

louis poulsen



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DESIGNING
A GREENER
TOMORROW



Søren Mygind Eskildsen, CEO

DESIGNING A GREENER TOMORROW

In 2023, Louis Poulsen aligned our ESG targets and measures with Flos B&B Italia Group's Sustainability Pillars, which all aim to address different aspects of our work with ESG.

DESIGN FOR THE PLANET

At Design for the Planet, our mission is to bolster our dedication to sustainability by integrating innovation, eco-design, and circularity principles into all aspects of our business operations and across our value chain. To realize this vision, we actively pursue measures to minimize the environmental footprint of our products, from sourcing raw materials to manufacturing and transportation, adopting more sustainable practices every step of the way. Additionally, we are committed to combating climate change by establishing clear targets guided by global best practices.

In 2023, our efforts in this regard included the implementation of the Flos B&B Italia Group ECO Design Framework, the adoption of new packaging solutions resulting in a significant reduction in CO2 emissions, and the introduction of five new retrofit solutions. These retrofit options empower our existing customer base to upgrade their fixtures with cutting-edge, energy-efficient technologies, reducing emissions by 30%. Furthermore, Louis Poulsen, in 2023, conducted 23 new lifecycle assessments and developed Environmental Product Specifications to enhance transparency regarding raw material consumption and emissions.

DESIGN FOR PEOPLE

The aim of the second pillar, "Design for People," is to enhance quality of life by fostering a shared ethos centered on creativity, excellence, and respect. Louis Poulsen champions the concept of sustainable luxury, crafting products that offer exceptional lighting to cultivate spaces where people can thrive.

In 2023, we embarked on two innovative projects: "Human Centric Lighting" and "Acoustic Lighting," aimed at developing solutions that enable our customers to create environments optimized for human well-being.

Internally, we have prioritized diversity and inclusivity among our employees. We are pleased to announce that by the beginning

of 2024, we are significantly closer to our 2026 gender equality target with 37.5% representation of the underrepresented gender among our top management executives.

DESIGN FOR CULTURE

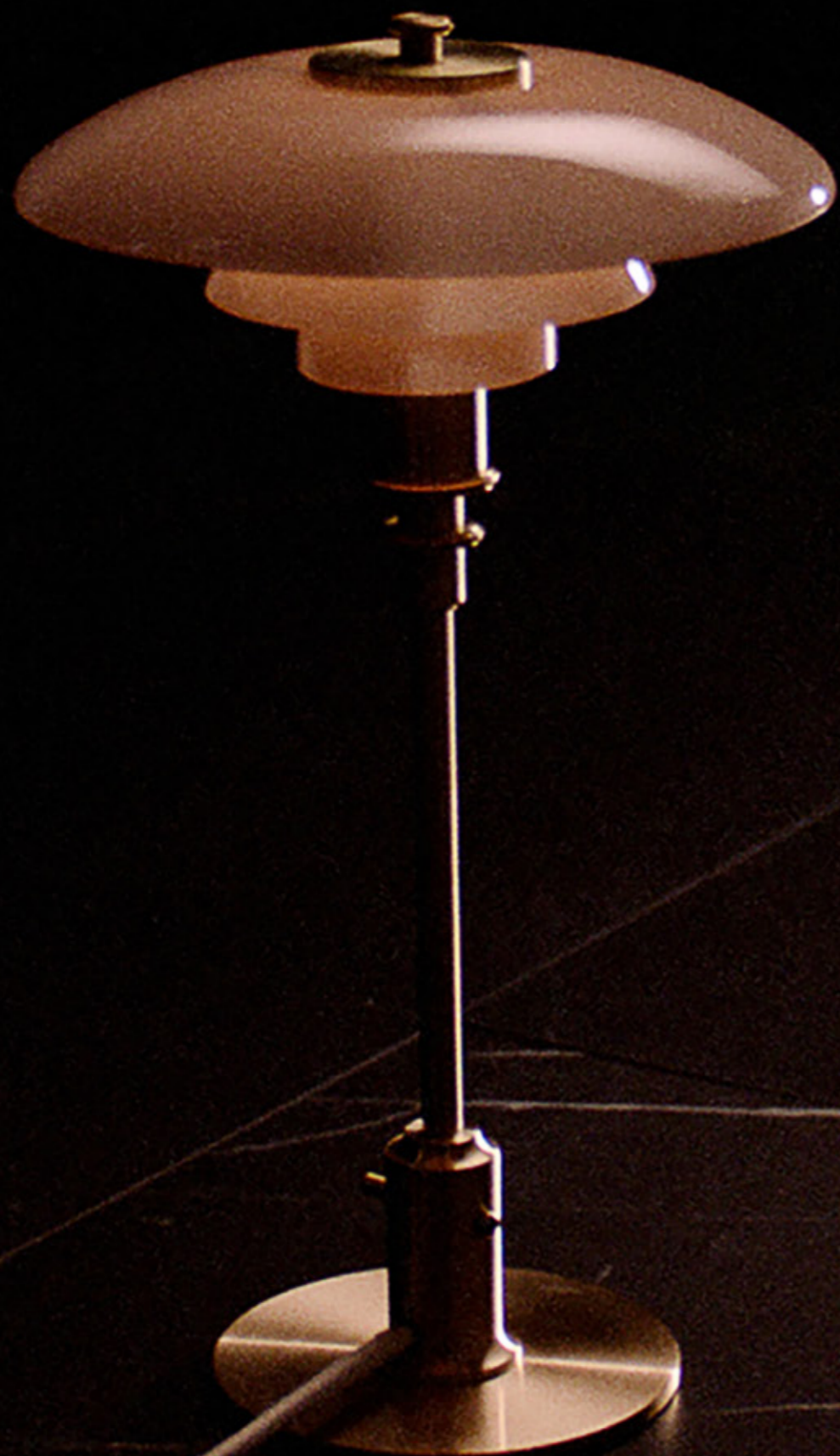
The objective of the third pillar, "Design for Culture," is to preserve the identities of Flos B&B Italia Group's brands and celebrate craftsmanship and design heritage. The inherent quality and craftsmanship infused into each of our products, coupled with the timeless appeal of our iconic designs, ensure their longevity and, consequently, their sustainability. Additionally, we strive to foster disruptive and innovative solutions and processes that allow us to shape design culture and the industry, aiming to encourage widespread adoption of sustainable practices.

In 2023, we supported this pillar by sponsoring the talented New York-based designers, Home & Heven, to create unique artistic interpretations of the iconic Pale Rose Collection. Drawing inspiration from heritage designs by Poul Henningsen and Vilhelm Lauritzen, these exquisite art pieces were crafted and produced by the internationally renowned glass artists, Home in Heven. Known for their innovative and creative glass designs, Home in Heven infuses each piece with a touch of whimsy and originality.

Every piece is meticulously crafted by Home in Heven's founders, Breanna Box and Peter Dupont, in collaboration with Elliot Walker of Blowfish Glass in Birmingham. These works feature colored glass elements inspired by Louis Poulsen's Pale Rose Collection, as well as signature design motifs typical of Home in Heven, such as horns, swirls, and tentacles.

Continue to grow Louis Poulsen as an internationally acclaimed high-end lighting brand. Building on our strong heritage, we aspire always to exceed expectations in delivering long-lasting design that shapes light for people and spaces.

We envision a world with only good light and are committed to giving people a better quality of life through exceptional lighting.

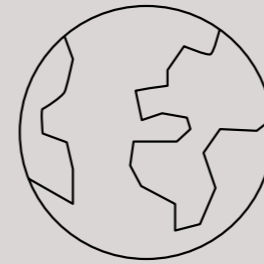


CONTINUE TO GROW
LOUIS POULSEN AS
AN INTERNATIONALLY
ACCLAIMED HIGH-END
LIGHTING BRAND.

Building on our strong heritage, we aspire always to exceed expectations in delivering long-lasting design that shapes light for people and spaces. We envision a world with only good light and are committed to giving people a better quality of life through exceptional lighting.

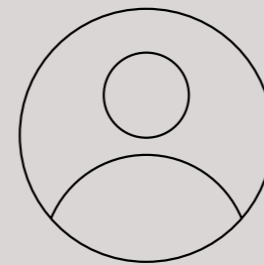


SUSTAINABILITY PILLARS



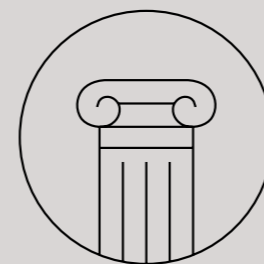
DESIGN FOR THE PLANET

By 'Designing for the Planet', we are stating our pledge to a thorough and environmentally committed approach throughout our operations, from production lines to office activities. This translates into embedding eco-design principles into all our Brands' design and engineering processes and assessing crucial aspects along the value chain by monitoring ESG risks. Working alongside our suppliers, we as a Group are committed to not only improving our own performance, but to being a beacon for the high-end design sector, spreading sustainability consciousness and modelling and driving forward change.



DESIGN FOR PEOPLE

By 'Designing for People', Flos B&B Italia Group is demonstrating that, products can be designed and made to last a lifetime and to bring beauty and value to homes and communities. We are actively engaged in creating an inclusive working environment where diversity can thrive, and in developing a powerful mindset that enables our employees to enjoy exciting careers and realize their full potential. Flos B&B Italia Group also intends to be a proactive actor in the communities of which it is a part through the establishment of partnerships that create long-term social value.



DESIGN FOR CULTURE

By 'Designing for Culture', Flos B&B Italia Group seeks to preserve the craftsmanship enshrined in its Brands' products and to promote the historical value encapsulated in their most iconic design pieces by supporting scientific research and rescuing design legacies for the benefit and enjoyment of future generations.

SUSTAINABILITY GOVERNANCE MODEL

The ultimate responsibility for sustainability management lies with the Group CEO, who approves policies and strategic targets. Responsibility for the sustainability strategy, ensuring progress and following up on performance lies with the sustainability steering group. The steering group was established in 2019 and mainly consists of executive management and professionals from different business functions such as HR, Supply Chain, Business Development, Product Design, Brand Management and R&D. The sustainability steering group is responsible for decision-making regarding strategy, targets, and initiatives, as well as allocation of necessary resources.

The steering group meets every month to discuss progress and new initiatives. Our sustainability strategy and strategic targets are revised annually by the sustainability steering group and the sustainability key performance indicators are reported annually in our sustainability report.

GUIDELINES FOR EMPLOYEES AND EXTERNAL BUSINESS PARTNERS

Our Code of Conduct defines the policies of good business at Louis Poulsen. The Code of Conduct was approved internally in the spring of 2020 by the Louis Poulsen Management Team. The Code of Conduct was signed by all employees and returned to People and Culture. For future recruitments, the Code of Conduct will be communicated and signed at the beginning of the employment period.

To ensure that all employees and external business partners are familiar with the company's ethical standards and requirements, we have formalised an Employee Handbook and a separate Code of Conduct. These documents describe our expectations and guidelines for both parties.

We believe that open dialogue is the best way to ensure improvement and respect, which is why we always encourage people to speak up if they have any concerns related to the guidelines described in the policies. Currently, employees are encouraged to raise any concerns by sending an e-mail to the CEO. However, we have recently decided to implement the Get Ethics whistleblowing solution to ensure that all concerns can be reported easily and anonymously.





ESG DASHBOARD

	2022	2023
DESIGN FOR THE PLANET	<p>Greenhouse gas emissions 39,533 tCO2e</p> <p>Emission scope 1, 2 and 3 Scope 1: 902 tCO2e Scope 2: 301 tCO2e Scope 3: 38,350 tCO2e</p> <p>Renewable Electricity Sourced: 79%</p> <p>Energy Intensity: 17.35 MWh/FTE</p> <p>Waste per product: 1.57 kg</p>	<p>Greenhouse gas emissions 27,874 tCO2e</p> <p>Emission scope 1, 2 and 3 Scope 1: 1,050 tCO2e Scope 2: 149 tCO2e Scope 3: 26,675 tCO2e</p> <p>Renewable Electricity Sourced: 89%</p> <p>Energy Intensity: 14.27 MWh/FTE</p> <p>Waste per product: 1.43 kg</p>
DESIGN FOR PEOPLE	<p>Employees Voluntary Turnover Rate: 15.7 LTIFR: 3.28</p> <p>Partners 97% of spend from suppliers covered by code of conduct</p> <p>Diversity & Inclusion % of FTEs by gender: 55% Female, 45% Male % of FTEs in managerial positions by gender: 33% Female 67% Male</p>	<p>Employees Voluntary Turnover Rate: 10.8 LTIFR: 1.27</p> <p>Partners 81% of spend from suppliers covered by code of conduct*</p> <p>Diversity & Inclusion % of FTEs by gender: 55% Female, 45% Male % of FTEs in managerial positions by gender: 30% Female 70% Male</p>
DESIGN FOR CULTURE	<p>Sponsorships of projects # of sponsorships of projects: 1 – Lise Vester</p> <p>Brand collaborations # of collaborations: 1 – KAKAO Friends</p>	<p>Sponsorships of projects # of sponsorships of projects: 1 – Home In Heven</p> <p>Brand collaborations # of collaborations: 1 – Fendi Casa</p>

*Our transition to Flos B&B Italia Group's code of conduct in 2023 (details on pg. 61) led to a significant decline.

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LOUIS POULSEN
AT A GLANCE

LOUIS POULSEN IS PROUD TO BE A HIGH-END DANISH LIGHTING BRAND.

Our philosophy has deep roots in Scandinavian design tradition, where form follows function. Since Louis Poulsen was founded, we have sought not to design lamps, but to shape light.

Louis Poulsen is internationally recognised for providing our customers with exclusive lighting solutions of high quality and functional design. Our products are sold to both the consumer and commercial markets in Denmark and abroad. With our unique lighting and high quality, we serve the upper segments of both markets in the product categories of Decorative, Outdoor and Indoor Architectural. All our products meet the demand for a unique design as well as comfortable and glare-free lighting as well as fulfilling international demands for energy optimisation.

Louis Poulsen has established itself as a leading global architectural and decorative lighting brand and has a global presence with showrooms in Copenhagen, Oslo, Tokyo, Singapore and Dusseldorf. In 2023 we have opened a new showroom in New York on Madison Avenue and shared officespace with the other Flos B&B Italia Group brands on 31st street. We have also opened a directly operated store in Tokyo and we have developed a roadmap with Flos B&B Italia Group to continue the showroom expansion, in North America and Asia.

At Louis Poulsen, our aim is to improve quality of life by providing functional products that make people feel good,

both indoor and outdoor. Sustainability in terms of long-lasting products has always been a cornerstone of our business, and our products are long-lasting both in their durability and their design. Since Louis Poulsen was founded in 1874, timelessness has been a key element in our design philosophy, and we believe that the best designs are the ones that withstand the test of time.

Since 2018, Louis Poulsen has been owned by Flos B&B Italia Group S.p.A. which is jointly controlled by the Carlyle Group with funds managed by Investindustrial. The Flos B&B Italia Group Group consists of complementary companies that all have a strong individual identity and significant design heritage.

Flos B&B Italia Group is a global leader in high-end design with a cultural heritage of European origin. Louis Poulsen's management and sales operation are based in our headquarters in Copenhagen while our production facility is located in Vejen, Denmark.

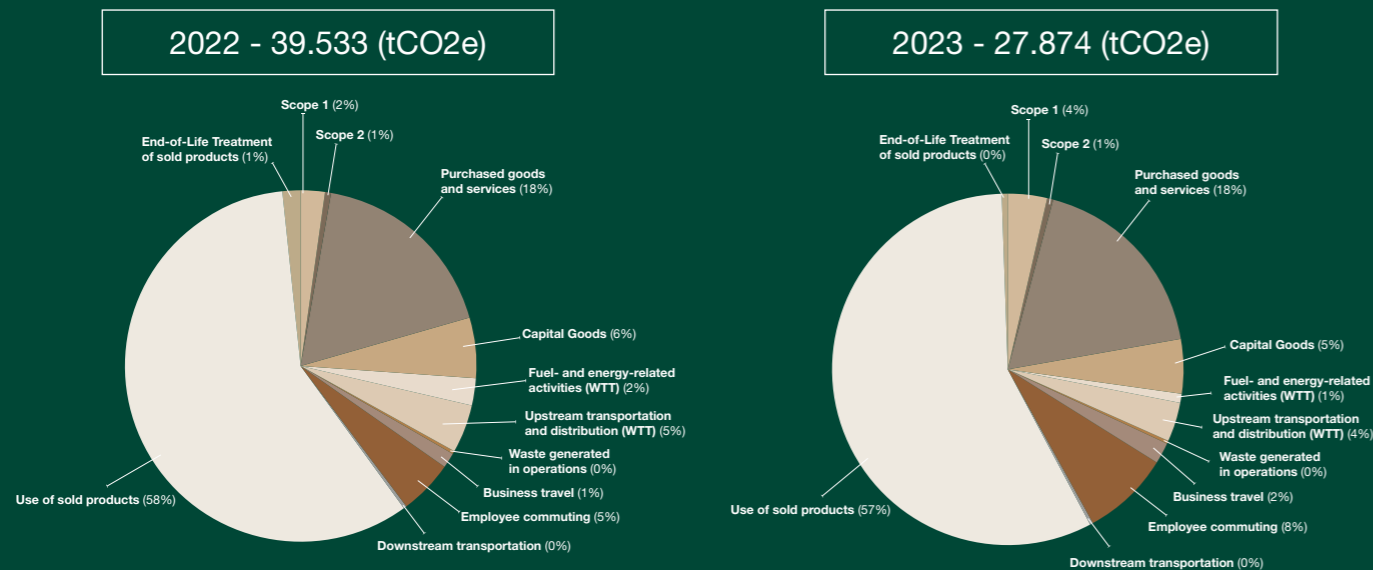
This report constitutes Louis Poulsen's statutory reporting on corporate responsibility according to the Danish Financial Statement Act.



ASSESSING OUR PROGRESS

At Louis Poulsen our reporting methods have continued to be developed towards being as comprehensive and as accurate as possible. The Total emissions have reduced from 39.533 (tCO₂e) in 2022 to 27.874 (tCO₂e) in 2023.

Scope 1 and 2 emissions in 2023 on 1.199 (tCO₂e) is at the same level as the 1.203 (tCO₂e) in 2022. The 30% reduction in scope 3 from 38.350 (tCO₂e) in 2022 to 26.675 (tCO₂e) in 2023 is mainly due to a lower sales (# of products sold), factory consolidation and less investments in capital goods.



Included Not included

Scope 3 (upstream)

- 1. Purchased goods and services
- 2. Capital goods
- 3. Fuel-and-energy- related activities (not included in Scope 1 or 2)
- 4. Upstream transportation and distribution
- 5. Waste generated in operations
- 6. Business Travels
- 7. Employee commuting
- 8. Upstream leased assets

Scope 1 & 2

Scope 1
All the direct emissions coming from our operations (natural gas consumed for heating purposes, diesel and gasoline for the car fleet, etc).

Scope 2
All the indirect emissions coming from our electricity and district heating consumption, purchased from the grid.

Scope 3 (downstream)

- 9. Downstream transportation and distribution
- 10. Processing of sold products
- 11. Use of sold products
- 12. End of life of sold products
- 13. Downstream leased assets
- 14. Franchises
- 15. Investments

OUR JOURNEY TOWARDS SUSTAINABILITY

Progressing on the path towards being a more environmentally responsible company, 2023 was well marked by an enhanced attention on the impacts on the environment, the people and the communities we interact with while conducting our business.


The global leadership positioning we have obtained in the industry is the result of the efforts and achievements of our Brands, which shape their actions in alignment with both their individual ESG objectives established over time and the KPIs determined at Group level.

We operate with deep synergy, convinced that amalgamating the sustainability strategies of our Brands and forging a unified vision for the future is essential to our success, both as a Group and as a forerunner in advancing the collective sustainability pledge of the luxury design market.



Flos B&B Italia Group is an active participant of the United Nations Global Compact Initiative (UNGC)¹ since 2022, with the aim to pursue the further integration of sustainable practices within our corporate strategy. The UNGC was initiated over 20 years ago to encourage businesses globally to include the principles of corporate social responsibility in their business conduct. Today, the Compact comprises companies that pledge to voluntarily adhere to ten universally endorsed principles concerning human rights, labor, the environment, and anti-corruption, also marking their commitment to act in favor of UN objectives, including the Sustainable Development Goals (SDGs).

Commitments



Design for the Planet

GOAL	SDG	DESCRIPTION	TARGETS	TARGET YEAR	UPDATE
Energy and climate change		Climate change mitigation is developed by implementing strategies that limit or prevent greenhouse gases emissions and by enhancing activities that remove these gases from the atmosphere. Our objective is to design a Group-wide decarbonization strategy aligned with the Science-Based Target initiative (SBT), building off the work already done by Flos and B&B Italia. The annual monitoring and disclosure of Scope 1 and 2 emissions, as well as value chain emissions (Scope 3), feeds a continuous process started in order to define and validate a Science-Based Target.	Definition and validation of a Scope 1 and Scope 2 Science-Based Target		Under evaluation


Design for the Planet

Eco-design and Circular Economy		Eco-design, according to the European Environmental Agency, considers environmental aspects at all stages of the product development process, aiming to create products that make the lowest possible environmental impact throughout their life cycle. Our objective is to implement an eco-design framework that can be applied across all our Brands' workflows.	Definition of the Eco-design Framework	2023	Reached
Supply Chain Management		Sustainability needs to be a guiding principle across our supply chain. Our objective is to implement an ESG suppliers' rating system that enables us to assess each relevant supplier's (defined according to specific criteria and thresholds) ESG risks, and to treat risky variables by engaging business partners.	Definition of a global framework for the supplier ESG evaluation 100% of relevant suppliers mapped and assessed	2025 2025	In progress In progress

Design for People

GOAL	SDG	DESCRIPTION	TARGETS	TARGET YEAR	UPDATE
Diversity and Inclusion		As a global team, we offer a diverse working environment. We truly believe that a diverse workforce, supported by an inclusive and caring environment that respects and nurtures people, is a way to improve well-being and our business performance.	At least 50% employees attending specific training to manage their biases and practice new behaviors. We are working to increase the proportion of female senior leaders. By the end of 2021, the percentage of women in senior positions was 37%. Our aim is to reach 42% by the end of 2026.	2024 2026	In progress In progress
People Empowerment		Continuous Improvement – Introduce bottom-up committees as well as a structured review process for evaluating and ultimately implementing proposed career development initiatives.	Completion of a survey on the entire Group's population to define its current Net Promoter Score (NPS) 20% of Top Performers and High Potential employees involved in career development initiatives.	2025 ² 2025 ²	In progress In progress

Design for Culture

GOAL	SDG	DESCRIPTION	TARGETS	TARGET YEAR	UPDATE
Engage Communities		Strategic Partnerships – establish a number of partnerships with vocational technical schools, key universities, business schools and other non-governmental institutions to bring value to wider communities.	Yearly # of hours dedicated to volunteering programs # of projects activated	2023 2023	Reached Reached

¹ Flos B&B Italia Group | UN Global Compact

² Due to the internal reorganization processes carried out in 2023 by some of our Brands, the target year has been postponed.



COMPLIANCE AND DATA ETHICS

COMPLIANCE PROGRAM

As Louis Poulsen operates across several cultures, traditions, local laws and practices, it is important that we ensure that all employees are aware of the common set of principles, which provide guidance about what Louis Poulsen considers responsible business practices and ethical behaviour. These principles are outlined in the Flos B&B Italia Group's Code of Conduct (CoC). We have implemented measures to ensure that all employees are familiar with our CoC and that everyone reflects our policies. We consider the CoC to be a vital part of the organisation to ensure that we always work within the framework of the law and facilitate successful enforcement, in case of unethical or illegal conduct. The CoC is updated and improved on a regular basis to align with business requirements and stakeholder expectations.

DATA ETHICS

Data ethics is an important area for Louis Poulsen, including specific protection of personal data. Louis Poulsen has defined and implemented a set of rules for data protection to ensure compliance in relation to the company's collection, processing and storage of data.

Louis Poulsen's set of data protection rules and related guidelines (GDPR and IT Policy), form the basis of the company's Data Ethics policy. With this basis for Data Ethics, Louis Poulsen respects the expectations of our partners to operate in accordance with legal and ethical standards and we establish a solid basis for a trusting cooperation with our customers.

Louis Poulsen is committed to ensuring that all business and services are conducted in an ethically and legally impeccable manner and aligns business activities with the relevant requirements.

Louis Poulsen uses the necessary data for operating the business such as customer, supplier, HR and regulatory data. The data consists of master data received from the involved stakeholders and operational data either received from the stakeholders or generated during the operational processes. The processing of personal data, such as name, address, e-mail address or telephone number, is always in accordance with the general data protection regulation (GDPR) and the specific data protection rules of the country in question. The set of rules for data protection contains information about data controller and data protection consultant, data collection and data processing, duration of data storage and rights, etc. Louis Poulsen's set of data protection rules also contains information on data protection for business associates.

Louis Poulsen wants to ensure a fundamental development and permanent maintenance of suitable, target-oriented measures to raise the awareness of Louis Poulsen employees on data ethics.

Decisions about data use and new technology, including how the company's efforts and policies for data ethics are evaluated, are thus anchored in the organization through training and information, e.g. via intranet through the Louis Poulsen Group's Compliance rules.

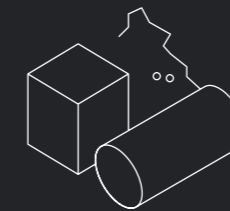


OUR VALUE CHAIN



DESIGNING

High quality products with more than 100 years of history and over 65 designs.



SOURCING

Raw materials and components sourced from 42 strategic suppliers in Denmark, Southern Europe and Asia.



PRODUCING AND ASSEMBLING

In-house production of components done by a total of 150 blue-collar workers, out of 409 employees.



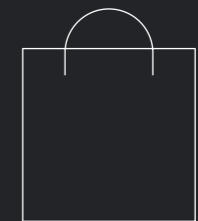
SELLING AND DISTRIBUTING

Sales channels annual revenue (2023) 113 million EUR.



REACHING OUR CUSTOMERS

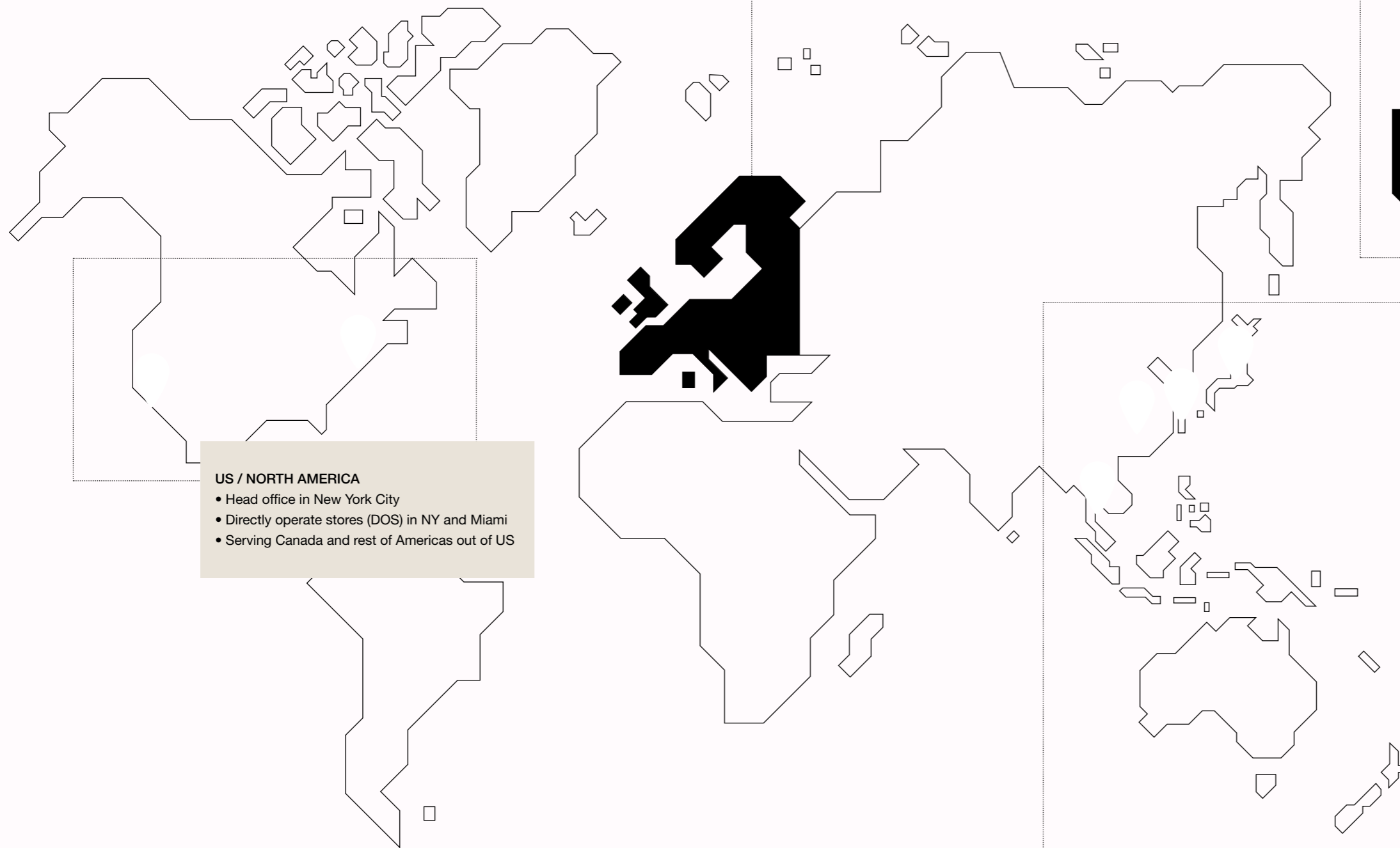
Both personal and professional customers are reached through 1990 distribution points (2023).



CONSUMERS

Product lifetime of around 20 years.
500,000 products per year
100,000 consumers reached.

COMPANY STRUCTURE



US / NORTH AMERICA

- Head office in New York City
- Directly operate stores (DOS) in NY and Miami
- Serving Canada and rest of Americas out of US

WESTERN EUROPE

- Multiple core markets and headquarters in Copenhagen managing multiple markets
- Core markets DK, NO, SE/FI, Central Europe, FR, ES and UK
- Own production and warehousing in Vejen, Denmark



INTERNATIONAL

- International hub based in Copenhagen managing multiple markets
- Dedicated presence in Middle East
- Project sales in non-core markets

ASIA / PACIFIC

- Dual hub based in Singapore and Tokyo
- Japan - dedicated organisation with office in Tokyo
- Japan - directly operated store in Tokyo
- RoA organisation with HQ in Singapore
- South Korea - dedicated organisation
- China - dedicated organisation

THE CONTEXT IN WHICH WE OPERATE

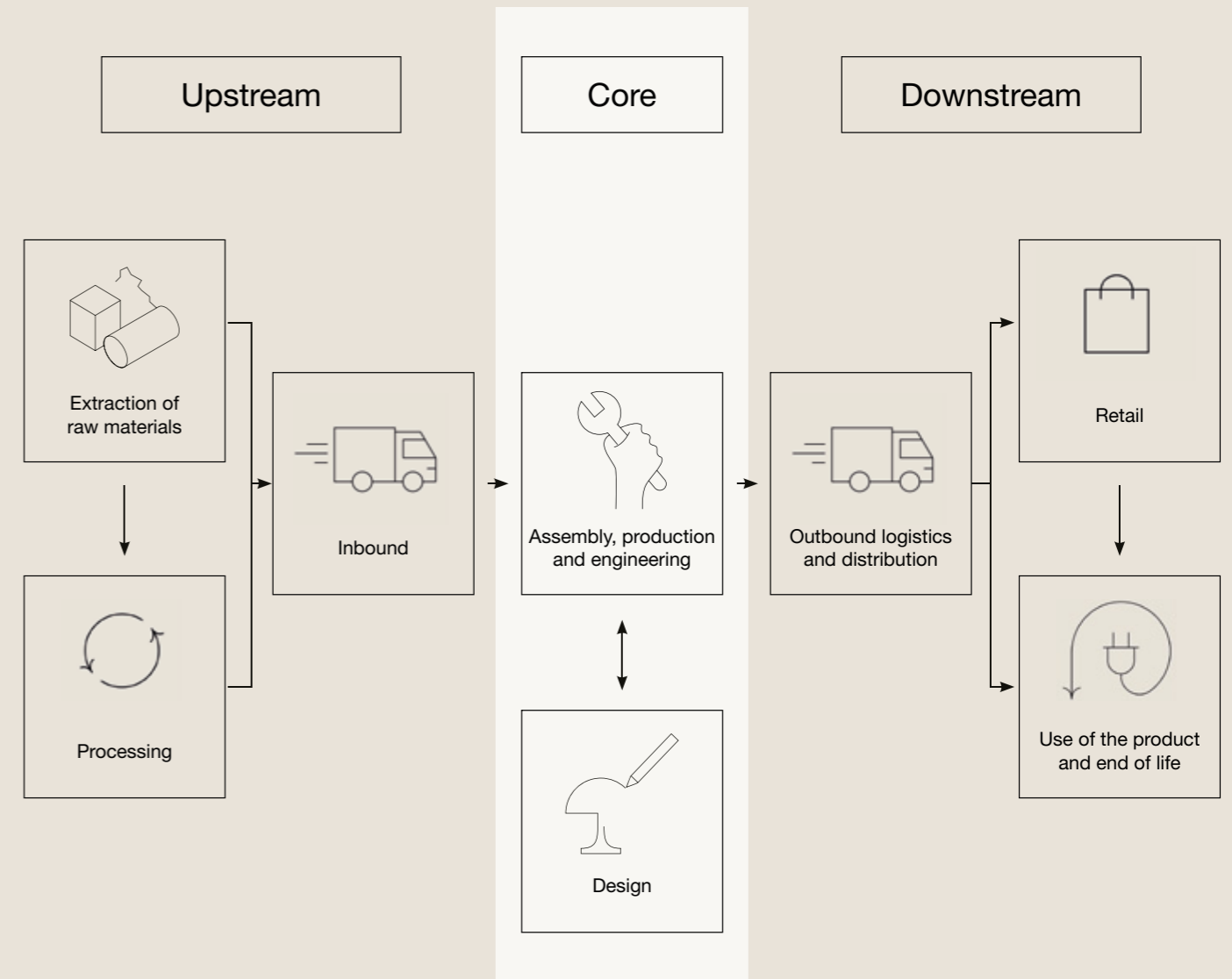
To assess the impacts produced by our organization, we meticulously charted every phase of the Group's value chain. This involved pinpointing activities under the direct oversight of the Group and those managed by our various Brands (Core), as well as operations conducted by external parties, including suppliers and other relevant entities, situated either upstream or downstream.

In particular, our value chain consists of various production processes distributed over multiple locations. To effectively handle this intricate structure, supply chain management responsibilities are delegated to our Brands and specific subsidiaries. This approach is designed to maximize regional reach and cater to unique production requirements [2-6]. Consequently, our Brands are empowered to promote local suppliers and contribute to the communities where they operate. This strategy enhances dependability and expedites delivery, while fostering enduring partnerships with suppliers.

Every Brand within our Group benefit from a robust business model, which includes manufacturing facilities and a strategically chosen and maintained network of suppliers, crucial for sustaining and enhancing production capabilities.

Yet, the blend of insourcing and outsourcing is deliberately arranged to retain the most vital stages internally, thereby guaranteeing superior quality and service for our clients and customers. Our Brands predominantly engage in the design, assembly, production, engineering, and retail components of the value chain (Core).

The exercise of delineating our value chain has established a basis for pinpointing the phases where we have, or could potentially have, the most significant impact. These impacts have been ascertained through a sector-specific analysis, an examination of sustainability issues highlighted by the media, and a comparative assessment of the effects seen in our principal competitors and analogous firms.



“We exist to make homes, public spaces, and life itself more beautiful. For us, sustainability is intrinsic to that mission and is a value woven into the DNA of our Brands. As a Group we are committed to being recognized as pioneers and leaders in adopting sustainable policies and practices and in developing a new concept of luxury high-end design that has sustainability at its core.”

DANIEL LALONDE, CEO FLOS B&B ITALIA GROUP

FLOS B&B ITALIA GROUP MATERIALITY ANALYSIS

Sustainability constitutes a key strategic pillar for achieving the objectives of Flos B&B Italia Group, permeating all aspects of our activities, and propelling us towards maintaining our role as an innovative and responsible leader in the global luxury design sector. This document delineates our company's comprehensive sustainability approach, built on a strong analytical process of study.

In an effort to fortify the theoretical basis of this document, we have undertaken an update of our materiality analysis. This analysis addresses the most significant impacts of our operations and value chain on the economy, environment, and society at large, including matters pertaining to human rights. The influences exerted by our Group can manifest as either potential or effective negative impacts, which (might) result in harm to individuals, communities, or the environment, or as actual negative impacts, where such harm effectively occurs. Conversely, they can be positive, if they contribute to sustainable development. The relevant topics covered in this year's Sustainability Report were identified using an updated "materiality analysis" in accordance with the GRI Standards 2021, consisting of the following steps:

1. An understanding of the context in which Flos B&B Italia Group operates;
2. The identification of the current and potential negative and positive impacts that the Group and its value chain have generated or may generate;
3. An evaluation of the significance of each impact, based on severity and likelihood, as well as a prioritization of the impacts;
4. The identification of the material topics associated with the impacts identified as pertinent in the preceding steps;
5. The validation of the impacts identified by Flos B&B Italia Group.

IDENTIFICATION AND EVALUATION OF SIGNIFICANT IMPACTS

At the current stage, we have pointed out the impacts by evaluating their significance, considering:

- Severity of the impacts, determined by scale (how grave the impact is), scope (how widespread the impact is on the value chain), and irremediable character (how hard it is to counteract or make good the resulting harm);
- Likelihood, namely, the chance of the impact happening.

This assessment has enabled us to identify a set of critical topics, corresponding to the Group's sustainability impacts. The whole process was embraced by the Top Management of the Group. Initial steps have been undertaken in order to align with the recently introduced Corporate Sustainability Reporting Directive (CSRD) and the connected European Sustainability Reporting Standards (ESRS).

Material topics	Description of material topic	Impacts	Value chain
Own workforce	To foster a safe, inclusive and empowering workplace for everyone, ensuring equal opportunities, growth pathways and fairness in our business activities	Discrimination and lack of equal opportunity due to inadequate D&I practices	Core
		Violation of human and workers' rights, including health and safety, resulting from inappropriate working conditions	Core
		Positive impact on employee upskilling through dedicated training activities	Core
Business conduct	To ensure social, ethical and environmental compliance throughout our operations and value chain	Damage caused by unfair business practices	Core
Circular economy and resource use	To integrate circular economy drivers and eco-design principles into our processes, from product design and engineering to end-of-life	Environmental pollution due to the mismanagement of waste generated during the Group's operations	Upstream Core Downstream
		Promotion of Eco-Design and Circular Economy principles	Upstream Core Downstream
		Damage to ecosystems due to the sourcing of virgin raw materials	Upstream
Climate Change	To actively engage in the fight against climate change by reducing emissions across our Value Chain and by encouraging the use of renewable energy	Negative impact on climate change within and outside the organization due to greenhouse gas emissions	Upstream Core Downstream
Workers in the Value Chain	To strengthen our foothold on our value chain by actively engaging our commercial partners while ensuring the utmost respect of all working conditions	Violation of human and workers' rights, including health and safety, resulting from inappropriate working conditions along the value chain	Upstream
Innovation and product quality	To secure the highest product quality and safety standards while adopting the best technologies and committing to delivering the highest product experience	Creation of unique and life-lasting products	Downstream
Consumers and end users	To ensure transparency in marketing and communication practices	Damages to consumers and loss of Brand credibility due to non-reliable marketing and labelling practices	Downstream
Heritage & Design Culture	To preserve the heritage of design icons and promote and disseminate across the global community	Preservation of cultural and design heritage	Downstream

RISK ASSESSMENT

As part of assessing the sustainability topics that are most important to Louis Poulsen, we also assess the most material sustainability risks related to human rights, environment, social aspects and anti-corruption on an annual basis. The most material risks identified can be found in the table below. In Chapter 5, Sustainability in our own operations, we discuss the way in which these risks are managed in relation to our supply chain, the environment and our own employees.

Aspects	Potential risk	Mitigation activities
HUMAN RIGHTS	Potential exposure to human rights risks along the supply chain (e.g. child labour, bonded labour or living wage).	Long lasting relationship with key suppliers, also through ESG risk assessment and oversight; Ethical requirements related to human and labor rights for suppliers; Implementation of the principles of the Supplier Code of Conduct and Code of Ethics..
ENVIRONMENT	Physical risks correlated with climate change on owned assets and facilities; Physical risks correlated with raw material depletion and waste related impacts in the supply chain and direct operations; Transitional risks correlated with climate change and energy transition; Potential interruption of procurement and distribution channels due to direct and indirect effects of climate change; Reputational risks coming from noncompliance with environmental legislation both in own operations and across the value chain; Risk of limited energy supply and rising energy costs following the outbreak of the Russian-Ukrainian conflict; Inability to respond to market and legislative trends concerning the environmental impacts and performance of products.	Producing long-lasting solutions and investing in R&D to further expand products lifecycle and progressively reduce carbon footprint by using more sustainable materials and ensuring energy efficiency in use phase; Supply chain ESG risk assessment and oversight; Implementation of dedicated internal policies and lawcompliance activities; Compliance with the principles of the European Eco-design Framework Directive; Diversification of energy supply sources to ensure reliability in procurement; Implementation of the principles of the Supplier Code of Conduct and Sustainability Policy.
SOCIAL	Inability to attract and retain talents with adequate skills and backgrounds; Potential nonconformity or reputational impact related to cases of discrimination; Inability to ensure high Health and safety standards and performance both within own operations and across the supply chain.	Employer branding initiatives and employee engagement; Implementation of adequate training and development programs; Implementation of a whistleblowing system and a Code of Ethics; H&S management systems along with clear guidelines and procedures for mitigating health and safety-related risks and accidents; Implementation of the principles of the Supplier Code of Conduct; Monitoring of H&S performance of key suppliers.
ANTI-CORRUPTION	Potential non-conformity and reputational risks related to cases of corruption, unfair competition or unethical business practices.	MOG 231 and related procedures and instruments; Implementation of the Code of Ethics and Whistleblowing Policy; Full alignment with applicable national legislations

CLIMATE RISK ASSESSMENT

We have mapped our climate-related risks and opportunities according to the classification provided by the recommendations from the Task Force on Climate Related Financial Disclosure (TCFD). The TCFD recommendations classify climate risks as either transition risks, which are those that relate to the transition to a low-carbon economy such as increasing regulation, new technologies and changes in energy mix, or physical risks, which can be driven by either acute events or long-term shifts in climate patterns.

The climate-related risks that are most important to Louis Poulsen are transition risks. However, the transition towards a low-carbon economy involves both potential risks and opportunities for us. The most material climate-related risks and opportunities are visualised in the table below.

In 2021, we included an assessment of whether the identified risks are short (<5 years), medium (5-10 years) or long term (>10 years) risks. We assess that most risks and opportunities are relevant to Louis Poulsen already in the short term and thereby require timely monitoring and action.

	Identified risks and opportunities	Time horizon	Current actions to address risk or opportunity
Climate risks	Policy and legal risk: Increased regulation and new policies on greenhouse gas emissions from logistics and airfreight may pose a risk to Louis Poulsen in terms of increasing costs for logistics and the need to reduce the use of airfreight.	5-10 years	Reducing climate impact of our logistics by optimising transportation. Louis Poulsen only uses airfreight for transportation in exceptional situations and is working on further reducing the need for airfreight by more accurate production planning. Due to the exceptional situation created by the global pandemic in 2020 we used more airfreight than in previous years. Using consignment stock agreements with supplier warehouses in the Nordics and thereby optimising logistics.
	Technology risk: There is a risk that in the future new technologies for lightning solutions with lower carbon footprint will compete against technologies traditionally used by Louis Poulsen.	<5 years	Monitoring the market and use of new technologies adhering to high energy efficiency requirements. Taking whole product life-cycles into account in the design phase, including retrofitting of old products. Looking into alternative battery solutions that enable longer product life cycles.
	Market risk: Consumers are becoming more and more climate conscious in their consumption habits. For example, preferring more local supply chains. In order to ensure consumer trust, Louis Poulsen must live up to sustainability-related expectations and transparently communicate with stakeholders.	<5 years	Systematic monitoring of stakeholder expectations related to sustainability aspects of products as well as Louis Poulsen as a company. Foreseeing and meeting market demand by developing sustainability profile of products and by integrating circularity into design and product life cycle. Increasing the share of sourcing from within the EU region.
	Reputational risk: If sustainability and environmental impacts are not managed correctly, there is a risk of negative reputation, which can result in financial underperformance.	<5 years	Systematic monitoring stakeholder expectations related to sustainability aspects of products as well as Louis Poulsen as a company. Transparent communication and reporting on products sustainability profile and key sustainability metrics regarding Louis Poulsen products and operations.
	Physical risk: Both acute and chronic climaterelated events such as rising sea levels or an increased number of hurricanes can hamper the supply chain and own production capacity of Louis Poulsen. The mining sector is especially exposed to the physical effects of climate change.	<10 years	Identifying and monitoring potential areas of concern in our own operations such as our facilities in US Florida, which are more exposed to extreme weather events such as hurricanes. Identifying areas of potential concern in our supply chain such as our glass supplier in Venice, which is an area that is expected to become gravely affected by rising sea levels.
Climate opportunities	Opportunity related to products and services: Opportunity to gain increased revenue due to growing customer interest and requirements for sustainable solutions.	<5 years	Producing long-lasting solutions and looking into expanding product life cycle by retrofitting. Producing products with low carbon footprint by using more sustainable materials and ensuring energy efficiency. Establishing a framework and piloting a take-back scheme to take responsibility for sold products.

STRATEGIC SUSTAINABILITY JOURNEY

As a part of our sustainability journey, we have now decided to align completely with the Flos B&B Italia Group Framework, we have developed a maturity model to guide our efforts towards a full integration of sustainability.

We began our journey to build the foundation of our sustainability work by developing core capabilities and structures. We focused on establishing policies, creating awareness and integrating sustainability into our thinking. We have defined key focus areas, set goals and defined activities to achieve these.

In the coming years we expect to reach a level of maturity where sustainability is part of our value creation and product innovation.

Current focus areas for thematic working groups

	Design for Planet			Design for People		Design for Culture
Thematic Working Groups	Product Eco-design From product design and engineering to end-of-life, eco-design concepts and circular economy drivers will be integrated in the processes.	Climate Change Mitigation Active engagement and effort in reducing emissions and promoting the consumption of renewable energy.	Supply Chain Management ESG risk assessment and management of suppliers	Diversity & Inclusion Implementation of specific project for fostering diversity and create an inclusive culture	People Empowerment Structured review process for evaluating the initiatives proposed and, ultimately, implementing the projects	Engage Communities Engage communities linked to our brand and markets
Target	REACHED Main Framework finalized (2023)	REACHED Definition & validation of SBTi targets (2023) BUT Louis Poulsen cannot commit to SBTi (i.e: scope 3 SBTi targets are not achievable).	ON GOING <ul style="list-style-type: none"> Define a global framework for the supplier Evaluation (2024) 100% of relevant suppliers mapped and assessed (2025) 	ON GOING <ul style="list-style-type: none"> 50% of employees attending dedicated training to removing unconscious bias across Louis Poulsen (2024) women in senior positions from 17% (2021) to 42% (2026) 	POSTPONED <ul style="list-style-type: none"> Completion of NPS survey on entire Louis Poulsen population (2023) 20% Top Performers/ high potential employees involved in career development initiatives (2023) 	REACHED Internal target (2023): partnership with 2 external partners/year
2024 steps	KPI defined, test is on going on some products for final finetuning (Q1 2024) Next step <ul style="list-style-type: none"> Calculate in H1 the Eco-design KPI on new 2024 products Identify critical points in the methodology and finetune KPI for 2025 monitoring 	We should evaluate scope 1-2 Group targets aligned to SBTi to provide a tangible proof of our climate strategy and commitment for emissions' mitigation Next step deep-dive with E&Y to calculate scope 1-2 GHG emission reductions and costs and define the action plan and targets to be disclosed in 2025	It has been done the scouting for a partners /software solutions for supply chain risk assessment, but all options are too costly according to our 2024 budget. Next step <ul style="list-style-type: none"> Use 2024 to test and learn some ESG risk assessment platforms and engage the correct partner in 2025 "Synesgy" with first year free of charge. B&B to test the platform in 2024 (TBC) Qarma-QC, Compliance and Audit platform which is currently being tested 	<ul style="list-style-type: none"> Develop training program Increased focus on top management diversity to obtain a more balanced representation 	NPS to be executed in 2024	Further explore possibilities for external collaborations

3

DESIGN FOR
THE PLANET

DESIGN FOR THE PLANET

“ To foster our commitment to sustainability, blending innovation, eco-design, and circularity principles in our business activities, and throughout our value chain.

OUR COMMITMENT TO INSPIRE THE FUTURE OF ECO-DESIGN

By 'Designing for the Planet', we state our embracement of an ecologically conscious mindset throughout our operations, from production lines to office activities. We do this by incorporating eco-design and circularity concepts within our design and engineering processes, being alert to ESG risks in all our operations and by actively implementing climate change mitigation strategies throughout our value chain.

We continue to embrace the use of innovative materials, design methodologies and collaborative partnerships, implementing all required steps to reduce their environmental impact, always staying abreast of regulatory changes and scientific advancements.

Taking a significant step towards sustainable design, we established our first comprehensive eco-design framework in 2022. Throughout 2023, this framework underwent rigorous development, culminating in board approval and successful testing

A DRIVE FOR LEADING CLIMATE AND ENVIRONMENTAL CONSCIOUSNESS

We intend to play our part in tackling climate change by progressively reducing our direct and indirect greenhouse gas (GHG) emissions.

Finally, we are committed to engage our suppliers in embracing sustainable practices to reduce their own environmental impact, spreading climate consciousness and encouraging the adoption of disruptive solutions to limit the usage of raw materials and to improve packaging processes.

3.1 UNDERSTANDING THE ENVIRONMENTAL IMPACT OF OUR PRODUCTS

We acknowledge that the creation of our products comes at an environmental cost. Therefore, we strive to minimise the environmental impact of our solutions. To do that, we first need to understand how our products impact the environment. One direct impact is the greenhouse gas emissions linked to the life cycle of our products.

An illustration of the different steps in the value chain of our products, showing the estimated proportion of greenhouse gas emissions deriving from each step. In the coming years we will use our newly established framework for assessing and scoring the level of sustainability for each of our products to support sustainable decision-making in the design of our products. The framework takes into account the whole product lifecycle starting from design, including materials, components and electronics to production, produced services and components and finally product use phase and end of life. The rating of products is based on a weighted score for each of the dimensions according to their environmental impact.

The framework will be used to support decision-making in the design and production of our products. The framework is inspired by and based on chosen impact categories from the Product Environmental Footprint (PEF) ISO-14067 method developed by the European Commission.

Additionally, we aim to map the greenhouse gas emissions deriving from our product life cycles. Our first step is to

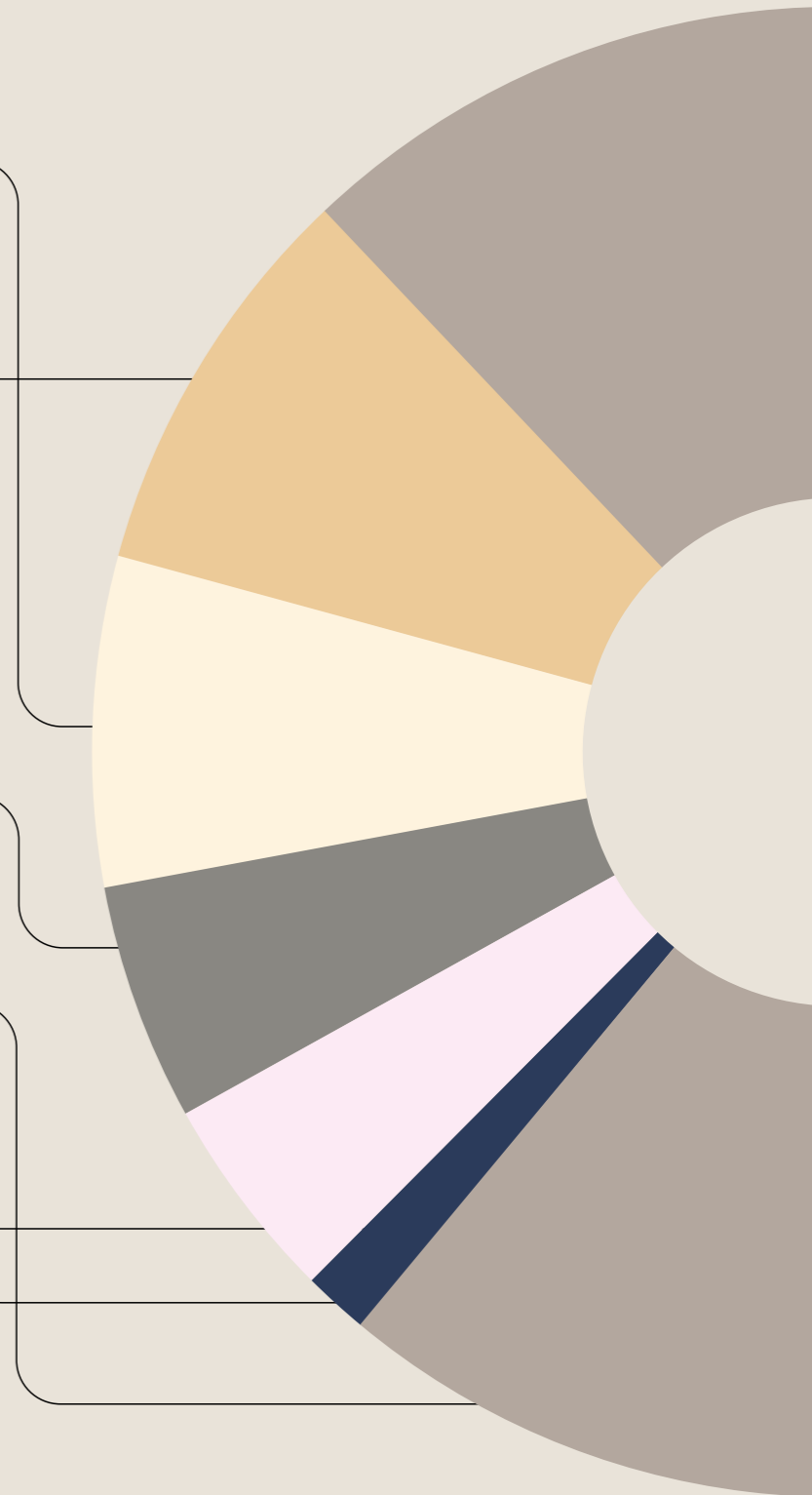
calculate the life cycle assessment (LCA) carbon footprint of selected products. In 2022 we completed the documentation of the environmental impacts of all our architectural and BtB outdoor products through the development of environmental product specifications.

In 2023 we increased with additional 21 environmental product specifications, which cover 51% of the products series and 61% of our sales volume.

We will continue to work on material transparency and documenting the environmental impacts, in 2024 focus on our BtC products, where we aim to document 100% of our product portfolio by the end of 2024. Calculating environmental impacts can be used for benchmarking, for improvement and setting targets for coming products

Overview of greenhouse gas emission sources related to the value chain of our products

- Extraction of raw materials**
Steel, aluminium, plastic, glass
- Manufacturing**
Manufacturing of compounds and assembly of lamps
- Packaging**
Packaging made of cardboard and plastic
- Transport**
Upstream and downstream logistics and transport of products
- Use of product**
Energy used by lamp during its life
- End of life**
Landfill, recycling, incineration



This picture illustrates the different steps in our products' value chain, scaled in an estimated proportion of greenhouse gas emissions deriving from each step. It is based on our estimate and not measured emissions.

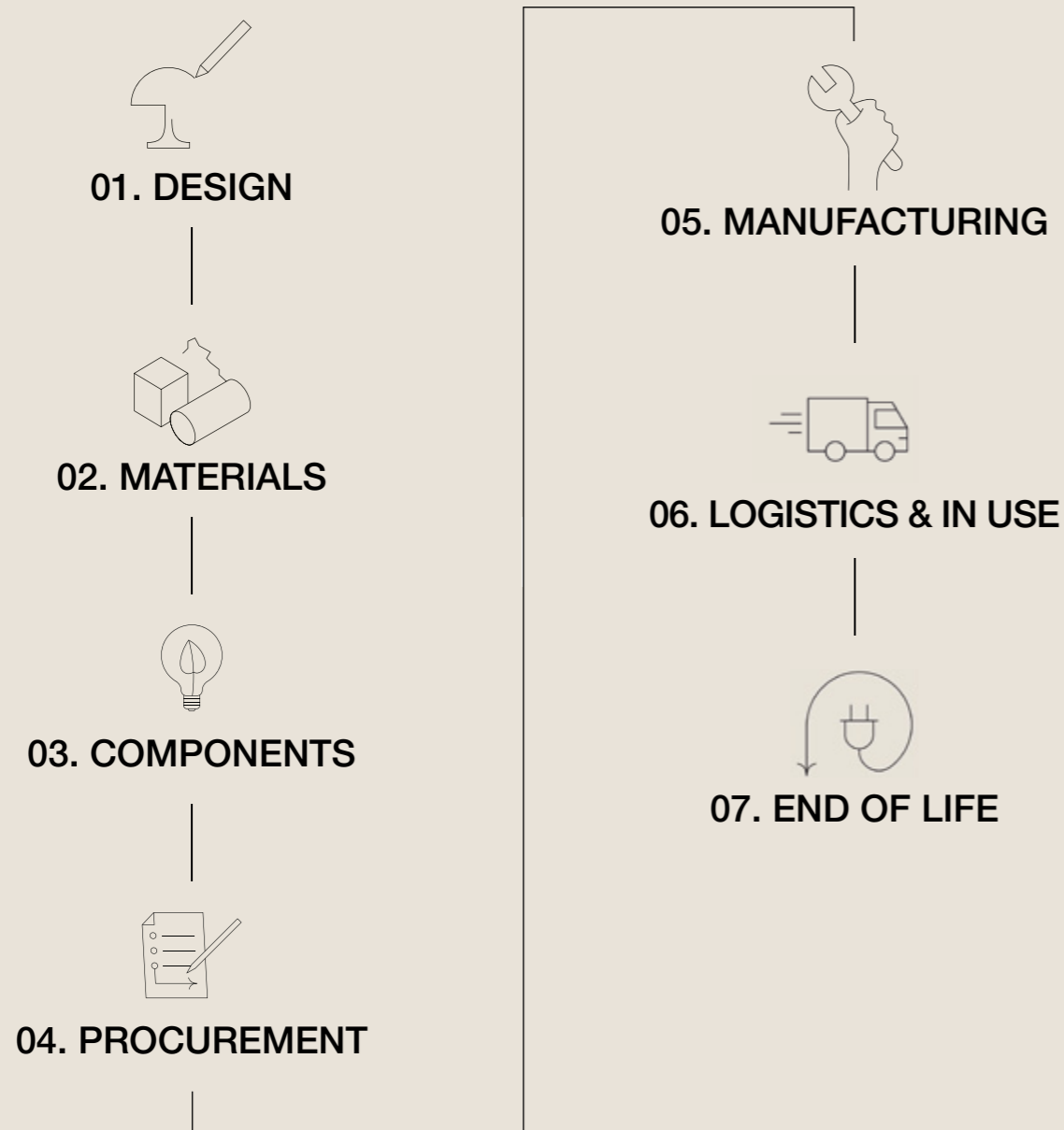
ECO-DESIGN

As declared in our Sustainability Strategy, we, as Flos B&B Italia Group, have committed to adopting a responsible approach towards the environment across our operations, embracing the principles of eco-design and circular economy from production to product use.

In 2023, such commitment was reinforced with the finalization and share of the cross-brand Group Eco-design Framework, which introduces a set of defined KPIs useful to all our Brands for the development of a quantitative and qualitative evaluation of the eco-design progress of a product.

During the past years, a selected cross-Brand working Group carried on a detailed study on the principles of eco-design, with the objective to define a common list of eco-design KPIs to be adopted both at Brand and Group level for the future development of products with embedded sustainability features.

The introduction of the Framework not only represents the achievement of our target related to Eco-design and Circular Economy, aligned to SDG 12 – Sustainable production and consumption, but it also confirms the leading role of our Group in paving the way for the sustainable development of the luxury design market. The functioning and application of the Framework will be dealt with in the “Design for the Planet” chapter of the herein document.



01. DESIGN

Design choices that are timeless, and optimized to improve durability, recyclability and to reduce waste.

We strive to ensure that all our products are timeless, long lasting, and durable, so they can be loved for many years. We optimise our products so as to reduce the amount of raw material and design each product with disassembly in mind, to ensure that parts can be replaced.

02. MATERIALS

Choosing raw materials that are inherently sustainable, non-toxic and transparent in their traceability and specifications.

We endeavour to use sustainable raw materials, using recycled and non-virgin materials where possible. The materials we use are transparent in their origins and their environmental impact. We are working to decrease the overall toxic emissions linked to our products and processes.

03. COMPONENTS

Focus on a product’s elements in terms of overall quality and durability, ease of maintenance and emissions impact.

We aim to utilise high quality components that are compliant with international standards, and can easily be replaced or upgraded, to increase durability and ensure longer product lifecycle. Our components are selected to achieve the highest efficiency, with the lowest possible emissions while maintaining the high quality.

04. PROCUREMENT

Ensure that our procurement of materials and resources are in line with our values and ambitions.

We prefer to select local vendors where possible, to decrease transportation emissions. Additionally, we aim to ensure that all suppliers work in alignment with our ESG principles and we vet our vendors to secure proper documentation and ensure the ability to monitor progress by categories, geographies and vendors.

05. MANUFACTURING

Focus not only on the energy consumed in manufacturing, but also the well-being of the people behind the machines.

We continuously work to reduce the direct consumption of energy and reduce waste and scrap materials. The well-being of our employees is our main priority, and we have policies in place to set the bar, just as we proactively work to reduce cases of Lost Time Injury.

06. LOGISTICS & IN USE

Ensure all logistics processes and packaging choices and products are designed for more uses and new versions.

We endeavour to use recyclable and certified raw materials to develop packaging in order to minimise volume. We are aware of our products’ in use consumption and actively work to develop energy efficient products, for which spare parts can be purchased to increase product lifetime.

07. END OF LIFE

Consideration of our products’ life cycle is a key element in the circularity of our mission.

We strive to increase our use of recyclable raw materials, which can increase the circularity of our products, and where this is not possible, to use certified partners to ensure secure handling of disposal and waste. We are looking into the complicated process of how to extend the life of our products beyond the end of their us.

ECO-DESIGN MATURITY LEVELS

Across the Flos B&B Italia Group Group we have defined 5 maturity levels for our eco-design, to help us progress and improve over time. They are:

1. INITIATION

At the initial level the product design & product lifecycle principles have been reflected in a disorganised, ad hoc way. Success is likely dependent on individual efforts and is not considered to be repeatable.

2. DEVELOPING

At the repeatable level, basic effort has been deployed to reflect the product design - & lifecycle principles. As a result, basic practice are established, and successes in key areas are able to be repeated.

3. DEFINED

At the defined level we have followed the standard procedures to secure that the product design - & lifecycle principles are reflected. Our activities enable greater attention to documentation and standardization.

4. MANAGED

At the managed level, we monitor and control that our product design - & lifecycle principles are reflected through data collection and analysis.

5. OPTIMISED

At the optimizing level, products are constantly improved through monitoring feedback from Branding, R&D, Production, Sales and Customers to introduce updated innovative versions.

ECO-DESIGN ASSESSMENT MODEL

Our eco-design framework also includes an assessment model, that helps all the Flos B&B Italia Group brands measure their maturity levels on the same scale.

QUANTITATIVE

Our eco-design assessment model contains quantitative, measurable goals to ensure that we are progressing and continually measuring key components. There are seven measurable KPIs to match with the seven eco-design principles we have defined, which we will use across the group to ensure consistency and transparency in our measurements.

QUALITATIVE

We are also working on a group-wide framework to assess our progress based on more qualitative measures that allow us to understand the nuances of our maturity for each of the principles.

The full assessment framework is expected to be finalised during 2023 and will be implemented shortly after completion.

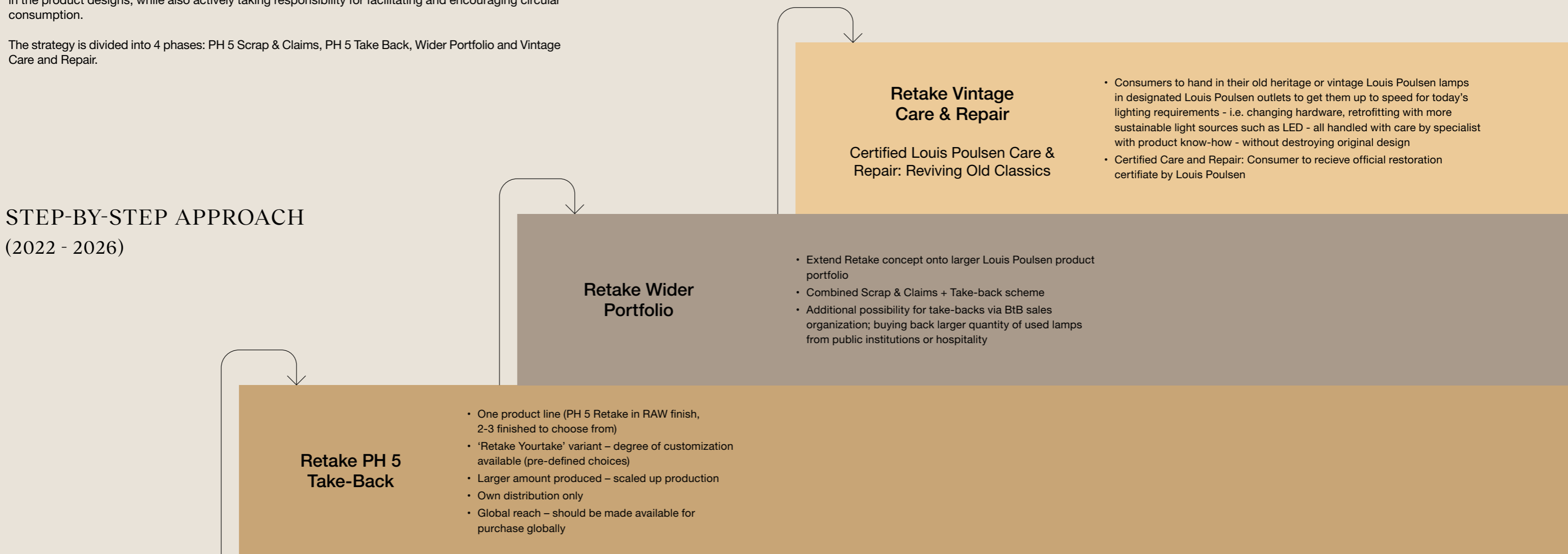
RETAKE STRATEGY

Retake is the name given to Louis Poulsen's concept for giving old or imperfect products a new life. To us, this means that we take old products, and recycle or upcycle them, restoring them with the latest technology, to give them a new lease on life and extend their lifetime value. It's a new operating model, a new way of thinking and the strategy provides a structure for our business when it comes to circularity and upcycling.

With Retake, we aim to shed light on the longevity of our products and the use of recyclable materials in the product designs, while also actively taking responsibility for facilitating and encouraging circular consumption.

The strategy is divided into 4 phases: PH 5 Scrap & Claims, PH 5 Take Back, Wider Portfolio and Vintage Care and Repair.

STEP-BY-STEP APPROACH (2022 - 2026)



Retake PH 5 Scrap & Claims

- Initial Proof of Concept
- One Product (PH 5)
- Limited Amount produced (100 pcs)
- Limited Geography (DK, and very limited tests across EU locations only)
- Existing Scrap/Claims (own production)

Retake PH 5 Take-Back

- One product line (PH 5 Retake in RAW finish, 2-3 finished to choose from)
- 'Retake Yourtake' variant – degree of customization available (pre-defined choices)
- Larger amount produced – scaled up production
- Own distribution only
- Global reach – should be made available for purchase globally

Retake Wider Portfolio

- Extend Retake concept onto larger Louis Poulsen product portfolio
- Combined Scrap & Claims + Take-back scheme
- Additional possibility for take-backs via BtB sales organization; buying back larger quantity of used lamps from public institutions or hospitality

Retake Vintage Care & Repair

Certified Louis Poulsen Care & Repair: Reviving Old Classics

- Consumers to hand in their old heritage or vintage Louis Poulsen lamps in designated Louis Poulsen outlets to get them up to speed for today's lighting requirements - i.e. changing hardware, retrofitting with more sustainable light sources such as LED - all handled with care by specialist with product know-how - without destroying original design
- Certified Care and Repair: Consumer to receive official restoration certificate by Louis Poulsen



MINIMIZING WASTE THROUGH UPCYCLED DESIGN

Giving a product a second life makes the manufacturing of another lamp unnecessary. Reuse saves scarce resources and valuable materials and reduces greenhouse gas emissions. Therefore we supply various spare part need for our products in order to extend the product lifetime, also linked to The European Unions new set of right-to-repair rules.

In 2023, we increased our commitment to sustainability, achieving a 27% growth in upcycled product sales, rising from €128,000 in 2022 to €163,000 in 2023. This progress reflects our dedication to reducing waste and promoting eco-friendly designs.

SUSTAINABLE PACKAGING

Packaging is crucial for keeping our products intact and forms an essential part of our product experience. However, it also contributes significantly to our products' environmental impact. In line with the EU Circular Economy Action Plan, the EU Commission is working to reduce packaging waste and improve design for re-use and recyclability, focusing on the complexity of packaging materials, such as the variety of polymers used.

Two key factors affect the sustainability of packaging: the amount and type of materials used.

To address the first factor, we aim to minimize the size of our packaging to reduce material use and decrease our environmental footprint. We balance this with customer appeal and drop test requirements to ensure products arrive intact.

For the second factor, our packaging strategy since 2021 has introduced new solutions using more sustainable materials. For us, sustainable materials are those that are renewable or recyclable and sourced responsibly.

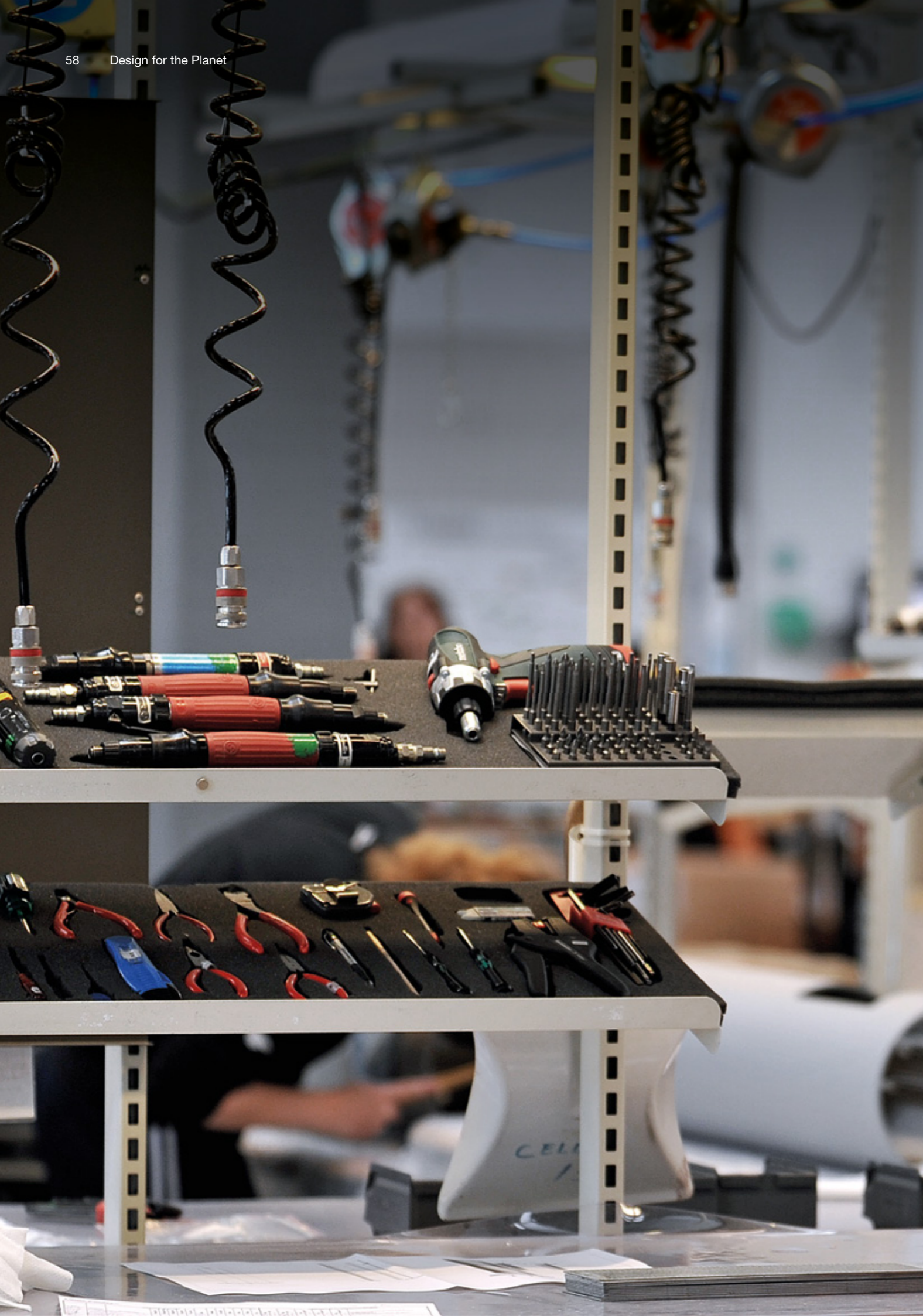
In recent years, we have been exploring sustainable material options to increase the recyclability of our packaging. Our goal is to reduce the use of fossil-based plastics and increase the use of recycled materials, such as recycled cardboard. However, when replacing packaging materials, we must consider the business case and material quality to ensure optimal product protection.

We believe the most sustainable solution is to prevent product damage rather than using less effective sustainable packaging materials.

This year, we investigated ways to reduce our packaging's carbon footprint, including removing polystyrene from the PH 5 packaging led to a 55% reduction in CO2 emission. Initially, we used recycled polystyrene, and our next step is to replace it with recycled cardboard. Moving forward, we will focus on collaborating with our suppliers to find the most sustainable packaging solutions, including replacing glossy white printed liners with brown boxes.

For these products, we use one-third new fibers for the outer layer (FSC certified) and two-thirds recycled fibers. Our ambition is to continuously update the rest of our products to the same high level of recyclable materials.





CARE & REPAIR

We are committed to reducing our environmental footprint by maintaining and repairing our products to extend their lifespan. This initiative is a key component of our sustainability strategy and is essential to our goal of preserving resources and minimizing waste.

Product Repair

We have established a comprehensive repair system that allows us to restore up to 70% of all returned products. This includes lamps, a significant portion of which are repaired and restored to full functionality. Approximately 10% of these repairs are carried out in collaboration with authorized partners operating around the world. Our partners include authorized workshops in Denmark, Norway, and Spain, enabling us to offer local service and support to our customers across regions.

Materials and Recycling

In cases where products are too damaged to be economically or practically repaired, we ensure they are properly disassembled and sorted. This facilitates the recycling of individual materials in accordance with applicable environmental standards and regulations.

Expansion of Partnerships

In 2024, our focus is on strengthening our partnerships and expanding the number of authorized service centers. This will not only improve the availability of repair services for our customers but also enhance our ability to maintain a global network of sustainable service providers.

“We and each of our representatives strongly believe in the great responsibility that comes with our mission.

We investigate and take into account both the positive and the adverse effects, internal and external, of our own activity and of those associated with us, and stand accountable for them. We also exercise our influence over our partners to help them meet our standards.”

FLOS B&B ITALIA GROUP CODE OF CONDUCT

CASCADING REQUIREMENTS - MAKING A LARGER IMPACT WITH OUR SUPPLIERS

Climate and Environmental Focus

There is an increasing emphasis on companies to set climate targets aligned with the Paris Agreement, addressing both the environmental impact of their operations and their upstream and downstream value chains. For Louis Poulsen, a significant portion of our environmental impact originates from our value chain, particularly in the extraction of raw materials and the manufacturing of components by subcontractors.

To meet our environmental targets and comply with new regulations, we require our business partners and suppliers to adhere to stricter environmental standards. These standards, which we pass on to our partners, are referred to as cascading requirements. Tackling complex sustainability challenges necessitates a collective effort.

Supplier Code of Conduct

We aim to ensure that our primary suppliers are actively working to reduce their environmental impact and have policies in place to guide these efforts. In 2023, we updated our code of conduct to adopt the Design Holding Group's Code of Conduct. This alignment enhances our sustainability policies and encourages our suppliers to focus on their environmental impact and social responsibility. The signed group code of conduct now covers 80% of our purchase value for components and finished products from suppliers with annual purchases exceeding 10,000 euros.

Local Reporting and Assessments

We observe a growing demand from companies for compliance with their own reporting and codes of conduct, in addition to country-specific documentation, reporting, and environmental assessments. Tools such as Byggarubedömningen and SundaHus are increasingly required in tender materials for major public projects.

The European Commission is continually emphasizing the importance of carbon footprint and country of origin through initiatives like the Carbon Border Adjustment Mechanism (CBAM). As manufacturers, we are now required to report on carbon-intensive components and products entering the EU. Additionally, there is a growing number of countries that mandate reporting and taxation on packaging materials and batteries.



3.2 THE ENVIRONMENTAL IMPACT OF OUR PROJECTS

In the world of lighting design, Louis Poulsen takes a two-pronged approach to sustainability. First, we believe in the power of timeless design. By crafting products with lasting appeal and exceptional durability, we significantly reduce the environmental impact associated with frequent replacements. Second, we champion product lifespan extension through innovative retrofitting solutions. This allows clients to breathe new life into existing fixtures, often by upgrading them with energy-efficient LEDs, further minimizing waste and maximizing functionality.

The following cases showcase these core principles in action. First, we explore our involvement in the Red Sea Project, where our timeless designs beautifully complement a vision for sustainable luxury tourism. Following that, we delve into our collaboration with Jærmuseet, a science museum, demonstrating how our retrofitting program empowers clients to achieve their sustainability goals.

JÆRMUSEET NORWAY

Our commitment to long-lasting design extends beyond the initial sale. In the year 2000, we provided Jærmuseet, a science museum in Nærbø, Norway, with a collection of Planet pendants. These well-crafted fixtures have served the museum for over two decades. The museum contacted us in 2023 to explore upgrading the light sources their collection of 95 Planet pendants to more energy-efficient LEDs.

With conventional retrofit kits unavailable, we demonstrated our commitment to sustainability by collaborating with the museum. Through innovative problem-solving, our production team in Vejen developed a method to replace all the light sources with fixed LEDs. This not only extended the lifespan of the museum's original fixtures, but also significantly reduced their energy consumption.

By undertaking this project, we were able to achieve two important sustainability goals:

- **Extended Lifespan of Existing Products:** By finding a way to retrofit the pendants with fixed LEDs, we extended the lifespan of the museum's original lighting fixtures. This reduced the environmental impact associated with manufacturing and disposing of new light fixtures.
- **Improved Energy Efficiency:** Fixed LEDs are significantly more energy-efficient than traditional light sources. This retrofit project resulted in reduced energy consumption at Jærmuseet, helping the museum to minimize its environmental footprint.

This project is a great example of how we, at Louis Poulsen, can work with clients to achieve sustainability goals. We are not only committed to designing sustainable products, but also to finding creative solutions to extend the life of existing products.





THE RED SEA PROJECT

At Louis Poulsen, we are proud to be a part of the visionary Red Sea Development in Saudi Arabia's Tabuk Province. We have an order on +600 Flindt Garden bollards to Sheybarah Island, a product that was pre-selected and approved for its design qualities for day and night use.

Red Sea Global is committed to delivering sustainable and luxury tourism. The selection of our products reflects this commitment, and they meet the following design considerations:

- **Timeless Design:** Complimenting and not over powering the landscapes' natural beauty, avoiding the need for future replacements.
- **Modularity:** With our continuous development of retrofit kits and the modularity of the products, allows for flexibility in use, ease of maintenance and the opportunity to minimize waste.
- **Build Quality:** We ensure long-term product lifespan by choosing quality raw materials that are inherently sustainable, thus reducing the environmental impact associated with frequent replacement.

Our involvement extends beyond Sheybarah Island. We have secured agreements to supply products for the Desert Rock project and are actively engaged in discussions for additional sites within the Red Sea Project.

Through our partnership with Red Sea Global, we are contributing to the creation of a world-class tourist destination that prioritizes both luxury and environmental responsibility.

3.3 THE ENVIRONMENTAL IMPACT OF OUR OPERATIONS

Being a responsible company entails considering a wider spectrum of stakeholders in our decision-making.

We want to do business in a way that minimises negative impact on people and the environment and supports positive value creation. However, we acknowledge that we still have a long way to go in implementing systematic sustainability management in line with best practice. This is why we have set up an action plan to define and implement required activities to take the necessary steps in the right direction.

Our goal is to reduce the environmental impact of our value chain and improve resource efficiency. The main risk of negatively impacting the environment and climate relates to energy use, waste from our operations, transport of our products and the business travel undertaken by our employees. Our environmental and climate policy addresses our responsibilities as they relate to our products and our operations. In line with our environmental policy, we strive towards continuous improvement in our day-to-day operations where we focus on reducing waste, energy use and greenhouse gas emissions.

CARBON NEUTRALITY

The main source of greenhouse gas emissions involved in our operations is the electricity and district heating used in our production facility in Denmark, and our sales offices in different countries.

Additionally, our greenhouse gas emissions stem from the use of natural gas for central heating and kilns as well as emissions deriving from business travel. We categorise our greenhouse gases in accordance with the Greenhouse Gas Protocol. Direct emissions (Scope 1) include the use of natural gas and use of fuel for company cars, indirect emissions from purchased energy (Scope 2) consist of only electricity and district heating. Other indirect emissions (Scope 3) consist of other emissions deriving from fuel and energy-related activities (Category 3) upstream transportation and

distribution (Category 4), waste generated in operations (Category 5), business travel (Category 6), and employee commuting (Category 7).

We are net carbon neutral in our own operations, and we plan to reduce energy consumption using a step-by-step approach. We are continuously focusing on improving energy efficiency at our production site in Denmark.

CARBON OFFSETTING

One of the key elements in Louis Poulsen's carbon neutrality, is the carbon offsetting scheme. We will continue to support the carbon offsetting initiative Guatemalan Conversation Coast Project to be able to offset the emissions that cannot be reduced at this point.

We have reduced Scope 1 & Scope 2 emissions by 22% since 2019, going from 1,545 tCO₂e in 2019 to 1,199 tCO₂e in 2023. Due to the inclusion of more Scope 3 categories, the total carbon footprint cannot be directly compared to older data. However, in 2023 we had a total Scope 3 emission of 27,874 tCO₂e which is significantly lower than in 2022 where the emission was 39,533 tCO₂e.



CARBON OFFSETTING PROJECTS

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

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

GREAT BEAR FOREST CARBON PROJECT³, CANADA

The Great Bear Forest covers c. 6.4 million hectares of north and central coast in British Columbia in Canada and is home to the First Nations people who have inhabited this land for up to 10,000 years. This rare and rich ecosystem is also home to rare species of plants and animals (including the Kermode Bear). The aim of this project is to improve forest management in the region, generating emission reductions through the protection of forest areas that were previously designated, sanctioned or approved for commercial logging. The project activities include changes in land-use legislation and regulation that result in the protection of forest areas and reduction of harvest levels.

GUATEMALAN CONSERVATION COAST PROJECT⁴, CENTRAL AMERICA

The Guatemalan Conservation Coast program works to address the drivers of deforestation through effective law enforcement, land-use planning, education, economic opportunities, and sustainable agroforestry initiatives. Some of the most important project achievements to date are the protection of 30 threatened tree species including the Baird's tapir and West Indian manatee, the protection of 54,157 hectares of threatened forest in the Mesoamerican Biological Corridor and the creation or support of 487 jobs for indigenous and local communities.

³ The Great Bear Forest Carbon project is registered on the British Columbia Registry under three different projects: Great Bear (South Central Coast) 104000000011319, Great Bear (Haida Gwaii) 104000000011559 and Great Bear (North and Central-Mid Coast) 104000000012798 aims to generate Improved Forest Management and reforestation-based carbon credits.

⁴ The Guatemalan Conservation Coast project is registered on the Verra registry, REDD+ Project for Caribbean Guatemala: The Conservation Coast 1622, applies Verra's Verified Carbon Standard (VCS Standard v4.3 VM0015) and the Climate, Community and Biodiversity Standards v.3.1, and will generate carbon credits from avoided unplanned deforestation representing c. 22 million tonnes of CO₂e.

4

DESIGN FOR
PEOPLE



DESIGN FOR PEOPLE

“ To ensure a thriving workplace that guarantees fairness and inclusion as well as generating value to communities around the world.”

We exist to create spaces in which people can thrive and pride ourselves on designing and producing products that provide exceptional light.

We believe that our people have enabled our long-standing heritage of innovation, craftsmanship and iconic design - all of which have contributed to our standing as a leading force in the high-end lighting design sector.

At Louis Poulsen we view our people as vital to every small step of our operations and to every success achieved since our foundation in 1874. Our success depends on having employees with a wide range of skills, experiences, and backgrounds, who have the resources and opportunities to bring their full selves to work and to realise their full potential. We work as a team and together we are building a passionate and responsible company that strives to be a force for positive change.

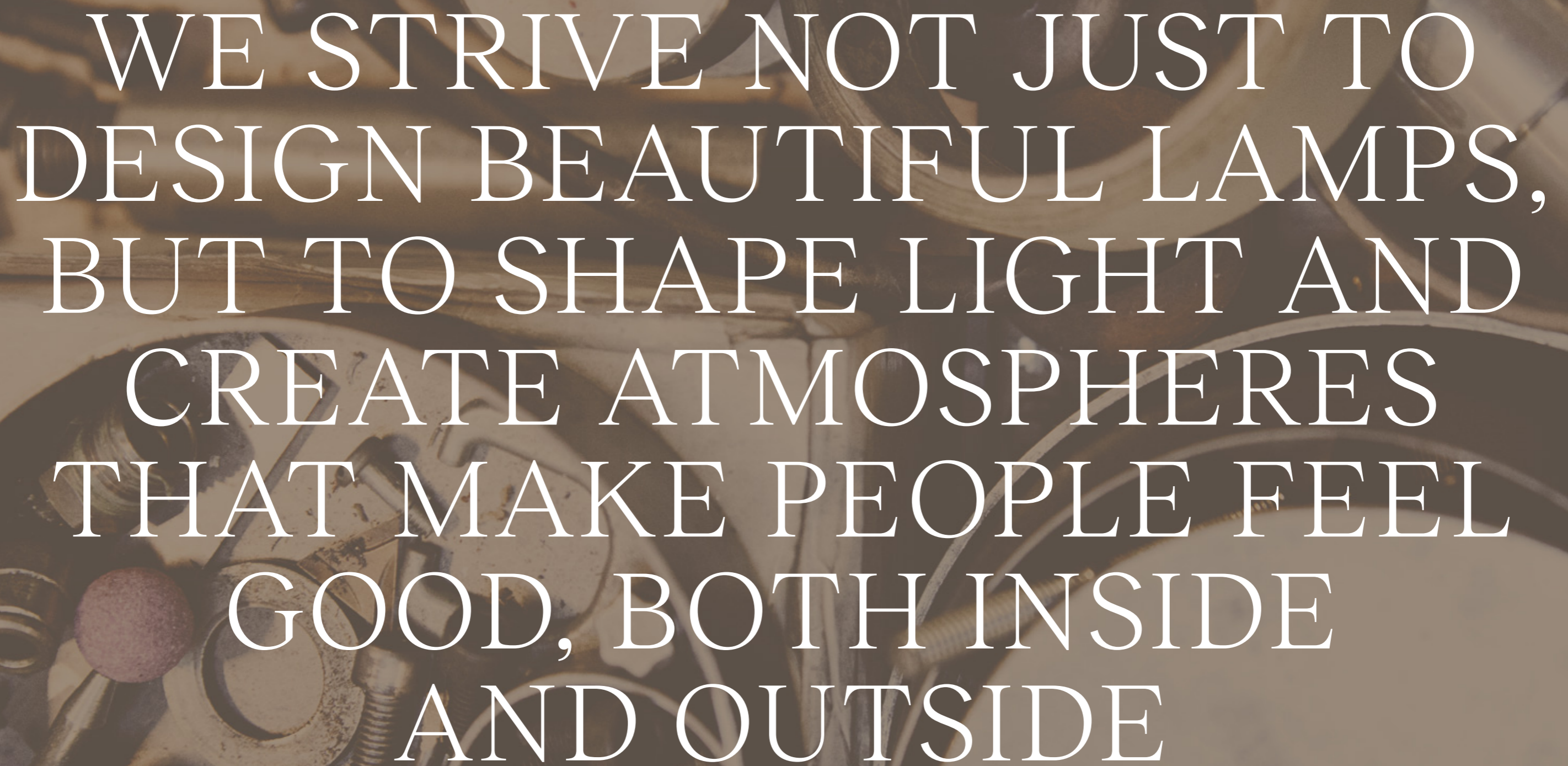
Creating a thriving, inclusive and fair working environment is essential and among our key priorities: within the framework of our Sustainability Plan we set and monitor specific ESG targets on diversity and inclusion, and people empowerment, to ensure these principles and rights can be guaranteed at every level of our operations. As a result, we intend to hire new employees with different nationalities or backgrounds to increase both diversity as well as a true feeling of inclusion and belonging.

As part of our commitment to being a Responsible Employer, we have several different initiatives and policies such as a new Diversity Policy and EXPECT, our new guidelines for regular one-to-one conversations between employees and managers. We also work to systematise our initiatives on reducing the risk of injuries and accidents in our production.

4.1 CREATING SPACES FOR PEOPLE TO THRIVE

Research shows that light plays an important part in our health and well-being, which is why Louis Poulsen is proud to design and produce light fixtures that provide exceptional light, to create spaces in which people can thrive. We endeavour to create glare-free, pleasant lighting that enhances quality of life and provides the perfect ambience for every occasion.





WE STRIVE NOT JUST TO
DESIGN BEAUTIFUL LAMPS,
BUT TO SHAPE LIGHT AND
CREATE ATMOSPHERES
THAT MAKE PEOPLE FEEL
GOOD, BOTH INSIDE
AND OUTSIDE



HUMAN CENTRIC LIGHTING

In an age where we know that quality of light evidently impacts human well-being, Louis Poulsen is working with 3rd parties to advance the frontier of human-centric lighting. Recognizing the pivotal role light plays in our lives, our initial collaboration seeks to pioneer innovative solutions that optimize both illumination and health outcomes.

THE POWER OF LIGHT

Light not only facilitates vision but also influences our biological rhythms, mood, and productivity. Harnessing the potential of light to promote human health and well-being is a shared mission for Louis Poulsen and our collaborators. We are driven by a shared vision to create lighting solutions that prioritize human needs and preferences. By integrating cutting-edge technology, research insights, and design expertise, we aim to revolutionize the way light is utilized in various settings, from healthcare facilities and public spaces to homes and offices.

A MULTIPURPOSE COLLABORATION

Our partnerships will focus on collaborative research initiatives to deepen our understanding of the biological effects of light and develop evidence-based lighting solutions. Leveraging our combined technical prowess, we will co-create next-generation lighting products that enhance comfort, productivity, and overall well-being. Together, we will champion education and awareness campaigns to empower individuals and organizations to make informed choices about lighting and its impact on health.

COMMITMENT TO SUSTAINABILITY

In addition to human-centric considerations, sustainability lies at the heart of our partnership. We are committed to minimizing environmental impact throughout the lifecycle of our products, from design and manufacturing to usage and disposal.

LOOKING AHEAD

As we embark on this journey together, Louis Poulsen and our partners are excited about the possibilities that lie ahead. By pooling our expertise and resources, we are confident that we can drive meaningful change in the lighting industry and positively impact the lives of millions around the globe.

In conclusion, our technical partnership represents a bold step towards reimagining the role of light in shaping human experiences. Through collaboration, innovation, and a shared commitment to sustainability, we aspire to illuminate futures where light not only illuminates spaces but also enriches lives.

ELEVATING THE BUILD ENVIRONMENT

A Collaboration with BuzziSpace

At Louis Poulsen we believe in the power of collaboration to drive innovation and sustainability. Our recent dialogue with BuzziSpace has been both inspiring and productive, laying the foundation for a potential innovative collaboration that holds promise for the future.

In our pursuit of creating spaces where people thrive, we are always open to new collaborations. In 2023 we reached out to BuzziSpace, a renowned leader in acoustic solutions dedicated to fostering happy and healthy indoor environments worldwide. Together, we embark on a journey to merge our expertise and innovation, aiming to redefine the modern built environment and enhance the well-being of its people.

At the core of our collaboration lies a shared commitment to excellence and a passion for crafting solutions that transcend the ordinary. By joining forces, we aim to leverage our respective strengths to develop products that integrate the best of both worlds: cutting-edge lighting technology and groundbreaking acoustic solutions.

Our vision is to create environments where people feel not only productive but also inspired, where happiness and well-being are integral parts of the architectural landscape.

Through this collaboration, we aspire to introduce a new generation of products that go beyond mere functionality, products that have the power to transform the way we experience and interact with the spaces around us. From office buildings to educational institutions, hospitality venues to healthcare facilities, our goal is to elevate every environment, fostering a sense of belonging and enhancing the quality of life for all.

Join us as we embark on this transformative collaboration, where innovation meets purpose and where the possibilities are limitless.



4.2 PASSIONATE EMPLOYEES ARE OUR MOST VALUABLE ASSET

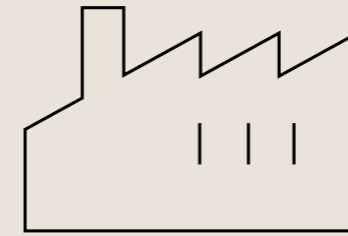
At Louis Poulsen, we want to provide a working environment that is interesting, exciting, and stimulating for all employees. We believe that an excellent work-life balance ensures employees' well-being and motivation at work. A motivated and engaged workforce is the source of creativity and good business.

We have identified that the material social impacts related to our employees are health and safety, employee satisfaction, development, and equal opportunities. Our HR policies provide clear guidelines and expectations on how to handle each issue in our day-to-day business operations.

Louis Poulsen has 409 employees of whom 97 are employed in subsidiaries abroad. The majority of the Danish employees work in the company's production facility in Denmark.

Taking care of our people and improving health and safety on an ongoing basis is a top priority.

EMPLOYEES DISTRIBUTION



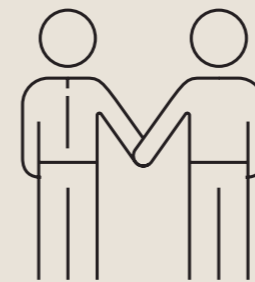
312

Employees at Louis Poulsen in Denmark



97

Employees in our subsidiaries worldwide



97%
permanent workers

92%
full time



TAKING CARE OF OUR PEOPLE AND IMPROVING HEALTH AND SAFETY

Ensuring an engaging, healthy, and safe work environment is a basic right for all our employees. Louis Poulsen has a clear ambition of providing the best possible setting for employees to thrive in relation to engagement, mental wellbeing, personal development, and other areas impacting the general work environment.

Louis Poulsen has adopted an employee feedback platform that aims to drive change and growth. This is provided through an employee-centric, data driven and automated tool that measures and responds to real-time employee feedback and creates a culture of productivity, engagement, and belonging.

The platform makes it easy for people leaders to put insights to work and take actions that improve employee engagement. All departments at Louis Poulsen actively work with the targets that are continuously set in this process, and we expect to see significant improvements in employee well-being over time.

Due to the nature of our company, we have a risk of injuries in our production facilities. We work continuously to identify potential hazards and ensure a culture that supports safe conduct in the workplace. We focus on preventative measures to avoid employees being exposed to repetitive strain and incurring work-related injuries. All our locations have a health and safety committee that handles all workplace safety issues.

In our operational premises in Denmark, we have a health and safety management system in place. We monitor incidents and report on the rate of recordable work-related injuries and lost time injury frequency rate (LTIFR) on an annual basis at our production site in Denmark. Our goal is zero accidents and to achieve that we have clear safety rules, first aid training and repeated fire drills in place at all our locations. All activities and monitoring of health and safety levels at Louis Poulsen are driven by our internal occupational health and safety organisation who refer to the Chief Operating Officer.

We have various employment policies including, but not limited to, health and safety, and have established clear rules on safety conduct and protective equipment to be followed at our premises. To prevent any injuries related to sedentary work, the company also organises short mandatory group workouts every day.

The Lost Time Injury Frequency Rate was 13,16 in 2023.

ENCOURAGING SUSTAINABLE TRANSPORTATION CHOICES

Traditional fossil fuel powered vehicles are significant contributors to greenhouse gas emissions. By embracing EVs, we not only eliminate tailpipe emissions but also contribute to cleaner air and a healthier planet.

Over the past years we have focused on transitioning from fossil fuel vehicles to hybrid and electric vehicles (EVs). Since 2021, we have significantly increased this share from 7% to 33%, and we remain committed to continuing this transition.

Especially in the Nordics, which constitutes our key market, the prevalence of green electricity is notable. In 2023, the emission from an average kilowatt hour consumed in Danish sockets was 96 grams of CO2 per kWh. Over the past decade, the CO2 content in Danish electricity consumption has plummeted by 74%. This remarkable achievement is attributed to Denmark's investments in renewable energy and its decreasing reliance on coal, oil, and gas. Over the last 15 years, coal consumption in Denmark has dropped by over 83%, and natural gas consumption has decreased by 50%. Wind energy accounted for 50% of Danish electricity consumption in 2023, including imports and exports. Additionally, sustainable biomass contributed to 11% of electricity consumption, while solar energy accounted for 6% in 2023.

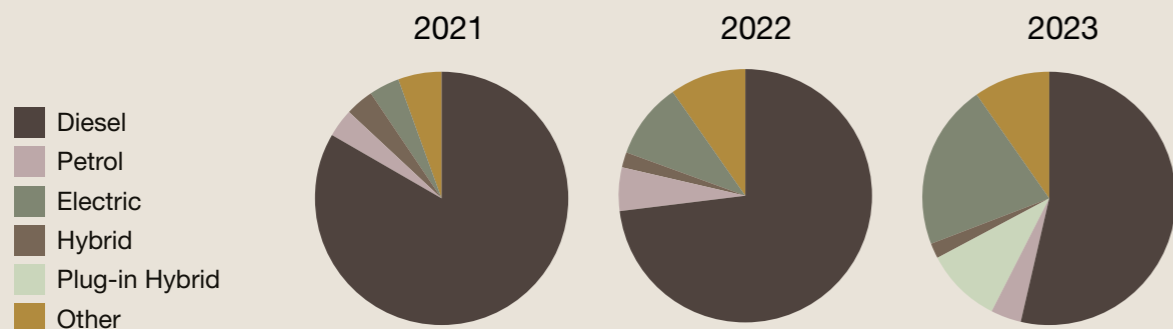


Photo by CHUTTERS/MP on Unsplash



ENHANCING EMPLOYEE ENGAGEMENT THROUGH OCCUPATIONAL DEVELOPMENT

Developing our people and building highly skilled and engaged teams is one of the key drivers in creating greater products and results. We want our employees to feel motivated and engaged in their work for Louis Poulsen.

To retain our valuable employees, we actively work to promote job satisfaction through personal development. At Louis Poulsen, we support leadership that not only empowers employees, but also ensures that we have a strong team across all business activities. Going forward, we want to focus increasingly on developing the skills of individual employees and strengthening the ability of our managers to drive change and support employee development.

We support our employees in developing the necessary skills to achieve success in their job function. To ensure that our employees stay up to date and qualified for their job requirements, we encourage them to participate in various courses or undertake other educational activities. We believe that the need for skill development should be assessed not only in connection with our annual development reviews but should be an ongoing dialogue between the employee and the employee's immediate manager. The purpose of these one-to-one meetings based on the EXPECT guidelines is to discuss ambitions, potential, development and collaboration with the employee.

DIVERSITY AND EQUAL OPPORTUNITIES

At Louis Poulsen, all employees are appreciated for their skills, experience, and unique points of view regardless of gender, age, nationality, religion, sexual orientation, language, political views or disabilities.

We are committed to creating and maintaining a workplace in which all employees have the opportunity to participate and contribute to the success of the business and are valued for their skills, experience and unique perspectives. Our commitment to our employees, forms part of our company policy and the way we do business at Louis Poulsen.

At Louis Poulsen, we believe that a diverse workforce helps the company perform better in the long run. We therefore encourage everyone with the right skills to apply for our vacancies. To facilitate this development, we initiated the formalisation of a recruitment policy for leadership positions. According to our policy at least one applicant of each gender must be invited for a job interview when qualified applicants from both genders are available.

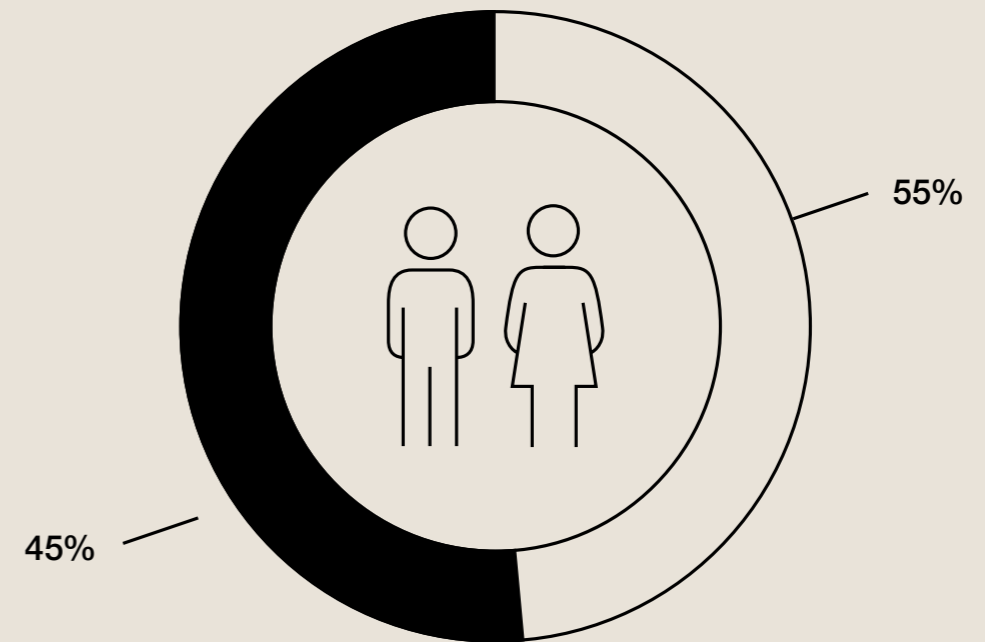
In 2023, top management consisted of one female (16%) and five males (83%), and the gender diversity of the broader management team is 30% female and 70% male. Overall, 55% of our employees are women and 45% are men. During the year, we implemented our new diversity policy and recruitment guidelines on diversity and inclusion.

The policy aims to ensure that all Louis Poulsen employees are treated equally, irrespective of gender, age, race, religion etc., thereby ensuring equal opportunities for engagement, terms of employment, training and promotion.

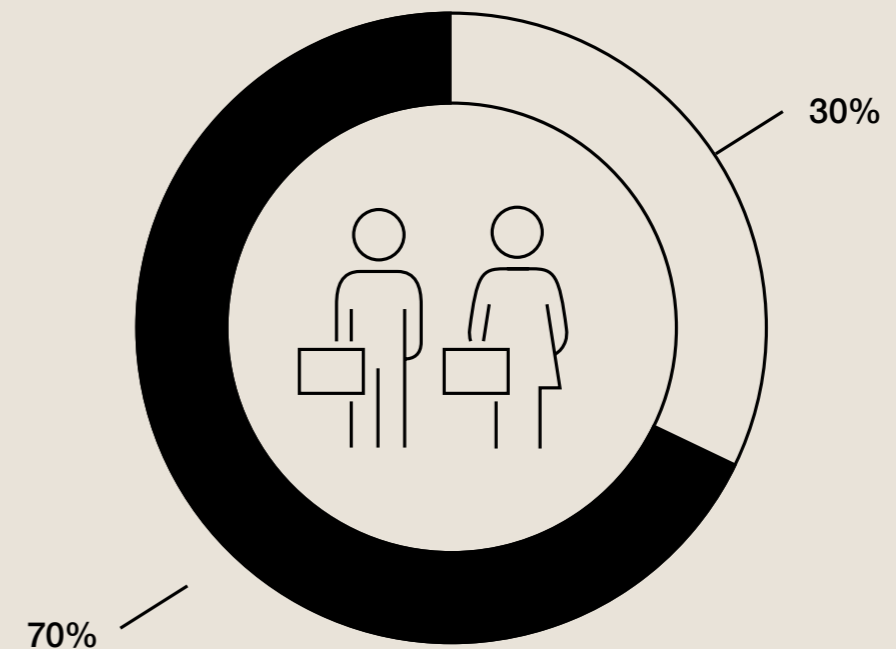
WE WISH TO ENSURE A HIGH LEVEL OF DIVERSITY, BUT NOT AT THE COST OF REQUIRED SKILL SETS.

We always hire the most qualified candidate for the job, regardless of any political, religious or personal orientation. We strive to provide equal opportunity for development, addressing inclusive behaviour, unconscious biases, and cultural understanding. Only by acknowledging and harvesting from different perspectives and experiences will we gain competitive advantage and leverage the effect of diversity for business growth. This requires a focus on equal opportunity throughout the organisation.

GENDER BALANCE EMPLOYEES



GENDER BALANCE IN MANAGEMENT ROLES



4.3 WORKING WITH EXTERNAL STAKEHOLDERS

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Respecting human rights and fighting corruption in all its forms is at the centre of our values. We believe this is not just the best, but also the right way to do business.

We strive to conduct business in a responsible and sustainable manner by acting with integrity and upholding a high degree of business ethics.

This includes our supply chain management and procurement of materials and components used in our products. Louis Poulsen is committed to acting ethically when dealing with suppliers, customers, government representatives and all other third parties.

Having suppliers in key markets such as Europe, China and Taiwan, we realise that our supply chain generates a potential risk of Louis Poulsen indirectly violating human rights, environmental standards and anti-corruption principles through our procurement activities. In order to mitigate the risk of our suppliers and business partners engaging in unethical business practices on our behalf, we have developed a Supplier Code of Conduct which covers expectations and requirements related to human rights and labour rights, environment and anti-corruption. This includes the establishment of adequate processes to manage all significant potential and adverse impacts related to these topics. The requirements of the Supplier Code of Conduct extend to all Louis Poulsen's suppliers.

ANTI-CORRUPTION AND BRIBERY

Louis Poulsen does not tolerate any form of corruption or bribery. Generating results in an ethical manner is of high importance and forms a key part of our company values.

At Louis Poulsen, we distance ourselves from corruption and bribery in every respect. It is of the highest importance that our employees share this commitment and maintain a high degree of business ethics in all our day-to-day operations. We only provide and accept occasional gifts and entertainment that does not exceed a purely symbolic value. All guidelines are extensively described in our newly implemented Code of Conduct which all employees are encouraged to consult in case of any uncertainty.

We realise that our supply chain poses a potential risk to Louis Poulsen indirectly violating human rights, environmental standards and corruption principles through our procurement activities. In order to mitigate the risk of our suppliers and business partners potentially engaging in unethical business practices on our behalf, we have a Supplier Code of Conduct that includes expectations and requirements related to human rights and labour rights, environment and anti-corruption. This includes the establishment of adequate processes to manage all significant potential and actual adverse impacts related to these topics. In 2023, we did not identify any breaches of our internal Code of Conduct or our Supplier Code of Conduct.

”SUPPLIERS ACCOUNTING FOR 81% OF OUR TOTAL PURCHASING VOLUME HAVE SIGNED OUR CODE OF CONDUCT”

5

DESIGN FOR
CULTURE



DESIGN FOR CULTURE

By 'Designing for Culture', we seek to preserve the craftsmanship enshrined in our products and to promote the historical value encapsulated in the most iconic design pieces by supporting scientific research and rescuing design legacies for the benefit and enjoyment of future generations.

In 2024, Louis Poulsen will celebrate our 150-year anniversary. While we celebrate our heritage and iconic designs, we try to maintain a close relationship with other parties and in 2023, we have co-developed a new range of Louis Poulsen & Fendi

Casa products, and we have worked with the New York-based designers, Home in Heaven, to create unique artistic interpretations of the iconic Pale Rose Collection.

We are proud of longstanding heritage and will continue to work to preserve and proactively promote cultural aspects of our brand and surroundings, in order to have a positive impact on future generations.

5.1 CELEBRATING HERITAGE DESIGNS

At Louis Poulsen we are proud of our many heritage designs that often are passed down through generations, thanks to their high quality and timeless design. As a part of our Design for Culture pillar, we make it a priority to celebrate our heritage designs and their contribution to the legacy of Danish design.

EARLY BEGINNINGS AND FOUNDATIONAL YEARS

In the 1890s, the establishment of Denmark's second power station catalyzed Louis Poulsen's entry into the lighting industry. Ludvig R. Poulsen opened a shop in Istedgade, Copenhagen, selling lighting and electrical supplies. By 1906, Louis Poulsen took over the family business, marking the beginning of the company's focus on innovative lighting solutions. Relocating the head office to the iconic Nyhavn 11 in central Copenhagen solidified their commitment to both heritage and modernity.

PIONEERING COLLABORATIONS AND ICONIC DESIGNS

The 1920s marked a pivotal era with the collaboration between Louis Poulsen and the master of light, Poul Henningsen. This partnership, beginning in 1924, led to groundbreaking designs like the Paris lamp, which won gold at the Exposition Internationale des Arts Decoratifs & Industriels Modernes in Paris. The PH Luminaire lamp, designed for the Forum building in Copenhagen, further exemplified the innovative spirit of the brand.

The 1930s and 1940s continued this trend with notable designs from Vilhelm Lauritzen and the introduction of the blackout lamp during wartime, demonstrating Louis Poulsen's ingenuity and responsiveness to societal needs.

MID-CENTURY MODERN AND EXPANSION

The 1950s saw the creation of the iconic PH 5 lamp by Poul Henningsen, a design that remains a staple in homes worldwide. The collaboration with Verner Panton in 1959 introduced playful and vibrant designs like the Topan lamp and Panthella, reflecting a bold new direction for the brand.

The 1960s brought the launch of the AJ lamps by Arne Jacobsen for the SAS Royal Hotel, showcasing Louis Poulsen's ability to blend architectural design with functional lighting. The company's expansion into international markets began in this decade, establishing subsidiaries in West Germany and beyond, marking its transition into a global brand.

INNOVATION AND GLOBAL RECOGNITION

The subsequent decades saw Louis Poulsen collaborating with renowned designers like Alfred Homann and Jens Møller Jensen, resulting in iconic outdoor and architectural lighting products. The company's listing on the Copenhagen Stock Exchange in 1977 highlighted its commercial success and industry leadership.

In the 1990s, celebrations of Poul Henningsen's legacy and the company's 125th anniversary underscored a deep appreciation for its design heritage. The new millennium continued this tradition of excellence with award-winning designs like the LP Charisma and Moser Pendant, alongside collaborations with contemporary designers such as Louise Campbell.

MODERN ERA AND CONTINUING LEGACY

Entering the 2010s, Louis Poulsen celebrated milestones like the 50th anniversary of the AJ Royal Series and expanded its designer collaborations to include innovative minds like Olafur Eliasson. The introduction of redesigned classics and new showrooms in global locations emphasized the brand's commitment to both honoring its past and embracing the future.





5.2 PROMOTING DESIGN CULTURE

In common with all major forms of art, iconic design is nurtured through passing down valuable knowhow from generation to generation. Whilst innovation and creativity play a crucial role in fostering design culture, technical expertise and hard skills still represent the pivotal enabler of the whole process. Ever conscious of this essential synergy we at Louis Poulsen, have always been committed to nurturing both innovation and heritage via a wide range of initiatives over the years.

Along this path shared with the other Flos B&B Italia Group brands, we have developed our own concept of "Academy" as an instrument for accelerating hard skills development, craftsmanship and design mindset. In 2023, we were once again leading actors within the international design community by developing a wide range of training initiatives delivered both in person and via our virtual academies and training platforms.

Many of these initiatives are designed to pass on the value embedded in our design pieces, by ensuring our stakeholders and workers have the proper level of technical knowledge necessary to preserve the unicity of our design objects.

HOME IN HEVEN UNVEILING A DIVINE HARMONY

The name Louis Poulsen is synonymous with iconic products that not only provide exceptional light but have redefined high-quality design. That is why we are proud to announce the Louis Poulsen x Home in Heven collaboration, which features one-of-a-kind artistic interpretations of the iconic Pale Rose Collection, once again pushing boundaries.

Inspired by heritage designs from the brilliant minds of Poul Henningsen and Vilhelm Lauritzen, the exquisite art pieces are created and produced by the internationally renowned glass artists, Home in Heven. The duo is known for producing innovative and creative designs made entirely of glass with an eye for the otherworldly where a sense of humour and originality are always on their mind.

“We’re excited to reveal these unique pieces, as a wonderful modern tribute to two of our most important heritage designers. This collaboration just goes to show how iconic heritage designs continue to inspire and evolve over time.” Each piece is carefully crafted by the founders of Home in Heven, Breanna Box and Peter Dupont, in collaboration with Elliot Walker of Blowfish Glass in Birmingham. The pieces feature coloured glass inspired by Louis Poulsen’s Pale Rose Collection, as well as a handful of recognisable design details, that Home in Heven is known for, such as horns, swirls and tentacles.

“We have been honoured to work with Louis Poulsen and the iconic designs by Poul Henningsen and Vilhelm Lauritzen. Henningsen’s approach to design is a big inspiration to us, as is his pure energy for life, taking what was old and making it his own. Similarly, we did not graduate from any kind of design school but have worked and invented based on a mixed background of fashion, art and film with a very hands-on approach to our design. Another aspect we admire and see in ourselves is Henningsen’s interest in writing and film making. At heven we always produce film materials to be in the world that we will ultimately end in.” – Breanna Box and Peter Dupont, Home in Heven The pieces were exhibited in an immersive showcase of both Louis Poulsen and Home in Heven’s exceptional designs, at 3daysofdesign from the 7th – 9th June 2023, at Louis Poulsen’s showroom in Copenhagen.





FENDI CASA

In 2023 our commitment to Design for Culture has found a unique expression in our collaboration with Fendi Casa. This partnership exemplifies how we can preserve craftsmanship and promote historical value through design reinterpretation.

The collection features five iconic Louis Poulsen lamps designed by Poul Henningsen, reimagined with Fendi Casa's signature touch. These timeless pieces are infused with Fendi's luxurious color scheme and recognizable Pequin pattern, creating a bridge between the Danish and Italian design traditions.

This collaboration is about more than just aesthetics. It's a celebration of design legacies. Both Louis Poulsen and Fendi Casa have rich histories, with Louis Poulsen's collaboration with Poul Henningsen beginning in the 1920s, the same decade Fendi Casa was founded. By reimagining these iconic lamps, we ensure their continued relevance for future generations.

Our CEO at Louis Poulsen, Søren Mygind Eskildsen, aptly captures the spirit of the collaboration: "We are proud to be partnering with Fendi Casa to create this new collection that merges our signature styles while honouring the heritage of both our brands."

This project aligns perfectly with our Design for Culture pillar. It preserves the craftsmanship inherent in these iconic lamps, ensures their historical value is not forgotten, and offers a modern interpretation for design enthusiasts of today and tomorrow.

6

ABOUT
THIS REPORT

ABOUT THIS REPORT

This report covers the relevant and material social, ethical and environmental issues for the financial year 1st January to 31st December 2023.

It provides our stakeholders with an overview of our performance within the three areas and complements our Annual Report which primarily covers our financial performance.

This report focuses on the topics that we consider most important to our business and to society. It is based on a variety of inputs, including, but not limited to, the topics identified in the materiality assessment and in alignment with the UN Global Compact. The ESG figures represent all locations under Louis Poulsen's operational control.



Emissions	2023	2022	2021	2020	2019
Scope 1 emissions (tCO ₂ e)	1,050	902	1055	941	825
Category 1: Heating (tCO ₂ e) (Natural Gas)	747	592	741	566	501
Category 2: Leased cars (tCO ₂ e) (Diesel)	303	310	314	375	324
Scope 2 emissions (tCO ₂ e) (location-based)	228	735	636	546	694
Scope 2 emissions (tCO ₂ e) (market-based)	149	301	227	269	720
Total Scope 1 and 2 emissions (tCO₂e)	1,199	1,203	1,282	1,210	1,545
Category 1: Purchased goods and services	5,029	6,964			
Category 2: Capital Goods	1,381	2,257	2,702		
Category 3: Fuel- and energy-related activities (WTT)	218	927	256	198	
Category 4: Upstream transportation and distribution (WTT)	1,059	1,796	16,064	4,354	
Category 5: Waste generated in operations	89	133	14	16	
Category 6: Business travel	524	509	571	37	689
Category 7: Employee commuting	2,237	1,945	253	215	
Category 9: Downstream transportation	44	122			
Category 11: Use of sold products	15,968	23,129			
Category 12: End-of-Life Treatment of sold products	126	569			
Total Scope 3 emissions (tCO₂e)	26,675	38,350	19,861	4,820	689
Total emissions (tCO₂e)	27,874	39,533	21,143	6,030	2,234

Energy	2023	2022	2021	2020	2019
Electricity consumption (MWh)	2,006	2,432	3,165	2,944	2,751
Fuel for cars (Mwh)	1,144	1,214	1,210	1,473	1,238
Natural Gas (Mwh)*	4,059	3,966	6,035	4,684	4,377
District heating (Mwh)	121	143	165	220	263
Total own energy consumption (MWh)	7,330	7,755	10,575	9,321	8,629
Renewable energy %	24	28.4	36.1	37.4	0
Renewable electricity %	89	79			
Energy intensity (energy consumption Mwh per FTE)	14.27	17.35	20.42	20.35	19.48
Total waste generation (t)	321	444	479	446	313
Waste per product (kg)	1.43	1.57	1.27	1.75	1.47
Energy consumption per revenue (Index)	85	67	94	100	100
Energy consumption per product produced (Index)	80	68	69	90	100

*Data updated to reflect actual consumption

Metrics	2023	2022	2021	2020	2019
Total mass (gross) of sold products (kg)	1,031,306	609,118	668,126	593,650	558,030
Total mass (net) of sold products (kg)	748,804	381,802	408,711	374,661	357,303
Scope 1 and 2 tCO ₂ e emissions per FTE	2.93	2.69	2.47	2.64	3.49
Scope 1 and 2 tCO ₂ e emissions per revenue (millions €)	10.65	7.97	8.72	9.92	13.67
Scope 1 and 2 tCO ₂ e emissions per number of products produces in Vejen	0.005	0.004	0.003	0.005	0.007
Scope 1 and 2 tCO ₂ e emissions per FTE (Index)	84	72	71	76	100
Scope 1 and 2 tCO ₂ e emissions per revenue (Index)	78	58	64	73	100
Scope 1 and 2 tCO ₂ e emissions per number of products produces in Vejen (Index)	71	59	47	65	100

Miscellaneous data	2023	2022	2021	2020	2019
Company Cars	52	52	55	59	60
Car emission (tCO ₂ e)	293	310	307	375	324
Our Annual Revenue (millions €)	113	151	147	122	113
Wholesale distribution point	1990	1759	1762	1779	1650
Confirmed incidents to breach of business ethics	0	0	0	0	0
Share of spend covered by supplier Code of Conduct (%)	81*	97	96	96	96
Suppliers having signed supplier Code of Conduct	32 out of 102	116 out of 235	102 out of 241	76 out of 217	
Products produced in Vejen (number)	225,232	325,658	375,693	255,466	213,002
Number of upcycled products sold	218	209	54		

Employment data	2023	2022	2021	2020	2019
Total Employees (FTE)	409	447	518	458	443
Employees (FTE) per country					
Denmark	312	350	380	332	312
Japan	38	33	34	29	37
USA	9	0	42	42	42
Germany	9	13	14	14	14
Norway	7	8	8	8	9

*Our transition to Fios B&B Italia Group's code of conduct in 2023 (details on pg. 61) led to a significant decline.

Sweden	6	7	8	8	11
Singapore	10	13	9	8	8
Netherlands	3	3	3	3	3
Switzerland	2	3	3	3	3
Finland	3	3	3	3	3
UK	1	1	1	1	1
China	0	4	3	1	-
Belgium	1	1	2	1	-
France	1	2	2	2	-
Spain	1	1	1	1	-
Middle East	1	1	1	1	-
Rest of Australasia	5	4	4	1	-
Voluntary Turnover Rate %	10.8	15.7	18.2	9.2	11.1
Voluntary Turnover Rate % (White Collar)	9.25	26.9	13.7	9.2	
Voluntary Turnover Rate % (Blue Collar)	9.36	8.1	24.1	9.3	
Lost time injury (1 day or more)	1	3	14	4	3
LTIFR	1,27	3,28	14,04	4,53	3,5
Absentee rate due to illness (%)	8.3	2.7	5.6	4.1	3.0
Employee training hours blue collar	1,469	2,258	3,549	3,066	2,769
Gender balance in Senior Management (women/men)	1 out of 6	1 out of 7	1 out of 6	1 out of 6	1 out of 6
Gender balance in Management Team (MCM) (share of women/men)	30%/70%	33%/67%	32%/68%	28%/72%	
Gender balance for all employees (share of women/men)	55%/45%	55%/45%	52%/48%	43%/57%	48%/52%
Gender balance in top management (women/men)	1 out of 6	1 out of 7	1 out of 6	0 out of 5	0 out of 5

Environment data

Accounting practice

Scope 1 emissions	Aligned with Flos B&B Italia Group sustainability report
Scope 2 emissions	Aligned with Flos B&B Italia Group sustainability report
Emissions intensity (Scope 1 and 2 per FTE)	Aligned with Flos B&B Italia Group sustainability report
Scope 3, C1: Purchased goods and services	Aligned with Flos B&B Italia Group sustainability report
Scope 3, C2: Capital goods	Aligned with Flos B&B Italia Group sustainability report
Scope 3, C3: Fuel- and energy-related activities	Aligned with Flos B&B Italia Group sustainability report
Scope 3, C4: Upstream transportation and distribution	Aligned with Flos B&B Italia Group sustainability report
Scope 3, C5: Waste generated in operations	Aligned with Flos B&B Italia Group sustainability report
Scope 3, C6: Business travel	Aligned with Flos B&B Italia Group sustainability report
Scope 3, C7: Employee commuting	Aligned with Flos B&B Italia Group sustainability report
Scope 3, C9: Downstream transportation	Aligned with Flos B&B Italia Group sustainability report
Scope 3, C11: Use of sold products	Aligned with Flos B&B Italia Group sustainability report
Scope 3, C12: End of life of sold products	Aligned with Flos B&B Italia Group sustainability report
Total emissions (tCO ₂ e)	Sum of scope 1, 2 and 3 emissions. For the scope 2 emissions, the market-based approach is used.
Electricity consumption (kWh)	Total amount of purchased electricity for own operations.
Fuel (Mwh)	Total amount of fuels used in company owned or leased cars. Estimated based on kilometers driven. Assumed that fuel used in cars is diesel.
Natural Gas (Mwh)	Total amount of natural gas used in own operations.
District heating (kWh)	Total amount of district heating purchased.
% Renewable energy	Percentage of energy purchased that is renewable.
Energy intensity	The amount of energy consumption related to production in Mwh divided by number of FTE's.
Total waste generated (tons)	Generated waste from production, offices and canteens including landfill, recycling, incineration and scrap. The waste only covers production facility in Vejen.
Waste per product (kg)	Waste generated in production facility in Vejen per product produced in the production facility in Vejen.
Number of upcycled product sold	Number of products that are upcycled through the take-back scheme sold.

Social data

Accounting practice

Total Employees (FTE)	Total number of Full Time Equivalent employees at 31st December 2023. Including part-time, student and part-time employees. Excluding temporary workers.
Turnover Rate	Number of voluntary terminations divided by total number of permanent Full Time Equivalent employees at 31st December 2023.
Lost time injury (1 day or more)	Include all employees and contractors who work under direct supervision or is injured at the Louis Poulsen premises: based on local jurisdiction; include fatalities; include injuries as a result of commuting incidents only where the transport has been organised by the company. Include accidents which have resulted in one day or over one day absence from own work.
LTIFR	Total days off related to Lost Time Injuries multiplied by overall number of hours worked during the reporting period multiplied by 1,000,000. Lost time injuries are including all permanent and contractors who work under direct supervision.
Absentee rate due to illness	Calculated as total lost days due to illness, injuries etc. (excluding entitlements to periods of paid leave of absence from work (e.g. paid vacations, paid sick leave, public holidays), divided by days scheduled to be worked by the workforce. This is based on Danish locations only.
Employee training hours blue collar	Total number of employee training hours for blue-collar workers.
Gender balance in Board of Directors	Total number of women and men in Board of Directors based on headcount at 31st December of the previous year.
Gender balance in Senior Management	Total number of women and men in senior management based on headcount at 31st December of the previous year.
Gender balance in the Management team (MCM)	Total number of women and men in the management committee based on headcount at 31st December of the previous year.
Gender balance for all employees	Share of women and men according to FTE's at 31st December of the previous year.

Governance data

Accounting practice

Confirmed incidents related to breach of business ethics	Total number of cases identified within Louis Poulsen own operations or supply chain which relate to breach of ethical business practices and Louis Poulsen Code of Conduct such as corruption and bribery or violation of human rights.
Share of spend covered by supplier code of conduct	The total percentage of spend data from suppliers having signed supplier Code of Conduct
Amount of suppliers having signed supplier Code of Conduct	The total amount of suppliers having signed supplier Code of Conduct

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