Sustainability Report 2025

arper



Walking On Common Ground

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Claudio Feltrin

President of Arper

“For Arper, beauty is a deeply rooted quality, and design is the way to reach it.”

Every business begins with a need. But also with an ambition: to make something useful, and beautiful. For Arper, beauty is a very deep quality. We aim at creating something beautiful not only to look at — beautiful for what it carries within it, for how it is made, for the value it can have in people’s lives. This is what we have always wanted to do. It is why Arper exists.

For us, design is how we get there. We do not see it as the pursuit of a beautiful form, but as a method for understanding what truly matters to people and translating it into choices — and then into concrete actions. Designing means choosing what is useful, what is right, what we want to improve, which compromises we are prepared to accept and which we are not. But a choice remains an intention until it becomes an act: one material preferred over another, a process rethought, a product made to last. It is in this passage — from deciding to doing — that a company reveals who it really is.

Sustainability is part of this journey, not something alongside it. It is not something we improve from the outside, as though we could observe it from a distance: we live within an ecosystem and are part of it, the same one in which we build, work and breathe. When sustainability becomes too complicated, or turns into an exercise in self-congratulation, it loses its meaning — which is simple: to make better choices and improve the way we do things. This is why we have tried to tell this story clearly and honestly: where we started, what we set out to achieve at the beginning of the project, what we did, where we have arrived — and also how far we still have to go.

No technical expertise is needed to follow us: it is our responsibility to explain it accessibly and truthfully, in a way that is useful to the people who choose our products. Still, figures are part of this report, because measurement matters. Nevertheless, we want to make sure to convey the real meaning behind facts. A metric such as CO_2 emissions is immediately understandable and speaks to everyone. But it must be explained properly: reducing impact means nothing if it is only the result of producing or selling less. The point is something else — to demonstrate that we are genuinely changing the way we produce: more efficient processes, better materials, solutions that truly lower impact.

There is one final reason for our deep commitment to transparency: we owe the same respect to everyone reading these pages, and especially to younger generations — who expect a company, first and foremost, to be sincere: to tell things as they are, even when they are not yet as they should be. Our father often said to young people: “I tell young people that we may find a few difficulties and obstacles along our life’s path. But they mustn’t get downhearted at the first hurdle, they should stop and think things over. Not for too long, a quarter of an hour at most. And start again, making the most of any mistakes”. This is what transparency means to us — not a display window, but the courage to show the whole journey, mistakes included, because they are where improvement begins again.

At the heart of it is a transparency principle, and for us it comes before everything else: be fair, do the best you can, and say so openly. It was handed down to us by our father, Luigi Feltrin. Arper was founded by him, together with me and my brother Mauro. My father did not speak of sustainability — it was not a word of his time — but he practiced its substance: making beautiful things, making them honestly, giving everyone their due. That legacy passed to us, his sons, and it has remained our measure. Remaining faithful to all this takes effort: the easier path is almost always a different one. The real challenge is to change as the world changes, without ever losing the spirit with which we began. It is the same spirit as my father’s. This is not a task we delegate to an isolated function: we have a Sustainability Department that oversees this work every day, but responsibility for it — beginning with us — is shared across the whole company. To keep that spirit in view, we have chosen to focus our energies on three specific commitments: improving people’s quality of life and well-being, advancing the transition towards a circular economy, and reducing environmental impact. These are the three reference points by which we measure whether we are genuinely moving in the right direction — above all in our own eyes, and before you, the Reader. The pages that follow begin there, from our roots, and describe what we have done in each area.



01. ROOTS AND MODEL

Where It All Began

As we said at the outset, Luigi Feltrin did not speak of sustainability, but he lived by his principles. It is worth beginning there: our idea of enterprise cannot be understood without the story of that man.

In 1967, Luigi Feltrin returned to Italy after fourteen years in Switzerland and started again from nothing: makeshift workshops, low-cost technologies, waiting for the right order. He was thirty-three and had already lived a life that had taught him everything he needed. Born in 1934 in a small village in the Treviso area, into a family of sharecroppers living in severe poverty, he had lost his father as a child. Still a boy, he decided to leave — first for Piedmont, then for Switzerland, where he worked as a plasterer, met Giovanna, and where their sons Claudio and Mauro were born.

Those were extremely hard years, but also the crucible in which a way of being in the world took shape: hard work as a habit, honesty as a measure, respect for people as an instinct before it was ever a choice. Having experienced a tough youth, he chose to give many people, especially the young, the opportunities that had been denied to him.



Luigi Feltrin
Founder of Arper

Arper

=

Arredamento

(furniture)

+

per

(for)

arper

It was from that patient work as a third-party manufacturer that, in 1989, the Feltrin family chose independence: no longer producing for others but designing and making under their own name. Arper was born — its name combining the first letters of the Italian word “arredamento”, meaning furniture, with the preposition “per”, meaning for. Furniture for people: the direction was set from the very beginning.

Arper established an internal Environmental Department as early as 2005, when “sustainability” was not yet a word on everyone’s lips. It matters to us: at Arper, responsibility came before reporting. It did not begin as something to be communicated; it was simply how the company had always worked.

Today, part of that story is visible and part is not. What is visible is the language in which we present ourselves: our idea of a beautiful, vital world; our commitment to creating spaces and solutions that shape the project of living; and the values that express who we are — responsibility, care, imagination, courage, openness. Beneath them lies a deeper layer: the ground from which those words emerged. It is Luigi’s way of doing things, the set of qualities that resonated with the company long before it found the language to describe them. They don’t need to be made explicit; they are still visible in the choices we make.

Values Are The Raw Material

Our model rests on that foundation. For Arper, design is not the search for a beautiful form: it is the communication of values through a formal language — as the designer Alberto Lievore, who has worked with us for over two decades, taught us at the beginning of our shared journey. “Values are the raw material,” he used to say.

If an object is made, first, from the values of those who conceive it, then care for people and the environment is not an ethical addition to the project: it is a necessary consequence. This is why, when we design, we think of people who will use the object, their needs and their aspirations. A product designed to last and transcend passing trends takes its first step towards sustainability through longevity. This is where great design naturally becomes sustainable design.

This recognition is the starting point for the vision that guides our entire strategy — designing the world we live in — and it stems from a simple observation: today, the most important relationship to care for is our relationship with the planet. It means planning sustainable growth for people and communities through business guided by honesty and transparency: environmental, social and economic.

Design can act at every level. Through processes and services, by considering the potential of end-of-life, reuse and recycling solutions and involving the entire value chain. Through creativity, because a product’s sustainable vocation is defined above all when it is conceived. And through the product itself, which at its best is designed to last.

Achieving the goals we have set requires profound change on several levels — organizational, operational and cultural — and the selection of clear priorities. This is why we work simultaneously in the short and long term: we plan long-term strategies while implementing concrete short-term measures that prepare the ground for more complex goals or deliver immediate results.

Today, Arper is an international company firmly rooted in its Venetian origins. Headquartered in Monastier di Treviso, it produces seating, tables and accessories for workplaces and collective spaces. Its market is B2B, with a primary focus on the office contract sector in Europe and the United States; we work with major key accounts on large-scale projects, with the architecture and design community, and with an extensive dealer network. Our presence is global — with a steady presence in Europe and subsidiaries in the United States, Japan, the United Kingdom, Latin America and the Middle East — but our way of working remains that of a manufacturer that knows its products one by one. It is a glocal approach: a local business model serving a global audience.



Alberto Lievore
Designer

“It is a glocal approach:
a local business model
serving a global audience.”

Our Pillars

The three commitments introduced at the outset are not statements of intent: they are the pillars in which we have chosen to focus our energy, and the supporting structure that gives coherence and meaning to every initiative. Here, we explain what they mean and the tools we use to pursue them; the sections that follow show what we have done in each area.

Improving people's quality of life and well-being.
We want to place people — employees, customers and partners — at the center, integrating well-being into the company's development goals: work-life balance, tools and technologies that support flexibility, and products designed to improve individual and collective well-being within people's life projects, wherever they unfold. This is the pillar of the social dimension. We will explore themes in the sections on people and the value chain.

Beginning the transition towards a circular economy.
We support the shift from a linear to a circular economy by designing technologically innovative products and using low-impact materials. Services based on reuse and recycling policies, end-of-life management and partnerships with research centers help us deploy innovative solutions; wherever possible, we also limit waste generation through policies for prevention, reduction, and the reuse of products and their packaging. This is the pillar of the economic dimension. We will explore these themes in the sections on the value of things and the circular model.

Reducing environmental impact.
We formally identify the critical issues connected with our activities at every stage of our business processes and introduce analysis and measurement processes that reveal the areas where improvement is needed. We seek solutions that mitigate environmental impact, pursuing continuous improvement in our performance. This is the pillar of the environmental dimension. We will explore these themes in the sections on the environment and the value chain.

These three pillars are closely aligned with our values and translate them into concrete priorities over time We are aware that becoming fully sustainable is not realistic for any company, but we believe we have a responsibility to make every possible effort to reduce the impact of our activities — a responsibility that leads us to carefully consider which innovations we bring to market, and to adopt a proactive approach before regulation requires it. Here, responsibility means shifting the center of gravity from private interest to the well-being of all, including the planet.

Arper pillars:

01_ Improving people's quality of life and well-being.

02_ Beginning the transition towards a circular economy.

03_ Reducing environmental impact.

From Values To Actions

The three pillars translate into six areas of responsible development: the well-being of people and communities, circular business models, traceability throughout the life cycle, emissions reduction, the ambassador network, and organizational transparency. They are the bridge between strategy and implementation —where each area takes concrete shape through projects, responsibilities and indicators.

These are not examined exhaustively here. Each is developed in the sections that follow, where it is supported by data and evidence. The annexes at the end of the report allow readers to trace where and how each one has been addressed.

01_ **The well-being of people and communities.**

04_ **Emissions reduction.**

02_ **Circular business models.**

05_ **The ambassador network.**

03_ **Traceability throughout the life cycle.**

06_ **Organizational transparency.**

What Matters To Us

A sustainability report cannot discuss everything. It must choose, and it must explain how it chose.

We did this twice, by two different routes. The first began within: we revisited the company's history and the founder's values, and from them identified the themes that truly concern us — the value of things, the value of people, circular business, the environment, purpose, innovation, culture, governance and the supply chain. The second route is what European standards call double materiality: each topic is assessed twice, for the impact the company generates on the world and for the effect that topic has on the company itself. This produced eight material topics: climate, pollution, the circular economy, Arper's people, the people in our supply chain, the people who use Arper, business conduct, and compliance.

All eight topics identified as material by the standard were already reflected in themes we had recognized for ourselves; none fell outside our existing framework. At the same time, four of our themes—the value of things, purpose, innovation, and culture—have no direct equivalent in standard.

This difference is worth noting. The standard did not reveal any material issue that was absent from our values, while our values also include dimensions that the standard does not measure. We do not present this as an achievement, but simply as the outcome of the comparison. The full correspondence can be traced in the corresponding annex.

Three other topics covered by the standard—water, biodiversity and ecosystems, and affected communities—were also assessed but were not considered material to our activities. The environmental chapter explains the reasons for this conclusion and the method used to reach it.

The value of things

The value of people

Circular business

The environment

Purpose

Innovation

Culture

Governance

Supply chain

four of our themes have no direct equivalent in standard.

FOUNDER'S VALUES

Climate

Pollution

The circular economy

Arper's people

The people in our supply chain

The people who use Arper

Business conduct

Compliance

Water

Biodiversity and ecosystems

Affected communities

Three other topics: water, biodiversity and ecosystems, andaffected communities, were also assessed but were not considered material to our activities.

DOUBLE MATERIALITY



One Commitment, Different Frameworks

One final thread remains to be brought into view, as it concerns the report itself. Our understanding of responsibility has evolved over time: from an approach centered on compliance — corporate social responsibility understood in strategic terms — to a shared-value vision that brings sustainability into every management decision. Since 2021, this approach has been supported by the dedicated office mentioned at the outset, which reports directly to the Chief Executive Officer and is responsible for defining the Group's sustainability strategy and implementing it once approved by the Board and the CEO: sustainability becomes part of the decision-making process rather than remaining at the margins.

The way we report has also changed. For financial years 2022 and 2023 we followed the GRI Standards; for 2024, the European ESRS; from this year, we adopt VSME, the European standard designed for unlisted companies. These are two distinct transitions, and they should be distinguished. The first broadened the method: with ESRS, we moved from considering only our impact on the world to assessing materiality in two directions, also considering how environmental and social issues affect the company. The second changes the reporting language of our reporting, not the commitment beneath it: double materiality remains our working method, and the corresponding annex explains why.

The same themes that emerge from our history are also reflected in the areas covered by the standards. We say this without emphasis, because it is a fact, not a merit: rigor is shown in the figures on the pages that follow.

02. THE VALUE OF THINGS

Made To Last, Made to Love



Here is an important question we must ask ourselves: how can we know whether that raw material was good?

The answer does not lie in first impressions, but in what remains overtime. An object may attract attention immediately, but its true quality is revealed more slowly: in the way it is used, lived with, maintained, repaired, and ultimately retained. This perspective unveils a beautiful similitude between design and emotions, synthetized in in the words of the designer Alberto Lievore, when asked about what to look for in an object: “not wonder, but falling in love. Because wonder lasts an instant, while love lasts much longer”.

Arper’s design is deeply rooted in here. Lasting value is never the result of a single quality. It emerges from many layers working together: form, function, comfort, material, construction, and the capacity to adapt to changing needs. The more coherent and substantial those layers are, the longer the relationship with the object can endure.

An object that remains beside someone for years has passed a test that no first impression can provide. It has been looked at a thousand times, used every day, moved, repaired, and perhaps passed on. It has withstood the judgement of time. If values are the raw material, longevity is one of the clearest signs that they have truly been translated into the product.

This is why this section opens the account of materials and emissions that follows. A chair that is not replaced, a table that does not become waste, a resource that does not need to be extracted a second time: before any technology or offsetting, one of the simplest ways to reduce impact is to make things that do not need to be made again.

Longevity is only one part of the picture. To understand the value of a product fully, we also need to look at the materials it uses and their footprint, as well as the supply chain behind them — where materials come from, what they leave behind, and how transparent and verifiable their journey is.

But “lasting” is not a word that can simply be stated. It needs evidence, and that evidence has more than one layer: the product — how well it withstands use, how readily it can be repaired. The material and its footprint — where it comes from, where it returns, what it leaves in the environment and for those who use it. The supply chain — how close it is, how verifiable.

“Not wonder, but falling in love. Because wonder lasts an instant, while love lasts much longer”

—Alberto Lievore

Outside Perspectives

To dive into these topics, we blended an external, human, perspective with our internal metrics and figures. The human perspective is brought to life through the words of several experts in different fields: innovation, sustainability, supply chain. We've interviewed them about their expectations for a sustainability report that aims to speak clearly and honestly. "What would you expect to read in this report?" Was the question we asked. The pages that follow tell this story. In parallel, figures show where we stand and where we are going.

The first interviewee was Gianluca De Nardi, Chief Sustainability Officer at EcorNaturaSì, who has studied the relationship between ethics and economics for more than twenty-five years. He answered first as an ordinary person — and therefore a potential customer — and then as a scholar.

This first perspective considers value as the combination of several dimensions.



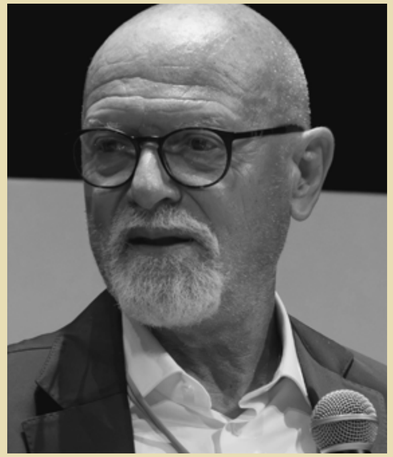
Gianluca De Nardi

Chief Sustainability Officer at EcorNaturaSì



Maria von Euler

Director of Circular & Scaling Strategy at Papershell



Gabriele Gabrielli

University Lecturer at LUISS and Università Europea di Roma, consultant and author.



Marco Mosanghini

ESG Manager at Cherry Bank



Ernesto Ciorra

Adjunct Professor of Business at Università Cattolica del Sacro Cuore



Marco Benvegnù

Head of Corporate Brand at Arper



Alexandre da Rocha Leão

Head of Performance and Impact at Natura Group

Fabio Zardini

Country Manager for Italy at Patagonia



Chief Sustainability Officer at EcorNaturaSì

Gianluca De Nardi

“If I look for Arper, it is because I am looking for essentiality: less is more. And I judge a company like this as a whole, by combining three things together.

First comes the product itself. How long it lasts physically: whether the materials withstand use, whether maintenance is simple. To me, design — both in furniture and in clothing — essentiality means a timeless design that does not age after five years. And repairability: if an armrest or a fabric breaks, can I replace it, or do I have to throw everything away?

Then come the material and its footprint. Where the wood, aluminum and fabrics come from; how much material is recycled and how much will be recyclable at the end of life; what that object leaves in the environment and for the person who will use it — the real impact, demonstrated by certifications, not merely asserted in words.
Finally comes the supply chain. How close it is, how much of it is Italian, whether rights are respected throughout the chain.

The value I assign to a company is the sum of these three answers. Not one less.”

Interview conducted and edited by Arper.

Where We Stand

The Product

The collections currently in our catalogue have been in production for an average of 9.98 years. This figure captures one dimension of what we mean by longevity: whether its design remains relevant and desirable over time, a design that does not age after five years — De Nardi's request — can only be verified by looking back.

The other dimension is physical durability, and here the evidence comes from products that come back to us. We measure warranty claims — defective pieces per hundred sold — and have set ourselves a target of remaining below 1%. Overall, we stand at 0.8% — 1,190 pieces out of 148,505. But the average alone would give an incomplete picture. By category: chairs, stools and benches are at 0.7%; sofas at 0.6%; tables and occasional tables at 2.0%; panels at 2.1%. Two of the four categories are at twice the target we set ourselves. We would rather state this than hide it behind an average that meets the target.

Warranty claims
— target of remaining below 1%

Overall, we stand at **0.8%**

(**1,190 pz.** out of **148,505 pz.**)

By category



0.7% — Chairs, stools and benches



0.6% — Sofas



2.0% — Tables and occasional tables



2.1% — Panels

Where we stand

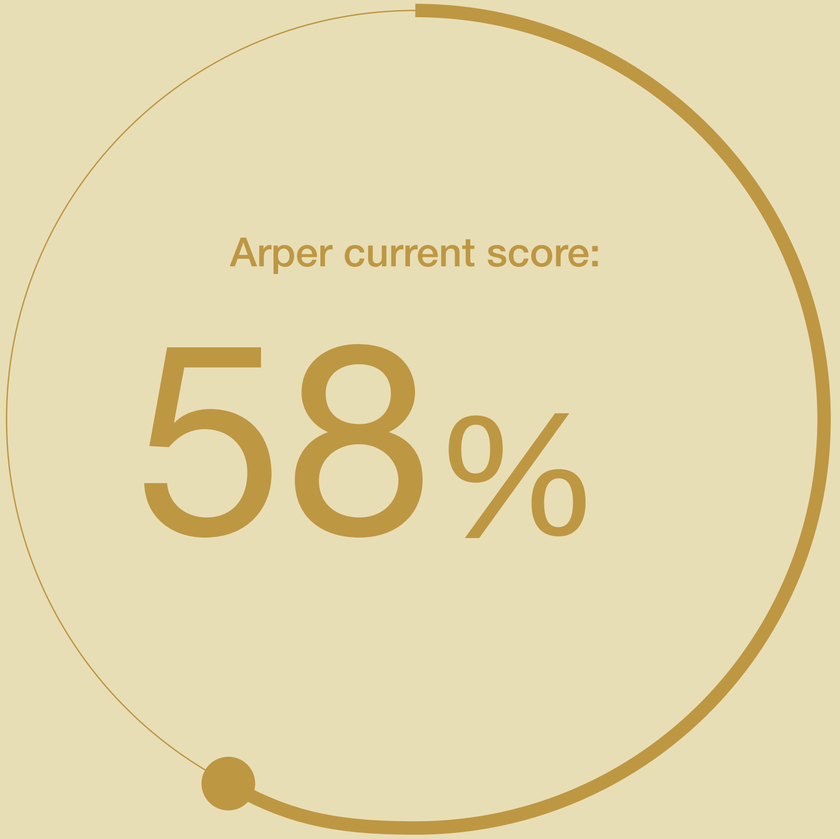
Materials And Their Impact

How effectively do we preserve the value of resources and keep them in circulation? The measure is called the FederlegnoArredo Circularity Index, and it is calculated according to the UNI/TS 11820 technical standard. The standard expresses circularity on a scale from 0 to 100%, taking into account an organization's ability to preserve the value of materials, extend the useful life of products, and support resource recovery throughout the life cycle. It uses 71 indicators divided into categories including materials, energy, water, waste, logistics, product/service, governance and social sustainability. Arper's current score is 58%.

For the health of those who use our products, the reference certification is Greenguard, which verifies low chemical emissions into indoor air. Here the picture is clear but uneven: 100% of seating is certified, compared with 0% of tables and 0% of accessories. The work completed on seating has not yet been carried out on the rest, and this remains to be done.

With one chair in particular, Catifa Carta, we tried to follow this question all the way to its conclusion — to where a product goes when it is no longer needed. It is a story that deserves more than a passing mention, and we tell it later.

FederlegnoArredo Circularity Index (UNI/TS 11820). The standard expresses circularity on a scale from 0 to 100%.



Where We Stand

The Supply Chain

De Nardi asked how close it is. 78.5% of our suppliers are located within 100 kilometers of our headquarters. 92.0% are in Italy. 96.9% are in Europe. These are the figures of a short supply chain which allows us to know the people who work with us.

He also raised the question of rights throughout the supply chain. Arper has a Code of Ethics, to which 100% of our suppliers adhere. It sets out clear expectations on child labor, forced labor, human trafficking, discrimination, and accident prevention, and is supported by a reporting mechanism.

Adherence, however, is based on formal acceptance of the Code rather than on individual audits of every supplier. It confirms a shared commitment to these principles, while not constituting direct verification in each case. We believe it is important to state this distinction clearly.

Of our suppliers are located within 100 kilometers of our headquarters.

78.5%

92.0% From Italy

96.9% From Europe

What Remains Unmeasured

Product Assessment



Disassembly



Reupholstery



Refurbished Product



One of De Nardi's questions cannot yet be answered with a figure: repairability. We know how to design for disassembly, but we do not yet count completed refurbishment projects. We are developing the measurement method in 2026 and will establish the first data baseline in 2027: it will appear in the next report. We state this openly because an acknowledged gap is more meaningful than an approximate answer.

An object that lasts postpones the problem; it does not resolve it. The question of what it costs to produce remains: how much energy, how many emissions, how much raw material enters a chair before its long life begins.





The before and after of a refurbished product

03. THE ENVIRONMENT

What Goes Into Our Products

What happens to products when they are no longer needed

The previous section advanced a proposition: a product that lasts is already an environmental act, but we turned to figures to test it. This section offers our perspective on this by answering two elementary questions: what are our products made of, and what happens when they are no longer needed? These questions concern the beginning and the end of an object, and between those two extremes lies everything else: how long it lasts, how repairable it is, how far it travels.

The first answer establishes the scale of the impact. In 2025, Arper's carbon footprint amounted to 8,259 tons of CO_2 equivalent. A quantity of this scale can be difficult to grasp. To give a sense of its magnitude, 8,259 tons is approximately equivalent to the annual carbon footprint of one thousand people. The calculation covers three areas: emissions generated directly by our facilities, those associated with the energy we purchase, and those produced across the value chain—from the manufacture and transport of materials to the treatment of products at the end of their life. Together, these three scopes represent the broadest boundary defined by the standard and include emissions that lie beyond our direct control.
Of the total 8,259 tons, 66.84%, approximately two thirds, came not from our facilities, but from the materials purchased to manufacture our products. This figure explains why the section begins with raw materials rather than with our own production processes.

Compared with the 2022 base year, total emissions decreased by 38.1%, exceeding the 28.5% reduction we had committed to achieving by 2030. Yet a decline in the overall figure does not mean that every source of emissions followed the same trajectory. Two categories increased over the same period, and the pages that follow examine them with the same scrutiny as those that decreased.

Zooming out to our contributions, the next is from Fabio Zardini, Patagonia's Country Manager for Italy - a company that makes attention to environmental impact its mantra – We've asked him to read this report from the perspective of a customer, not a specialist, and to tell us what he would look for, and in what order.

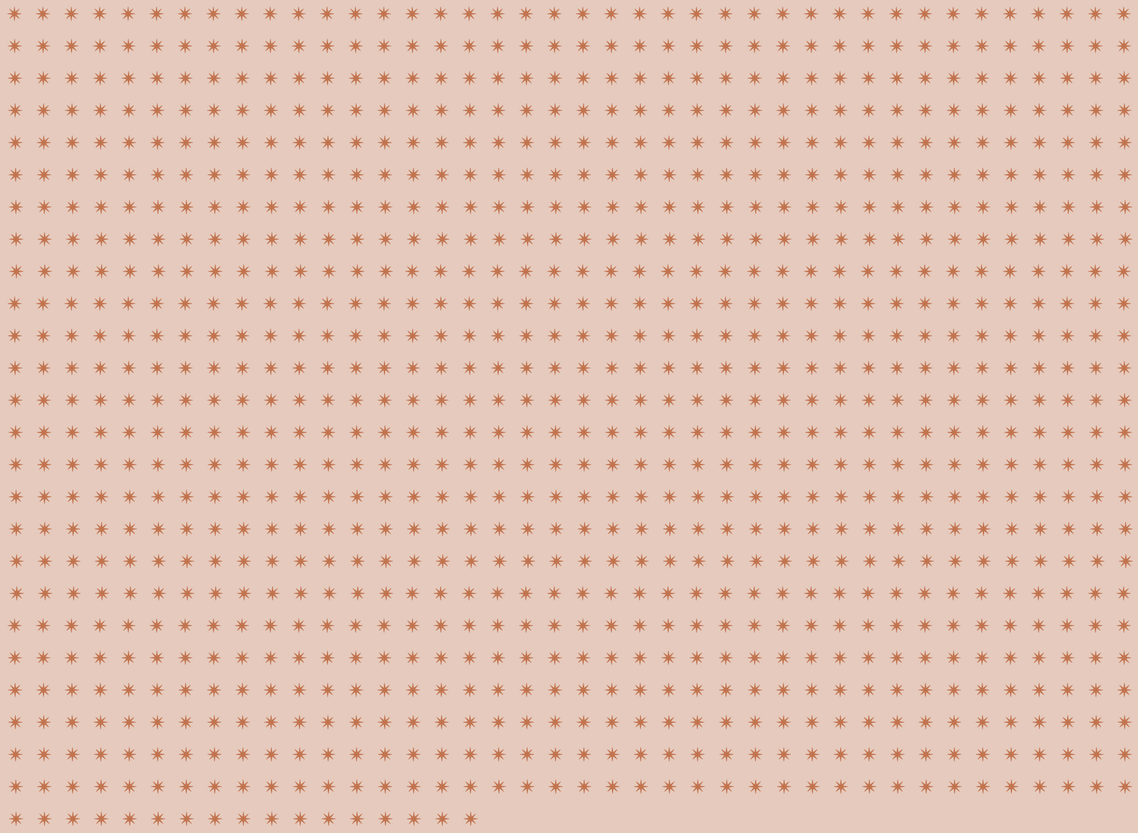
Source for the data on this page: Arper 2025 Organizational Carbon Footprint calculated with Ecoinvent 3.11, location-based approach, entire group boundary, 2022 as a base year. The 2022 values have been recalculated using Ecoinvent 3.11 in order to facilitate comparison, which is the reason why the values in this document differ slightly from those included in the Sustainability Report 2024. The method, organizational boundaries and scope mapping are described in the Appendix.

The comparison with the footprint of one thousand people is an order of magnitude for communication purposes, not a measurement: Arper calculation based on the ADEME factor (8.2 t CO_2 eq per capita per year, French average).

In 2025, Arper's carbon footprint amounted to

8,259 tons of CO2eq

Compared with the 2022 base year, total emissions decreased by 38.1%, exceeding the 28.5% reduction we had committed to achieving by 2030.



approximately equivalent to the annual carbon footprint of one thousand people.

Fabio Zardini

Country Manager for Italy at Patagonia

“If I take the time to read a sustainability report, I want it to draw me in. I also want to be able to read it in sections: if I’m interested in the environment, I go straight to the environmental chapter. In the environmental section, I would look for three things:

First: what your products are made of, which materials and production processes you use, and why those choices are better than the standard alternatives on the market. In other words: what is commonly used, what do you do differently, and what makes that difference meaningful? Those are the questions I would want the report to answer. *Second: how long they are designed to last.* Extending a product’s lifespan is already a way of reducing its environmental impact. But longevity also depends on repairability: today, we are often more used to replacing things than repairing them. If one part breaks, I want to be able to replace that part easily rather than discard the entire product.

Third: what happens to a product at the end of its life? Ideally, a circular approach would mean that nothing becomes waste: the materials a product is made from should remain valuable and be used again, either to make the same product or to create something new through upcycling.

This is probably the most complex part, and there is still a long way to go. It requires a major cultural shift, starting with the idea that waste should no longer be seen as waste at all. Everything — from packaging and components to the product itself at the end of its life — should be treated as a resource that can be recovered and reused. And one request that applies throughout the report: don’t just tell me that a chair uses ‘a thousand liters of water.’ What does a thousand liters actually mean? Give me a point of reference — a comparison that makes the scale easy to grasp for someone without a technical background.

Interview conducted and edited by Arper.

The Impact Of Materials

The origin of materials and the burden they carry

An object begins long before the factory. It begins in a quarry, a forest, a rolling mill — and a large part of its environmental impact has already occurred by the time materials reach us.

This is why the largest share of our footprint comes not from our facilities, but from the materials we purchase to make our products: 5,520.46 tons of CO_2 equivalent in 2025, or 66.84% of the total. In 2022, the figure was 9,932.62 tons: the reduction is 44.4%, and it is the main reason the overall footprint has fallen.

Here too, the figure needs a point of reference: emissions from the materials we purchase are approximately equivalent to those generated in the manufacture of 69,000 smartphones.

Those emissions correspond to a measurable mass. In 2025, we used 1,722.11 tons of materials. The five main items were: steel, paper, wood, plastic and alluminium.

Measured data, not estimates. The total also includes smaller items not listed. A complete breakdown by material is provided in the corresponding annex.

The comparison with smartphones is an order of magnitude for communication purposes, not a easurement: Arper calculation based on the ADEME / Impact CO_2 factor (80.2 kg CO_2eq per unit), applied to Category 4 emissions.

Air / Water and land

Material processing also generates emissions of substances into the atmosphere, concentrated in the prototyping stages. We report them in full, including those detected in minimal quantities.

Arper's business model does not have a substantial impact on water consumption or land use; for this reason, the double materiality assessment does not identify them as material topics for our impact and we report them in summary form only.
In 2025, water withdrawal amounted to 3,653 cubic meters. None of our sites is located in an area subject to water stress; the risk classification is medium. This is the only figure in the section without a point of comparison: the comparisons used elsewhere convert CO_2 emissions, not water withdrawals, and applying them here would place unlike quantities side by side.

Total land use amounts to 49,547 square meters, of which 18,791 are sealed surfaces and 30,756 are maintained as natural areas within the sites. None of the sites falls within a biodiversity-sensitive area.

Measured data. No exclusion threshold was applied: the four entries constitute the complete list of substances monitored within the boundary.

Measured data, VSME reporting, 2025 company boundary. The non-material classification of water and biodiversity is documented in the double materiality matrix in the corresponding annex.

The origin of materials and the burden they carry

MATERIAL	2025 mass (t)	Boundary
Steel	437.05	Arper Group
Paper	401.13	Arper Group
Wood	396.69	Arper Group
Plastic	349.02	Arper Group
Aluminum	48.18	Arper Group
Other	90,04	Arper Group
Total materials	**1,722.11**	**Arper Group**

Air

AIR POLLUTANT EMITTED	2025 (t)	Boundary
NMVOC (non-methane volatile organic compounds)	5.656	Arper S.p.A.
Toluene	0.045	Arper S.p.A.
Xylenes	0.004	Arper S.p.A.
Ethylbenzene	0.00045	Arper S.p.A.

Our Carboon Footprint

The table shown in the following page presents the six categories into which we divide our footprint, the 2025 value, the 2022 base-year value recalculated using Ecoinvent 3.11 (ei 3.11), the target set for 2030 and the change actually achieved. The final two columns should not be confused: the first indicates the goal; the second shows where we stand.

The second-largest item concerns the distribution of finished products to their destination: 1,484.48 tons of CO_2 equivalent in 2025, down from 2,436.94 tons in 2022. This represents a reduction of 39.1%, compared with the 2030 reduction target of 33.8%.

Expressed on a more familiar scale, these emissions are approximately equivalent to those generated by travelling 6.7 million kilometers by car.

Location-based calculation. Measured data. Source: Arper 2025 Organizational Carbon Footprint, Category 3. The comparison with kilometers travelled by car is an order of magnitude for communication purposes, not a measurement: Arper calculation based on the ADEME factor (0.22 kg CO_2eq per kilometer travelled in an internal-combustion car), applied to Category 3 emissions.

Category 1, direct emissions from our facilities, increased by 105.7% compared with 2022, from 165.89 to 341.19 tons. Category 6, which covers fuel- and energy-related activities not already included in the first two categories — the extraction, processing and transport of the energy we purchase before it reaches us — rose from 77.21 to 253.18 tons, an increase of 227.9%.

For both, the 2030 reduction target is now further away than it was in 2022: Category 1 should fall to 113.93 tons, and Category 6 to 21.14 tons.

Two clarifications help interpret these figures. The first concerns their weight: they are the two smallest items in the picture and together account for 7.2% of the total, so their increase does not reverse the overall trend. The second concerns the percentage change in Category 6: calculated from a very low base, such as the 77 tons recorded in 2022, a modest difference in absolute value produces a high percentage. The difference of 176 tons is real; 227.9% is the form it takes when measured against that base.

Part of the difference from 2022 is due to the recalculation of the series using the ecoinvent 3.11 database rather than the version previously used and therefore reflects a methodological change rather than an actual change in emissions. The reduction in Category 1 compared with 2024, however, has a physical basis: lower natural gas consumption, fewer kilometers travelled by the company car fleet, and the replacement of some petrol cars with plug-in hybrids. Category 6, which includes upstream emissions associated with fuels and energy, also reflects these changes.

Values in tons of CO_2 equivalent, location-based calculation, 2022 -> 2025 comparison. Measured data. Source: Arper 2025 Organizational Carbon Footprint.



CCF category Targets (t CO_2eq)	2025 (ei 3.11)	2022 base (ei 3.11)	2030 target	Planned reduction by 2030	Actual change 2022 - 2025 (ei 3.11)
Cat. 1 — Direct emissions	341.19	165.89	113.93	–31.3%	+105.7%
Cat. 2 — Purchased energy	426.43	427.28	263.81	–38.3%	–0.2%
Cat. 3 — Transport and distribution	1,484.48	2,436.94	1,613.68	–33.8%	–39.1%
Cat. 4 — Purchased goods and services	5,520.46	9,932.62	7,290.15	–26.6%	–44.4%
Cat. 5 — End of life of products sold	233.51	297.82	230.00	–22.8%	–21.6%
Cat. 6 — Fuel and energy (other activities)	253.18	77.21	21.14	–72.6%	+227.9%
TOTAL	**8,259.25**	**13,337.76**	**9,532.71**	**–28.5%**	**–38.1%**

Location-based calculation. Measured data. The categories are those of Arper's Corporate Carbon Footprint (CCF); their correspondence with the GHG Protocol scopes is shown below. Organizational boundaries and calculation method are described in the corresponding annex.

CCF category under ISO 14064-1	GHG Protocol correspondence
Cat. 1 — Direct emissions	Scope 1
Cat. 2 — Purchased energy	Scope 2 (location-based)
Cat. 3 — Transport and distribution	Scope 3 — Category 9
Cat. 4 — Purchased goods and services	Scope 3 — Category 1
Cat. 5 — End of life of products sold	Scope 3 — Category 12
Cat. 6 — Fuel and energy (other activities)	Scope 3 — Category 3
TOTAL	**12,341.18**

In continuity with previous reports, Arper reports its emissions according to the six ISO 14064-1 categories. This key makes it possible to locate them within the international GHG Protocol classification.

CCF category Historical series (t CO_2eq)	2021 (ei 3.8)	2022 base (ei 3.11)	2023 (ei 3.8)	2024 (ei 3.11)	2025 (ei 3.11)	2030 target
Cat. 1	290.80	165.89	155.60	487.87	341.19	113.93
Cat. 2	449.46	427.28	507.53	438.60	426.43	263.81
Cat. 3	2,225.54	2,436.94	1,940.30	2,010.45	1,484.48	1,613.68
Cat. 4	9,077.10	9,932.62	9,330.59	7,809.16	5,520.46	7,290.15
Cat. 5	253.11	297.82	306.79	366.02	233.51	230.00
Cat. 6	45.17	77.21	57.07	338.01	253.18	21.14
TOTAL	**12,341.18**	**13,337.76**	**12,297.88**	**11,450.11**	**8,259.25**	**9,532.71**

Measured data. The categories are those of Arper's Corporate Carbon Footprint (CCF); their correspondence with the GHG Protocol scopes is shown below. The historical series includes all measurements performed to date, with 2021 referring to a narrower boundary. For transparency purposes, the Ecoinvent database version used for the calculation is indicated next to each year. Organizational boundaries and calculation method are described in the corresponding annex.

Putting Impact In Perspective

Emissions intensity	2025 (ei 3.11)	2022 base (ei 3.11)	Change 2022 -> 2025
Per ton of product — total (Scopes 1+2+3)	4.796 t CO_2eq/t	5.661 t CO_2eq/t	–15.3%
Per ton of product — Scopes 1+2 only	0.446 t CO_2eq/t	0.252 t CO_2eq/t	+77.0%
Per euro of revenue — total (Scopes 1+2+3)	1.72×10^{-4} t CO_2eq/€	2.16×10^{-4} t CO_2eq/€	–20.4%
Per euro of revenue — Scopes 1+2 only	1.60×10^{-5} t CO_2eq/€	0.96×10^{-5} t CO_2eq/€	+66.7%

A reduction in the total can arise from two very different factors: a lower impact per product or a decrease in production volumes. Only the first represents a genuine improvement in performance; the absolute figure alone cannot distinguish between the two. This is why we also measure emissions intensity: the ratio between emissions and the quantity that generated them. We calculate it using two denominators. The first is production mass: emissions per ton of product indicate how much CO_2 is associated with each ton leaving the facilities and measure the efficiency of the production process. The second is revenue: emissions per euro of revenue relate impact to the value generated, taking into account that this value also changes over time.

The two readings lead to divergent results. Considering the entire life cycle, efficiency has improved: each ton of product has 15.3% less impact than in 2022, and each euro of revenue 20.4% less. If the analysis is limited to emissions that depend directly on us — our facilities and purchased energy — intensity worsens: +77.0% per ton produced and +66.7% per euro. This is the same trend recorded for Category 1, seen from another perspective. We report both readings because either one alone would only give a partial picture.

Location-based calculation. Measured data. Denominators: product mass and revenue for the corresponding financial year. As with emissions, the series does not include 2023 and 2024. Method in the corresponding annex.

Designed For Longevity



This question has already been addressed, so we do not revisit it here. It is useful, however, to recall the two indicators on which the answer rests, as much of what follows derives from them: the products currently in our catalogue remain in production for an average of 9.98 years, and the circularity index measured according to UNI/TS 11820 is 58%. There is, however, one aspect of longevity that we are not yet able to quantify. As our reader put it, longevity also means being able to replace a failed component rather than discarding the entire product. Our products are designed to be disassembled and repaired, but we do not yet collect data on reconditioning work. We do not yet track it: we commit to establishing the methodology in 2026, for then using 2027 as a baseline.

Beyond Product Life

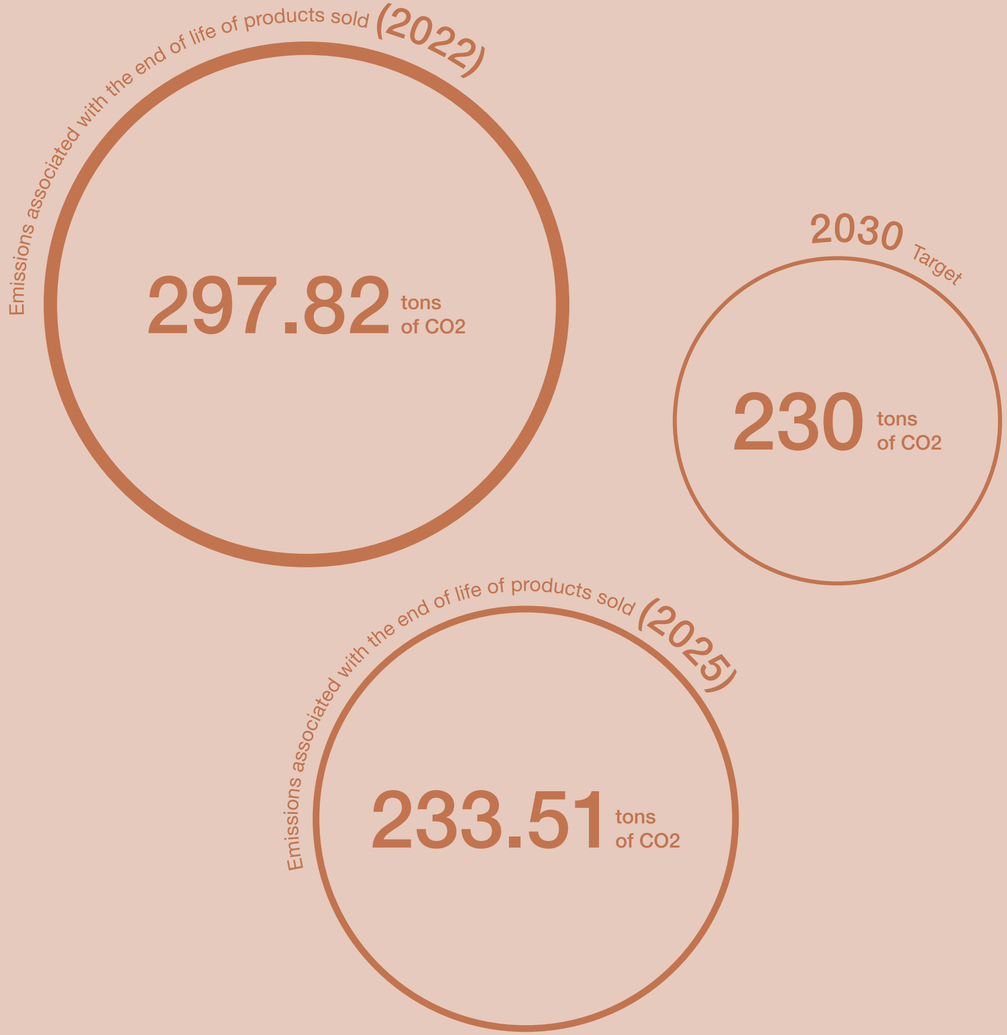
We answer with two measures: the first concerns production residues; the second, the impact of products at the end of their life cycle. In 2025, we generated 289,661 kilograms of waste, of which 1,300 were classified as hazardous and 288,361 as non-hazardous. Emissions associated with the end of life of products sold amounted to 233.51 tons of CO_2 equivalent in 2025, down from 297.82 tons in 2022. The 2030 target is 230 tons: the reduction achieved to date is 21.6%, against a target of 22.8%. This figure, however, quantifies only the burden of disposal. It does not say whether that ending can become a beginning. This is the question our reader was really asking, and the answer is not a data point: it is an operating model. We set it out in the next section.

These pages have answered two of the three questions. What our products are made of: 1,722 tons of materials. The emissions associated with the materials we purchase account for around two thirds of our overall, much of it generated before those materials reach our facilities. What remains: 289 tons of waste and 233.51 tons of CO_2 equivalent attributed to the end of life of products.

These are answers, not outcomes. A decreasing figure indicates that the direction is right; it does not, on its own, prove that the system generating it has changed. Our total footprint has fallen by 38.1% since 2022, but two of the six categories have increased.

The final question is also the most demanding: when a product has reached the end of its intended use, can it take on a new life as something else? The answer lies not in a single metric, but in how the company is structured to make that possibility real.

Waste: VSME reporting, mass in kilograms, 2025 company boundary, measured data. End-of-life emissions: 2025 Organizational Carbon Footprint, Category 5, location-based calculation, comparison with the 2022 base year, recalculated using Ecoinvent 3.11. Average time on the market and circularity index: see the section “The value of things”, where they are presented together with their methodology.



The reduction achieved to date is 21.6%, against a target of 22.8%.

04. THE CIRCULAR MODEL

A Connected Approach

In the preceding pages, we made two statements and treated them separately. The first: an object that lasts is already an environmental choice. Second: producing it still requires energy, materials and emissions, and that cost must be measured without softening it.

They appear to be two independent qualities. They are not. They are two components of the same system, and that system is the way a company chooses to circulate what it uses.

A long-lasting product delays the moment when it becomes waste but does not eliminate it. A production process that emits less reduces the environmental cost, but that cost remains unresolved as long as material leaves one end of the cycle and does not re-enter at the other. As long as the path is linear — extraction, production, use, disposal — every improvement remains an improvement within that line. The real shift occurs when the line closes and the material leaving one product enters another.

At Arper, this way of thinking does not derive from an environmental strategy. It predates it and has an industrial origin.

In the 1950s, Luigi Feltrin was working for a textile company in Switzerland. A batch of printed fabric was rejected by the United States because of a printing error: the patterns overlapped, the goods could not be sold, and the company had to replace the entire order. To the company, that fabric was waste. Luigi began taking meters and meters of it home, cutting it into six- or seven-meter lengths and reselling it to be made into household linen. His bedroom became a warehouse.

It was not an environmental choice. It was a more elementary and more tenacious operation: a refusal to discard something that still retained value in use. Where the organization saw waste, he recognized a raw material — and that recognition was intact fabric becoming income once again.

That operation gave rise to an idea of circularity that we want to state for what it is: an economic model, an organization of the business in which product longevity and the return of matter both have measurable value, including on the balance sheet. When a material re-enters the cycle, it has to be considered as a resource that does not need to be extracted a second time, and a cost that does not need to be incurred a second time.

One clarification before presenting any result. This is the least mature part of our work. We know how to design products that last, and we know how to measure the emissions we generate; when it comes to returning matter to the cycle, we are still learning, and some phenomena are not yet measured. Wherever this is the case, we will state it explicitly in these pages.

For this reason, the section begins with the voice of someone working on the same problem from outside — and with precise views on what a chapter like this should contain.





Director of Circular and Scaling Strategy at PaperShell

Maria von Euler

Maria von Euler, Director of Circular and Scaling Strategy at PaperShell works on the economics of circular systems and collaborates with us on the development of an innovative material. She does not certify our results or supply our data; she sets out the conditions under which an account like ours becomes credible and useful.

“The potential of circularity has now been demonstrated. When products return, those materials can become biochar, mycelium, even solutions that return carbon to the soil. At that level, research has already provided answers. What we have not yet solved is the system: how to recover products effectively on an international scale, and how to bring that mechanism to an industrial scale. That is where the difficulty lies.

When I examine a circularity report, data alone is not enough. I need three elements together: the measurements — impact, carbon footprint — a description of the fully functioning closed-loop system, and above all the current position along that path. Theory, prototype, pilot plant, industrial scale: I want to know which stage you have reached. That position tells me where my work can connect with yours.

And I ask that the contradictions be presented too, not only the results. A long-lasting product is a benefit; but under certain conditions, a shorter cycle returns the raw material to the system sooner. Where the system loses value, where it loses carbon — and where, instead, it can generate multiplier effects. These are not elements to play down: they point to the work ahead.”

Interview conducted and edited by Arper.

Where We Stand

Von Euler asked for three elements: measurements, position along the path, and contradictions.

Recycled content in materials

Longevity

Return

Current practices

End of life

Avoided emissions

The polypropylene we use contains 28.1% recycled material (post-industrial or post-consumer): 69.3 tons out of a total 247.0 tons in 2025. This measure is limited to a single material family — it is not an indicator of the overall reduction in fossil-derived content, which we do not measure in aggregate form.

28.1%

recycled material (post-industrial or post-consumer)

69.3 tons
out of a total
247 tons
in 2025



The data on this page comes from Arper's sustainability reporting. Average time in the catalogue and the circularity index are presented in full in the section "The value of things"; end-of-life emissions form part of the Scope 3 inventory reported in the "Environment" section, where the boundary and calculation method are described.

Where We Stand

Von Euler asked for three elements: measurements, position along the path, and contradictions.

Recycled content in materials

Longevity

Return

Current practices

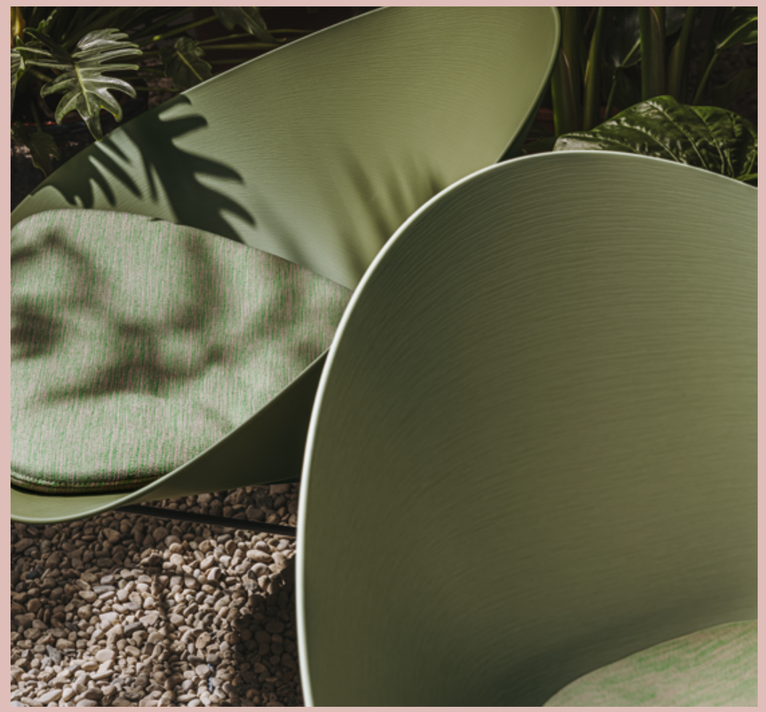
End of life

Avoided emissions

The collections currently in our catalogue remain in production for an average of 9.98 years. This figure has already been presented in the pages on the value of things, but it serves a different purpose here: longevity is the first lever of the model. Each additional year a collection remains in production represents matter that is not extracted, processed and transported a second time.

9.98

collection
average longevity



The data on this page comes from Arper's sustainability reporting. Average time in the catalogue and the circularity index are presented in full in the section "The value of things"; end-of-life emissions form part of the Scope 3 inventory reported in the "Environment" section, where the boundary and calculation method are described.

Where We Stand

Von Euler asked for three elements: measurements, position along the path, and contradictions.

Recycled content in materials

Longevity

Return

Current practices

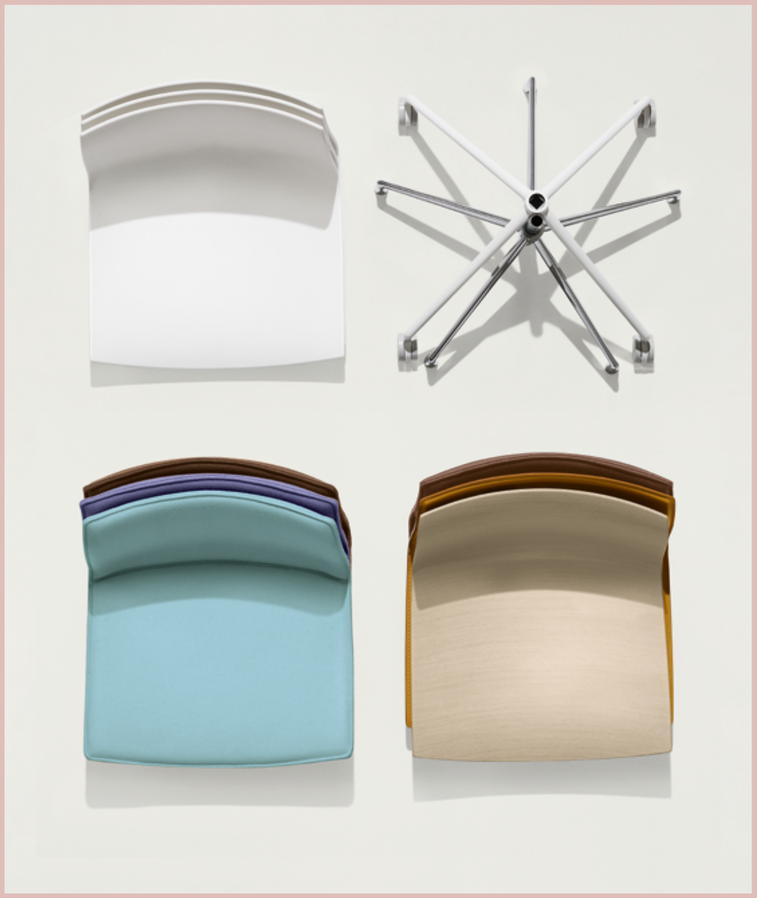
End of life

Avoided emissions

The circularity index of our products, calculated according to the UNI/TS 11820 technical standard, is 58%. This figure has also already been presented: here, it measures the second movement of the system, the movement of return.

58%

circularity index
of our products



The data on this page comes from Arper's sustainability reporting. Average time in the catalogue and the circularity index are presented in full in the section "The value of things"; end-of-life emissions form part of the Scope 3 inventory reported in the "Environment" section, where the boundary and calculation method are described.

Where We Stand

Von Euler asked for three elements: measurements, position along the path, and contradictions.

Recycled content in materials

Longevity

Return

Current practices

End of life

Avoided emissions

We apply three principles of the circular economy that can be verified in our processes. **We refurbish returned products** as an alternative to replacing them. **We offer rental as an alternative to purchase**: by retaining ownership of the asset, we also retain responsibility for taking it back. **We design according to internal eco-design guidelines**, with two stated objectives: reducing the quantity of material used and extending product life.



Where We Stand

Von Euler asked for three elements: measurements, position along the path, and contradictions.

Recycled content in materials

Longevity

Return

Current practices

End of life

Avoided emissions

Emissions associated with the end of life of products sold — the item “End-of-Life Treatment of Sold Products”, Scope 3, Category 12, in carbon accounting — amounted to 233.51 tons of CO2 equivalent in 2025. They were 297.82 tons in our 2022 base year, and the target is 230 tons by 2030.

This is the figure that most precisely answers Von Euler’s request to break the footprint down rather than presenting an aggregate value. It measures the share of impact associated with what happens when a product reaches the end of its useful life: not Arper’s overall impact, presented in the preceding pages, but the component addressed by this chapter. The gap between 233.51 and 230 does, however, require clarification: the remaining margin to 2030 is small, and the measures that have delivered the reduction to date will not be sufficient to close it.

Broadening our measurement approach Partnerships along the value chain. A circular system depends on vertical alliances: those who produce the material, those who transform it, those who recover it, and those who regenerate it. Our collaboration with PaperShell to develop a biogenic material is an operational example. We do not, however, have systematic data on these alliances. We do not yet track them. We commit to establishing a baseline in 2026 and reporting on it from 2027 onwards.

233.51 tons

Emissions associated with the end of life of products sold (CO_2eq)

Emissions in 2022:

297.82 tons

target for 2030:

230 tons

The data on this page comes from Arper’s sustainability reporting. Average time in the catalogue and the circularity index are presented in full in the section “The value of things”; end-of-life emissions form part of the Scope 3 inventory reported in the “Environment” section, where the boundary and calculation method are described.

Where We Stand

Von Euler asked for three elements: measurements, position along the path, and contradictions.

Recycled content in materials

Longevity

Return

Current practices

End of life

Avoided emissions

These are often among the most representative measures of a circular model: not the emissions generated, but those avoided because a product was returned rather than replaced. We aim to include it in the 2027 report.

These are two material gaps and this is where they must be stated: the position along the path requested by Von Euler also includes the points we have not yet reached.

What these data mean in terms of risks and opportunities for the business — how heavily they weigh on the economic model and where they can generate value — is set out in the section dedicated to impact valuation.



CATIFA CARTA

Circularity In Practice



So far, we have described a principle for keeping materials in circulation. One chair brings that principle togethe in a tangible way — the story we introduced earlier in the pages on the value of things.

Catifa 53 is the most recognizable chair in our catalogue. Catifa Carta is the version with a shell made from a new paper-derived material, and it has been in production since 2024.

COMPOSITION



Catifa Carta's shell is made of 29 sheets of kraft paper bonded with a 100% natural resin

The shell is made of PaperShell: sheets of paper laminated and bonded with a naturally derived resin. The paper comes from responsibly managed forestry sources and residues from Swedish and Finnish wood processing — what remains after timber is processed, rather than material harvested specifically for this purpose.

This origin deserves clarification, because it explains why the story belongs in this chapter. The material used for the shell originates from a processing residue was recognized as a raw material. It is the same recognition that, some seventy years earlier, led a man to recover fabric a company had designated as waste. The industrial scale has changed, and today that principle has a technical definition.



EMISSIONS COMPARISON

Catifa Carta reduces its climate impact by between:

20% and 39%

Here, we have verified measurements. A life-cycle assessment conducted according to ISO 14040–14044 and subject to independent critical review compared Catifa Carta with the same chair in its traditional version, featuring a plastic shell. The comparison covers the entire life cycle, from extraction to disposal, and assumes fifteen years of use — the reference unit adopted in Environmental Product Declarations.

Compared with the traditional version, Catifa Carta reduces its climate impact by between 20% and 39%, depending on the chair base. The values, in kilograms of CO_2 equivalent over the entire life cycle, are as follows:

Base	Traditional version	Catifa Carta	Reduction
Four-leg chrome	27.1	16.4	–39.5%
Four-leg painted	28.1	17.7	–37.0%
Aluminum trestle base	49.6	39.0	–21.4%
Painted trestle base	53.3	42.7	–19.9%

We publish the range rather than only the best figure, because the difference between the bases has a clear explanation and says something about the product. The reduction is greater in the four-leg versions and smaller in the trestle-base versions, because of the amount of metal in the base: where the base accounts for more of the total, the benefit of the paper shell contributes proportionally less to the overall reduction. This is the same reason why, as we explain shortly, the chair as a whole cannot be described as carbon-negative.

Source: Catifa 53 Carta life-cycle assessment, conducted by 2B Srl (LCA practitioner) for Arper (October 2024) in accordance with ISO 14040–14044, with independent third-party critical review. IPCC 2021 method, 100-year time horizon. A second independent method, the single-score Environmental Footprint, confirms the direction of the result, with a reduction of between 14% and 25%.



END OF LIFE AND BIOCHAR



At the end of its useful life, the shell can be sent to a company in Sweden and transformed through pyrolysis, a thermal treatment that converts the material into biochar, a substance that holds carbon in a stable form. In this scenario, also taking into account the negative contribution of biogenic carbon, the chair's impact is reduced further: for the four-leg chrome version, it falls from 16.4 to 11.3 kilograms of CO_2 equivalent.

We need to be precise about three points in this passage, because this is where it is easiest to say more than the data allow.

First: this is a scenario, not the product's ordinary outcome. The life-cycle assessment states that this calculation is not aligned with the principal environmental declaration systems or with ISO carbon-accounting standards. We report it because it is documented, but it must be read for what it is — a projection under specified conditions, not the chair's current footprint Second: the benefit depends on a use for the biochar that has not yet been established. The assessment notes that the resulting biochar is not currently used by Arper, because all chairs sold are still in use: until that destination has been put into practice, the sequestration remains potential.

Third, and most concretely: as things stand, the process has not yet produced anything. In 2025, no shells were returned and no biochar was produced. The take-back agreement exists as a commercial arrangement, but it has not yet resulted in any actual returns.

THE LIMITS OF CIRCULARITY



For this reason, when we talk about Catifa Carta, we clearly state that the shell – not the full chair – can be carbon negative – under specific conditions of end-of-life management. In that scenario and under those conditions, the shell material may approach that result; but the chair as a whole does not achieve it because of the metal base, and attributing a property of the shell alone to the chair would be incorrect. Moreover, no furniture item is currently officially recognized as carbon-negative under international reference frameworks.



A circular system is an infrastructure that exists to the extent that a sufficient number of actors each contribute to it.

Circularity Takes Collaboration

This is the practical limitation of the model we have described, and it is more significant than any missing data. A company can design a product to last, select its materials and reduce production emissions. But the moment at which matter re-enters the cycle almost never depends on the company that made the product: it depends on the owner of the asset, the party that disassembles it, the party that regenerates the material, and the party that puts it back into the process. These are separate actors with separate interests, and coordination among them remains limited today.

The tools, however, already exist. A product can be refurbished rather than replaced. It can be rented rather than purchased, with ownership — and therefore responsibility — remaining with the company that made it. And it can be recovered at the end of its useful life: this is the direction we are testing, and the one in which we have the most to learn.

None of these tools are new. They are practices we already apply to different degrees, and their effectiveness grows with the number of operators that adopt them. A circular system is an infrastructure that exists to the extent that a sufficient number of actors each contribute to it.

05. THE VALUE OF PEOPLE

The Value Of People



Some questions are asked of things — where they come from, where they will end up. Others are asked of people. Before writing this section, we asked someone who has spent a lifetime studying people at work what he would look for in a report like this. Gabriele Gabrielli teaches people management, directs a master's program on sustainability at work, and spent twenty-five years working professionally as a Human Resources Director.

He answered with a premise that we chose to keep at the beginning, because it reflects our own view. He told us that speaking of the "value of people" can be ambiguous: it can suggest that a company is the confers value on the people who work there. This is not so. A person has value in their own right, simply by being a person; no one confers it, and no one can take it away. What a company can do is something else, and it is the full extent of its responsibility: to recognize that value or fail to do so. This section is about how we try to recognize it.

A second premise helped us frame everything that follows. Sustainability, Gabrielli reminded us, cannot be approached as a set of separate priorities — one for the environment, one for people, and one for financial performance. It must instead be understood as an integrated principle that shapes the organization as a whole; otherwise, it risks becoming little more than a label. This matters to us, because it is precisely the spirit in which we built this report: people are not a chapter separate from the materials and figures on the preceding pages; they are their reverse side. The rest of this section is our attempt to show, through the facts we have, where that recognition is already a practice and where it remains a promise.

A person has value in their own right, simply by being a person; no one confers it, and no one can take it away. What a company can do is something else, and it is the full extent of its responsibility: to recognize that value or fail to do so.



Lecturer at LUISS and Università Europea di Roma, consultant and author.

Gabriele Gabrielli

"I do not expect figures in a table. I expect to understand whether people inside a company change — whether they can change roles, follow a vocation, grow — or whether they grow old in the same place. That is where you see whether a company truly listens, and whether that listening becomes part of its agenda. I know it is difficult: there is always a form of functional self-interest, the manager who does not want to let a talented person go. It is understandable. But unless this way of thinking takes hold among those who lead, sustainability remains an empty label.

Then I look at well-being, and I look at it as a whole. Safety is the first way a company recognizes the dignity of those who work there. Stress: there is a kind that is beneficial, and another that arises when a person feels they do not have the resources to meet what is being asked of them, and that feeling persists. A company can fund regeneration projects outside and regenerate nothing within itself. And then there is the way people are together: not parties and sport, which are perfectly good, but how they speak to one another — if I assign a task and five minutes later ask how far you have got, I am not respecting the person.

I read a sentence by Mr. Luigi about our lives being rooted in our relationships and in the way we are with others. It is an entirely valid idea. I would only say that it is one petal of something larger.

Finally, when it comes to training, I am not interested in how many hours. I am interested in how much training is needed to develop professional skills — necessary, of course — and how much instead helps the person grow: the kind that no one usually funds, because they ask what purpose it serves. There is a short book by Nuccio Ordine called "The Usefulness of the Useless"; I recommend you read it. Adriano Olivetti himself also conceived of work as a means of people's inner development. Today, we no longer seem to know what to say about the meaning of work."

Interview conducted and edited by Arper.

The Value Of People

That sentence Gabrielli encountered — “our life lies in the relationships we have, in the way we are with others” —was by Luigi Feltrin, and one of the values on which this report was born. Relationships are one of the principles in which we recognize ourselves, and Gabrielli’s reflection helps us place that principle within a broader perspective. By describing it as “entirely valid” and as one petal of something larger, he opens up the wider set of relationships in which a company exists and acts. For part of that broader perspective, we can already answer with facts. For us, safety comes before everything else: during the year, we recorded a single accident, with no permanent consequences for anyone. Above all, it is the first concrete way in which we want to recognize the dignity of those who work here: if this figure is not where it should be, nothing else counts.

Gabrielli asked us to look at well-being as a whole, and not to stop at safety. He described three dimensions. The first is physical, with safety as its most direct measure. The second is mental: one form of stress is part of work and causes no harm; another arises when a person feels, over time, that they do not have the resources to meet what is being asked of them — and this wears down both people and the company. The third is relational, the way people work together. We do not yet have reliable figures to show mental and relational well-being. We commit to building and tracking these indicators, as well as the figure of participation in the life of the company, from 2027 onwards.

There is, however, one thing we can say immediately, and it is a principle we have set ourselves. A company can fund regeneration projects beyond its own walls — a neighborhood, a region — and be right to do so. But if, in the meantime, it regenerates nothing within, if it consumes people’s energy without restoring it, that external gesture remains incomplete. Before regenerating outside, we regenerate within.

On change, which Gabrielli places at the center — whether a person within a company can change role and grow or remain in the same role over time— something is moving: in 2025, one person changed role and three advanced through internal promotion. These are just small figures, but we aim to increase them in the years to come.

On training, we focus on the kind of training involved. One part builds and strengthens professional skills; another helps the person grow, and it is the kind that no one usually funds, because its purpose is harder to explain. Alongside technical training, each person completed an average of 6.43 hours of training unrelated to their role during the year: skills that serve the person before the function. It is a small amount that sets a clear direction though.

Through PLA — Project of Living in Arper, our training program for the sustainable transition started in 2024 — we involved 43 people for a total of 1,804 hours in a pathway spanning different functions. It is how we try to develop technical expertise and awareness together — the same awareness that, later, shows how culture enters our way of designing.

Data overview:

What we measure	Year	Value	Boundary / source
Workplace accidents	2025	1 accident	Arper Group VSME (B9)
Work-related fatalities	2025	none	Arper Group VSME (B9)
People who changed role	2025	1 person	Arper Group internal data
Internal promotions	2025	3 people	Arper Group internal data
Training unrelated to role (average)	2025	6.43 h/person	Arper Group internal data
Project of Living in Arper (PLA) — people involved / total hours	2025	43 people · 1,804 h	Arper Group internal data
Mental well-being · Relational well-being · Participation	From 2027	Commitment to develop and track indicators	Arper Group commitment not yet measured

06. THE VALUE CHAIN

Beyond Our Walls



No company makes what it sells alone. Behind a chair are those who supplied the aluminum, molded the polypropylene, sewed the fabric, and transported the parts from one facility to another. If responsibility towards people is genuine, it cannot stop where the payroll ends.

There is a reason why, for Arper, this boundary has always been permeable. The company grew within a territory, not on top of it. The skills, hands and technical knowledge from which everything began were already here around us — “this land is a distributed factory”, as Claudio Feltrin described it. It is a precise way of expressing something concrete: the factory is not only the perimeter of the plant; it is the network of those who work nearby and with whom we grow together. Most of Arper’s suppliers are still located a short distance from our headquarters — a fact reflected in the short-supply-chain figures presented in full in the pages on the value of things. That proximity is two things at once: a measurable fact, and a responsibility towards a community of people who do not have a contract with us, but whose work would be different without us — just as ours would be without them.

To understand how to hold these two things together — proximity and responsibility — we turned to an external perspective: someone whose profession is to measure supply-chain sustainability in a sector far removed from ours. His perspective reframed the issue, shifting the focus from “how many suppliers do I have, and how close are they?” to “where does the impact really lie, and what relationship do I have with those who supply me?”

“this land is a distributed factory”

—Claudio Feltrin



Head of Performance and Impact at Natura Group

Alexandre da Rocha Leão

Alexandre da Rocha Leão is Head of Performance and Impact for Natura Group and helped develop the instrument through which his company recognizes its impact in its accounts. He brings an external perspective from a different sector, problems similar to our own. We asked what he would want to read about the value chain in a report like this.

"First of all, I would want to know where your real impact lies along the chain: not the footprint in general, but the points where it is concentrated. And the market does not tell you what your material issue is — you know it yourself, if you do your job well."

His answer reframes the question around materials and where their impact is truly concentrated. Priorities follow from there: for the materials that weigh most heavily, seek alternatives, reduce, replace. And, he says, the supply chain is not governed only through purchasing decisions: it is governed through the product and design decisions made at the right moment — a "gate zero" through which a new product passes only if it is genuinely better than the one it replaces.

"With the suppliers that truly matter, asking is not enough: you need to form alliances. You set a minimum threshold — below it, you do not work together — but then support each supplier where they are, give them a score, and recognize those who improve. Not with money: through the motivation of teams that want to move up."

Interview conducted and edited by Arper.

Beyond Our Walls



In his company, this has a name — the “Regenerative Alliance” — and it is an agreement signed with critical suppliers. Although developed in a different context, the underlying principle is relevant to our own and worth considering.

Despite the size difference between our organizations, the underlying idea is the same: build a relationship with the suppliers that matter most, set clear standards, and support those who improve. What Natura calls the Regenerative Alliance, Arper calls the Arper District, which we describe shortly. The parallel between the two approaches shows how supply-chain relationships can become a structured part of the business model, grounded in shared expectations, continuous improvement and long-term collaboration.

One final point reflects his way of working: a long-term vision built through achievable milestones. The process can begin with something feasible and develop over time, sustaining motivation internally and credibility externally. It is all, he says, a question of narrative: the direction must be told, not merely declared.

Arper District

Supply-chain relationships can become a structured part of the business model, grounded in shared expectations, continuous improvement and long-term collaboration.





From Relationships To Impact

The approach Leão uses to read the supply chain — recognizing impact in the accounts to understand its real value — is also reflected in Arper's own Impact Valuation methodology: the monetary valuation of impacts. Our figures show that the supply chain represents the largest negative weight in our net impact, with impacts concentrated at specific points along the chain. The complete picture related to the financial year 2024 – by capital and area – appears in the annex on impact valuation at the end of this report.

The nearby supply chain.
Arper grew within a territory, and most suppliers are located a short distance from its headquarters. Proximity data — by number of suppliers — is presented in full in the pages on the value of things; we recall it here because a nearby supply chain has implications beyond logistics: it makes it possible to know those who work with us and creates responsibility towards a community of skills.

Rights along the chain.
During the year, no confirmed severe human rights incidents were recorded involving workers in our value chain, affected communities, consumers or end users. All our suppliers have accepted Arper's Code of Ethics. As with our own workforce, acceptance takes the form of a signature: it establishes that the same rule applies to everyone. Supplier-by-supplier audits represent a separate level of verification. This commitment is also subject to external assessment: GECA certification examines Arper across its entire value chain. Today, we do not yet have a measurable indicator showing how our human-rights policy is formally extended across the value chain; when we do, we will report it here.

The materials that weigh most heavily. Leão's point about critical materials has a concrete counterpart at Arper: polypropylene. The share of recycled polypropylene in our products is described in the pages on the circular model. Here, it is enough to note that this is the area in which material substitution is most advanced.

From Relationships To Impact

Engaging the supply chain:
the Arper District. Since 2022, the Arper District has been the way we build relationships with suppliers: sharing sustainability objectives, developing skills, and connecting the supply chain to the territory through multi-year contracts. Today, the localization strategy directs almost 60% of Italian supplier expenditure to companies within 100 kilometers of our headquarters and has identified nine key suppliers — those with the greatest greenhouse-gas impact — for which we develop dedicated reduction strategies. We also report on the progress made: in 2023, and the years that followed, the response from the supply chain was weaker than expected, prompting us to redefine the initiative and strengthen its approach.

What we stopped, and committed to rebuilding.
Faced with the same difficulty — a supply chain that does not yet respond as we would like — the ESG assessment of our suppliers was suspended in 2025. The instrument had not yet reached its full potential, as awareness and dialogue along the chain were still developing — and a tool like this ultimately depends on the relationships that sustain it. This is precisely Leão's point. Rather than keeping it alive in appearance only, we are rebuilding it: a new training and assessment method will be developed in 2026 and 2027 and applied from 2028.

Projects just begun.
Some initiatives have started but have not yet produced figures. Biochar — arising from experimentation with PaperShell material, transformed to retain carbon in stable form — is a project under way but not yet in production: the kilograms produced to date are zero. End-of-life product take-back projects have been prepared, but no products have yet been returned, so the count is zero.

What we do not yet measure.
A method for measuring net improvement in each capital through Impact Valuation is being developed, using 2025 as the baseline. The framework for impact-based decisions will be developed throughout 2025 and 2026, with implementation planned for 2027: We do not yet track them systematically, but we commit to developing and reporting them in future reports.

Two threads in this section do not end here but continue elsewhere in the report. The first concerns climate: the climate risk that directly affects Arper is described in the environmental chapter; its projection onto the supply chain — what a changing climate means for those who supply us — is part of the same focus and grows together with the supplier relationships we are rebuilding. The second concerns value: what Leão helped us bring into focus — where the chain truly weighs on net impact — is examined in terms of risks and opportunities in the technical appendix on impact valuation at the end of the report.

The responsibility described in this report, first within the company and then along the chain, is not a circle that closes, but one that expands. We have said where we are strong — proximity, shared rights, lasting supplier relationships — and where we are not yet strong: a tool that was stopped and must be rebuilt, projects only just begun, and measures that will come later. How much these issues truly weigh on the value of the company, and where they can generate it, is the first question asked by the world observing us — banks, investors and customers who choose with discernment. It is the question with which the next page opens.

Data overview:

What we measure	Year	Value	Boundary
Confirmed severe human-rights incidents (value-chain workers, communities, consumers, end users)	2025	None confirmed	Arper Group
Extension of the Code of Ethics to the supply chain + GECA verification	2025	default extension · GECA verification	Arper Group
Suppliers that accepted the Code of Ethics inherited from Arper	2025	100%	Arper Group
Arper District — share of Italian supplier expenditure within 100 km of HQ	2025	Almost 60% (expenditure)	Arper Group
Arper District — key suppliers with the greatest GHG impact	2025	9 suppliers	Arper Group
Supplier ESG assessment	2025	Suspended · New method in 2026/27, implementation from 2028	Arper Group
Biochar produced (PaperShell trial)	2025	0	Arper Group
Take-back projects activated	2025	0	Arper Group
Net improvement by capital (Impact Valuation) · impact-based decisions	From 2027	Commitment to track vs. 2025 baseline	Arper Group

07.
GOVERNANCE

Breaking Out Of The Shell

We had become “too confined”; we needed to “learn to delegate”

—From the book:
I Wanted To Be A Cowboy

There is a moment in the book from which this report emerged when the company understands that it must move beyond the raw material it had always worked with — leather — in order to learn to do something else. “Breaking out of the shell”, the book says. We had become “too confined”; we needed to “learn to delegate”. This is where Governance comes in place, allowing a company to evolve and grow and this is the topic we’ll discuss in this chapter.

Governance, to us, is more than articles of association, governing bodies, certifications, rules. It has to do with the structure that holds words and actions together over time — preventing values from depending on whoever happens to be at the top at a given moment.





ESG Manager at Cherry Bank

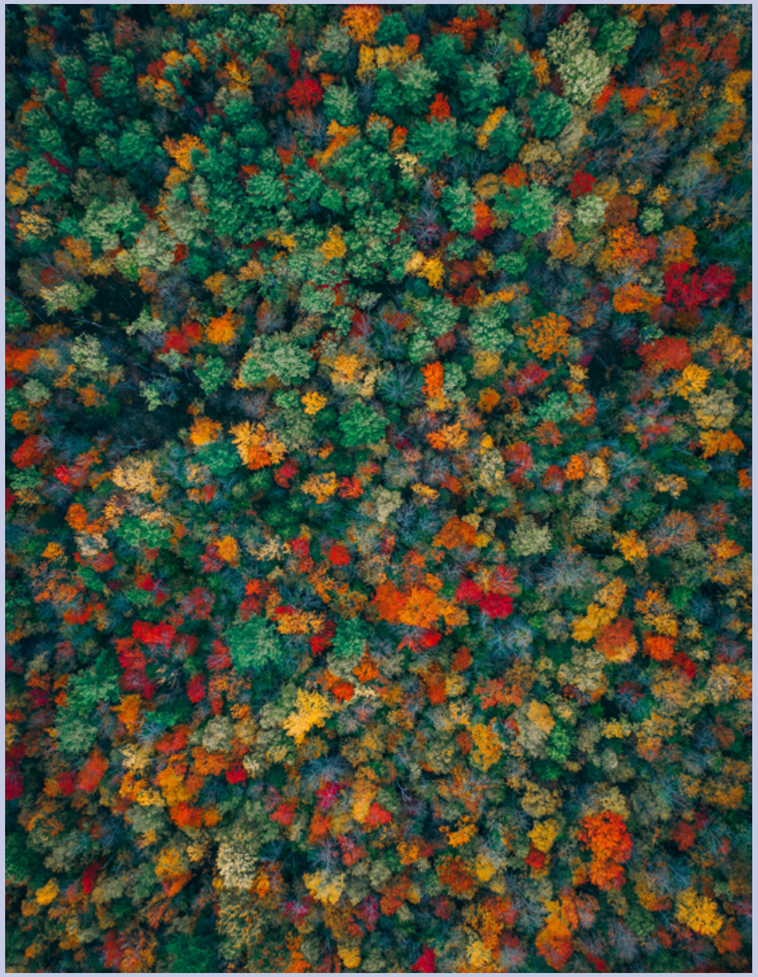
Marco Mosanghini

To frame the section, we began with someone whose work involves assessing precisely this kind of consistency. Before writing these pages, we asked Marco Mosanghini — ESG manager at Cherry Bank with extensive experience in financial markets and sustainability— what someone assessing a company from a financial standpoint looks for in a document like this. He answered in two distinct perspectives: that of the bank and his own.

“For a bank, environmental and climate issues are not a separate chapter: they enter credit risk. When we finance a company, we should assess it in full — how exposed its facilities are to floods or heatwaves, how resilient its supply chain is. In more structured investments, it is now standard practice to link financing conditions to sustainability objectives: for the moment, simple indicators — emissions, a certification — but the objectives must be clearly defined and, then, targets need to be certified by a third party. So the first useful thing a document like yours can do is give readers the tools to truly understand these risks.”

“But if I had to name one thing, it would be this: certification and figures are now taken for granted. What investors increasingly examine is the credibility of sustainability policies — whether what you declare genuinely corresponds to what you do. Americans use the phrase ‘walk the talk’: do what you say, say what you do. The greatest risk is the opposite: setting a target to look good, discovering that it cannot be achieved, and losing trust. Reputation is built over years and destroyed in an instant. This is why credible sustainability embraces every field — including people, inside and outside the company — because it is a way of doing business, not an isolated objective. And a way of doing business belongs at the foundations: in the company’s culture, not in that of whichever manager happens to be in charge.”

We chose to open the section with these words because they challenge the usual way governance is described. Not “how many certifications do we have?”, but “does what we declare correspond to what we do?”. The pages that follow aim to answer these questions by setting out the commitments we are considering, the evidence that can be verified, and the method we use to account for what is more difficult to measure or address.



In the same conversation, Mosanghini indicated a possible direction — an ambitious step, as he described it.

"As a further, ambitious step, there is the possibility of becoming a Benefit Corporation — a legal form that Italy was among the first countries to introduce. And even without taking that formal step, the benefit assessment method is a good way of looking at the company as a whole. I say this with one condition: it must be a genuine and credible choice. If it were forced, it would be better left alone."

This is the direction we are considering. Becoming a Benefit Corporation is a possibility under study, currently being considered for 2026–27.

The B Impact Assessment is the tool a company uses to evaluate its overall impact — what Mosanghini describes as "a good way of looking at the company as a whole." Our internal assessment resulted in a score of 77.6, close to the 80-point threshold required for B Corp certification. This score is a useful indication of where we stand and the direction of travel, but it remains a self-assessment rather than a certified result. B Corp certification requires an independent verification process, which we have not yet undertaken.

Interview conducted and edited by Arper.

ESG Manager at Cherry Bank

Marco Mosanghini

Governance At A Glance

Mosanghini's voice shifted the focus from figures to conduct. But figures do not disappear: their role changes. They are not the destination — they are evidence that the infrastructure supporting that conduct genuinely exists and is verified by an external party.

In our case, three management systems are third-party certified: ISO 14001 for the environment, ISO 9001 for quality, and ISO 45001 for health and safety. These certifications serve as mechanisms of accountability: they allow independent parties to periodically verify that our practices remain consistent with our commitments.

The risk-management system received an A rating from Synesgy: an external assessment of the controls Mosanghini describes from the bank's perspective.

In terms of business conduct, no convictions or sanctions related to corruption were recorded during the reporting period, one of the most direct and verifiable measures of consistency between words and actions.

Finally, there is one figure that concerns us directly. At present, our governing body is composed of six men and no women, highlighting an area where greater gender balance is needed.

Data overview:

What we measure	Value	Boundary
Management-system certifications (third party)	ISO 14001 · ISO 9001 · ISO 45001	Arper Group
Risk-management system rating	A (Synesgy)	Arper Group
Convictions and sanctions for corruption	0 / 0	Arper Group
B Impact Assessment (internal)	77.6	Arper Group
Governing body — presence	Yes	Arper Group
Diversity of the governing body	6 men / 0 women · ratio 0	Arper Group
VSME preparation basis	Option B (Basic + Comprehensive)	Arper Group



Measuring Impact

Certifications show that the infrastructure exists and is verified. But the credibility Mosanghini describes demands a further step: not only measuring what we do well but also accounting for the impacts we generate. This is what an instrument we have now used for three years attempts to do.

It is called Impact Profit & Loss. In practice, it is an attempt to translate into value the impacts the company generates across four stages of its life: its own operations, the materials and services it purchases, the use of products by those who own them, and their end of life. We maintain one firm clarification, because this is the point most easily misunderstood: it is not an accounting figure. It does not concern revenue or profit, but impact — and it must be read as such.

The method combines two approaches. For what can be physically measured — energy, materials, transport and waste — it uses life-cycle assessment. For services and the more complex parts of the value chain, where physical data is not available, it uses sector-based economic models. The sources and standards adopted are fully disclosed and can be found in the corresponding annex. Three forms of capital are accounted for together: people, the environment, and the contribution to society — converted into value using explicit criteria, such as a social cost of CO_2 set at $150 per ton.

The part we regard as most important, however, is where the method reaches its limits — and makes the explicit. The gender pay gap is estimated using aggregated data by role. The benefits of taking products back and giving them a second life have not yet been valued. The attribution of impacts to sub-suppliers remains uncertain. Declaring these limitations does not weaken the measure; it strengthens its credibility. It is precisely what Mosanghini asks for when he says that the greatest risk is promising what cannot be delivered.

And the result, in a single figure? Overall, the value generated by the company exceeds the value it consumes. In the financial year 2024 the net impact is positive, at approximately $10.3 million. We report this as a single anchor: the breakdown — by stage of the chain, by capital and by activity — appears in the corresponding annex, together with the complete register of assumptions.

Risks And Opportunities



An impact measure becomes useful when it serves as a map, showing where the company is most exposed and where it has room to grow. This is how banks and investors read sustainability. Four risks carry the greatest weight: the sensitivity of demand for premium products to market conditions; the slow adoption of circular solutions; the footprint and vulnerability of suppliers; and delays in the energy transition.

There are five opportunities to develop further: turning circularity into a service — maintenance, take-back, refurbishment and recovery; redesigning materials for a lower footprint; making operations cleaner; offering products with healthier specifications; and building more inclusive pricing and access models.

And where should we focus now? Arper's value is strongest when premium design becomes a durable product, remains in use for a long time, and is supported by circular services that genuinely work and lower-impact materials. It weakens when price limits access, circular services remain marginal, and higher-footprint materials prevail. Put this way, it is not a balance sheet: it is a direction. And a direction leads naturally to the chapter that follows — the one in which the consistency described in this section moves beyond rules and becomes culture: the way innovation continues, and what holds a company together when those who lead it change.

08. CULTURE AND FUTURE



Adjunct Professor of Business at Università Cattolica del Sacro Cuore

Ernesto Ciorra

In the previous pages, we have presented the facts: the impact of our choices, the steps we are taking to reduce it, and the way we care for people within and beyond the company. The figures tell us where we stand.
This final section returns to the question with which the report began, “why does all this matter?” and looks ahead from there. It brings together the meaning of what has come before, connects it to the purpose behind our actions, and considers where that purpose may lead us next.

For twenty years, Arper has innovated through the product: forms, materials and processes designed to last. That is where everything begins.

Why do we innovate? We asked Ernesto Ciorra —Adjunct Professor of Business at Università Cattolica del Sacro Cuore, Milan and former Chief Innovability Officer at Enel — what he would want to find about innovation in a report like this. The innovation that matters, he says, is the kind that improves people’s lives and reaches those who might otherwise be left out. It is what he calls, coining a new term, innovability. Technology, or a new material, is the instrument; the ultimate purpose remains social.

“Sustainability — or what I call innovability — is innovation used as an instrument for creating a better world than the one we found.”

This also shapes how that value should be communicated. For Ciorra, a report should do more than present a sequence of indicators: it should tell a story, showing how innovation can improve the context in which a company operates. It is a perspective grounded in experience, shaped by his own journey across different organizations, sectors and environments. He recalls how the energy company he worked for tracked a vast number



Adjunct Professor of Business at Università Cattolica del Sacro Cuore

Ernesto Ciorra

of sustainability indicators — but their value lay not in the sheer number of metrics; what mattered was the purpose behind them: making energy accessible to as many people as possible, at the lowest possible price, including those who would otherwise remain excluded.

And that purpose has a precise first recipient: people. Not only outside the company — in the communities where it operates, produces and sells — but first and foremost, within it: colleagues, then shareholders and suppliers. A good workplace, Ciorra says, is one that enables people to live well and endures over time because the company knows how to remain healthy. This is where economics finds its proper place: it is not the end, but what makes everything else possible. A solid foundation enables long-term paths of growth for people — work, culture, and a healthier environment. In this reading, care for the environment also arises from respect for those who inhabit it: we care for our common home because it is everyone's home.

"The technological solution is the instrument. But what is the purpose? The purpose is social."

Interview conducted and edited by Arper.



If innovation serves people, one question remains: what gives meaning to a form, and allows it to endure beyond its function? This is the question of culture.

Why does a company that makes chairs speak about culture? We asked Marco Benvegnù, Head of Corporate Brand at Arper, who, alongside Claudio Feltrin, works on building the connections between culture, identity and brand: between the things we make and why we make them. Culture brings two dimensions: significance and meaning. It is the difference between an object that serves a purpose and one to which we become attached

"A product must be useful, practical and functional. But when it is only that, it remains merely an object. Culture is what gives it significance and meaning: the reason behind a choice, the bond formed by living beside a thing. A product in which you recognize a value accompanies you over time — you take it with you to your next home. This is where culture meets sustainability: an object designed to endure beyond changing fashions, is an object produced only once. Culture, moreover, is not only aesthetics: it is the knowledge we bring upstream, when we design, to make conscious choices capable of lasting. But it is also something broader — openness, tolerance, the ability to hold different ideas together and synthesize them. It is this disposition that enables us to imagine what does not yet exist."

Head of Corporate Brand at Arper

Marco Benvegnù





There is a concrete way in which this happens. Bardi's Bowl Chair* was a project that had remained only a possibility. Arper recognized it and carried it forward because it felt aligned with its own system of values. Culture is what enables us to perceive that potential — and, should it one day be developed beyond its first series, culture is again what makes it possible to handle it with respect, without betraying its essence. We cannot intervene well in what we do not understand fully.

"Culture gives you a foundation from which to feel less adrift in a confused world: it is the connections, roots, memories and experiences you have accumulated."

This is how we work every day. Culture comes into play before the product — when we decide what is worth designing — and remains afterwards, in the way we tell its story. We also cultivate it beyond the product: through the Arper Feltrin Foundation and our partnership with the Peggy Guggenheim Collection, active since 2017, and many local and international cultural organizations throughout the years.

Benvegnù adds something that already looks ahead: culture is not a point of arrival, but an ongoing pursuit that brings us back to where we began – and opens the way to what comes next.

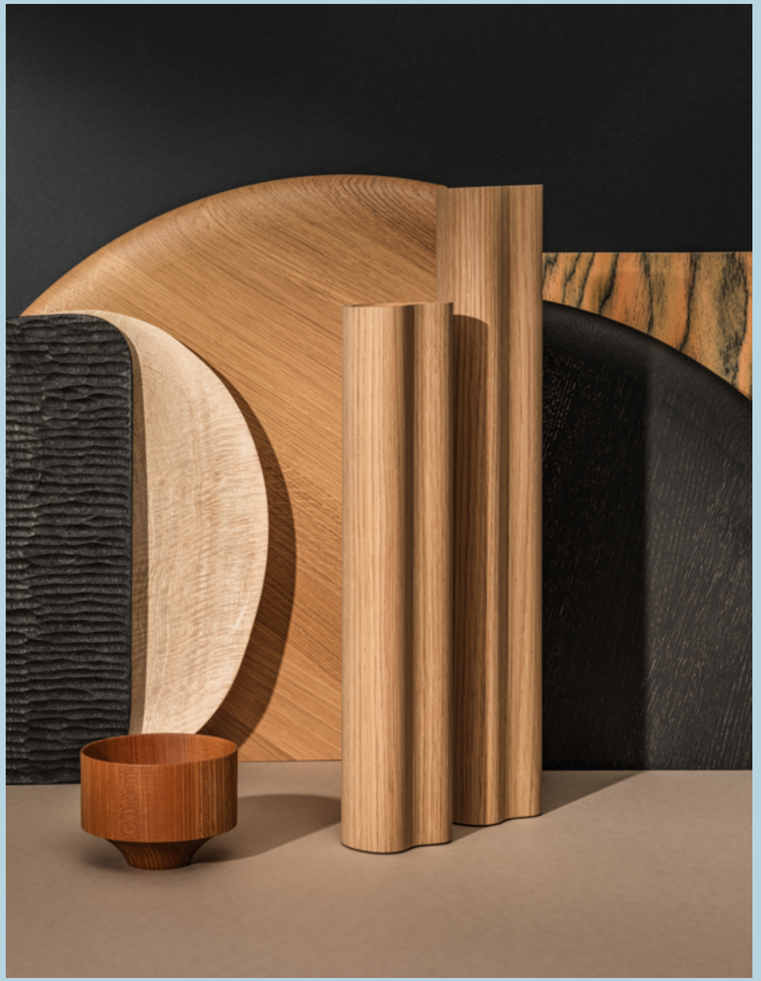
Interview conducted and edited by Arper.

*To find our more about the Lina Bo Bardi's project, visit https://bardisbowlchair.arper.com/

Head of Corporate Brand at Arper

Marco Benvegnù

Looking Ahead



At the beginning of these pages, Claudio Feltrin recalled where all this comes from: Luigi's legacy — making beautiful things honestly, giving everyone their due. It is the same spirit that guided Arper from the beginning. The challenge, he said, is to change as the world changes without losing it.

The voices we have heard in this section confirm this from two perspectives. We innovate for people, and culture is what keeps meaning constant as forms evolve. But this is only possible when that culture is authentic: when it is shaped by the people who live in the company every day, rather than assembled afterwards into a narrative. It is within this continuity that we look ahead. Reducing impact is the starting point, not the destination. The direction is to give back more than we take — moving, over time, from sustainability to regeneration. This is the horizon we are working towards, along with the three directions that run through the entire report.

09. IN CONCLUSION



Walking on Common Ground

We called this report ***Walking on Common Ground*** because, even when opinions, priorities and answers differ, we share something more fundamental: the ground on which those answers produce their effects.

The air we breathe is shared. So are the resources we depend on, and so is the future we are helping to shape. What we build today will shape the lives of others tomorrow, and that gives every choice a dimension that extends beyond the company itself.

This is why sustainability runs through the whole company. It is a way of recognizing that every choice leaves a trace: in places, in people, in relationships, in things. Some traces are immediately visible. Others emerge only over time. In the end, time is perhaps the strictest judge of every company — stricter than markets, certifications and even laws — because it reveals whether what we build can preserve its meaning over time.

In the preceding pages, we have described results, progress, limitations and contradictions to show the path we are on as clearly as possible. Progress ultimately means becoming genuinely better over time. And this requires the same quality Luigi Feltrin regarded as essential: the courage to look at reality as it is, learn from mistakes and begin again.

We know that much work remains to be done. Some measures are incomplete. Some solutions are only beginning. Some objectives are still far away. The direction, however, is clear: to design products that deserve to last, build relationships that deserve trust, and ensure that our presence contributes more to the people and places we encounter than it takes from them.
If this report has a conclusion, it is not a result. It is a commitment.

To keep walking. With the same curiosity that drives us to innovate. With the same honesty that asks us to describe ourselves as we are. And with the conviction that common ground is not simply something we find, but something we build, step by step, together.

10.
ANNEXES

The project in numbers: main KPIs

This report has been generated by two humans and two AI agents. The following metadata describes the relationship between them, their scope, effort, processing capacity, as well as the final results of their interaction. Furthermore, in order to avoid false apparent precision, the report distinguishes four categories of evidence:

- Direct data - date, count or status obtained from file, history or point-in-time declaration.
- Derived data - Value calculated from direct data, such as a lead time or a ratio.
- Estimation - Value reconstructed with an explicit hypothesis, such as the average weekly effort.
- Proxy - An order of magnitude useful for guiding decisions, but not a primary measurement; this is the case with electricity consumption.

Rules of interpretation

- The “about” and “over” counts deliberately maintain the level of precision available.
- Intermediate versions are treated as evolutionary steps, not as failed outputs.
-
- Knowledge base loads are also expressed as file-agent and MB-agent, because the corpora were partially overlapping.
- Since we do not have access to reliable data on the energy mix and the location of the calculation, electricity consumption has not been converted into a CO_2eq value.
- The operational electricity consumption associated with the project is estimated at approximately 70 kWh, with a conservative range of 20-120 kWh, including cloud processing and on-premises devices. This estimate is an order of magnitude and not a provider measurement: it concerns inference and on-premises devices. It does not include the portion attributed to model training, hardware manufacturing, or data center construction. It also does not deliver primary provider data on tokens, hardware, and energy mix.

KPI	VALUE	EVIDENCE	NOTES
First sign	March 26, 2026	Direct	Initial email.
Mobilization	May 27, 2026	Direct	Operational start-up between the two resources.
Overall delay between intuition and outcome	125 days	Direct	From the first signal on March 26th to July 29th.
Operational lead time	63 days	Direct	From mobilization of May 27th to July 29th.
Final Brief	June 04, 2026	Direct	Version 3.
First knowledge base	June 15, 2026	Direct	Availability of the initial corpus.
Blueprint Agent A	June 23, 2026	Direct	First consolidated output.
Prototype completed	July 29, 2026	Direct	End of the writer phase.
Operational lead time	63 days	Direct	May 27 - July 29.
Total effort	~144 person-hours	Estimation	2 people × 2h × 4 days × 9 weeks.
Output per person-hour	~0.56 pages per person-hour	Derivative	Approximately 80 pages of editorial package / 144 person-hours.
Agents	2	Direct	Analyst and writer.
Managed Corpus	~30 files	Estimation	Files managed before selection for KB.
Agent A Knowledge Base	~21 files / 52 MB	Estimation	Analytical agent corpus.
Agent B Knowledge Base	~21 files / 52 MB	Estimation	Corpus writer.
Versions A	~40	Estimation	Analytical pre-prototypes.
Output A	8	Direct	Consolidated outputs.
Interactions A	>45	Estimation	Declared exchanges.
Architecture	3 versions / ~10 interactions	Direct/estimation	July 18-21.
Prompt writer	10 files	Direct	Additive development.
Versions B	>40	Estimation	Narrative versions.
Interactions B	~200+	Derivative	~5 interactions per version.
Variants	~12	Estimation	Additions in progress.
Revisions from variants	~20	Estimation	Actual reiterations.
Agent coordination	>15 files	Estimation	Files supervised by the orchestrator.
Editorial output	1 Threshold + 8 sections	Direct	Nine components.
Reader Pages	~40	Estimation	Text only intended for the reader.
Designer Pages	~40	Estimation	Visual and editorial instructions.
Human Review	49 person-hours	Direct	3 people at different points in time.
Energy Usage	~70 kWh; 20-120 kWh	Proxy	Cloud plus local devices.

The Value of Things

Things made well last, and durability is the first form of sustainability. The collections currently featured in our catalogue have been on the market for an average of almost 10 years. On average, fewer than one product in a hundred sold is returned under warranty. Circularity is measured according to a technical standard, and it scores 58% on a scale from 0% to 100%. The seating products are Greenguard certified for low emissions in indoor environments. And more than 9 out of 10 suppliers operate in Italy.

DISCLOSURE	INDICATOR	VALUE
Durability (requested by De Nardi)	Warranty replacement rate — Overall target	< 1.0%
	Warranty replacement rate — Overall average	1,190 / 148,505 = 0.8%
	Seatings / Stools / Benches	905 / 126,317 = 0.7%
	Tables / Side Tables	180 / 8,884 = 2.0%
	Sofas	74 / 11,800 = 0.6%
	Panels	31 / 1,504 = 2.1%
Duration	Average years in production (current collections)	9.98 years
Circularity	FederlegnoArredo Circularity Index (based on UNI/TS 11820, scale 0%–100%)	58%
Material safety	Greenguard-certified products	100% seating · 0% tables · 0% accessories
Supply chain — proximity	Suppliers within 100 km of HQ	78.5%
	Suppliers in Italy	92.0%
	Suppliers in Europe	96.9%
Supply chain — ethics	Suppliers with an accepted code of ethics	100%

Scope: FY 2025.

The Environment

In 2025, the Arper Group's carbon footprint, calculated according to the ISO 14064 standard across the entire declared perimeter, amounted to 8,259 tons of CO_2 equivalent. Two-thirds comes from the products and materials we purchase (Category 4), and one-sixth from transportation (Category 3). This figure is down compared to previous years — a decline that reflects both efficiency choices and lower activity volumes.

ISO 14064 Category	2025 (kg CO_2eq)	% 2025	2024 (ei 3.11)	2022 (ei 3.11)
Cat. 1 — Direct emissions	341,191	4.13%	487,875	165,894
Cat. 2 — Purchased energy	426,435	5.16%	438,600	427,277
Cat. 3 — Transport and distribution	1,484,484	17.97%	2,010,447	2,436,937
Cat. 4 — Purchased goods and services	5,520,456	66.84%	7,809,164	9,932,620
Cat. 5 — End of life of products sold	233,506	2.83%	366,018	297,825
Cat. 6 — Fuel and energy (other activities)	253,175	3.07%	338,007	77,212
TOTAL	**8,259,247**	**100%**	**11,450,111**	**13,337,765**

Scope and perimeter

Arper is a global organization, controlled by Marco's Group holding. The Arper Group includes the following companies:

- Headquarters: Arper Spa, via Lombardia 16, Monastier di Treviso (TV), Italy;
- 3 Branches: Singapore, Norway and Sweden;
- 7 Subsidiaries: Sweden, Iride Srl (manufacturing), USA (manufacturing), Japan KK, Middle East and India, UK LTD, LATAM;
- 13 Showrooms: Mexico City, Los Angeles, New York, Chicago, Tokyo, Dubai, Amsterdam, London, Milan, Monastier, Stockholm, Oslo, Cologne;
- 1 Meeting Hub: Munich.

Arper has one manufacturing plant in Monastier, two manufacturing subsidiaries (Arper USA and Iride Srl) and relies on a network of hundreds of suppliers throughout Europe and around the world.

Compared with previous reporting years, several changes have occurred in the Group's organizational structure that may affect the reporting boundary. Corium was merged into Arper S.p.A. in January 2023, while the Belgian branch and the Shanghai showroom were closed in 2022 and 2024, respectively. In addition, following its acquisition in December 2021, Iride Srl has been included as a manufacturing subsidiary since 2023, whereas it had previously been considered solely as a supplier. Finally, the Stockholm showroom has been operational since August 2023.

Methodological LCA choices

The adopted LCA approach is attributional: the model represents the evaluation of the actual, average or estimated supply chain of a product or process.

The existing or estimated system is considered in a static technological context.

The attributional approach is a type of modelling in which environmentally relevant inputs and outputs for each process involved in the product life cycle are attributed to the functional unit.

The functional unit is the activity of a whole year of the Arper Group.

The reporting year is 2025.

Organizational boundaries are defined as the whole Arper Group.

A control approach has been adopted, meaning that the organization accounts for all GHG emissions and/or removals from facilities over which it has financial control.

As regards end-of-life allocation, the “cut-off” approach is adopted.

Raw materials and production processes are included for virgin resources.

No allocation is made for materials subject to recycling.

The recycling process is included for input of recycled resources.

Outputs subject to recycling are regarded as inputs to the next life cycle.

Reporting boundaries

Reporting boundaries are defined according to ISO 14064-1:2019. This study includes direct GHG emissions (Category 1), indirect GHG emissions from imported energy (Category 2), indirect GHG emissions from transportation (Category 3), indirect GHG emissions from products used by the organization (Category 4) and indirect GHG emissions associated with the use of products from the organization (Category 5) of Arper Group in 2025. Indirect GHG emissions related to vehicles owned by the company and natural gas not included in Category 1 are reported as indirect GHG emissions from other sources (Category 6).

In this study, Category 1 includes direct emissions from vehicles owned by the company and direct emissions from natural gas combustion for boilers, based on data provided by the company.

Indirect emissions from imported energy (Category 2) include emissions only from purchased electricity, since no energy other than electricity (for instance heat, steam, cooling and compressed air) was imported by Arper Group in the reference year.

Indirect emissions from transportation (Category 3) consist of business travel, employee commuting, client and visitor transport, transport with leased vehicles of the company fleet, transport related to the cleaning services, transportation of purchased products from suppliers, transport of capital goods and company waste.

Indirect emissions from purchased products and materials, capital goods, waste treatment, water consumption, and office cleaning are included in Category 4. For the sake of simplicity, purchased products are modelled based on primary data about material composition and products' weight. There are no emissions from the use of assets. Indirect emissions from the use of services such as mail delivery, conference call, consulting, etc. are excluded from the study based on the significance analysis.

Category 5 only includes end-of-life stage of products. There are no emissions from downstream leased assets. Indirect emissions from the use stage of the products are excluded from the study based on the significance analysis.

Category 6 comprises indirect emissions related to vehicles owned by the company and indirect emissions from natural gas, that are not included in Category 1 (i.e. emissions from fuel production and infrastructure).

Main assumptions and simplifications

- The SimaPro 10.2 software and Ecoinvent v3.11 are used for carbon footprint calculation.

- Showroom:
  - Waste production and visitors to shared spaces with other companies are neglected;
  - Energy consumption in shared spaces with other companies is allocated based on the occupied floor surface area.

- Indirect emissions related to the purchase of electricity (Category 2) from the grid are reported considering the national energy mix as available in the Ecoinvent database v3.11. The location-based approach is used as indicated in the reference ISO standard 14064-1:2019 (par. E.2.1).

- Transportation (Category 3):
  - If not specified, vehicle fuel is assumed to be petrol for America and diesel for Europe.
  - If not specified, Euro 4 is assumed as the vehicle emissions standard.
  - If not specified, a medium-sized car is assumed for vehicles, cars, Uber cars, and taxi.
  - Petrol vehicles are assumed for hybrid vehicles used for business travel and employee commuting.
  - Large car is assumed for trucks included in Arper SpA company fleet (due to lack of data about transported weight).
  - If not specified, a 16-32-ton, Euro 4 truck is assumed for waste transport.

- Transport of goods (Category 3):
  - A cut-off of 80% (based on the transported weight) is applied as a simplification for the several destination countries from Arper SpA. All destination countries are considered for Iride Srl and Arper LATAM, while for Arper Japan and Arper USA only the major destination country (representing at least 90% of transported weight) is considered.
  - Transport is assumed from the company to the capital city of the destination country, with an additional 300 km of local road transport. For intercontinental shipments, maritime transport is assumed, using the major port closest to the destination country's capital city.
  - For Arper USA, the transport distance is estimated using the average distance from its four locations (Chicago, High Point, Los Angeles, and New York) to the capital city of the destination country.

- Capital goods (Category 4):
  - The entire impact related to raw materials and their production is attributed to the reporting year (2025). The impact is not spread over the useful life of the assets.
  - Capital goods are grouped into categories based on the main material or function (ex. steel products, air conditioning, workshop tools) with their respective weights.
  - In the absence of information, the weight of capital goods is estimated based on data provided by Arper in previous reference years (2024, 2023, 2022 and 2021) or considering the weight of similar products.

- Only suppliers strictly related to manufacturing (ex. production of components, semi-finished products, finishing operations, product storage) are considered, excluding services such as consultancy and IT (Category 4).

- 80% of total turnover from about 400 suppliers to the Arper Group is considered to select the most relevant suppliers. For suppliers operating under subcontracting arrangements, specific data collection was not performed, as the related activities and purchased materials were already accounted for in the questionnaires provided by other suppliers.

- As regards packaging of Arper products (Category 4), only final packaging intended for the consumer is considered.

- Arper's purchased products are not modelled since materials and production processes are considered in the supplier cut-off and related transports are already included in the consolidated transport file.

- GHG emissions due to emails, credit transfers, and investments (Category 4) are not considered.

- The use stage of the products (Category 5) is not assessed.

- End-of-life stage (Category 5):
  - To simplify the modelling of end-of-life scenarios for products and packaging, the six destination countries with the highest transported weight were selected. These countries represent 86% of total Arper Group sales. The geographical sales distribution used for the end-of-life modelling was derived from the Arper SpA division, as it accounts for the largest share of the product and material flows assessed in Category 5. Waste scenarios are based on statistical data from Eurostat [9] and OECD [10] databases respectively for European and non-European countries.

- Category 6: indirect emissions related to natural gas combustion and vehicles owned by the company are included in Category 6.

GREENHOUSE GAS INVENTORY

Gas	Quantity [kg]							Emission Factor	GWP	
									kg CO_2 eq	%
	Cat. 1	Cat. 2	Cat. 3	Cat. 4	Cat. 5	Cat. 6	TOTAL	[kg CO_2 eq/kg]	TOTAL	TOTAL
CO_2, fossil	327,318.450	379,863.780	1,337,105.600	4,918,921.100	157,145.350	209,753.740	7,330,108.020	1	7,330,108.020	88.8%
CO_2, land transformation	61.072	101.045	583.164	8,321.028	3.288	170.356	9,239.953	1	9,239.953	0.1%
CH4, land transformation	0.008	0.010	0.124	2.739	0.001	0.022	2.904	29.8	86.541	< 0.1%
CH4, biogenic	1.840	33.287	15.549	3,454.686	2,628.163	5.407	6,138.932	27.2	166,978.940	2.0%
CO_2, to soil or biomass stock	0.833	0.508	6.645	58.035	0.032	2.354	68.409	-1	-68.409	< -0.1%
CH4, fossil	401.611	1,267.016	4,562.779	14,042.997	67.973	1,351.190	21,693.565	29.8	646,468.240	7.8%
N_2O	5.510	16.168	31.196	204.746	12.322	7.292	277.234	273	75,685.067	0.9%
SF_6	0.004	0.131	0.034	0.455	0.000	0.013	0.637	25,200	16,046.752	0.2%
NF_3	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	17,400	0.507	< 0.1%
Other GHGs	9.436	40.436	85.682	289.632	0.438	33.145	458.769	-	14,701.309	0.2%
GWP [kg CO_2 eq]	341,191	426,435	1,484,484	5,520,456	233,506	253,175	8,259,247	-	8,259,247	100%
Gas	kg CO_2, biogenic									
CO_2, biogenic emissions	1,434,548									
CO_2, biogenic uptake	1,397,956									

The table above able shows the inventory results for the quantification of greenhouse gases for this corporate carbon footprint study (location-based approach). The table shows inventory results for carbon dioxide, methane, nitrous oxide (N_2O), nitrogen trifluoride (NF3) and sulfur hexafluoride (SF6). To ensure compliance with biogenic carbon neutrality requirements, the main processes contributing to biogenic CO_2 sequestration were balanced in the LCA model. A dedicated method ('IPCC 2021 GWP100 (Biogenic CO_2, t CO_2eq)') was applied to calculate the net biogenic CO_2 balance as the difference between biogenic emissions and sequestration. Due to cumulative inconsistencies in the Ecoinvent database, iterative manual corrections were applied to relevant wood and paper-related processes until the residual net biogenic CO_2 emissions were reduced to approximately 1% of the biogenic carbon flows.

Emissions to water

These data refer exclusively to the emissions associated with Categories 1, 2, 3, 4 and 6 for Arper S.p.A. (HQ).

EMISSIONS TO WATER			
Substance	**Compartment**	**Sub-Compartment**	**Total (Kg.)**
Nitrogen, atmospheric	Water		7.19E-01
Nitrogen, atmospheric	Water	Ocean	4.29E-03
Nitrogen, atmospheric	Water	River	1.19E+01
Nitrogen, organic bound	Water		1.68E-02
Nitrogen, organic bound	Water	Groundwater	6.22E-01
Nitrogen, organic bound	Water	Groundwater, long-term	1.28E+01
Nitrogen, organic bound	Water	Ocean	5.37E-01
Nitrogen, organic bound	Water	River	-
Potassium	Water		3.14E-08
Potassium	Water	Groundwater	7.80E+00
Potassium	Water	Groundwater, long-term	1.18E+00
Potassium	Water	Ocean	9.38E+01
Potassium	Water	River	1.29E+02

Emissions to water

EMISSIONS TO WATER		
Substance	**Compartment**	**Sub-Compartment**
Nitrogen, atmospheric	Water	
Nitrogen, atmospheric	Water	Ocean
Nitrogen, atmospheric	Water	River
Nitrogen, organic bound	Water	
Nitrogen, organic bound	Water	Groundwater
Nitrogen, organic bound	Water	Groundwater, long-term
Nitrogen, organic bound	Water	Ocean
Nitrogen, organic bound	Water	River
Potassium	Water	

Emissions to air (B4)

EMISSIONS TO AIR	
Substance	**Total (t)**
NMVOC	5.656
Toluene	0.045
Xylenes	0.004
Ethylbenzene	0.00045

Emissions to air (B4)

Topic	Value
Sites in biodiversity-sensitive areas	**No**
Total land use	49,547 m² (sealed 18,791 · natural on-site 30,756)

Water (B6)

Topic	Value
Total water withdrawal	**3,653 m³**
Of which in water-stressed areas	0 m³

Climate risks (C4)

Topic	Value
Material climate risks identified	**Only minor risks identified (see annex A10)**

Energy (B3)

Indicator	Value	Notes
Total energy consumption	**981.22 MWh**	
Renewable / Non-renewable energy	454.97 / 526.25 MWh	Renewable: ≈ 46.4% of total energy consumption
Self-generation	0.00 MWh	

Note: The renewable share (46,4%) is calculated on electricity consumption (454.97 / 981.22 MWh).

Raw materials (B7)

Indicator (mass flow, top 5)	Value	Notes
Steel	**437,050 kg**	
Paper	401,129 kg	
Wood	396,692 kg	
Plastic	349,016 kg	
Aluminum	48,175 kg	
Other materials	90,031 kg	
Total mass flow (12 items)	1,722,093 kg	

Waste (B7)

Indicator	Value	Notes
Total waste generated (mass)	**289,661 kg**	
Of which hazardous / non-hazardous	1,300 / 288,361 kg	
Waste to recovery	141,577 kg	48.9% of total waste
Waste to disposal	148,084 kg	51.1% of total waste
Total (volume)	3,158.78 m³	

Materials and packaging

The following tables show the gross amounts of virgin and recycled, renewable and non-renewable materials and packaging. The main renewable materials used by Arper Group are wood, leather, cotton, viscose and wool, while renewable packaging includes cardboard, paper and wood.

	Virgin (Kg)	Recycled (Kg)	Total (Kg)
Raw Materials and Semi-finished products	**1,068,080**	**195,351**	**1,263,431**
Packaging	175,002	283,659	458,661
Total materials	1,243,082	479,010	1,722,093

	Renewable (Kg)	Non-renewable (Kg)	Total (Kg)
Raw Materials and Semi-finished products	**371,209**	**892,222**	**1,263,431**
Packaging	448,280	10,382	458,662
Total materials	819,489	902,604	1,722,093

The Circular Model

Catifa Carta

Catifa Carta is a chair with a shell made of PaperShell, a composite of FSC-certified Kraft paper layers bound with a 100% bio-based resin, sourced from Swedish/Finnish sawmill offcuts. At end of life, Arper has developed a regeneration scenario that through pyrolysis (400–800°C, near-absent oxygen), converts PaperShell into biochar — a stable, carbon-rich soil amendment. Pyrolysis primary data: 779 g biomass input -> 268 g biochar + 72 Wh electricity; biochar carbon content 91%; biogenic CO_2 captured 894 g per shell.

LCA methodology

ISO 14040-14044 / PCR "2009:02 Seats (seating, chairs) v3.0.2" (Environdec), cradle-to-grave, attributional, cut-off allocation. Primary data from Arper/PaperShell + Ecoinvent 3.8 (secondary) + Eurostat (end of life). Impact assessed with IPCC 2021 (GWP, 100-yr) and Environmental Footprint (EF, 16 categories, neutral-approach scenarios only). Third-party critical review by CSQA (6 Dec 2024) confirmed model and calculations are correct.

Four tested scenarios

The 4 scenarios combine two independent choices: how biogenic CO_2 is accounted for (neutral vs. non-neutral) and whether pyrolysis is inside or outside the system boundaries.

SCENARIO	APPROACH	PROS	CONS
1 (baseline)	CO_2 neutral; pyrolysis excluded from boundaries (treated as a recycling process, credited in the next life cycle).	Aligned with EPD systems and ISO 14064/14067; directly comparable to the standard Catifa 53 study.	Does not credit the carbon stored via pyrolysis/biochar, so it understates the real end-of-life benefit of the innovation.
2	CO_2 non-neutral (biochar sequestration counted); pyrolysis still excluded from boundaries.	Starts to value biogenic carbon storage.	Internally inconsistent — credits sequestration without including the process (pyrolysis) that produces it; not aligned with EPD/ISO norms; rejected as invalid by the expert panel.
3	CO_2 neutral; pyrolysis included in boundaries (its inputs/outputs are modelled).	Transparently accounts for pyrolysis energy/process flows while keeping the carbon-accounting approach aligned with EPD/ISO norms.	Neutral approach still gives no credit for biochar carbon storage, so results show a higher impact than baseline — driven mainly by take-back transport.
4	CO_2 non-neutral; pyrolysis included; biochar sequestration fully counted.	Captures the actual carbon-negative benefit of the product: lowest GWP of all scenarios (-31.1% vs. baseline), best reflects Catifa Carta's innovation.	Not aligned with current EPD/ISO 14064/14067 norms; relies on the assumption of >100-year carbon storage and on biochar's final use, which is not fully controlled by Arper.

Key results

SCENARIO	TOTAL	UPSTREAM	CORE	DOWNSTREAM	PACKAGING
1 – Pyrolysis	18.0	11.3	1.3	3.4	2.0
1 – Avg. EU disposal (RER)	16.4 (baseline)	11.3	1.3	1.8	2.0
2 – Pyrolysis	14.7	8.7	1.3	3.4	1.3
2 – Avg. EU disposal (RER)	13.2	8.7	1.3	1.9	1.3
3 – Pyrolysis	18.0	11.3	1.3	3.4	2.0
3 – Avg. EU disposal (RER)	16.4	11.3	1.3	1.8	2.0
4 – Pyrolysis	11.3	8.7	1.3	0.0	1.3
4 – Avg. EU disposal (RER)	13.2	8.7	1.3	1.9	1.3

Scenario 4 (pyrolysis and accounted biogenic CO_2) shows a 31.1% GWP reduction vs. the baseline scenario (Scenario 1, RER) and a 58.3% GWP reduction vs. the standard Catifa 53 with 4 chrome legs (original model, 27.1 kg CO_2eq GWP). Upstream processes dominate the overall impact; take-back transport erodes part of the pyrolysis benefit.

Open consultation

Carried out on 18th January 2025: 70 experts invited -> 22 agreed to participate -> 9 completed the questionnaire.

Consensus: Scenario 2 rejected; updating to Scenario 4 endorsed; boundaries, attributional approach, allocation rules and >100-yr biochar storage confirmed as reasonable.

Contested: PaperShell-as-cardboard proxy.

Next steps flagged by experts: a sensitivity analysis on consumer use choices; more transparency on disposal specificity and biochar end-use variability; broader impact categories (acidification, eutrophication, resource depletion, ecotoxicity) and a fossil/biogenic/LUC/LULUC breakdown; future social-impact monetary valuation (IFVI/VBA, eQualy, SROI).

The Value of People

Arper employs 245 people. The company headquarters is located in Italy, but people live in six different countries. Men and women are nearly equal in number. During the year we recorded 1 injury in about 492,000 working hours. No one is paid below the minimum, and collective bargaining covers most of the people who work with us.

DISCLOSURE	INDICATOR	VALUE	NOTES
B8 - Contracts	Permanent / Temporary / Total	244 / 1 / 245	—
B8 - Gender	M / F / Other / Not disclosed	133 / 112 / 0 / 0	Total 245
B8 - Countries	IT / USA / JP / UK / MX / UAE	205 / 24 / 8 / 4 / 3 / 1	—
B8 - Turnover	Departures in the period	39	—
	Turnover rate	15.8%	Denominator: average of headcount at the start and the end of the period (247)
	Headcount start / end of period	257 / 237	—
B9 - Safety	Recordable injuries	1	Out of 491,960 total hours worked
	Injury rate	0.41	Rate based on 200,000 h worked (VSME)
	Hours worked / FTE employee	2,008	—
	Work-related deaths	0	—
B10 - Remuneration	Pay ≥ applicable minimum wage	Yes	—
	Average gross hourly pay M / F	32 € / 26 €	—
	Gender pay gap	18.75%	(M–F)/M
	Covered by collective bargaining	205	83.7% (not available in US)
B10 - Training	Average annual hours M / F	7.25 / 6.15	—
	Annual average per employee	6.75 h	—
B10 - Internal development (requested by Gabrielli)	People who changed role internally	1	—
	(requested by Gabrielli)	3	—
	Average soft skill training hours (extra-onboarding)	6.43 h	—
	No. of injuries (physical well-being)	1	See B9 - Safety
	Distress / Relational well-being / Participation	—	To be developed in 2027
C5 - Management	Executives M / F	11 / 3	Ratio F/M: 0.27
	C5 - Management	1	No temporary agency workers
C6 - Human rights	Code of conduct / Human rights policy	Yes	Covers child labor, forced labor, trafficking, discrimination, injury prevention
	C6 - Human rights	Yes	—
C7 - Serious incidents	Confirmed incidents (workforce / chain)	No / No	—

The Value Chain

The value chain is the most challenging area for Arper: this is where the company is currently redesigning its measurement tools. Still, one part is already solid: Arper's products feature 28.1% of recycled polypropylene (post-consumer or post-industrial) — 69.3 tons out of a total of 247.0 tons of polypropylene used in 2025. The figure concerns a single material family, polypropylene, and not all the company's materials.

Some measurements are under constant development: the ESG assessment of suppliers was suspended in 2025 in order to be redesigned for 2028, while decisions guided by impact measurement are taking their first steps.

ECODESIGN MATERIALS			
Topic	**Indicator (KPI)**	**Value**	**Notes**
Materials	Recycled polypropylene (PCR or PIR) in products	28.1%	Calculation basis: 69.3 t / 247.0 t
TIME-BOUND COMMITTMENTS			
Suppliers	Supplier ESG assessment	Preparation 2026/2027 · From 2028	
Impact	Impact-based decisions	Preparation 2025/2026 · From 2027	
Emissions	Avoided emissions (Scope 4)	From 2027	
VALUE CHAIN FACTS (requested by Leão)			
Vertical partnerships	**Papershell** — materials partnership		
Supplier engagement	**Arper District** — local suppliers		

Governance And Impact

Arper's governance can be interpreted through three different tools, each focusing on different aspects of the same entity.

The first includes information about its activities and compliance with laws and regulations: zero corruption convictions, no revenue from controversial activities, a board of six men and no women.

The second reveals how an external standard rates it: the B Impact Assessment assigns it 77.6 points.

The third - the most interesting one - measures its impact on society, translated into monetary value: a net positive impact of approximately $10.3 million, with tax revenues offsetting the negative environmental impact of purchased materials.

GOVERNANCE AND COMPLIANCE		
Disclosure	**Indicator**	**Value**
B11 · Anti-corruption	Convictions for corruption or extortion	0
	Fines for anti-corruption violations	0
C8 · Controversial Activities	Weapons / tobacco / coal / oil / gas / chemicals	0 (all)
	Total fossil fuel revenues	0
C8 · EU Benchmark	Excluded from the EU Paris-aligned Benchmarks?	No
C9 · Board Diversity	Board members, women / men	0 / 6
	Gender diversity ratio of the board	0

Scope: FY 2025. Source: VSME Governance Disclosures (B11, C8, C9).

B IMPACT ASSESSMENT		
Area	**Score**	**Requests**
Governance	7.0	31/31
Workers	24.7	54/54
Community	17.3	53/53
Environment	24.9	81/81
Clients	3.7	11/11
B Total Impact Score	**77.6**	

Scope: FY 31/12/2025. Source: B Impact Assessment 2025 (internal self-assessment, not B Lab audit).

Impact Valuation

Impact Valuation is a methodology that translates a company's environmental, social, and economic impacts into monetary terms across its entire value chain. For Arper, it provides a way to complement traditional financial metrics with a tangible measure of the value created or destroyed for society, including aspects such as employment, taxation, materials, emissions, and product use. The approach adopted by Arper combines Life Cycle Assessment (LCA) data with economic models to quantify impacts on natural, human, and social capital. The analysis highlights both the areas that generate positive value and the key environmental and social hotspots within the value chain. In this way, impact valuation becomes a strategic tool to support decision-making, strengthen business sustainability, and measure the company's contribution to collective well-being.

Purpose and Scope

This methodology note sets out the analytical approach, data sources, valuation methods, and key assumptions underpinning each impact category. The IP&L covers four segments of Arper's value chain:

- Own operations (manufacturing site, energy, workforce)
- Supply chain (materials purchased and services purchased
- Products & services (customers and end-users)
- End of life (waste disposal pathways)

Important note: The scope of this activity covers FY 2024 at group level, since final data for FY 2025 was not yet available at the time of writing. Data will be updated to FY 2025 in the first quarter of 2027.

Methodological Framework

Overall approach: hybrid LCA–IO model
The methodology applied has been developed by Valuing Impact SA (https://valuingimpact.com/) and is freely available for download on the consultancy's website at https://valuingimpact.com/all/the-eqaly-impact-valuation-method/.

The IP&L uses a hybrid Life Cycle Assessment (LCA) and Input–Output (IO) approach. This combines the precision of process-level LCA data for well-characterized activities (direct emissions, key purchased materials, logistics) with the breadth of IO models for complex, multi-tier supply chain impacts where process data is unavailable or impractical to collect.

The hybrid approach follows established practice in corporate natural capital accounting, including the guidance issued by the Natural Capital Coalition (now part of Capitals Coalition) in the Natural Capital Protocol and supplementary sector guidance for manufactured goods.

LCA component
Process-level LCA data was used for the following categories:

- Direct operational emissions: electricity, fuel, methane, solvent emissions, and transport (milk run) were modelled using Ecoinvent v3.10 unit process datasets, with European grid factors applied where geographically relevant.
- Purchased materials: environmental burdens per kilogram of input material (virgin steel, virgin plastics, leather, foams, wood, aluminum, packaging, etc.) were drawn from Ecoinvent v3.10 and supplemented by the PE International/Sphera GaBi database for selected materials where Ecoinvent coverage was limited.
- Logistics: lorry and sea freight transport were quantified using ton-kilometer activity data and Ecoinvent transport datasets, with fuel-efficiency assumptions aligned to EU average vehicle fleet data (European Environment Agency, EMEP/EEA Emission Inventory Guidebook).
- Waste and end of life: disposal pathway fractions (incineration, landfill, recycling, sorting) were applied to Ecoinvent waste-treatment datasets. Energy recovery credit from incineration was included as a positive offset using the EU average electricity grid displacement factor.

Input–Output (IO) component
For purchased services and complex supply chain tiers — where bill-of-materials data is unavailable — impacts were estimated using Environmentally Extended Input–Output (EEIO) analysis. The IO model applied is the EXIOBASE v3.4 multi-regional IO table (43 countries, 164 industry sectors, year 2019 price base), which provides environmental extensions covering GHG emissions, land use, water, and material use at the sector level. EXIOBASE is publicly available at: www.exiobase.eu. Monetary spend data from Arper's accounts payable was mapped to EXIOBASE sectors using the European NACE Rev. 2 industry classification. Spend figures were deflated to 2019 price

levels using Eurostat producer price indices before applying IO coefficients. The IO component was applied to: cloud IT infrastructure, external warehousing, maintenance services, meal services, professional services, subcontracting of operations, and car rental. These categories collectively represent purchased services where direct activity data (e.g., energy or material consumption per service unit) was not available from suppliers.

Valuation Methods by Capital

Natural Capital
Environmental impacts quantified in physical units (tons CO_2eq, m^2 land, m^3 water) were converted to monetary values using marginal social cost and damage-based monetary coefficients. The primary valuation references used are:

- GHG emissions: Social Cost of Carbon (SCC) of $150/$tCO_2$eq (mid-point, 2022 real terms), consistent with the high-end range recommended by the EU Technical Expert Group on Sustainable Finance and the Stern–Stiglitz High-Level Commission on Carbon Prices. Source: Stern (2022), “A time for action on climate change and a time for change in economics”

- Land occupation: shadow price based on opportunity cost of land use (EU average agricultural land value, Eurostat LUCAS dataset). Source: Eurostat Land Use Statistics

- Water use: water scarcity pricing applied using Pfister et al. (2009) characterization factors combined with region-specific water cost coefficients. Source: Pfister et al. (2009), “Assessing the environmental impacts of freshwater consumption in LCA”

- Air pollutants (VOC, NOx, particulates): ExternE/NEEDS damage cost factors (European Commission). Source: EC ExternE Project

Human Capital
Human capital impacts were valued using a combination of revealed-preference and cost-based methods:
Wages and employment: valued at gross wages paid (book value from payroll), representing the transfer of economic value to employees and their households. In 2024 Arper's 255 employees received wages totaling approximately $976K net of payroll taxes.

- Gender pay gap: monetized as the estimated earnings foregone by female employees relative to male counterparts in equivalent roles, using Arper's internal pay equity data benchmarked against ISTAT gender pay gap statistics for the Italian manufacturing sector. Source: ISTAT, Rilevazione sulle forze di lavoro.

- Health and safety: valued using the Value of a Statistical Life (VSL) approach for fatal risk reduction and the Cost of Illness (COI) method for non-fatal injuries, following ECHA and WHO guidance. Reference VSL: $3.6M (EU average, OECD 2012 updated). Positive value reflects Arper's below-sector-average incident rate.

- Training and education: valued at cost of provision (direct training expenditure), treating human capital investment as the lower-bound proxy for value created. A productivity uplift factor was not applied given data limitations; this is a conservative assumption.

- Comfort and wellbeing (users): valued using willingness-to-pay (WTP) estimates from hedonic pricing and stated preference studies for ergonomic and acoustic quality in workplace furniture, applied to the number of end-users (persons in contact with Arper products). Source: literature synthesis from World Green Building Council, Health, Wellbeing and Productivity in Offices (2014)

Social Capital
Payroll and corporate taxes ($18.2M and $0.41M respectively) are treated as positive social capital contributions, representing Arper's direct fiscal contribution to public services and social infrastructure in Italy. These are valued at book value (actual tax payments per audited accounts), with no additional multiplier or shadow pricing applied — the payment itself is the value transfer. Supply chain social value (wages and taxes embedded in purchased services) was estimated using EXIOBASE IO wage and tax coefficients by sector, applied to Arper's service spend. This represents value generated for workers and governments in Arper's supply chain, not exclusively within Arper's direct payroll.

Additionality Parameters and Justification

Additionality refers to the degree to which an impact is attributable to Arper's specific activities, over and above what would have occurred in a counterfactual scenario. The following parameters are applied across the IP&L:

- Employment and wages
Wages and payroll taxes are treated as fully additional (additionality factor = 1.0). The rationale is that Arper's 255 employees are permanently employed at a specific manufacturing location (Monastier di Treviso, Veneto) where counterfactual employment in equivalent roles and wage levels cannot be assumed. The Veneto furniture manufacturing sector employment rate and prevailing regional wages (ISTAT, 2023) indicate no structural surplus of comparable employment that would exist absent Arper. A partial deadweight adjustment of 10% has been applied to training impacts to account for skills that employees would have developed through general labor market participation.

- Supply chain environmental impacts
Supply chain material impacts are treated as fully attributable to Arper (additionality = 1.0) on the basis that Arper directly specifies and purchases these inputs; the environmental burden exists because of Arper's procurement decisions. No displacement factor is applied, consistent with the approach in the Capitals Coalition Natural Capital Protocol for Tier 1 supply chain impacts.

- Product use-phase and end-of-life
For product-use impacts (comfort and wellbeing, avoided VOC emissions), a conservative attribution fraction of 0.5 is applied to reflect the shared nature of outcomes — the benefit is jointly produced by Arper's product design and the user's behavior, specification choices, and maintenance. This is in line with Social Value UK guidance on deadweight and attribution in social value assessments.

For end-of-life, disposal pathway fractions are based on Italian municipal solid waste statistics (ISPRA, Rapporto Rifiuti Urbani) and Arper's product material composition data. No additionality discount is applied here as these are physical outcomes directly tied to Arper products entering waste streams.

- Fiscal contributions
Payroll and corporate taxes are reported at book value with an additionality factor of 1.0. While taxes are a legal obligation rather than a discretionary contribution, they represent a real transfer of value to public finances that would not occur absent Arper's operations. No counterfactual tax alternative is assumed.

Limitations and Areas for Improvement

The following limitations are acknowledged and should be considered when interpreting the IP&L results:

- Gender pay gap: the current estimate relies on role-aggregated payroll data. A full job-evaluation-based pay equity analysis by role, grade, and seniority would improve precision.

- Product user wellbeing: Willingness-to-pay (WTP) estimates from literature are applied uniformly across product lines. User surveys or revealed preference data specific to Arper's customer base would strengthen this valuation.

- Circular economy credits: the IP&L does not yet capture avoided impacts from take-back, refurbishment, and second-life services, as these are nascent programs. Quantifying these flows would likely improve the natural capital balance materially.

- Attribution for subcontracting: subcontracted operations ($2.07M human capital value) carry attribution uncertainty as Arper does not directly control working conditions at subcontractor facilities. Supplier audits or Sedex/SMETA assessments would allow a more robust additionality adjustment.

For queries regarding methodology, please contact Andrea Mulloni at Arper's Sustainability Department (andreamulloni@arper.com). Methodology review will be performed annually or upon material change in Arper's operations or supply chain.

Arper's Impact Profit and Loss 2024

SUMMARY OF RESULTS

Segment	Net Impact (USD)	Main Items
Own operations	+18,648,091	**Employment +19,465,824 (of which payroll taxes +18,226,391) · Operations –829,584 · Land –5,756 · Training +17,607**
Supply chain	–8,608,535	**Purchased materials –10,589,522 · Services +1,980,987**
Products and services	+488,037	**Customers/Beneficiaries +403,973 · Replacement +84,065**
End of life	–187,491	**Waste disposal –187,491**
TOTAL	**+10,340,102**	**positive net worth of the company (USD)**

SUMMARY OF RESULTS

Item	Capital	Value generated (USD)
Payroll + corporate taxes	Social	**+18,640,884**
Wages	Human	**+976,377**
Gender pay gap	Human	**–168,052**
Health & safety	Human	**+16,615**
Materials purchased	Natural	**–10,589,522**
Operations (energy, transportation, solvents)	Natural	**–829,584**
End of life	Natural	**–187,491**

Scope: FY 2024. Source: internally-calculated IP&L. Currency: USD. Method: Hybrid LCA–EEIO. Note: Social cost of CO_2 $150/t — upstream monetization parameter, not the unit of the result.

KEY TAKE-AWAYS

Biggest risks to the impact case

Premium demand squeeze	Macroeconomic weakness, softer contract furniture budgets, or procurement pressure toward lower-cost alternatives could increase the real-world importance of Arper's premium-price drag and reduce uptake of its longer-life value proposition.
Slow circular uptake	If clients, facility managers, and dealers do not return products, choose refurbishment, or use maintenance guidance, Arper's circular-service model remains niche and more furniture defaults to disposal rather than second life or recovery.
Supplier footprint	Upholstery, metals, polymers, and outsourced processing remain major hotspots; slow supplier decarbonization, material-price volatility, or weak compliance with lower-impact specifications could worsen both footprint and resilience.
Energy transition delays	Delayed electrification, incomplete renewable coverage, or continued dependence on gas and conventional grid power would keep operational burdens elevated and leave Arper exposed to energy-price and climate-policy pressures.

Biggest risks to the impact case

Service-led circularity	Scaling maintenance, take-back, refurbishment, and recovery can turn durability from a product attribute into realized customer and environmental value, lifting buyer savings while reducing residual disposal.
Material redesign	Reducing upholstery intensity, simplifying mixed assemblies, increasing recycled and certified inputs, and using assurance data more aggressively would attack Arper's largest supply-chain hotspots directly.
Clean operations	Completing renewable-electricity rollout and reducing gas demand through efficiency and electrification offers a relatively direct way to improve the operational footprint over the next few years.
Healthy specification	Deeper use of low-VOC certifications, LCAs, and transparent product documentation can strengthen Arper's position with architects and institutional buyers in offices, schools, and other sensitive indoor environments.
Inclusive pricing	Leasing, refurbishment-as-a-service, modular upgrades, or tiered offers could preserve Arper's premium positioning while reducing the affordability drag that currently erodes net impact.

Where to focus next

Arper's impact case is strongest when premium design is converted into long-lived, service-backed furniture that customers keep in use; it weakens when premium pricing reduces access, circular services remain selective, or supplier material intensity stays high. The core strategic opportunity derived from this IP&L is to operationalize the circular model — refurbishment, take-back, lower-impact materials, and cleaner energy — while the main downside risk is a slower transition that leaves the business exposed to high-footprint inputs, logistics-heavy selling, and demand pressure in price-sensitive segments.

Arper's Impact Profit and Loss 2024

Overview by capital - Societal Valuation in USD

HUMAN CAPITAL

+5.4M

USD

NATURAL CAPITAL

-14.4M

USD

SOCIAL CAPITAL

+19.4M

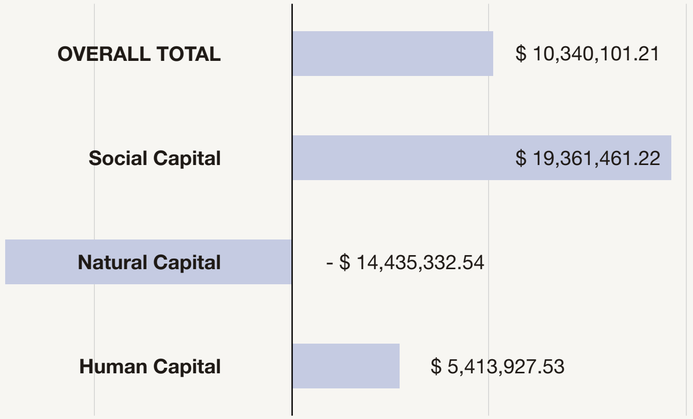
USD

NET IMPACT

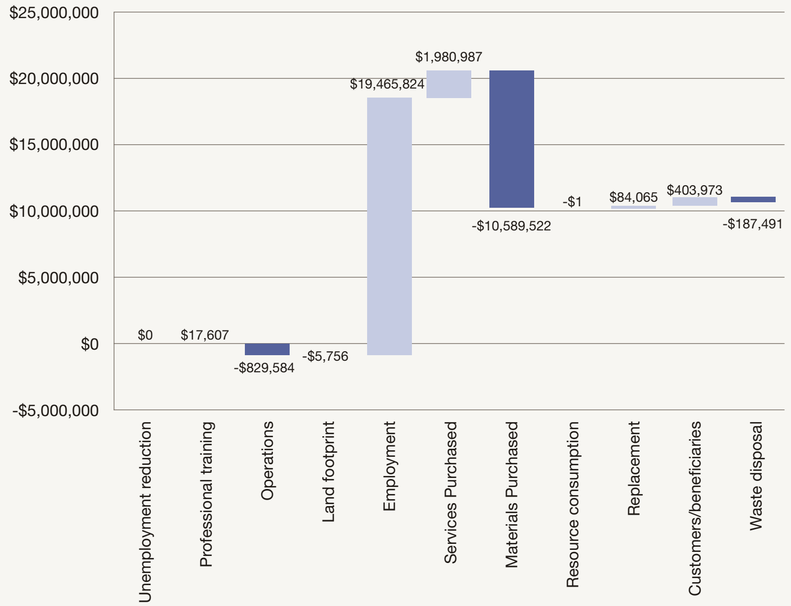
+10.3M

USD

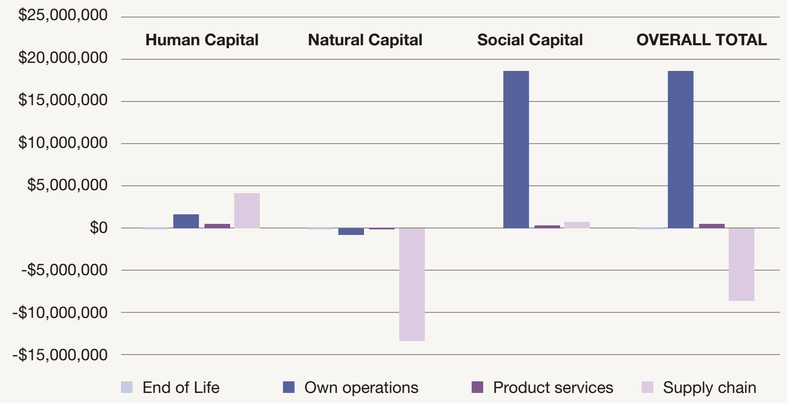
Capitals



Societal valuation (USD)



Capitals by value chain links



VALUE CHAIN	ACTIVITY		CAPITAL			
Value chain link	Activity	Sub Activity	Human Capital	Natural Capital	Social Capital	Overall Total
End of Life	Waste disposal	Collection		-734		-734
		Incineration		-22,449		-22,449
		Incineration (energy generated)		111,092		111,092
		Landfill		-18,846		-18,846
		Recycling		-106,466		-106,466
		Sorting		-150,088		-150,088
	Waste disposal Total			**-187,491**		**-187,491**
End of Life Total				**-187,491**		**-187,491**
Own operations	Employment	Gender pay gap	-168,052			Supply chain
		Health and safety	16,615			16,615
		Wages	976,377			976,377
		Payroll taxes			18,226,391	18,226,391
		Corporate taxes			414,493	414,493
	Employment Total		**824,941**		**18,640,883**	**19,465,824**
	Land footprint	Site area		-5,756		-5,756
	Land footprint Total			**-5,756**		**-5,756**
	Operations	Electricity use		-285,425		-285,425
		Fuel use		-88,888		-88,888
		Methane use		-145,895		-145,895
		Solvents emitted		-8,966		-8,966
		Transport (milk run)		-288,358		-288,358
		Waste generation		-12,053		-12,053
	Operations Total			**-829,584**		**-829,584**
	Professional training	Training and education (HSE/soft/hard skills)	17,607			17,607
	Professional training Total		**17,607**			**17,607**
	Unemployment reduction	Unemployment reduction			0	0
	Unemployment reduction Total				**0**	**0**
Own operations Total			**842,548**	**-835,340**	**18,640,883**	**18,648,091**
Product services	Customers/beneficiaries	Avoided VOC emissions	-16,776			-16,776
		Comfort & Wellbeing	403,490			403,490
		VOC emissions	17,260			17,260
	Customers/beneficiaries Total		**403,973**			**403,973**
	Replacement	Replacement of damaged/claimed products	98,793	-31,960	17,232	84,065
	Replacement Total		**98,793**	**-31,960**	**17,232**	**84,065**
	Resource consumption	Soap		-1		-1
		Water		0		0
	Resource consumption Total			**-1**		**-1**
Product services Total			**502,766**	**-31,961**	**17,232**	**488,037**

VALUE CHAIN	ACTIVITY		CAPITAL			
Value chain link	Activity	Sub Activity	Human Capital	Natural Capital	Social Capital	Overall Total
Supply chain	Materials Purchased	Aluminum - European		-9,194		-9,194
		Aluminum - Non-European		-62,641		-62,641
		Brass		-11,232		-11,232
		Chromium		-47,275		-47,275
		Coating powder		-32,693		-32,693
		Foams		-422,636		-422,636
		Glues		-186,535		-186,535
		HDPE for Packaging Purposes		-28,258		-28,258
		Leather (1 - Sourcing)		-536,447		-536,447
		Leather (2 - Tanning)		-21,680		-21,680
		Marble		-3,796		-3,796
		Natural Recycled Fabrics / Textiles		-99		-99
		Natural Virgin Fabrics / Textiles		-533,985		-533,985
		Packaging - Cardboard		-247,114		-247,114
		Packaging - Polystyrene		-8,249		-8,249
		Packaging - Recycled Cardboard		-288,425		-288,425
		Packaging - Recycled Pyne (pallets)		-81,950		-81,950
		Papershell (1- Kraft paper)		-3,231		-3,231
		Papershell (2 - Biogenic glue)		-5,184		-5,184
		Recycled Aluminum - European		-1,861		-1,861
		Recycled Aluminum - Non-European		-2,811		-2,811
		Recycled Plastics / Polymers		-69,267		-69,267
		Recycled Steel		-2,504		-2,504
		Rubber/Silicone		-518		-518
		Stainless steel		-79,981		-79,981
		Synthetic Recycled Fabrics / Textiles		-47		-47
		Synthetic Virgin Fabrics / Textiles		-6,522		-6,522
		Talc		-933		-933
		Varnishes		-13,947		-13,947
		Virgin Plastics / Polymers		-667,808		-667,808
		Virgin Steel		-6,947,557		-6,947,557
		Wood - European		-205,198		-205,198
		Wood - Non-European		-5,941		-5,941
		Wood - Recycled European		-6,382		-6,382
		Zamak		-47,623		-47,623
	Materials Purchased Total			-10,589,522		-10,589,522
	Services Purchased	Car renting		-88,409		-88,409
		Cloud IT infrastructure	15,309	-1,337	2,138	16,110
		External warehousing	121,430	-16,491	41,620	146,558
		Logistics of products - Lorry		-1,755,028		-1,755,028
		Logistics of products - Sea freight		-53,522		-53,522
		Maintenance	603,494	-78,556	104,263	629,201
		Meal service	191,895	-44,024	53,281	201,152
		Professional services	1,067,779	-84,402	141,212	1,124,589
		Subcontracting of operations	2,068,751	-669,241	360,833	1,760,343
		Water		-6		-6
	Services Purchased Total		4,068,659	-2,791,018	703,346	1,980,987
Supply chain Total			4,068,659	-13,380,540	703,346	-8,608,535
OVERALL TOTAL			5,413,973	-14,435,332	19,361,461	10,340,102

Culture and Future

Arper actively safeguards its culture through structured and ongoing projects; the next step — making culture a recognized driver of identity and value — is a direction the company has set for itself, rather than a result that can already be reported.

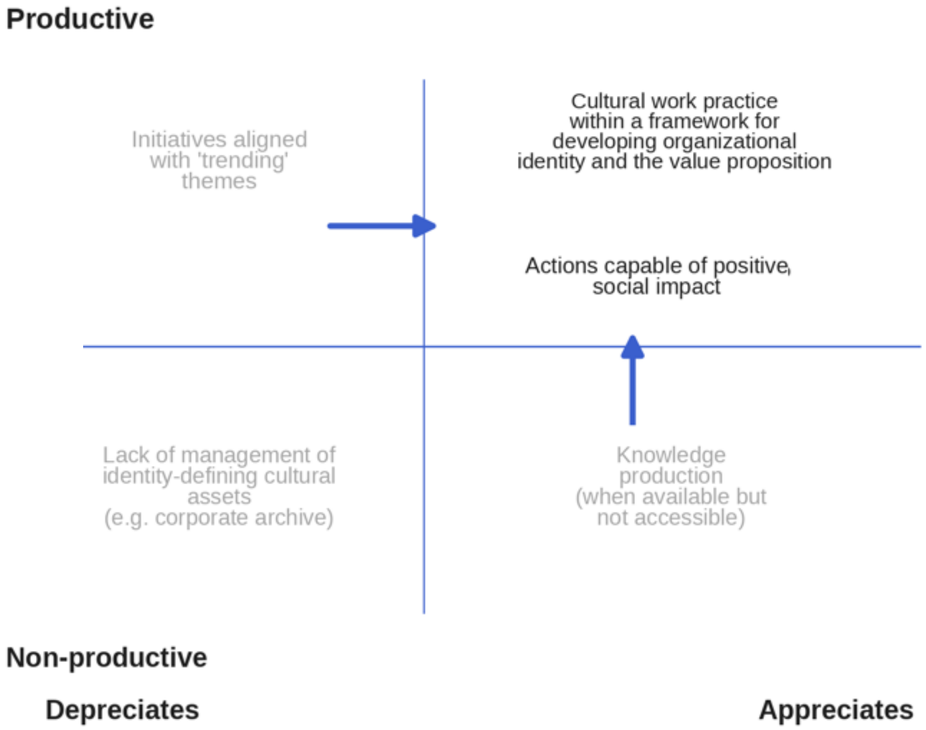
STATE OF THE ART	STATED DIRECTION
Structured, ongoing cultural projects: Arper Feltrin Foundation (founding partnership) Lina Bo Bardi: Together (cultural project) A Lot with Little (cultural project) Art to Share (cultural project) Project of Living in Arper (training) Artificial Intelligence for Arper (training) Peggy Guggenheim Intrapresae (partnership) Università IUAV (partnership)	Develop culture as a recognized driver of organizational identity and of the value proposition, through ambassadorship and shared leadership programs. This is an internal proposal that has not yet been activated, but it has been included among the company's strategic intentions.

Source: Arper internal survey (ongoing cultural projects).

No quantitative indicator is associated with this block: in order to avoid duplication, indicators concerning culture are reported in “The Value of People” (role growth, internal promotions, cross-functional training) and “Governance & Impact” (IP&L impact assessment, B Impact Score) modules.

The four states of cultural capital

We visualize cultural capital on two axes: whether a cultural practice is productive or not, and whether it appreciates or depreciates over time. Their intersection yields four states; the arrows mark the direction Arper wants to move towards — the productive practice that appreciates — and not a state of the art.



This direction is currently a strategic intention, which has not yet been activated. Arper commits to defining its indicators and tracking them from the next reporting cycles onwards.

Double Materiality Matrix

The topics covered in this report were not chosen for convenience. They have been distilled from Luigi Feltrin's book, but they have also been assessed against the double materiality exercise that was carried out in 2024. For consistency purposes, we briefly recap the results that helped us identify them.

Each ESRS topic was assessed through two questions: how much Arper affects the world (impact materiality) in relation to that topic, and how much that topic affects Arper (financial materiality). Each topic received two scores on a scale from 0 to 5 by our stakeholders. Eight topics were found to be material and have been consequently addressed in the 2024 report; three were assessed and were not found to be relevant (Water and Marine Resources, Biodiversity and Ecosystems, and Affected Communities). All relevant topics are graphically depicted in the following map.



Assessed, not material (qualitative position, without score): E4 close to the threshold - S3 intermediate - E3 at the origin

IM×FM Matrix: the eight material topics at their coordinates; the three non-material topics in qualitative positions. Identical axes 0–5, thresholds at 2 (Important) and 3 (Significant).

KEY TAKE-AWAYS

Topic (ESRS standard)	Impact on the world (IM)	Weight for Arper (FM)	IM class	FM class
Climate change (E1)	**3.83**	2.60	Significant	Important
ESG compliance (company-specific)	**3.53**	2.25	Significant	Important
Circular economy (E5)	**3.38**	3.30	Significant	Significant
Business conduct (G1)	**3.17**	1.98	Significant	Informative
Own workforce (S1)	**3.17**	1.86	Significant	Informative
Pollution (E2)	**2.95**	1.54	Important	Informative
Consumers and end-users (S4)	**2.54**	2.62	Important	Important
Workers in the value chain (S2)	**1.13**	1.10	Material by induction *	

CHAPTER	MATERIAL TOPIC (2025)	ESRS TOPIC (2024)
1	Purpose	Business conduct (G1)
2	The Value of Things	-
3	The Environment	Climate change (E1)
		Pollution (E2)
4	The Circular Model	Circular economy (E5)
		Business conduct (G1)
5	The Value of People	Own workforce (S1)
		Consumers and end-users (S4)
6	The Supply Chain	Workers in the value chain (S2)
7	Governance	ESG compliance (company-specific)
		Business conduct (G1)
8	Culture	Business conduct (G1)
8	Innovation	-

*** S2** (1.13) scores below the materiality threshold, but it has been included by induction from the impact valuation, not based on its score (the original position on the matrix has been kept for transparency reasons). See the annex on impact valuation for further details.

Threshold scale (0–5): 0–1 Minimal · 1–2 Informative · 2–3 Important · 3–4 Significant · 4–5 Critical. The classes indicate the priority of the topic, not Arper's performance. IM = Impact Materiality, Arper's impact on the world; FM = Financial Materiality, the topic's impact on Arper.

Risks and Opportunities

Understanding impacts, risks and opportunities is essential to building a resilient and responsible business. The IRO matrix highlights the main factors that may affect the company, its stakeholders and the environment. It also helps assess their relevance, likelihood and potential significance over time, hence supporting informed decision-making and enabling priorities to be addressed more effectively. By considering both risks and opportunities, the company can anticipate change and create long-term value.

MATERIAL TOPIC 2025	RISK	RISK MITIGATION ACTION	OPPORTUNITY	OPPORTUNITY ACTION
Purpose	Bad reputation	Internal assessments	Good reputation	
	Credibility loss	Public talks about Arper's strategy and long-term view		
	Greenwashing	Implementation of the new Italian decree on GW (starting from this report)		
	Bad reputation due to wrong partnerships	Investment in long-term strategic partnerships	Enhanced visibility	
The value of things	Customer satisfaction	Certification policy (Greenguard Gold on all seating items)	Low number of claims	No claims policy
		Customer satisfaction survey	Client retention	
	Turnover loss due to changing perception of customers			
	Reduction of brand equity	Issue sustainability reports	Enlargement of the client base	
	National/regional regulatory obligations	Compliance to external market requirements	Access to new market sectors	Own test procedures tailored on specific product needs
	Insufficient investments	Enterprise risk management	Increase of client confidence	
Environment	Global warming produced by GHG emissions	Global footprint evaluation	Investment in new materials, including post-consumer polypropylene	Structuring of a detailed emission reduction plan
	Wasted energy	Environmental impact reduction strategy	Transformation of innovation-bound investments into applied research and development	Digital product presentations
	Accidental spillage of substances and gases	Development of an emergency plan (procedures and simulations)	Better overview of scheduled maintenance, which leads to a higher efficiency of systems and tools	A mapping of all existing systems has been carried out
	Exceeding of authorized limits for production and assembly	Periodic maintenance of equipment, third-party audit of chemical substances management	Reduction of solvent-based glues	Evaluation under way to reduce the usage of solvent-based glues on legacy collection
	Sanctions generated by the exceeding of permitted atmospheric emission limits	Maintenance and control of atmospheric emissions treatment systems		
	Deterioration of plant efficiency (i.e. heating system)	Periodic maintenance and energy efficiency reporting. Monitoring of plant efficiency.	Improved efficiency and air quality generated by a more stringent efficiency monitoring	
	Pollution of the aquifer	Development of an emergency plan (procedures and simulations)		
	Consumption limitations due to increase in supply costs (energy/fuel shortage and/or socio/economic situation)	Raising of awareness among staff in order to reduce waste	Increase of the percentage of own renewable sources for partial energy autonomy	Ongoing discussion with the CEO/COO about the opportunity to implement targeted actions (i.e. implementation of photovoltaic or solar thermal systems)
	Excessive energy consumption for production, warehousing and prototyping	Intensification of consumption monitoring to every quarter	Resource savings	
	Waste of resources	Calculation of a corporate carbon footprint (Scope 1-2-3) in order to produce an impact reduction strategy	Limitation of the number of materials used in products	Development of a in internal "Ecodesign Guide", which will be applied to all future product developments
	Cyberattacks	Attack prevention procedures in place	Optimization of backup infrastructure	Implementation of a more performing and energy-saving offsite backup system
	Waste generation	Frugal design approach (sobriety in the number of raw materials used)	Reduction of GHG emissions	Internal ecodesign workshops (first-step implementation planned for 2023)

Source: IRO 2024 by Arper, reevaluated and remapped to 2025 material topics.

MATERIAL TOPIC 2025	RISK	RISK MITIGATION ACTION	OPPORTUNITY	OPPORTUNITY ACTION
The circular model	Material scarcity	Product brief based on eco-design principles	Anticipate legislative obligations	Refurbishment project
	High price of raw material	Product Life Cycle Assessments	New business models	
	Bad reputation	Use of post-consumer polypropylene	New kind of partnership (e.g. recycling partners)	
	Internal barriers to full implementation of circular business models (e.g. refurbishment)		Global markets (e.g. market pressure for improvement)	
	Overconsumption	Introduction of post-consumer PP into new products and product revisions	Sales focused on product environmental performance rather than price	
		Waste generation	Scaling up of current refurbishment partnerships	Transition from a linear to a circular thinking (lifecycle thinking)
	Consumption of natural resources	Increased usage of recovered materials, design for disassembly	Incorporation of primary data, experience and good practices into a single document which should align brief, design and production to the most important circular economy concepts	Development of a in internal "Ecodesign Guide", which will be applied to all future product developments
	Low level of sector-specific innovation	Collaboration with material databanks	Development of own R&D research lab	Refurbishment project
	Limited use of new low-impact materials	Detailed new material test process	Implementation of new business models	
	Increase of end-of-life impact	Development of eco-design best practices (Disassembly, Durability, Sourcing, etc.)	Better materials management (e.g. through frugality)	
	Higher expenditure for raw materials			
	Increase of allocated warehouse space			
The value of people	Work-related injuries	Health & Safety Policy	Good work environment	
	Chemicals exposure	Training to Health & Safety coordinators		
		ISO 45001	Low sick leave	
		Integrated Audit (HSE)		
	Climate crisis denial	Internal sustainability training to all Arper People		
	Biodiversity loss	Sponsoring of sustainability-focused cultural projects	Nature regeneration	Culture development program (Museum partnerships)
	Negligence of terms of employment	Code of Conduct	Development of a D&I conscience	
	Harassment	Diversity Policy	Improvement of talent retention	
	Diversity	Employee surveys	Talent attraction	
	Decrease in productivity	Training sessions on different subjects	Discovery of new talents within the current population	
	Loss of talents	Internal growth programs		
	Lack of adequate risk management policies	Health & Safety Policy	Integrated reporting	

Source: IRO 2024 by Arper, reevaluated and remapped to 2025 material topics.

MATERIAL TOPIC 2025	RISK	RISK MITIGATION ACTION	OPPORTUNITY	OPPORTUNITY ACTION
Supply chain	Fossil-based energy used by suppliers	Implementation of a company Code of Conduct (best practices)	Development of a new (circular) business models	
	Emissions generated by transportation (including milk-run)	ISO 14001 (ISO 50001 planned for 2028)	Reduction of emissions through the use of electric and/or low impact vehicles	Cost projection of electric vehicles service with one major logistics supplier
	Missing implementation signals	Development of a mixed-term strategy (long AND short term action plan)	Extension of training/information sessions to external entities (suppliers)	Creation of a sustainability ambassadors team
	Biodiversity depletion	Arper District project		
	Discrimination	Supplier's code of conduct	Improvement of working environment conditions	
		ESG rating for suppliers		
	Moral integrity of the supply chain	Code of conduct for suppliers	Development of a dedicated excellence cluster	Arper District project - partnership development
	Lack of acceptance of Arper's code of conduct	ESG requirements for suppliers (ESG rating)		
	Material scarcity	Supplier performance monitoring & supplier audits		
	Reliability of the supply chain	IT platform for supplier's management		
	Restrictions due to D.Lgs. 231/01	Focus on local suppliers		
	Geopolitical situation	Arper District project - company/supplier integration		
	Interruption of product supply due to failure by the supply chain to comply with legal obligations	Regular environmental audits of the supply chain		
	Funds draining Unwanted indirect involvement in legally or ethically questionable practices (e.g. supplier's side)	Sales growth	Leverage investments on specific projects	
		Opening to new sales segments		
		Environmental & Energy Policy	Implementation of best practices about policies and processes	
Governance	Global markets (e.g. material compliance)			
	Emissions generated by business travel	Environmental & Energy Aspect Analysis	Impact-conscious business travel policy	
	Interruption of energy/water supply due to failure to comply with compliance regulations	Development of an emergency plan (procedures and simulations)		
	Non-compliance to EU reporting regulations			
	New market compliance	Internal pre-audits	Being perceived as a serious company	Brief based on eco-design principles
	Manage certifications (updates, follow-ups, extensions, etc.)	Internal strength tests extended over standard settings	Being perceived as a compliance leader	
	Reduced process flexibility (internal)	ISO 14001, ISO45001, ISO9001 certifications	Brand equity increase	
	Trade protectionism schemes	Implementation of an internal testing lab	Integration of more eco-design tenets into product development	
	Wrong investments	Finance Policy	Sales growth	
		Quality Policy	Good reputation	
	Negative reputation	Adoption of D.Lgs. 231/01	Responsible investment	
		Code of conduct (internal and external)	Company stability in the long term	
		ISO 9001, ISO 14001 and ISO 45001 compliance	EU Taxonomy compliance	
		Internal audits	Enhanced stakeholder engagement	
Innovation	Different software used by different entities	Elimination of data management procedures developed by individual departments/entities		
	ERP update due	Technical evaluation of the latest release (ongoing)		
	Challenges from competitors	new product segments		
Culture	Loss of artistic heritage		Direct engagement with the local community	
	Missing perception of the sense of urgency			
	Difficulty to find appropriate local management	Pursue of radical transparency on issues generating an impact (material topics)	Connection to the local administration	Partnership with the local school system
	Misalignment with local administration about local community development plans	Generation of opportunities to seek and find dialogue with the company about impacts	Creation of social value	

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We strive to be as open and transparent as possible and we are constantly looking for ways to learn more about sustainability, as well as to improve our processes and approaches.

If you have any questions, comments, thoughts or insights, please get in touch with us.

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