppliers.

In May 2020, Nowy Styl implemented a *Purchasing Policy*. It is a set of rules of conduct for Nowy Styl's suppliers of goods and services. We expect our partners to accept the rules set out in the Policy as their work standard.

Education is essential for such a dynamically developing field as sustainability. In May 2021, our Strategic

Purchasing Department Team attended a training on Corporate Social Responsibility in Public Procurement. The training addressed ethical and environmental issues in the supply chain. The same team also participated in an *Anti-Corruption Policy* training in December this year.



[Click here to read the Nowy Styl Supplier Code of Conduct](#)



[Click here to read the Nowy Styl Purchasing Policy](#)

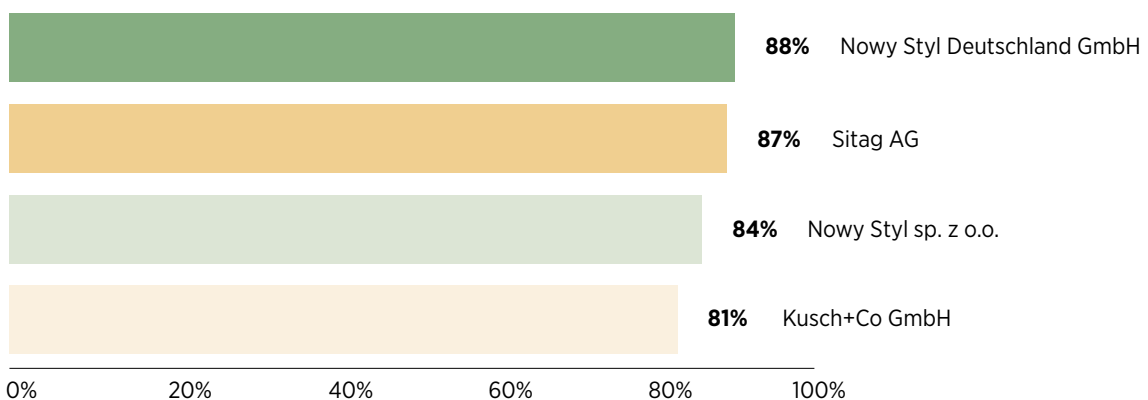
5.2 Supplier Assessment

In the reporting period, we undertook a number of measures to learn more about our suppliers and understand our supply chain better.

In 2020, we assessed 189 key suppliers, accounting for 80% of our turnover. This was done using a self-assessment tool specifically developed for the survey. The following areas were taken into account:

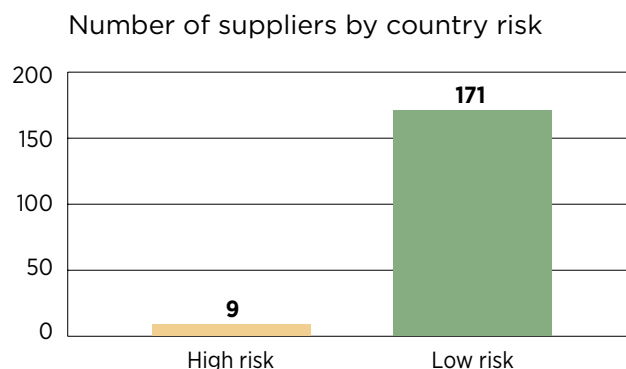
- > employment and health and safety conditions,
- > respect for human rights,
- > natural environment,
- > production processes,
- > purchasing processes,
- > maintenance,
- > improvement processes,
- > compliance with other provisions of the *Supplier Code*.

Average Score in Supplier Assessment by production



Suppliers with a score below 60% must provide a third party audit report, or a suitable audit will have to be performed by Nowy Styl. Suppliers from high-risk countries (high-risk

countries are identified based on the Amfori Risk Country Classification; we have 9 such suppliers) must provide a third party audit report.



In 2021, we carried out a risk analysis of 173 organisations. The study aims to monitor and supervise our current and future suppliers for potential threats.



In the reporting period, 100% of new suppliers were checked for compliance with environmental and social criteria using a self-assessment questionnaire, which was comprehensively assessed by Nowy Styl staff. Further decisions regarding cooperation with the supplier are made based on the assessment.

5.3 Getting ready to report CO₂ emissions in the supply chain

We take responsibility for more than just CO₂ emissions from our production processes and transportation of our products. We expect our business partners and suppliers to adopt the same attitude in operating their businesses. Global supply chains produce large amounts of carbon dioxide – from carbon dioxide emitted in the production process, to fossil fuels used in transportation, to emissions from storage and distribution.

At present, we calculate the carbon footprint of our organisation within Scopes 1 and 2, which means we take into account CO₂ emissions from energy consumption in our installations, by electricity suppliers for our offices and factories, as well as by company cars and air travel. However, we are aware that most of our impact in this area comes from suppliers manufacturing materials and compo-

nents for our needs. What is the scale of that impact? In 2021, we took the first step to identify this situation and, together with our partners, make an effort to reduce greenhouse gas emissions.

In response to a question about emissions sent to our key suppliers, we obtained incomplete data from selected companies. In this way, we identified the most emissions-conscious suppliers – including the winners of our Supplier Sustainability Award 2021: Gabriel A/S, BASF Polska and Rehau Sp. z o.o., with whom we can exchange knowledge and support each other on the way to reducing the carbon footprint. We gave a clear signal to the remaining suppliers, who had not monitored this kind of data before, that emission reporting would soon become our standard.

Emissions in the supply chain 2021

Monitored supply chain emissions (CO ₂ tons)	Emissions in tons / €1 000 000
769	86.96

Production only for Nowy Styl at monitored supplier plants



1st place (ex aequo)
GABRIEL A/S
CAMIRA FABRICS LTD

2nd place (ex aequo)
REHAU SP. Z O.O.
SPRADLING INTERNATIONAL GMBH

3rd place
BASF POLSKA

Supplier Sustainability Award competition

In 2021, Nowy Styl organised the first edition of the Supplier Sustainability Award competition.

In 2021, Nowy Styl organised the first edition of the Supplier Sustainability Award competition. We used the competition to encourage our suppliers to share good practices in areas such as product recycling, reduction of CO₂ emissions in transport services and energy-saving solutions. We wanted the competition to show that we appreciate the outstanding CSR activities of our key suppliers and to encourage them to engage in new environmental protection and social activity initiatives.

We think this competition proves that we and our suppliers are on the same side when it comes to sustainability. We have included presentations with the list of winners to showcase the best examples of sustainability campaigns carried out by our suppliers and to inspire others to follow.



Click and find out more

5.4 Supply chain at Nowy Styl

Supply chain management is one of the most challenging areas of operations at any large company. The longer the supply chain, the more potential sources of interruption can appear. The supply chain is about more than just

supplying materials for production. It is also about the organisation, storage, production planning, technological process, internal transport and shipping logistics.

Supply chain outline



Purchase
of raw
materials



Supply



Supply
quality
control



Production



Quality control
of the finished
product



Logistics



Additional
services



Office Furniture Factory in Jasło

Purchase of raw materials

The purchase of raw materials is a complex process that involves choosing new suppliers, conducting a cooperation risk audit and assessment, searching for new solutions for materials and products to meet customer requirements, optimisation of purchasing, quality and logistics parameters, analysis of purchasing indicators and implementing a process for complaints and supplier development.

At Nowy Styl, this part of the supply chain is the responsibility of the Strategic Purchasing Department, based at the company's head office in Poland. Details of cooperation with our company are described in Nowy Styl's *Procurement Policy*.

Nowy Styl's *Procurement Policy* is a set of principles and rules of conduct to be followed by suppliers of goods and services for our company. We expect suppliers to adopt the following principles as a standard of work and we require them to declare that the document will also be a reference point for them in their supply chain.



**Click and read Nowy Styl's
Procurement Policy**

Supply

We have centralised the supply process to make it easier to control expenses throughout the company. We benefit from a synergy effect as the entire organisation is guided by a single purchasing strategy. We have identical conditions in place for all our locations. Collaboration is made

easier thanks to purchasing processes on IT platforms we have put in place, such as the IFS management system, the Office 365 communication tool and systems for reporting purchasing parameters and purchasing data consolidation across all Nowy Styl companies.

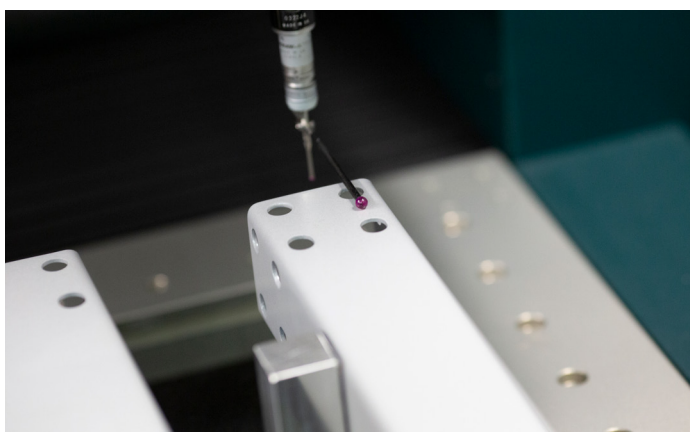


Office Furniture Factory in Jaslo

Supply quality control

We have implemented uniform standards throughout the organisation and follow the requirements of ISO 9001:2015. In addition to the quality of raw materials and materials, product quality is largely determined by the situation in the working environment, such as the understanding of processes on the shop floor, good information flow

between employees, regular training, a transparent pay policy and, above all, housekeeping and safety. Each of these elements is included in lean management – a concept of production process management ensuring that work in the factory is carried out in keeping with strictly defined standards to ensure the desired quality and performance.



Production

Production autonomy is one of Nowy Styl's strengths. Our factories with an area of over 141 000 m² in four European countries. Our production relies on modern production and IT technologies. We have an in-house tool shop and multifunctional machinery for the end-to-end processing of wood, metals and plastics. We also have our own Research and Development Centre and we invest in fourth-generation industrial solutions to better meet the needs of customers – produce in an efficient, environmentally friendly way, perfectly matched to our customer's preferences. Nowy Styl has been using lean tools in all of the company's factories for over a dozen years now. Their implementation and compliance are supervised by an international team of experts who have developed their model of operation, tailored to our needs and focused on increasing the synergy effect in production. Lean also allows us to respond quickly to changing market conditions. For instance, we are currently seeing a great fragmentation of production. For us, this is not a problem, because we can quickly retool and start manufacturing such an order, without extending the waiting time for order completion.

Logistics

As one of the leading manufacturers of furniture and chairs in Europe, we carry out hundreds of thousands of deliveries to our customers around the world. Our products are distributed to customers using our own, as well as external vehicle fleet. Nowy Styl's transport policy assumes that space occupied by transported products must be minimised and empty runs avoided.

Timely transport of products is crucial for our projects. As part of our standard process, we provide a trained assembly team who speak the local language. Before assembly work starts, we carry out an on-site inspection to see how advanced the works of other teams are, we discuss the details of our entry and stay in a given area with facility managers, and make arrangements with relevant authorities about aspects such as the maximum permissible weight of our delivery vehicles. Each of these steps saves valuable time and helps avoid surprises. As a result, we can be sure that work will be completed within the prescribed time limit. Until recently, packaging disposal was a big problem for every project. Because we have changed our approach to the method of packaging, we managed to take care of the environment, reduce the costs as well as cut down delivery and assembly times. For storage and transport, our furniture is protected against damage with pads placed on wheels and armrests, as well as reusable protective covers. This is a response to the needs of our customers, both those who perceive ecology and respect for the natural environment as important issues, and those with a restrictive fire policy.

[!\[\]\(666e09182d4cd268646ea700ea60dcdf_img.jpg\) Click to read more about our initiatives to reduce packaging in transport.](#)

Products secured in this way are transported in double-deck vans, so the goods can be placed on two levels. Thanks to the rigid structure of the 2x180 cm high decks and a hydraulic lift, our goods are securely fixed and the

distribution process is efficient. In this way, we can increase the loading capacity for euro pallets by as much as 63% and reduce harmful exhaust gas emissions.

We also use IT systems to optimise the transport of our products. These include CubelQ – advanced cargo planning and optimisation software that can calculate the optimal cargo/packaging for containers, trucks, pallets and boxes. The main advantage of this tool is that calculations are represented in a graphic form, in different ways based on different data sources, e.g. different types of packaging. In addition, with manual adjustment (in 3D mode) of cardboard boxes on a pallet and pallets in a vehicle, the tool is even more accurate for the user. In addition, we also use L-shaped pallets wherever possible.

This has allowed us to increase the picking efficiency for group age loads.

We are increasing the share of 'collective packaging', which allows for a significant reduction of cardboard packaging and optimisation of cargo space. With this improvement, we have significantly reduced the number of shipments needed to get goods to their destination.

In addition, we also take action to contribute to the reduction of fuel consumption and exhaust emissions from transport. We are reducing the number of carriers with high exhaust and CO₂ emissions, and we establish cooperation with carriers with Euro 6 trucks.

Selected logistics operators have shared with us their plans and actions taken to reduce greenhouse gas emissions.

Additional services

Our services are closely related to logistics. In addition to supplying new products, Nowy Styl also offers additional services such as collection of old furniture, followed by maintenance and repair.








6 Concern for the environment and climate change

Commitments for 2022–2023:

- We will continue to work to reduce our carbon footprint – our goal is to reduce emissions by 30% by 2025, compared to 2018.
- We will continue to invest in technological and infrastructure solutions to improve our energy efficiency, and thus allow us to reduce our carbon footprint.
- We are continuing to replace our car fleet with hybrid cars, so as to achieve a reduction of CO₂ emissions in this area by approximately 20% by the end of 2023.
- We will completely eliminate the last solvent varnishes used in the Office Furniture Factory and replace them with environmentally friendly water-based varnishes.
- By the end of 2022, we will discontinue a blowing agent now used to make structural foam and replace it with an agent with a GPW=1, whose environmental impact is negligible.
- We will continue our efforts to further reduce the consumption of packaging materials in internal and external transport of our goods.

   Respect for the natural environment is an inherent part of Nowy Styl's mission. As a production company, we are fully aware of our environmental impact. **In our daily work, we identify, monitor and try to minimise the potentially negative impact of our activities by implementing several measures managed under the Environmental Action Programme.**

We work in accordance with certified management systems based on the requirements of ISO 9001, ISO 14001, ISO 45001, ISO 14006, and EMAS as well as the FSC and PEFC standards. We are also fully committed to the operation of those systems by providing the necessary resources for their maintenance and continuous improvement. Our Integrated Quality, Environment and Health & Safety Management System Policy define the overarching lines of action for our organisation. Environmental aspects are of particular importance to us, so the document would not be complete without provisions concerning the natural environment, including rational use of natural resources, reduction of production waste, designing products in line with the circular economy model or

identification and monitoring of environmental aspects. The analysis of ecological aspects performed throughout the product life cycle has become our point of departure for implementing the eco-design management system. It helps us predict and prevent the negative impact of our products on the environment already at the design stage, thus improving their environmental performance at all subsequent stages, i.e. the provision of raw materials and materials, implementation, production, transport, use, decommissioning and disposal.

 [Click to read more on eco-design](#)

It is also very important for us to maintain continuous compliance with applicable legal regulations in the area of environmental protection, both national and EU. To make sure that we keep up with the changing legislation, we rely on the professional services of an external company that provides us with continuous review and monitoring of regulations, and carries out preventive periodic audits to assess compliance with legal requirements.



We care for the rational use of natural resources by using technologies that reduce the volume of production waste.

We identify and monitor environmental aspects throughout the product life cycle, minimising the adverse impact on the natural environment.

We design products in line with the circular economy model.

We train employees to raise their awareness of their impact on the environment, quality and safety.

Find out more about the goals we have set for our organisation in the *Integrated Management System Policy*.



Click and read *Integrated Quality, Environment and Health & Safety Management System Policy*



Nowy Styl Deutschland has a voluntary Eco-Management and Audit Scheme (EMAS) in place, imposing additional requirements such as active engagement of employees, and transparency in the broadest sense.

6.1 Our carbon footprint

Since 2019, Nowy Styl has been working with CO₂ Performance Ladder. This is a Dutch sustainable development support system companies can use to manage their carbon footprint and reduce CO₂ emissions. As part of this system, we collect data, set targets and a programme to achieve them, which are verified during annual surveillance audits by an external certification body. In line with the system's methodology, we determine the carbon footprint for Nowy Styl in Poland, Germany (Nowy Styl Deutschland GmbH) and Nowy Styl in the Netherlands (Nowy Styl Nederland B.V.).

Our previous goal set in the management system was to reduce carbon dioxide emissions by 15% in 2025 compared to 2018. The Nowy Styl handles the management and coordination of CO₂ Performance Ladder certification activities with an established international team of specialists.

Because the many initiatives completed in 2019-2021 produced significant results, 2021 was a record year for

Nowy Styl on the company's path to the decarbonisation of its operations. **We reduced our CO₂ emission index by 38% compared to 2018!**

Therefore, we have decided to raise our CO₂ emission reduction from 15% to 30% in 2025 compared to 2018.

Our calculations and efforts focus on direct and indirect emissions of our organisation, using the GHG Protocol methodology – in Scopes 1 and 2.

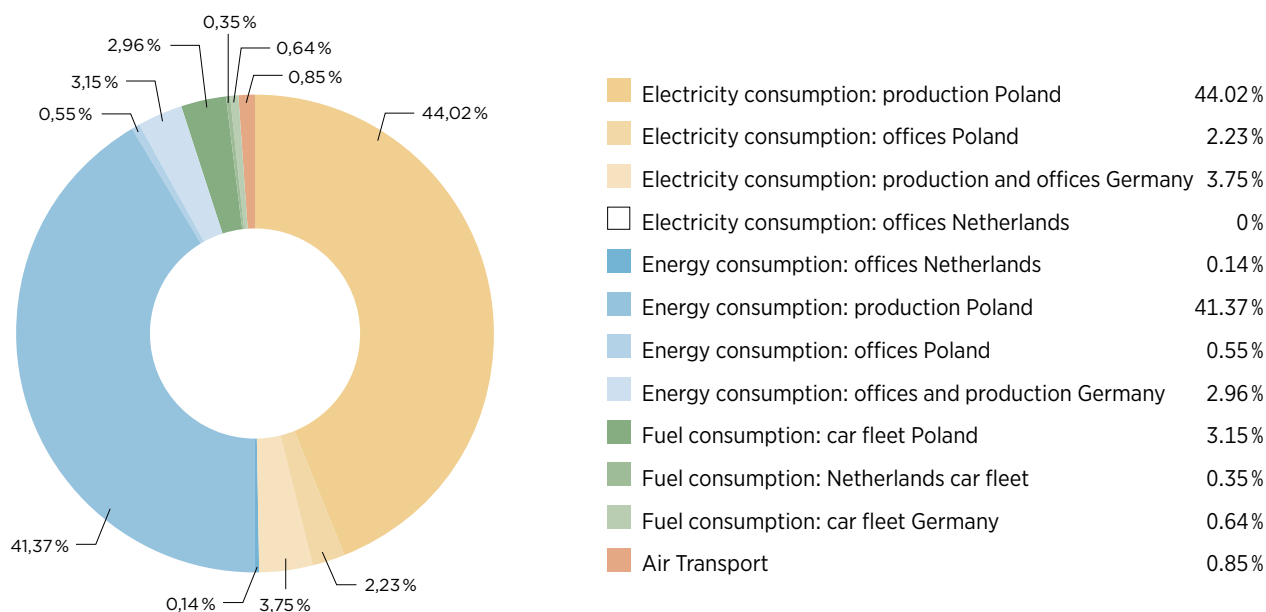
- **Scope 1 – direct emissions** from fuel consumption at sources owned or controlled by the organisation: 10% reduction (previously 1.3%) in 2025 compared to 2018.
- **Scope 2 – indirect emissions** coming mainly from the consumption of electricity produced in external installations: 40% reduction (previously 27%) in 2025 compared to 2018.

In addition, we supplement the data on CO₂ emissions with that on business air travel.

CO ₂ emissions in tonnes	2020	2021
Nowy Styl sp. z o.o.		
Scope 1	9 397	10 059
Scope 2	12615	10233
Total Scope 1 + Scope 2	22 012	20 292
Business air travel	285	174
Total Scope 1 + Scope 2 + Business air travel	22 297	20 466

Relative CO ₂ emissions in %	2018	2020	2021
Nowy Styl sp. z o.o.			
Scope 1	100%	86%	83%
Scope 2	100%	69%	51%
Total Scope 1 + Scope 2	100%	75%	63%
Business air travel	100%	52%	29%
Total Scope 1 + Scope 2 + Business air travel	100%	74%	62%

What processes are responsible for CO₂ emissions at Nowy Styl and how are we reducing them? Data for 2021



Currently, we calculate the organisation's carbon footprint in scopes 1 and 2, i.e. taking into account CO₂ emissions during energy consumption in our installations, electricity suppliers for our offices and factories, and company cars. In addition, we supplement the data on CO₂ emissions with air business travel. However, we know that the bulk of our impact in this area occurs with suppliers who produce materials and components for our needs. What is the scale of this impact? In 2021, we took the first step to diagnose this situation and, together with our partners, make an effort to reduce greenhouse gas emissions.

In response to the emission inquiry we sent to our key suppliers, we obtained data from selected companies. In this way, we selected suppliers – including the winners of our Supplier Sustainability Award 2021 competition: Gabriel A/S, BASF Polska and Rehau sp. z o.o. they are highly aware of this issue and together we can exchange knowledge and support on the way to minimising the carbon footprint. We gave a clear signal to other suppliers who have not monitored this data so far that emission reporting will soon become our standard.

Nowy Styl is a production company, so most of our greenhouse gas emissions are generated by production

plants in Poland. In 2021, 41% of CO₂ emissions were generated in our own installations – gas boilers and the production of heat from biomass. The second amount (44%) was electricity purchased for power plants in Poland. The share of the latter in the organization's carbon footprint decreased by as much as 6% compared to the previous year, thanks to a significant increase in the share of green energy in our energy mix (in 2021, it accounted for 32.5% of purchased energy).

Our business travel accounts for approximately 7% of the emissions:

- Fuel consumption by our fleet is at 4.14%, which is why we are replacing the car fleet with electric and hybrid vehicles. In addition, we are a member of the Terberg Business Mobility group in the Netherlands where we compensate for all our car trips using the Climate Neutral Group tools.
- Business flights accounted for 0.85% of our indirect emissions in 2021. To further reduce travel, we encourage the use of a video conferencing system.

6.2 Saving energy

GRI
103-2

GRI
302-4

Nowy Styl is constantly working to improve its energy efficiency. This applies to both our production processes and our factories and buildings. Through our actions, we join the fight against global warming. We aim to reduce the consumption of energy from non-renewable sources as much as possible. We are gradually increasing the share of renewable energy in our energy mix. In 2020 it was 12.67%, growing to 32.5% in 2021.

This data does not include our German company Nowy Styl Deutschland GmbH, whose plants and offices are using 100% renewable energy (mainly from Scandinavian hydro-electric power plants). This is confirmed by the Ökostrom certificate, approved by TÜV SÜV auditors.

[Click to see the table - GRI 302-1](#)



Taking initiative

We have been gradually modernising the machinery of our sewing plant by replacing machines powered by traditional motors with modern ones, powered by energy-saving servo motors to ensure lower electricity consumption. Servo motor machines consume approximately 20% less energy compared to clutch motors. We plan to replace 85% of sewing machines with a clutch motor with new ones, equipped with servo motors, by the end of 2023.

A screw compressor with a dryer and a frequency converter type CSDX 165 T SFC was installed at our Wood Production Plant in Rzepedź, Poland in the first quarter of 2020. The compressor is equipped with state-of-the-art technical solutions which help save energy in various ways. By purchasing it, we made approximately 5-10% savings on the consumption of electricity needed to generate compressed air.

In 2020-2021, we implemented two more CNC machining centres for processing wood, wood-based materials, plastics and composites at our Wood Production Plant in Rzepedź, Poland. Thanks to innovative technological solutions, we have managed to cut down the detail processing time, which has automatically translated into reduced electricity consumption and tool wear. We have introduced a standby state, activated when a machine is not in use, which turns off all electrical and electronic devices which are not needed. All that has allowed us to make measurable energy savings of approximately 10-15%.

6.3 Reduction of volatile organic compounds emissions

To ensure the safety of our products and minimise their impact on the environment, we make sure to select the right raw materials and components. We continue our efforts to reduce emissions of volatile organic compounds (VOCs).

Strict control of the level of formaldehyde emissions is of key importance to us. Our in-house laboratory at the Wood Processing Plant in Rzepedź, Poland, in operation since 2016, where we regularly test plywood and wood-based components for safety. In addition, the internal tests are periodically verified by an independent auditor.

Formaldehyde emissions in the plywood we manufacture and wood-based materials purchased by our company have been reduced by half compared to the value required

by the European standard emission class E1, thus meeting the strict requirements of the German regulation on forbidden chemicals (ChemVerbotsVO). We also require our suppliers to confirm the reduced content of formaldehyde emissions in their products.

Our furniture systems and chairs hold hygiene certificates from the National Institute of Hygiene (PZH), which confirm that they are safe for health and environmentally friendly, and can be used in office and public spaces.

 [Click to see tables GRI 305-1, GRI 305-3, GRI 305-7, regarding greenhouse gas emissions](#)

We are replacing solvent-based varnishes with safer water-based varnishes


In 2021, we conducted tests aimed at discontinuing the use of the last solvent-based (polyurethane) varnishes used in the production processes at the Office Furniture Factory, and replacing them with water-based varnishes. The process is currently underway and it is planned to be completed by the end of 2022. As a result, we will prevent the consumption of about 650 kg of solvent-based varnishes per year.

6.4 Raw materials and materials

Production autonomy is one of Nowy Styl's strengths. Our manufacturing is independent because we process all the raw materials needed for our operations in our production plants.

Raw materials we use in production include wood, chipboards and fibreboards, steel, fabrics and upholstery foams. We are committed to sourcing materials and raw materials for production in a sustainable manner, with respect for the natural environment and with no violation of human rights. We look for reliable sources, confirmed by certificates. We strive to rationally use the natural resources and materials we need for production. We continually work to improve our material efficiency, which includes developing technologies to reduce production waste.

In line with the implemented Eco-design system, we have implemented, we aim to design and manufacture in the spirit of sustainable development and in accordance with the circular economy model.

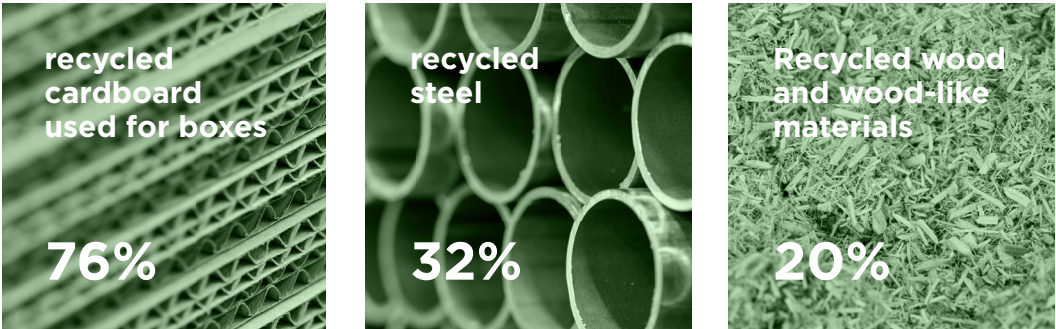
 [Click to see table GRI 301-1, regarding Raw materials/materials consumed by weight and volume](#)

Our product range includes environmentally friendly raw materials such as FSC® certified (FSC-C120977) and PEFC-certified wood, finishing materials with the EU flower labels, wool upholsteries with the Wools of New Zealand certificate (guaranteeing sustainable sheep breeding) and thermoformable felt – a material made from recycled PET bottles.

Recycled materials

Based on the data collected from our suppliers in 2021, the rates of recycled and sustainable materials in our products are as follows:

Data obtained from suppliers generating 80% of the purchase value of the specific material.




The plastic components we use which weigh 50 g or more, and are marked as required by ISO 11469, and the specific type of plastic is indicated. Thus, we ensure our customers

are provided with clear information as to whether such components can be recycled and how they should be segregated.

Wood

Nowy Styl has its Wood Processing Plant based in Rzepedź, Poland. Wood is the material that best teaches us respect raw materials. If you visit our production plant in Rzepedź, Poland, you will meet people who treat wood with great respect and have cared for its quality for many years. To us, natural wood is simply a treasure.

 Out of concern for biodiversity and to make sure that the raw material we use comes from legitimate sources the wood used by Nowy Styl complies with the EUTR 995/2010 regulation, which focuses on combating illegal sourcing of wood. Much of the wood comes from sustainably managed forests that are FSC® or PEFC certified. By operating under the FSC® system, we help implement UN's Sustainable Development Goals and achieve compliance with the procurement policy for the public and private sectors, which provides a detailed definition of materials from responsible sources.





In 2021, our company, together with FSC®, invited our employees and partners to join an educational campaign called **FSC® Friday**. We displayed posters and published articles on our intranet, website and on social media, sharing all we know about the importance of forests for climate and biodiversity, and the benefits of sustainable forest management. At the end, the participants could test their knowledge in a quiz.



Click and read more about the educational campaign

FOREST WHY IS IT IMPORTANT?

NowyStyl

Produces oxygen

One adult, 60-year-old pine tree produces the amount of oxygen necessary for 3 people to live.

Purifies the air

100 trees remove approximately 454 kg of pollutants annually

Regulates the flow of water

Forests slow down the surface run-off of water, thus reducing the risk of flooding



Gives life

Forests are home to 80% of all terrestrial organisms on Earth

Regulates the temperature

Trees influence the microclimate and regulate the air temperature

Reduces CO₂

1 hectare of forest absorbs an average of 4-5 tons of CO₂ annually

Nowy Styl offers a wide range of FSC® certified products made from wood. Our products, such as Lupino, Njord and Embla, are labelled with the FSC® logo.

The FSC® certificate guarantees to customers that our

products are made from wood originating from a legitimate source, where management and distribution have been audited and from other controlled sources.

KUSCH+CO



Lupino

KUSCH+CO



Njord

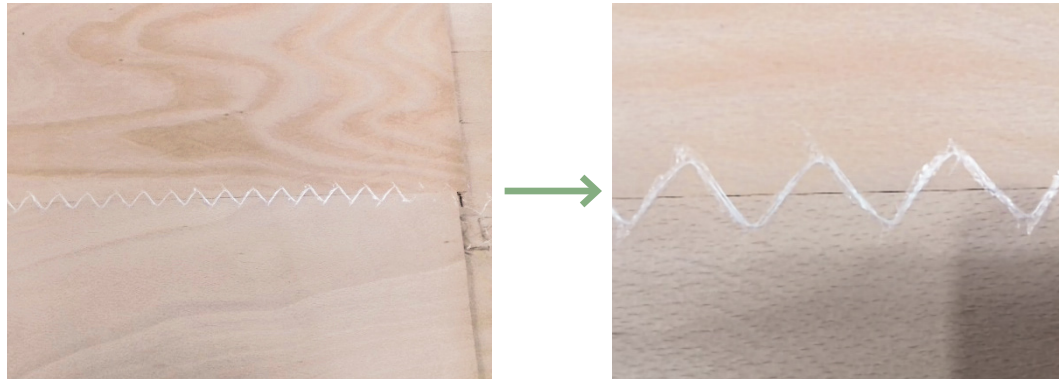
KUSCH+CO



Embla

Investments aimed at optimising wood consumption

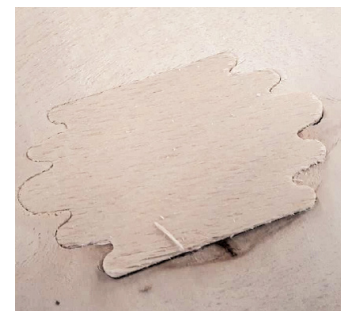
- An investment project involving the implementation of a **veneer joining device, commonly known as „splicer”**, was completed at the Wood Processing Plant in Rzepedź, Poland in 2021. The device is designed to join veneers using a special, fusible adhesive thread. The thread forms a wavy trail on the surface and joins the sheets of veneer. The device makes it possible to join smaller sections of veneer into a compact whole. The introduction of a splicer has led to savings in round wood. As an additional benefit, we can eliminate the problem of storing smaller-size sheets of veneer which are difficult to use, while avoiding their unnecessary depreciation due to damage caused in storage.



- A device for treating defects in veneer, commonly known as **“patcher”**, which was implemented at the Wood Processing Plant in 2020, has a similar application. The device is designed to repair defective areas on veneer, resulting from imperfections in wood structure (such as knots, bark pockets etc.) as well as mechanical damage caused in the process of cutting wood. Repair involves mechanically cutting out the defect from a veneer sheet while at the same time inserting an undamaged „healthy insert” in its place. The device cuts out undamaged inserts from previously prepared strips of veneer. This method of repair increases the yield of Production Class 2 veneer, which is obtained by reclassifying Class 3 veneer. As a result, the input material (wood) is saved.



Defect before repair



Defect after repair

The average monthly round wood savings from the use of the repair process equipment described above are estimated at approximately 121 m³ less of purchased wood, adding up to approximately 1450 m³ annually.



Upholstery foams

We use three types of polyurethane foam in our products: foam cut to size, supplied in blocks by market-leading manufacturers, recycled ground foam made from production waste, and injection foam manufactured in-house at our plant.

As the process of manual cutting has been automated, we have improved work ergonomics and the quality of the product. In addition, foam production waste is not disposed of but it is reprocessed to finally return to the plant in the form of special ground foam.

Our upholstery foams have a health quality certificate, a product safety sheet and a hygiene certificate.

In 2021, we took steps to reduce the amount of materials used in the production of polyurethane foam by changing the method of filling moulds. The production process of polyurethane foam involves addition polymerisation of two components – isocyanates and polyols – with a catalyst and water. We wanted to find the best way of pouring the mixture to ensure it is as full, as even and as smooth as possible. The task was more difficult than it might seem and required the right skills and experience, because factors such as temperature, humidity and pressure need to be right for the foaming process to be successful. As a result, our annual savings on leading manufactured products reached 2,294 kg of isocyanates and 6,940 kg of polyols.

Fabrics

We are increasing the share of recycled or renewable fabrics in our portfolio of finishes. We offer a wide range of polyester fabrics, 97-100% of which are made from post-consumer polyester. It is made, among other things, from plastic PET bottles – the process of their recycling generates less CO₂ emissions than the production of virgin polyester fibres, and eliminates the need to purchase new raw materials. What is more, such fabrics can be recycled again when their useful life has ended.

Our portfolio also includes a wide selection of woolen fabrics. As a raw material, wool is ‘naturally’ and quickly renewable. It is characterised by high durability and a long life cycle, and it can be recycled at the end of its useful life. Converting wool into a usable textile fibre requires the lowest energy input out of all major fibre groups.

NOWY STYL upholsteries in 2020/2021 (exclusive of leathers and coated fabrics)

	Recycled	Wool	EU Ecolabel certificate	Oeko-Tex Standard 100 certificate
Overall in %	20.83%	20.83%	50%	54.17%

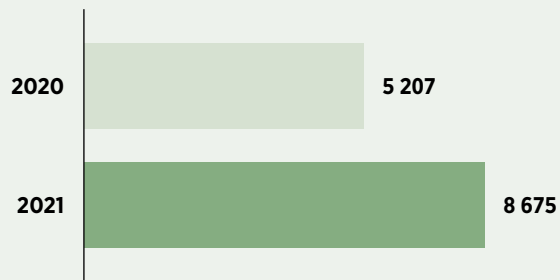


Panels in the Tepee modular system

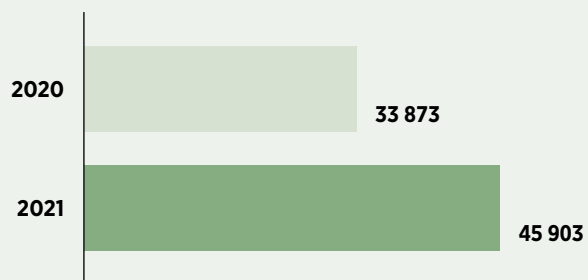
The panels are made of pressed felt, which is a 100% recycled material. The fibres are made from 100% recycled PET bottles. It takes 22 ground 500 ml plastic bottles to make 1 m² of the fabric.

Consumption of felt and natural wool in 2020-2021

Felt – fibres made from 100% recycled PET bottles (m²)



Natural wool (m²)





Oeko-Tex®

A certificate confirming the quality of textile and fibre products that come into direct contact with human skin. Oeko-Tex® awards certificates to products tested for the presence of one hundred most dangerous substances that pose risk to consumers.

EU Ecolabel

A certificate awarded by the European Commission to products and services that have a negligible impact on the natural environment throughout their life cycle.

Cradle to Cradle Bronze

A certification programme based on five criteria: materials that are safe for health, reuse of raw materials, use of renewable energy sources, carbon dioxide emissions, water resource management and social responsibility.

Wools of New Zealand

A certificate that confirms sustainable sheep farming. The organisation improves its methods, constantly looking for new ways to improve the quality of fibres and strives to leave a lasting footprint.



Packaging

We strive to reduce the impact of our packaging on the natural environment. In recent years, we have been gradually introducing improvements to **eliminate cardboard and single-use plastic**.

We use returnable packaging, such as:

- reusable protective covers we make from fabric remnants to secure products as they circulate internally and are transported to the customer,
- wooden crates for transporting collective components between the factories,
- transport blankets for moving cabinets, made from recycled fabrics and nonwovens.

In our internal logistics, we have implemented and use reusable spacers, racks, lashing straps as well as fabric remnants. These solutions provide great protection for our products when they are transported between plants, while eliminating the need for stretch film, used before, and other plastic items. These solutions, implemented in 2020-2021, prevented us from using about 7.2 tons of stretch film, which amounts to about 22% of the total annual consumption of stretch film in our internal transport. As a result, we have also significantly reduced stretch film waste.

Packaging line



Racks



Repurposing of fabric offcuts



In 2021, **we expanded our flatpack furniture packaging line** at the Office Furniture Factory. After the expansion, flatpacks with furniture and semi-finished furniture products are automatically transported by a conveyor system from the assembly hall to the Finished Products Warehouse. In the past, products were stored on pallets, wrapped in film and transported by forklifts. The installation of the conveyor allowed us to reduce film consumption in transport between the production hall and the Finished Products Warehouse by about 30%.

Moreover, the solution made it possible to achieve other environmental benefits, such as eliminating one forklift used for transporting products, and thus reducing the consumption of batteries and their disposal and reducing the consumption of electricity. The power consumed by the roller conveyor to perform the same work is 4-5 times lower than the power needed to charge the batteries in the forklift.



We also consider the environment when packing the final product. Protective plastic corners were replaced with ones made from cardboard. Also, we are discontinuing foamed plastic profiles to replace them with cardboard profiles. Collective packaging of products can save as much as 1.8 kg of cardboard per single desk. This means savings for us and less waste for customers buying our products.

In 2021, we started **implementing 12 micron layered 55 machine stretch film in production**, replacing the previously used multi-layer 17 micron film. As a result, we have reduced the amount of stretch film that needs to be recycled after goods are unpacked by about 30%.

We continue equipping more and more of our production cells at the Armchair and Chair Production Plant with pre-stretch film wrappers which can stretch film up to 300%, thus reducing its consumption by 15% at each cell.

We make efforts to use materials which do not contain harmful substances and have a limited impact on the environment as they degrade. We manage our use of chemicals in accordance with the REACH directive and we label our products and packaging in accordance with the CLP regulation.

BDF transport

Our efforts to reduce packaging materials are also supported by innovative and optimised logistics solutions. We deliver our products using BDF, a system of swap vehicle bodies with a variety of different superstructures available. The system offers many environmental benefits. First of all, products do not need to be transported in packaging. They are secured with reusable blankets and special straps. Shipping may or may not be done on pallets. With the double decks, extra transport space is gained where more chairs and furniture can be stacked. Placing products on two levels increases the load capacity of Euro pallets by 63%. By using the BDF system and reducing the traffic of cargo vehicles we reduce harmful exhaust gas emissions by 40%. While our products are transported in the BDF system, we use less transport packaging.

Packaging material savings illustrated in a completed project

Items	Cardboard savings (kg)	Plastic savings (kg)
Desk chairs	472	18
Canteen chairs	472	4
Training/meeting chairs	294	3
Pedestals	132	0
Canteen tables	271	0
Summary	1 761	25



Transport on Corlettes

Because we have changed our logistics system, we also changed the shipping method for some of our orders by replacing the pallet with a Corlette. Previously, assembled finished products on the cabinet production line were placed on pallets and secured with film for transport to the warehouse. Then, in the warehouse, they were repackaged onto the target carrier. Currently, for some orders to be ultimately transported on Corlettes, we change the carrier already at the production cell. In this way, we avoid unnecessary operations and do not waste pallets and film.



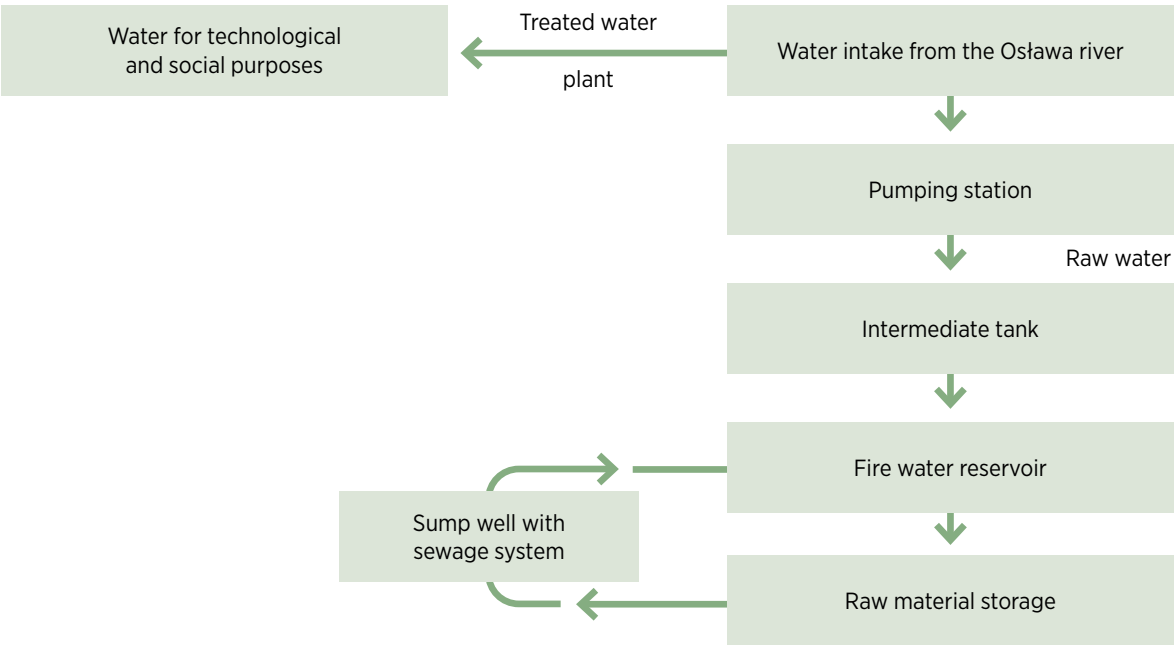
6.5 Water management and sewage

Water is the most valuable resource on Earth, so we take a responsible approach to water management. As a production company, we cannot completely eliminate water from our processes, but wherever possible we strive to improve our water efficiency to use less and less water. We achieve this, among other things, by introducing closed water circuits and eliminating losses.

We take water for the operation of our plants from three sources: municipal water supply systems, surface water intakes and deep wells. Water is used both for production processes, at some locations, and for household purposes, such as drinking.

In 2020, we completed the modernisation of a log deck spraying system at our plant in Rzepedź, Poland. A closed

water circuit was built to allow for significant savings in water consumption. Water taken from an intake goes into a pool, from where it is then drawn onto the log deck. Water flowing down from the logs (from the storage yard) is collected into a sump well, and then returned into the fire pool via a drain system. Water loss from the pool is small and it is replenished. Some of the water is absorbed by the logs stored in the yard. Evaporation of the accumulated water is greater in the summer. When it rains, on the other hand, the amount of water that needs to be drawn from the water intake to maintain a water level necessary for the process to work well is smaller. **The modernisation resulted in a reduction of water consumption by about 25,000 m³ compared to the previous year.**



We make sure that wastewater generated in the production process is managed and its amount reduced. Sanitary sewage is discharged into the sewage systems of Municipal Utility Companies. Our two plants located in Poland have their own sewage treatment plants. Domestic wastewater generated at the Wood Processing Plant in Rzepedź, Poland, is channelled into the Osławica river following the treatment in an on-site biological treatment plant. Industrial wastewater generated by the Metal Production Plant, on the other hand, goes into the Jasiołka river after being treated in an on-site industrial wastewater treatment plant.

In 2020, we started implementing two multi-stage modernisation investments at the Wood Processing Plant in Rzepedź, Poland, which we plan to complete by the end of 2022:

- modernisation of a water pumping station (water intake and treatment station); this project involved multiple repairs, replacing deposits, pumps and

a pipeline as well as installing flood sensors and a control cabinet to be able to monitor electricity and water consumption 24 hours a day. As a result, we can comprehensively monitor water consumption and control damage in case of a pumping station failure.

- modernisation of a biological wastewater treatment plant which involved the replacement of deposits, making new wastewater drainage and aeration systems and installation of a wastewater flow meter at the outlet. These measures will help us increase the efficiency of our wastewater treatment process and monitor it better.

 [Click to see the table – GRI 303-3 – Total water withdrawal by source](#)

 [Click to see the table – GRI 303-4 – Sewage](#)

6.6 Chemicals under control

The safety of our employees is our priority. Therefore, it is very important for us to manage chemicals we use in our plants in such a way that they pose the lowest possible risk to employees and the natural environment. All issues related to the handling of chemicals, from purchase planning through delivery, transport, storage, registration, training, use in processes, and the disposal of chemical waste and packaging, are determined by the existing internal procedure for handling chemicals.

To ensure efficient and comprehensive management of chemicals, our company has implemented an electronic Central Database of Chemicals where every chemical we use is registered, regardless of its purpose – whether it is used in a production process or, for example, for maintenance or in an on-site laboratory. The database contains safety data sheets for chemical substances, feedback on putting them into use and workplace instructions on how to handle the chemicals. Having such instructions is not a legal requirement but we have introduced them as an additional measure, to improve the safety of our employees. They are based on data from safety data sheets and they make it easier to quickly access information, e.g. in the event of an accident or emergency.

In addition, the database is used to collect information on the classification of substances with regard to the CLP regulation, H-phrases contained, REACH declarations and Technical Data Sheets.

This systemic and comprehensive approach to chemicals is helpful when we need to carry out analysis to design and launch new products in line with Ecodesign, which we have implemented, based on the ISO 14006:2020 standard, and with regard to requirements set by leading environmental certifications.

We still strive to reduce the amount of chemicals, especially hazardous, used in our processes, or to replace them with alternatives which are more employee – and environment-friendly. Examples include our efforts to completely eliminate solvent-based varnishes from the production processes carried out at the Office Furniture Factory and replace them with water-based varnishes (see page ...). Another example is the reduction of polyols and isocyanates used to make polyurethane foam thanks to the development of a special method of filling moulds.

 [Click to find out more](#)

6.7 Waste management

Our waste comes mainly from production processes. We make efforts to reduce it by cutting down the consumption of materials and making investments to reduce its volume. Hazardous waste and waste that can no longer be processed is collected by external companies.

[Click to see the table – GRI 306-3, Generated waste](#)

[Click to see the table – GRI 306-4, Recovered waste](#)

[Click to see the table – GRI 306-5, Waste for disposal](#)

In 2021, we completed an **investment project to help manage sludge generated in the process of grinding metal materials** at the Metal Production Plant. The filtration method uses a flow-based system. The first stage of filtration involves running coolant through a magnetic filter, which retains approximately 30% of the recyclable material, while the remaining waste is deposited in a “tank” (decanter) with a capacity of 1 m³. The second

stage of filtration is carried out periodically, once every 1-3 months. The coolant is recycled to be reused and the waste is disposed of. Before the introduction of the filtration process, we disposed of 48,234 Mg, whereas after the change of the filtration technology we disposed of 18,025 Mg of waste. We managed to reduce the amount of waste by 62%.

Stage 1 – solution



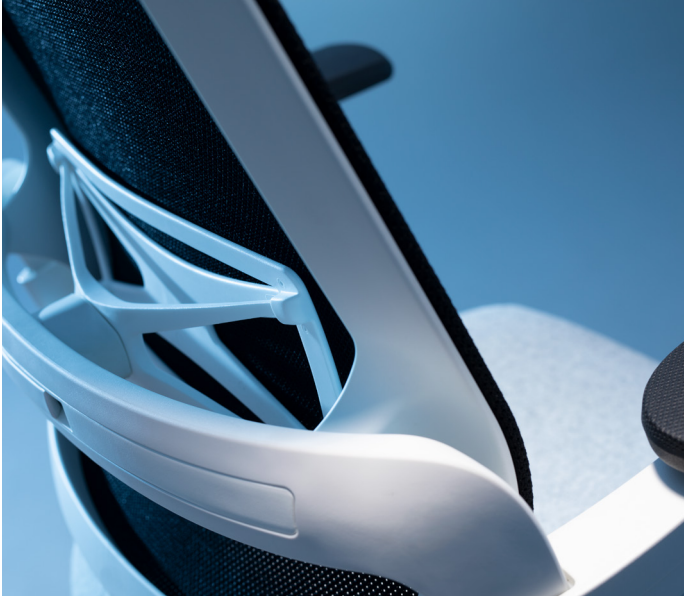
Installation after modification



Magnetic filter installed



Ferrous steel scrap after filtration



When designing our products, we attach great importance to extending their life cycle. We use recycled or renewable materials. In addition, we offer our customers additional services, such as repair or modification of the intended use of the product, and processing of furniture unsuitable for further use. These solutions are fully in line with the assumptions and principles of circular economy. An example of how the life of a product can be maximised and the product recycled at the end of its useful life is the Xilium line. The characteristic feature of this chair is that more than half of its components can be replaced independently by the user.

Stage 2 - filtration



Non-magnetic material for the filtration process



1m³ industrial vacuum cleaner required

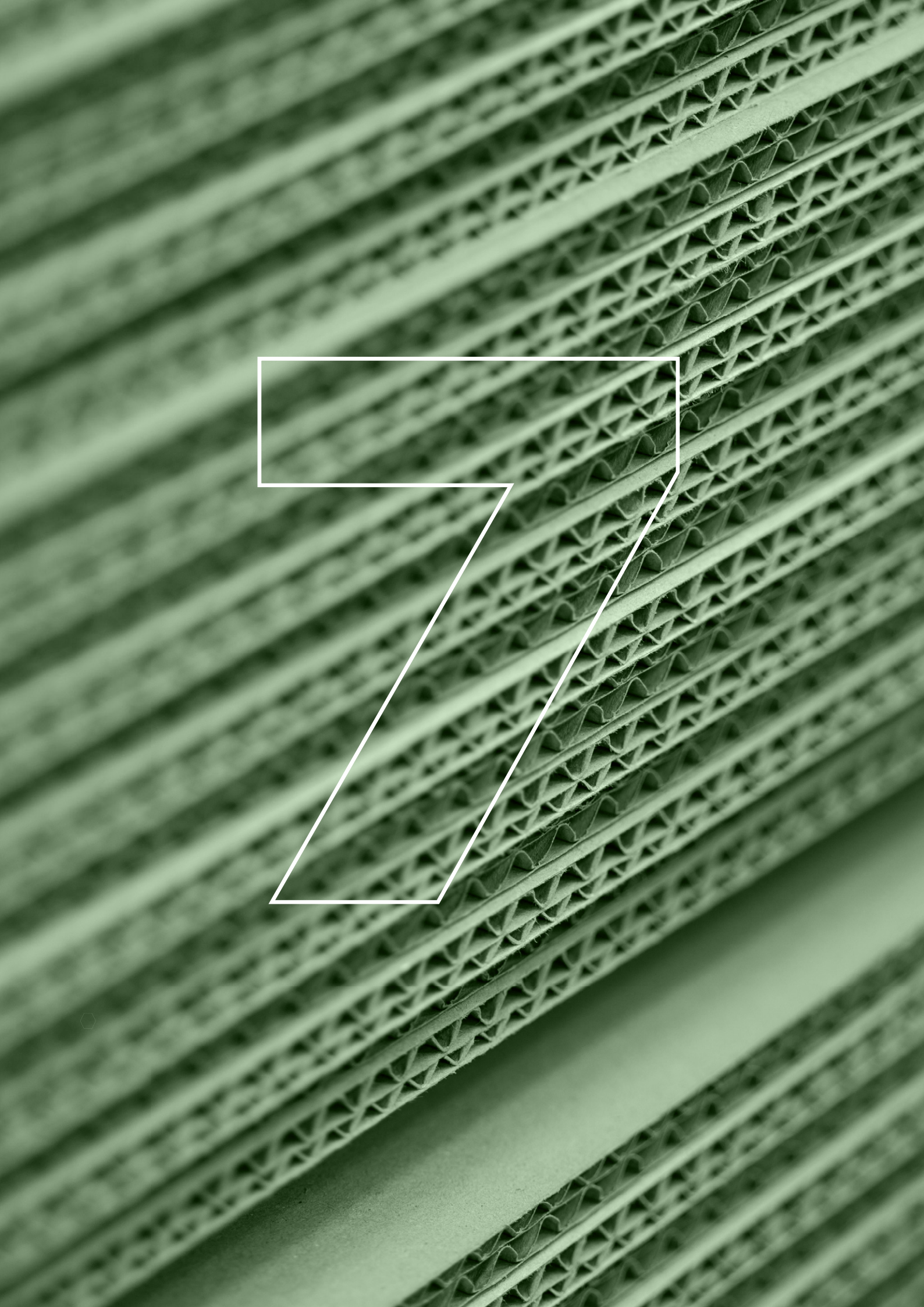


Filter press available



Waste material after the filtration process





7 About this report



This is our fifth sustainability report. It presents the impact of the activities of Nowy Styl Sp. z o.o. and its selected subsidiaries in the period from 1 January 2020 to 31 December 2021. The report is published every two years. The previous report Make Your Space Responsible, covering the years 2018-2019, was published in autumn 2020.

Like the previous report Make Your Space Responsible, this publication was based on the Core option of the Global Reporting Initiative Standards. The report has undergone independent external verification by the company Deloitte Advisory Sp. z o.o. sp. k. The verification covered selected GRI indicators (marked with an* in the GRI table). The financial data comes from financial reports audited by independent certified auditors (Ernst&Young Audyt

Polska). This guarantees to us and the readers of this report that the data it includes concerning the key areas of sustainability: employee relations, impact on the environment, local community and the market, is reliable and complete, and that these areas are managed effectively.

At Nowy Styl, we are continually optimising our production processes and adapting to changes taking place on the markets we serve. Therefore, part of the production at Nowy Styl Deutschland GmbH has been stopped and transferred to Nowy Styl sp. z o.o., which had an impact on the employment structure and environmental data in the reporting period. In addition, due to the cessation of production at Nowy Styl – Majencia SAS, data from that company is not reported in this report.



Nowy Styl is a private enterprise. This report includes data on five (Nowy Styl sp. z o.o., Nowy Styl GmbH, Kusch+Co GmbH, Nowy Styl Deutschland GmbH, Sitag AG) out of 28 companies, as these account for over 95% of the group's production and employment. The indicators presented in this report were selected based on the expectations of key stakeholder groups, employees, partners, journalists and suppliers, as well as on competitor benchmarking and Nowy Styl's internal policy.

In accordance with the GRI reporting principles, we selected the aspects and issues of sustainable develop-

ment important to our company in a multi-stage process:

- identification of indicators relevant for the entire industry, based on competitor benchmarking and previous Nowy Styl reports, assessment of the significance of the aspects based on dialogue with stakeholders,
- evaluation based on customer needs and the results of the EcoVadis assessment,
- validation session with the management team, at which we accepted the scope of the report and the detailed indicators.

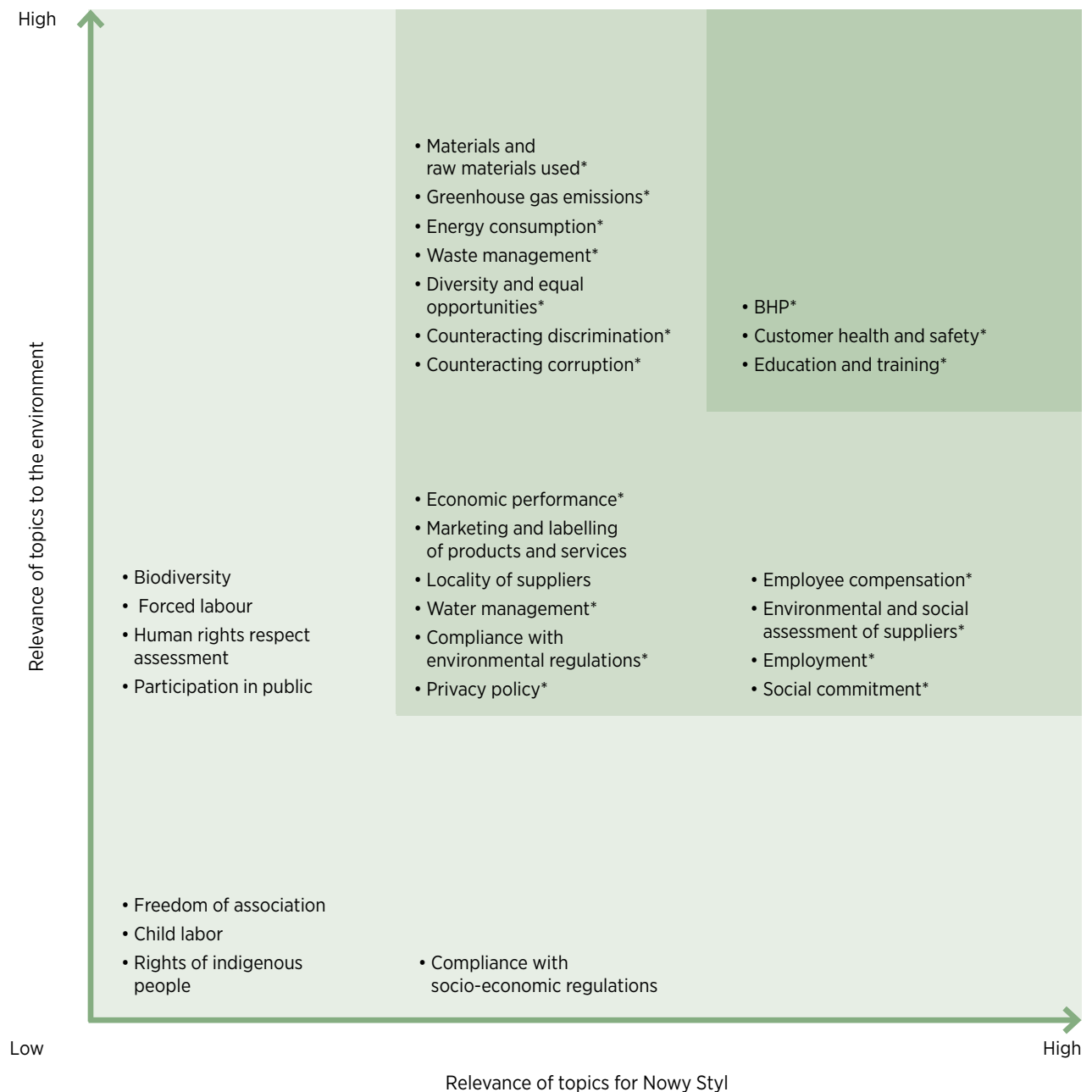
Relevant topics covered in the report

In accordance with the GRI reporting principles, we selected the aspects and issues of sustainable development important to our company in a multi-stage process:

- identification of indicators relevant for the entire industry, based on competitor benchmarking and previous Nowy Styl reports,
- surveying the needs of stakeholders as part of the

- process of preparing the Sustainability Strategy, risk analysis – with reference to the key risks for our organisation identified in the Strategy
- results of the EcoVadis evaluation,
- validation with the management team, at which we accepted the scope of the report and the detailed indicators.

Analysis of the importance of the topics based on the dialogue:



* Wybrane tematy przedstawione w raporcie.

Nowy Styl's sustainability report is a highly analytical document and it describes the activities of the organisation in a cross-sectional manner, which is why employees from all divisions of the organisation, as well as external stakeholders contributed to its preparation. The report has a global dimension, which is why we have presented initiatives from all our leading markets to show the impact of our activities. Employees from our companies in Germany, the

Netherlands, Switzerland, France and the United Kingdom were engaged in the development of the report. Unfortunately, we were not always able to present aggregate data for the entire group. Where this could not be done, we presented data for selected companies, making it our goal for the coming years to collect aggregate data.

We would like to thank everyone whose engagement made it possible to create this report.



If you have any questions about this report, please feel free to contact me:

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Independent Limited Assurance Report on selected Indicators Presented in the Sustainability Report of Nowy Styl Sp. z o.o. for the years ended 31 December 2020 and 31 December 2021.

To the Management Board of Nowy Styl Sp. z o.o.

Pużaka 49
38-400 Krosno

Scope of work performed and applicable criteria

We have undertaken a limited assurance engagement on the selected indicators presented in the Sustainability Report of Nowy Styl Sp. z o.o. for the year from 1st January 2020 – 31st December 2021 (the "The ESG Report"), developed by Nowy Styl Sp. z o.o. (the "Company").

The scope of our work covered all of the Company's reported General Disclosures presented in the GRI index and selected Topic Specific Disclosures. The indicators included in the GRI index presented in the ESG Report have been reported in the "Core" option in the manner defined in the GRI Standards - Sustainability Reporting Guidelines, issued by the Global Reporting Initiative (GRI).

Our limited assurance engagement has been limited to the indicators presented in the ESG Report and marked "*" in the GRI Table Index and does not extend to the other information included in the report, nor the report as a whole. Accordingly, our conclusion below applies only the GRI indicators within the scope of our work and not all data presented, or any other information included in the ESG Report.

Responsibility of the Management Board of the Company

The Management Board of the Company is responsible for the preparation and presentation of the indicators presented in the ESG Report in accordance with Sustainability Reporting Guidelines GRI Standards for the "Core" option, as issued by Global Reporting Initiative (GRI). This responsibility includes establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived. The Management Board of the Company is also responsible for the provision of reliable, correct, and fair information, and for the correct preparation of the documentation provided to us.

Our Independence and Quality Control

In performing the service, we have complied with the independence and other ethical requirements set out in the International Code of Ethics for Professional Accountants (including International Standards of Independence) developed and approved by the International Ethics Standards Board for Accountants, which includes independence requirements and other requirements based on integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

In accordance with International Quality Control Standard No 1, issued by the International Federation of Accountants IFAC, we maintain a comprehensive system of quality control that includes documented policies and procedures for ensuring compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the selected indicators as marked in the GRI index presented in the ESG Report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this

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engagement to obtain limited assurance about whether the selected GRI indicators presented in the ESG Report are not inconsistent with the GRI Standards Guidelines for Sustainability Reporting.

The procedures performed under the limited assurance engagement are different in nature and limited in scope both in terms of risk assessment procedures, including an understanding of internal control, and in terms of the procedures performed in response to the risks assessed compared to the reasonable assurance engagement. As a result, the level of assurance obtained through an assurance service providing limited assurance is significantly lower than the level of assurance that could be obtained through an assurance service providing reasonable assurance.

The procedures we performed were based on our professional judgement, our assessment of the risk of material misstatement of the indicators due to intentional actions or misstatements, and included interviews, observations of the processes performed, examination of documents, analytical procedures, assessments of the appropriateness of calculation methods and reporting policies and reconciling with underlying records.

In order to form our conclusion on the selected indicators as marked in the GRI index presented in the ESG Report, we undertook in the period 21st April 2022 – 08th December 2022 the following procedures:

- Through inquiries, obtained an understanding of Nowy Styl's control environment and information systems relevant to reporting the indicators under review, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Obtained through inquiries, analytical procedures, observation and other applicable evidence gathering procedures on a sample basis, an understanding of the key structures, systems, processes, procedures and internal controls relating to collation, aggregation, validation and reporting of data for the indicators under review.
- Evaluated whether Company's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Company's estimates.
- Compared the information in the ESG Report with the GRI Standards guidelines for the indicators under review.
- Compared the information included in the ESG Report to internal documentation of the Company.

Inherent limitations

The process the organization adopts to define, gather and report data on its non-financial performance is not subject to the formal processes adopted for financial reporting. Therefore, data of this nature is subject to variations in definitions, collection and reporting methodology with no consistent, accepted standard. This may result in non-comparable information between organizations and from year to year within the organization as methodologies develop. The accuracy and completeness of the information disclosed in the Sustainability Report is subject to inherent limitations given its nature and the methods for determining, calculating or estimating such information.

Conclusion

Based on the work we have done and the procedures we have performed, nothing has come to our attention that causes us to believe that the indicators in the scope of our work, presented in the ESG Report and marked "*" in the GRI content index, for the years ended 31 December 2020 and 31 December 2021 prepared by Nowy Styl Sp. z o.o., have not been prepared, or compiled, in all material respects, in accordance with the GRI Standards in the "Core" option issued by the Global Reporting Initiative.

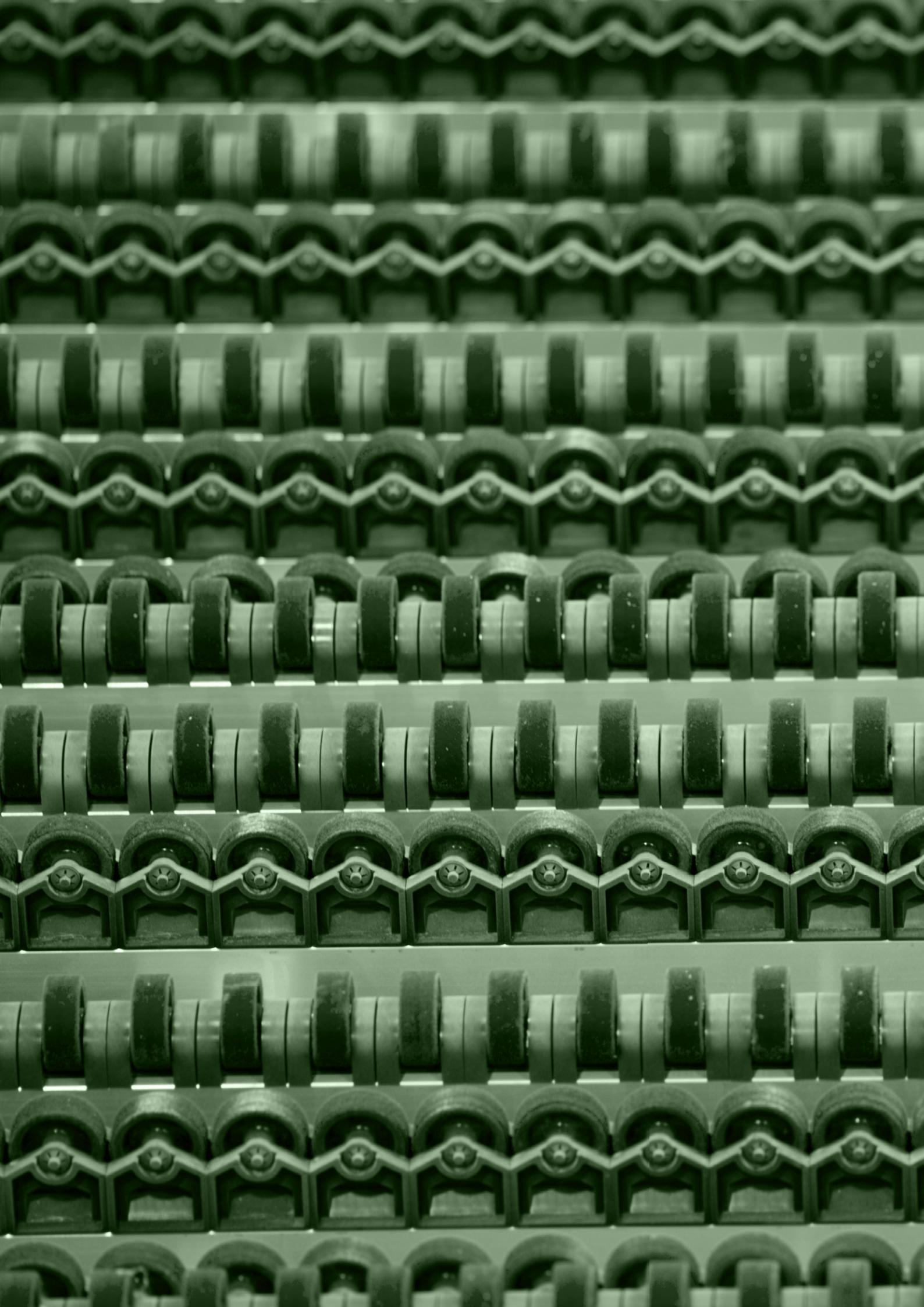
Deloitte Audyt sp. z o.o. sp.k.
Warsaw, 08th December 2022

This Report is an English version of the original Polish version. In case of any discrepancies between the Polish and English version shall prevail.

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Certificates

Strength, durability, safety			
	Certification bodies	Country	Number of product lines with these certificates
GS Certificate (Geprüfte Sicherheit)	TÜV Rheinland	Germany	44
GS Certificate (Geprüfte Sicherheit)	TÜV SÜD	Germany	28
NF Office Excellence Certificate	l'Institut Technologique Forêt Cellulose Bois-construction Ameublement – FCBA	France	11
Certificates and test reports confirming standards for furniture and chairs	Instytut Nadzoru Technicznego (Technical Supervision Institute)	Poland	16
	Instytut Technologii Drewna (Wood Technology Institute)	Poland	1
	Szutest (Engineering Test Institute)	Poland	1
Quality Office Certificate	Qualitätsforum	Germany	24
Quality Office Certificate			
	Certification bodies	Country	Number of product lines with these certificates
Ergonomie Geprüft Certificate	TÜV Rheinland	Germany	4
Certificate of conformity with the Dutch standard NPR 1813	TÜV SÜD	Germany	8
Ergonomics Approved Certificate	TÜV SÜD	Germany	12
Ergonomic Assessment Protocols	Nofer Institute of Occupational Medicine	Poland	14
Safety in the context of hazardous substances, volatile organic compounds and formaldehyde emissions			
	Certification bodies	Country	Number of product lines with these certificates
Schadstoffgeprüft Certificate (Toxproof)	TÜV Rheinland, TÜV SÜD	Germany	4
Hygienic Certificates – confirmation of national safety requirements for public spaces in Poland	Medical University of Gdańsk – Department of Environmental Toxicology National Public Health Institute – National Institute of Hygiene	Poland	26
Test reports confirming hygiene class E1 (formaldehyde emissions) and compliance with the strict German requirements in this regard (German ChemVerbotsV Formaldehyde class E1) for all wood-based components in our products	European research bodies authorised to certify in this field		
Confirmation of environmental requirements			
	Certification bodies	Country	Number of product lines with these certificates
European Level Certificate (FEMB LEVEL)	TÜV Rheinland	Germany	9
Blue Angel Certificate	RAL GmbH	Germany	15
NF Environnement	l'Institut Technologique Forêt Cellulose Bois-construction Ameublement – FCBA	France	9
Möbelfakta Certificate	Möbelfakta Sverige AB	Sweden	1

Certificates cont.

No content of hazardous substances and reducing the environmental impact of our upholsteries			
	Certification bodies	Number of upholsteries in our portfolio with the following certifications	
		Fabrics	Meshes
EU Ecolabel Certificate	European research bodies authorised to certify in this field	12	2
Oeko-Tex Standard 100 Certificate	European research bodies authorised to certify in this field	13	4

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Employment structure by gender and contract type

2020	Contract type							
			Full-time			Part-time		
	Women	Men	Women	Men	Total	Women	Men	Total
Nowy Styl Sp. z o.o.	986	2,305	980	2,301	3,281	6	4	10
Nowy Styl GmbH	36	61	22	60	82	14	1	15
Kusch+Co	69	168	40	164	204	29	4	33
Nowy Styl Deutschland GmbH	56	175	38	166	204	18	9	27
Sitag AG	31	85	25	76	101	6	9	15
Nowy Styl	1,178	2,794	1,105	2,767	3,872	73	27	100
Total % breakdown	30%	70%	28%	71%	97%	7%	27%	2%

2021	Contract type							
			Full-time			Part-time		
	Women	Men	Women	Men	Total	Women	Men	Total
Nowy Styl Sp. z o.o.	1,135	2,286	1,130	2,280	3,410	5	6	11
Nowy Styl GmbH	36	57	22	55	77	14	2	16
Kusch+Co	61	156	36	151	187	25	5	30
Nowy Styl Deutschland GmbH	35	101	22	94	116	13	7	20
Sitag AG	27	85	23	78	101	4	7	11
Nowy Styl	1,294	2,685	1,233	2,658	3,891	61	27	88
Total % breakdown	32%	67%	32%	68%	98%	69%	31%	2%

Includes employment adjustments: NS Deutschland of 30.05.2022; Kusch+Co. of 09.06.2022; NS GmbH of 09.06.2022

Salaries of the lowest-level employees by gender in relation to the minimum wage

	Location	2020		2021	
		Women	Men	Women	Men
Nowy Styl sp. z o.o.	Poland	124.18%	135.52%	119.39%	130.64%
Nowy Styl GmbH	Germany	180.49%	180.49%	180.59%	180.59%
Kusch+Co GmbH	Germany	140.00%	149.41%	139.79%	149.16%
Nowy Styl Deutschland GmbH	Germany	117.86%	138.24%	129.46%	145.71%
Sitag AG	Switzerland	113.24%	116.28%	109.90%	122.92%

							Number of employees at NS Sp. z o.o. (employment contract)	temporary employee	Total number of employees
Indefinite term			Definite term						
Women	Men	Total	Women	Men	Total				
717	1,917	2,634	269	388	657		3,291	32	3,323
34	61	95	2	0	2		97		97
66	166	232	3	2	5		237		237
44	152	196	12	23	35		231		231
30	83	113	1	2	3		116		116
891	2,379	3,270	287	415	702		3,972	32	4,004
27%	73%	82%	41%	59%	18%			0.8%	

							Number of employees at NS Sp. z o.o. (employment contract)	temporary employee	Total number of employees
Indefinite term			Definite term						
Women	Men	Total	Women	Men	Total				
774	1,853	2,627	361	433	794		3,421	62	3,483
33	57	90	3	0	3		93		93
59	154	213	2	2	4		217		217
28	88	116	7	13	20		136		136
27	83	110	0	2	2		112		112
921	2,235	3,156	373	450	823		3,979	62	4,041
29%	71%	79%	45%	55%	21%			1.5%	

Share of expenditure on services/products from local suppliers

2020				
Name of location	Total expenditure on products/services from suppliers	Expenditure on products/services from local suppliers	Share of expenditure on products/services from local suppliers in the total expenditure on products/services	Data sources
Nowy Styl sp. z o. o	360,050,000 PLN	158,750,000 PLN	44%	IFS, Navision, SAP, BI, PENTA
Nowy Styl Deutschland GmbH Nowy Styl GmbH Sitag AG, Kusch+Co	171,000,000 PLN	123,000,000 PLN	72%	IFS, Navision, SAP, BI, PENTA

2021				
Name of location	Total expenditure on products/services from suppliers	Expenditure on products/services from local suppliers	Share of expenditure on products/services from local suppliers in the total expenditure on products/services	Data sources
Nowy Styl sp. z o. o	514,320,000 PLN	257,880,000 PLN	50%	IFS, Navision, SAP, BI, PENTA
Nowy Styl Deutschland GmbH Nowy Styl GmbH Sitag AG, Kusch+Co	169,000,000 PLN	107,000,000 PLN	63%	IFS, Navision, SAP, BI, PENTA

Raw materials/materials consumed by weight and volume

2020	Wood (m³)			Plastics (t)	Metal (t)	Fabrics (m²)	Foam (kg)
	Fibreboards, chipboards and similar (m³)	Veneer logs (m³)					
		with FSC certificate	without FSC certificate				
Nowy Styl sp. z o.o.	18,767	3,889	9,692	20,171,111	9,448	1,320,571	819,354
Nowy Styl GmbH	—	—	—	—	—	—	—
Nowy Styl Deutschland GmbH	2,010	—	100	446	257	22	121
Kusch+Co GmbH	—	—	—	—	—	—	—
Sitag AG	0	0	0	0	10	0	0
Nowy Styl TOTAL	20,777	3,889	9,792	20,171,557	9,716	1,320,593	819,475

2021	Wood (m³)			Plastics (t)	Metal (t)	Fabrics (m²)	Foam (kg)
	Fibreboards, chipboards and similar (m³)	Veneer logs (m³)					
		with FSC certificate	without FSC certificate				
Nowy Styl sp. z o.o.	22,713	3,990	10,118	12,226,835	8,849	1,401,784	811,841
Nowy Styl GmbH	—	—	—	—	—	—	—
Nowy Styl Deutschland GmbH	1,069	—	100	298	640	9	147
Kusch+Co GmbH	—	—	—	—	—	—	—
Sitag AG	0	0	0	72,493	8	16,648	9,881
Nowy Styl TOTAL	23,782	3,990	10,218	12,299,626	9,497	1,418,441	821,869

Energy consumption by the type of raw material Nowy Styl total

Total consumption of energy from non-renewable resources (own or purchased) by the type of raw material	Values (in MWh)	Values (in MWh)	Values (in GJ)	Values (in GJ)
	2020	2021	2020	2021
coal	884	594	0	0
natural gas	6,972	8,496	0	0
heating oil	1,324	1,035	0	0
diesel	1,727	1,839	0	0
Total consumption	10,907	11,963	0	0
Total consumption of energy from renewable raw materials (own or purchased) by the type of raw material	Values (in MWh)	Values (in MWh)	Values (in GJ)	Values (in GJ)
	2020	2021	2020	2021
biomass	38,987	38,896	0	0
biofuels	0	0	0	0
wind energy	0	0	0	0
solar energy	0	0	0	0
geothermal energy	0	0	0	0
hydropower	1,663	1,381	0	0
other (t)	2,259	3,542	0	0
Total consumption	42,909	43,819	0	0
Total consumption of energy, own or purchased, broken down into electricity and heat	Values (in MWh)	Values (in MWh)	Values (in GJ)	Values (in GJ)
	2020	2021	2020	2021
electricity	27,491	27,312	5,672	5,533
thermal energy (including consumption of steam and cooling energy)	12,949	15,647	0	0
Energy consumption	40,439	42,959	5,672	5,533

Total water intake by sources

Total volume of water taken in by the company by source (in m³)		Total volume (m³)	
		2020	2021
Surface waters	Nowy Styl sp. z o.o.	79,383	54,009
	Nowy Styl GmbH	0	0
	Kusch+Co GmbH	0	0
	Nowy Styl Deutschland GmbH	0	0
	Sitag AG	0	0
	NOWY STYL TOTAL	79,383	54,009
Municipal water supply	Nowy Styl sp. z o.o.	49,655	48,063
	Nowy Styl GmbH	0	0
	Kusch+Co GmbH	1,692	1,527
	Nowy Styl Deutschland GmbH	2,616	2,406
	Sitag AG	0	0
	NOWY STYL TOTAL	53,963	51,996
Water from other sources	Nowy Styl sp. z o.o.	0	0
	Nowy Styl GmbH	0	0
	Kusch+Co GmbH	4,605	3,238
	Nowy Styl Deutschland GmbH	0	0
	Sitag AG	1,036	807
	NOWY STYL TOTAL	5,641	4,045
Sum total		138,987	110,050

Sewage

Place where sewage is discharged	2020 Volume (in m³)				2021 Volume (in m³)			
	Groundwater	Surface waters (lakes, rivers etc.)	Municipal utility companies	Total sewage	Groundwater	Surface waters (lakes, rivers etc.)	Municipal utility companies	Total sewage
Nowy Styl sp. z o.o.	0	28	32	60	0	24	23	47
Nowy Styl GmbH	0	0	0	0	0	0	0	0
Nowy Styl Deutschland GmbH	0	0	2,616	2,616	0	0	2,406	2,406
Kusch+Co GmbH	0	0	1,564	1,564	0	0	1,512	1,512
Sitag AG	0	0	1,036	1,036	0	0	807	807
Nowy Styl total	0	28	5,248	5,276	0	24	4,748	4,772

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Direct GHG emissions (Scope 1)

Direct emissions	GHG emissions (tCO ₂ e)	
	2020	2021
Emissions from the generation of heat and technological processes	19,141	20,201
Emissions from physical and chemical processing	245	233
Total direct emissions	19,386	20,434

GRI
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Other indirect GHG emissions (Scope 3)

indirect emissions	GHG emissions (tCO ₂ e)	
	2020	2021
Emissions from the transport of materials, products and waste – external carriers (estimates covering 3 major carriers)	373	263

GRI
305-7Emissions of NO_x, SO_x, and other relevant compounds released into the air

Emissions of NO _x , SO _x , and other relevant compounds emitted into the air	Weight of relevant emissions into the air (in t)	
	2020	2021
NO _x	27.56	28.48
SO _x	5.07	4.08
Volatile organic compounds (LZO/VOC)	54.92	57.93
Pyły (PM)	12.71	12.01

GRI
306-3GRI
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Waste generated, diverted to recovery and/or disposal

Total weight of waste by handling method	Weight of waste in 2020 r. [t]				Weight of waste in 2021 r. [t]			
	non-hazardous waste		hazardous waste		non-hazardous waste		hazardous waste	
	on-site	outside the organisation	on-site	outside the organisation	on-site	outside the organisation	on-site	outside the organisation
Waste recovered, including:								
Preparation for reuse	0	11.1	0	0	0	8.6	0	0
Recycling	0	5,646	0	39	0	7,154	0	35
Other recovery methods	0	2,495	0	389	0	2,001	0	402
Waste recycled, including:								
Combustion (with energy recovery)	576	45	0	0	218	70	0	0
Combustion (without energy recovery)	0	0	0	0	0	0	0	0
Storage	0	10	0	0	0	48	0	10
Other disposal methods	0	16	0	14	0	0	0	12
TOTAL	576	8,222	0	442	218	9,281	0	459

New suppliers who have been assessed with regard to the environmental criteria

Numerical indicators for assessing the environmental impact in the supply chain	2020	2021
Total number of new suppliers	11	12
Total number of new suppliers who have been assessed with regard to the environmental criteria	11	12
Percentage of new suppliers who have been assessed	100%	100%

Hirings

2020	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires
	By gender				By age					
	Men		Women		Age <30		Age 30-50		Age >50	
Nowy Styl sp. z o.o.	239	10%	95	10%	184	6%	136	4%	14	0%
Nowy Styl GmbH	2	3%	1	3%	2	2%	1	1%	0	0%
Kusch+Co GmbH	12	7%	6	9%	11	5%	5	2%	2	1%
Nowy Styl Deutschland GmbH	6	3%	6	11%	10	4%	2	1%	0	0%
Sitag AG	7	8%	3	10%	1	1%	5	4%	4	3%
Total	266	10%	111	9%	208	5%	149	4%	20	1%

Hirings

2021	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires	Number of new hires (per person) in the given group	% of new hires
	By gender				By age					
	Men		Women		Age <30		Age 30-50		Age >50	
Nowy Styl sp. z o.o.	411	18%	265	23%	338	10%	271	8%	67	2%
Nowy Styl GmbH	1	2%	4	11%	4	4%	1	1%	0	0%
Kusch+Co GmbH	2	1%	1	2%	1	0,5%	1	0,5%	1	0,5%
Nowy Styl Deutschland GmbH	4	4%	2	6%	3	2%	2	1%	1	1%
Sitag AG	11	13%	2	7%	4	4%	5	4%	4	4%
Total	429	16%	274	21%	350	9%	280	7%	73	2%

Resignations

2020	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations
	By gender				By age					
	Men		Women		Age <30		Age 30-50		Age >50	
Nowy Styl sp. z o.o.	331	14%	136	14%	183	6%	207	6%	77	2%
Nowy Styl GmbH	1	2%	0	0%	1	1%	0	0%	0	0%
Kusch+Co GmbH	14	8%	10	14%	11	5%	10	4%	3	1%
Nowy Styl Deutschland GmbH	34	19%	11	20%	17	7%	10	4%	18	8%
Sitag AG	13	15%	3	10%	3	3%	6	5%	4	3%
Total	393	14%	160	14%	215	5%	233	6%	102	3%

Resignations

2021	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations	Number of resignations (per person)	% of resignations
	By gender				By age					
	Men		Women		Age <30		Age 30-50		Age >50	
Nowy Styl sp. z o.o.	433	19%	105	9%	198	6%	254	7%	86	3%
Nowy Styl GmbH	17	30%	7	19%	3	3%	10	11%	11	12%
Kusch+Co GmbH	14	9%	9	15%	15	7%	7	3%	1	0%
Nowy Styl Deutschland GmbH*	78	77%	27	77%	23	17%	35	26%	47	35%
Sitag AG	11	13%	6	22%	4	4%	4	4%	9	8%
Total	553	21%	154	12%	243	6%	310	8%	154	4%

* Due to changes on the market, structural changes and restructuring activities were necessary at the production plant owned by Nowy Styl Deutschland GmbH, which had a significant impact on the employment structural modifications.

IR accident frequency rate

	2020			2021		
	Women	Men	Total	Women	Men	Total
Nowy Styl sp. z o.o.	0.91	2.12	3.03	1.46	4.96	6.43
Nowy Styl Deutschland GmbH	0	51.91	51.91	0	44.87	44.87
Nowy Styl GmbH	0	0	0	0	0	0
Sitag AG	0	54.26	54.26	7.81	15.62	23.43
Kusch+Co GmbH	0	21.18	21.18	0	13.82	13.82
Average	0.18	25.89	26.07	1.85	15.85	17.71

IR, calculated as the total number of people injured in accidents/employment × 1000

Accident severity rate

	2020			2021		
	Women	Men	Total	Women	Men	Total
Nowy Styl sp. z o.o.	14.4	83.3	97.7	7.09	49.59	56.68
Nowy Styl Deutschland GmbH	0	16.68	16.68	0	16.5	16.5
Nowy Styl GmbH	0	0	0	0	0	0
Sitag AG	0	8.28	8.28	0.16	3.66	3.83
Kusch+Co GmbH	0	18.2	18.2	0	31	31
Average	2.88	25.29	47.71	1.45	20.15	21.60

Calculated as the number of days of incapacity for work due to an accident/number of accidents.

Total number of people injured in accidents by gender

	2020			2021		
	Women	Men	Total	Women	Men	Total
Nowy Styl sp. z o.o.	3	7	10	5	17	22
Nowy Styl Deutschland GmbH	0	19	19	0	14	14
Nowy Styl GmbH	0	0	0	0	0	0
Sitag AG	0	7	7	1	2	3
Kusch+Co GmbH	0	5	5	0	3	3
Total	3	38	41	6	36	42

Calculated as the total number of days lost/the number of employees' scheduled working hours in the reported period × 200,000.
No data available for Nowy Styl – Majencia SAS.

Total number of days of sickness absence caused by an accident at work

	2020			2021		
	Women	Men	Total	Women	Men	Total
Nowy Styl sp. z o.o.	144	833	977	156	1,091	1,247
Nowy Styl Deutschland GmbH	0	317	317	0	231	231
Nowy Styl GmbH	0	0	0	0	0	0
Sitag AG	0	58	58	0,5	11	11,5
Kusch+Co GmbH	0	91	91	0	93	93
Total	144	1,299	1,443	156.5	1,426	1,582.5

Calculated as the total number of days lost/the number of employees' scheduled working hours in the reported period × 200,000.
No data available for Nowy Styl – Majencia SAS.

Number of employees exposed to harmful factors

2020	Noise	Wood dust / industrial dust	Mechanical vibrations	Chemical compounds	Workers exposed to two or more factors	Total employees
Nowy Styl sp. z o.o.	224	122	83	6	435	3,291
Sitag AG	18	15	0	2	2	129
Nowy Styl GmbH	0	0	0	0	0	17
Kusch+Co GmbH	27	19	0	15	15	236
Nowy Styl Deutschland GmbH	15	20	N/A	29	64	366

2021	Noise	Wood dust / industrial dust	Mechanical vibrations	Chemical compounds	Workers exposed to two or more factors	Total employees
Nowy Styl sp. z o.o.	220	122	71	6	419	3,421
Sitag AG	18	15	0	2	2	129
Nowy Styl GmbH	0	0	0	0	0	14
Kusch+Co GmbH	26	17	0	15	12	217
Nowy Styl Deutschland GmbH	2	6	—	8	16	312

Overall accident rate

	2020	2021
Nowy Styl sp. z o.o.	0.80	0.88
Nowy Styl GmbH	0	0
Nowy Styl Deutschland GmbH	8.33	6.14
Sitag AG	7.91	3.47
Kusch+Co GmbH	3.58	2.15
Average	4.12	2.52

Accident frequency rate with respect to Lost Time Index (LTI)

	2020			2021		
	Women	Men	Total	Women	Men	Total
Nowy Styl sp. z o.o.	0.60	1.40	2.00	0.91	3.11	4.02
Nowy Styl GmbH	0	0	0	0	0	0
Nowy Styl Deutschland GmbH	0	41.67	41,67	0	37.46	37.46
Sitag AG	0	39.59	39,59	5.79	11.59	17.38
Kusch+Co GmbH	0	17.94	17.94	0	12.19	12.19
Average	0.12	20.12	20.24	1.34	13.67	14.21

For direct employees, it is calculated as the total number of accidents related to accidents resulting in loss of working time × 1 000 000 / total number of hours worked throughout the company.

Injury severity rate with respect to Lost Time Index (LTI)

	2020			2021		
	Women	Men	Total	Women	Men	Total
Nowy Styl sp. z o.o.	0.02	0.16	0.19	0.02	0.19	0.22
Nowy Styl GmbH	0	0	0	0	0	0
Nowy Styl Deutschland GmbH	0	0.69	0.69	0	0.61	0.61
Sitag AG	0	0.32	0.32	0.002	0.062	0.66
Kusch+Co GmbH	0	0.32	0.32	0	0.37	0.37
Average	0.008	0.29	0.30	0.004	0.24	0.37

For direct employees, it is calculated as the number of days lost due to injuries × 1000 / total number of hours worked.

Average number of training hours per year per employee at Nowy Styl Sp. z o.o.

	2020	2021	2020-2021
Number of people working at Nowy Styl Sp. z o.o.	3,291	3,421	3,421
Number of people who have received career – or skill-related training	2,736	2,189	3,664
% of people who have received career – or skill-related training	83%	63%	107%
Number of people who received anti-discrimination training	2,061	1,133	3,194
% of people who received anti-discrimination training	62%	33%	93%
Number of people who received ethics-related training	2,081	1,204	3,285
% of people who received ethics-related training	63%	35%	96%

Average number of training hours per year per employee at Nowy Styl Sp. z o.o.

2020						
	Location name	Directors	Managers	Specialists	Indirect production workers	Direct production workers
Total number of employees by employment structure	Nowy Styl Sp. z o.o.	38	113	804	628	1,708
	Nowy Styl GmbH	1	8	51	20	17
	Kusch+Co GmbH	7	18	95	51	64
	Nowy Styl Deutschland GmbH	13	11	24	59	122
	Sitag AG	2	7	14	46	44
	Nowy Styl	61	157	988	804	1,955
Total number of training hours by employment structure	Nowy Styl Sp. z o.o.	326	2,974.5	9,539.5	7,167	11,989
	Nowy Styl GmbH	N/A	N/A	N/A	N/A	N/A
	Kusch+Co GmbH	0	12	289	83	238
	Nowy Styl Deutschland GmbH	19.5	8	246.5	41.25	174
	Sitag AG	0	7	51	1245	64
	Nowy Styl	345.50	3,001.50	10,126	8,536.25	12,465
Average number of training hours per employee by employment structure	Nowy Styl Sp. z o.o.	8.58	26.32	11.87	11.41	7.02
	Nowy Styl GmbH	N/A	N/A	N/A	N/A	N/A
	Kusch+Co GmbH	0	0.67	3.04	1.63	3.72
	Nowy Styl Deutschland GmbH	1.50	0.73	10.27	0.70	1.43
	Sitag AG	0	1	3.64	27.07	1.45
	Nowy Styl	5.04	13.53	11.07	6.06	4.22
2021						
	Location name	Directors	Managers	Specialists	Indirect production workers	Direct production workers
Total number of employees by employment structure	Nowy Styl Sp. z o.o.	41	123	811	705	1,741
	Nowy Styl GmbH	0	8	52	18	14
	Kusch+Co GmbH	6	17	87	45	61
	Nowy Styl Deutschland GmbH	10	10	20	41	53
	Sitag AG	2	7	14	45	42
	Nowy Styl	59	165	984	854	1,911
Total number of training hours by employment structure	Nowy Styl Sp. z o.o.	291	5,283.5	9,503	10,791	19,712
	Nowy Styl GmbH	N/A	N/A	N/A	N/A	N/A
	Kusch+Co GmbH	0	0	266	50	181
	Nowy Styl Deutschland GmbH	6.75	37.5	30	229	203.5
	Sitag AG	0	0	52	1246	66
	Nowy Styl	345.5	3,001.5	10,126	8,536.25	12,465
Average number of training hours per employee by employment structure	Nowy Styl Sp. z o.o.	8.58	26.32	11.87	11.41	7.02
	Nowy Styl GmbH	N/A	N/A	N/A	N/A	N/A
	Kusch+Co GmbH	0	0.67	3.04	1.63	3.72
	Nowy Styl Deutschland GmbH	1.50	0.73	10.27	0.70	1.43
	Sitag AG	0.00	1.00	3.64	27.07	1.45
	Nowy Styl	5.04	13.53	11.07	6.06	4.22

Number of employee training hours by gender

2020				
	Location name	Women	Men	Total
Total number of training hours by gender	Nowy Styl Sp. z o.o.	10,553	21,443	31,996
	Nowy Styl GmbH	N/A	N/A	N/A
	Kusch+Co GmbH	234	388	622
	Nowy Styl Deutschland GmbH	65	424	489
	Sitag AG	571	796	1,367
	Nowy styl	11,423.25	23,051.00	34,474.25
Average number of training hours per employee by gender	Nowy Styl Sp. z o.o.	10.70	9.30	9.72
	Nowy Styl GmbH	N/A	N/A	N/A
	Kusch+Co GmbH	3.39	2.32	2.86
	Nowy Styl Deutschland GmbH	1.17	2.42	1,795
	Sitag AG	18.42	9.36	13.89
	Nowy Styl	8.42	5.85	7.07
2021				
	Location name	Women	Men	Total
Total number of training hours by gender	Nowy Styl Sp. z o.o.	14,703	30,877.5	45,580.5
	Nowy Styl GmbH	N/A	N/A	N/A
	Kusch+Co GmbH	177	320	497
	Nowy Styl Deutschland GmbH	128	379	507
	Sitag AG	334	1,030	1,364
Average number of training hours per employee by gender	Nowy Styl	15,342.00	32,606.25	47,948.25
	Nowy Styl Sp. z o.o.	12.95	13.51	13.32
	Nowy Styl GmbH	N/A	N/A	N/A
	Kusch+Co GmbH	2.9	2.05	2.48
	Nowy Styl Deutschland GmbH	3.66	3.75	3.705
	Sitag AG	12.37	12.12	12,245
	Nowy Styl	7.97	7.86	7.94

Top management by age and diversity

2020	Women	Men	Age <30	Age 30–50	Age >50
Nowy Styl sp. z o.o.	6	32	0	31	7
Nowy Styl GmbH	0	0	0	0	0
Kusch+Co GmbH	0	7	0	2	5
Nowy Styl Deutschland GmbH	0	13	1	8	4
Sitag AG	0%	2%	0	1	1
NOWY STYL TOTAL	6	54	1	42	17
Overall breakdown %	10%	90%	2%	70%	28%

2021	Women	Men	Age <30	Age 30–50	Age >50
Nowy Styl sp. z o.o.	7	34	0	34	7
Nowy Styl GmbH	0	0	0	0	0
Kusch+Co GmbH	0	6	0	2	4
Nowy Styl Deutschland GmbH	0	10	1	3	6
Sitag AG	0	2	0	1	1
NOWY STYL TOTAL	7	52	1	1	1
Overall breakdown %	12%	88%	2%	68%	30%

Ratio of women's basic salary to men's basic salary by employment structure

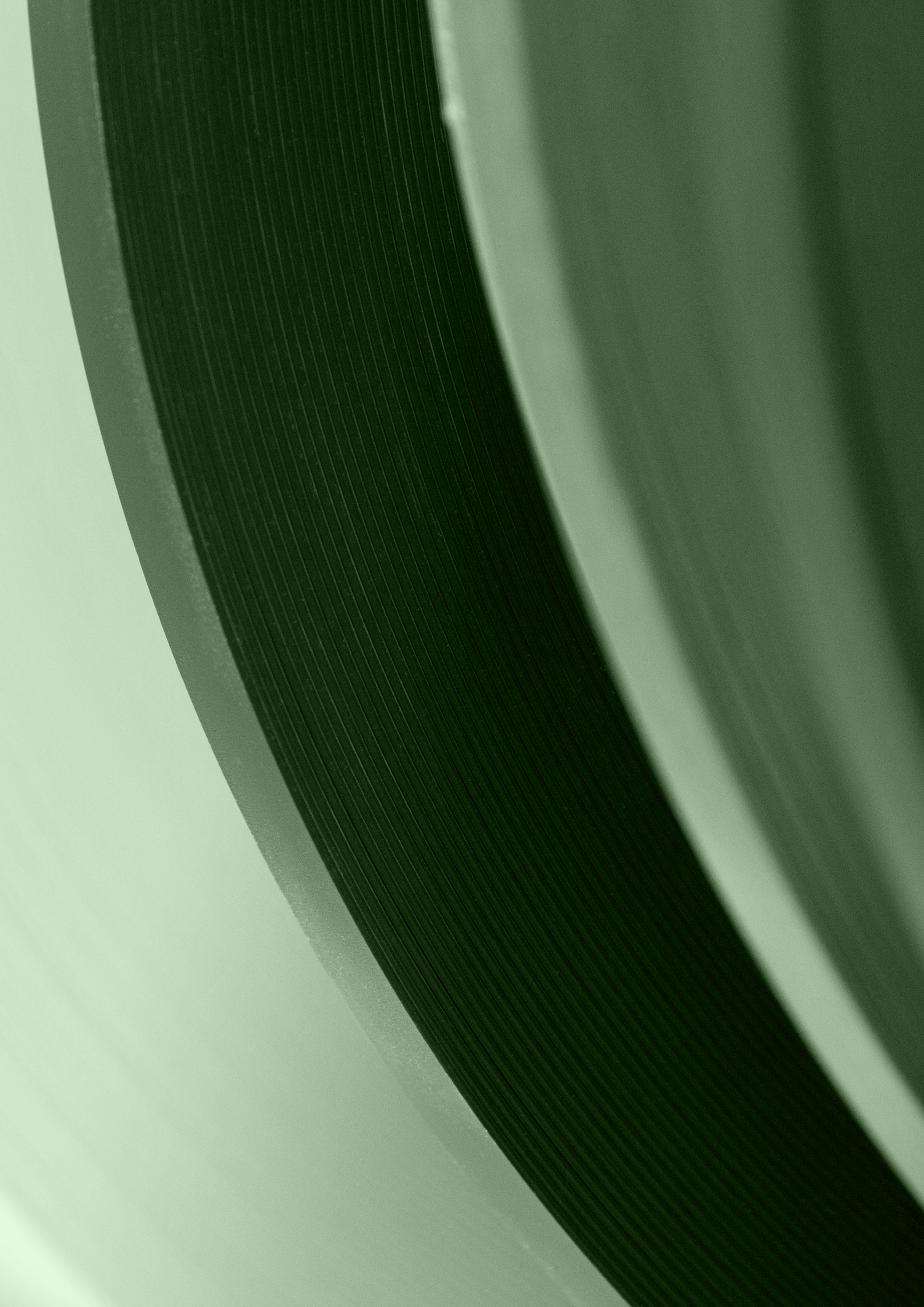
2020	Direct production workers	Indirect production workers	Specialists	Managers	Directors
Nowy Styl sp. z o.o.	92.37%	93.92%	96.75%	103.61%	123.82%
Nowy Styl GmbH	97.30%	N/A	106.50%	87.56%	N/A
Kusch+Co GmbH	91.77%	73.39%	62.32%	84.76%	0%
Nowy Styl Deutschland GmbH	85.26%	106.58%	113%	nd.	74.39%
Sitag AG	92.48%	81.32%	91.93%	62.18%	0%
Total	91.84%	88.80%	94.10%	84.53%	99.11%

2021	Direct production workers	Indirect production workers	Specialists	Managers	Directors
Nowy Styl sp. z o.o.	91.28%	91.02%	96.57%	106.04%	107.54%
Nowy Styl GmbH	97.31%	N/A	96.43%	83.10%	N/A
Kusch+Co GmbH	91.92%	71.00%	84.06%	73.00%	0%
Nowy Styl Deutschland GmbH	88.85%	113.58%	109.21%	113.71%	72.22%
Sitag AG	90.12%	79.94%	90.95%	62.18%	0%
Total	91.90%	88.89%	95.44%	87.61%	89.88%



New suppliers who have been assessed according to the social criteria

Numerical indicators for assessing the environmental impact in the supply chain	2020	2021
Total number of new suppliers that the organisation intended to or started doing business with	11	12
Number of new suppliers who have been verified according to social criteria.	11	12



Indicator number	Indicator name	Pages
PROFILE INDICATORS		
Organisation profile		
GRI 102-1*	Organisation name	11
GRI 102-2*	Description of the organisation's activities, major brands, products and/or services	11, 15, 28
GRI 102-3*	Location of the organisation's headquarters	12, 127
GRI 102-4*	Location of operations	12
GRI 102-5*	Form of ownership and legal structure of the organisation	13, 103
GRI 102-6*	Markets served	12
GRI 102-7*	Scale of activities	8-9, 11, 15
GRI 102-8*	Data on employees and other persons performing work for the organisation	110
GRI 102-9*	Description of the supply chain	74
GRI 102-10*	Significant changes regarding the size, structure, form of ownership or value chain in the reporting period	13, 103
GRI 102-11*	Explanation of whether and how the organisation applies the precautionary principle	16, 83
GRI 102-12*	Economic, environmental and social declarations, guidelines and other initiatives external to, adopted by or supported by the organisation	5, 19, 24
GRI 102-13*	Membership in associations and organisations	24
Strategy 2016		
GRI 102-14*	Statement from top management	2-3
GRI 102-15*	Description of key impacts, opportunities and risks	6, 16
Ethics and integrity		
GRI 102-16*	Organisation's values, code of ethics, policies and standards of conduct	17-18
GRI 102-17*	Internal and external mechanisms for obtaining advice on conduct regarding ethical and legal issues and matters related to the integrity of the organisation	18
Organisational governance		
GRI 102-18*	Supervisory structure of the organisation along with committees reporting to the highest supervisory authority	14
Stakeholder involvement		
GRI 102-40*	List of stakeholder groups engaged by the reporting organisation	22
GRI 102-41*	Employees covered by collective agreements	58 2.3% of employees at all the reported companies are covered by a collective agreement (100% of employees at Sitag AG)
GRI 102-42*	Basis for identification and selection of stakeholders engaged by the organisation	21-22
GRI 102-43*	Approach to stakeholder engagement, including the frequency of engagement by type and stakeholder group	21, 23
GRI 102-44*	Key topics and problems raised by stakeholders and the response from the organisation, including by reporting them	21

Indicator number	Indicator name	Pages
Reporting practice		
GRI 102-45*	The process of defining the content of the report and aspect boundaries	13, 15, 103
GRI 102-46*	Relevant topics identified	103
GRI 102-47*	Explanations regarding the effects of any corrections to information provided in previous reports, along with reasons for which they were made and	104
GRI 102-48*	Explanations regarding the effects of any corrections to information provided in previous reports, along with reasons for which they were made and their impact (e.g. mergers, acquisitions, change of base year/period, nature of business or measurement methods)	13, 103
GRI 102-49*	Changes to reporting	103
GRI 102-50*	Reporting period	19, 103
GRI 102-51*	Date of publication of the latest report (if published)	19, 103
GRI 102-52*	Reporting cycle	19, 103
GRI 102-53*	Contact details	105
GRI 102-54*	Indication whether the report was prepared in line with the Core or Comprehensive option of the GRI Standard	103
GRI 102-55*	GRI index	126 – 129
GRI 102-56*	Policy and current practice for external verification of the report	103, 106–107
Approach to management		
GRI 103-1*	Explanation of the topics identified as relevant along with an indication of limitations	20, 104
GRI 103-2*	Approach to management and its elements	17–19, 20, 57, 63, 75–76, 83, 87
GRI 103-3*	Evaluation of the approach to management	6, 19, 32, 57, 63, 76, 83
ECONOMIC MATTERS		
Economic performance		
GRI 201-1	Direct economic value generated and distributed (including revenues, operating costs, employee remuneration, subsidies and other investments for the community, retained earnings and payments to owners of capital and state institutions)	15
Market presence		
GRI 202-1	Compensation of the lowest-grade employees relative to the minimum wage by gender	111
Procurement practices		
GRI 204-1*	Share of expenditure on services/products from local suppliers	112
Counteracting corruption		
GRI 205-3*	Confirmed cases of corruption and actions taken	20
GRI 206-1	Total number of legal actions taken against the organisation regarding violations of free competition rules, monopolistic practices and their consequences	20

Indicator number	Indicator name	Pages
ENVIRONMENTAL MATTERS		
Materials		
GRI 301-1*	Raw materials and materials consumed by weight and volume	112
Energy		
GRI 302-1*	Energy consumption by the organisation, taking into account the type of raw materials	113
GRI 302-4	Reduction of energy consumption	87
Water		
GRI 303-3*	Total water intake by sources	114
GRI 303-4	Water drainage	114
Emissions		
GRI 305-1*	Total direct greenhouse gas emissions	115
GRI 305-3	Other relevant indirect greenhouse gas emissions by weight	115
GRI 305-7*	Emissions of NO _x , SO _x and other relevant compounds emitted into the air	115
Custom indicator	CO ₂ emissions in tonnes	85
Custom indicator	Relative CO ₂ emissions	85
Waste		
306-3*	Waste generated	115
306-4*	Waste sent for recovery	115
306-5*	Waste sent for disposal	115
Compliance with environmental regulations		
GRI 307-1	Monetary value of fines and total number of non-financial sanctions for non-compliance with environmental protection laws and/or regulations	No penalties were imposed
Environmental assessment of suppliers		
GRI 308-1*	New suppliers who have been assessed with regard to the environmental criteria	77, 116
SOCIAL MATTERS		
Employment		
GRI 401-1*	New hires and resignations	53, 116
GRI 401-2	Additional benefits provided to full-time employees, not available to temporary or part-time employees	49
Occupational Health and Safety		
GRI 403-1*	Occupational health and safety management system	57
GRI 403-2*	Hazard identification processes, risk assessment and accident investigation	57
GRI 403-3*	Services in the area of employee health assurance	57, 60
GRI 403-4*	Employee participation, consultations and communication on occupational health and safety	57, 61
Custom indicator	Accident frequency rate with respect to Lost Time Index (LTI)	115
Custom indicator	Injury severity rate with respect to Lost Time Index (LTI)	115

Indicator number	Indicator name	Pages
Education and training		
GRI 404-1	Average number of training hours per year per employee	121
GRI 404-2	Programmes for the development of managerial skills and lifelong learning that support the continuity of employment of employees and facilitate the retirement process	54-55
GRI 404-3	Percentage of employees subjected to regular performance assessments and career development reviews by gender and employment category	52
Diversity and equal opportunities		
GRI 405-1	Composition of supervisory bodies and personnel broken down by employee category, by gender, age and other indicators of diversity**	47-48, 56, 123
GRI 405-2	Ratio of men's basic salary to women's salary, by position	123
Counteracting discrimination		
GRI 406-1*	Total number of discrimination incidents and respective corrective actions taken	18
Local community		
GRI 413-1*	Organisation's business units taking into account social commitment, impact measurement and development programmes	64
Social evaluation of suppliers		
GRI 414-1*	Number of new suppliers who have been verified for the social criteria	77, 124
Customer health and safety		
GRI 416-1*	Assessment of the impact of significant categories of products and services on health and safety	39
GRI 416-2*	Cases of non-compliance with regulations and voluntary codes regarding the impact of products and services on health and safety	42
Marketing and labelling of products and services		
GRI 417-2*	Cases of non-compliance with regulations and voluntary codes regarding the labelling of products and services and information about them	42
GRI 417-3*	Cases of non-compliance with regulations and voluntary codes regarding marketing communications	42
Compliance with socio-economic regulations		
GRI 419-1	Non-compliance with the law and socio-economic regulations	20, 42

*The indicators are subject to independent external verification by Deloitte Audyt sp. z o.o. sp.k.

GRI
102-3

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