



SUSTAINABILITY POLICY

2026

Sustainability Policy
Version: 1.2
This Policy will be reviewed and updated annually.

L&S Group

L&S Italia S.p.A. (holding)
L&S Deutschland GmbH
LS Lighting (Shanghai) Co., Ltd.
L&S Lightning Corporation
Flux S.r.l.
Visplay GmbH
Visplay SAS
Visplay Inc
Visplay Ltd

REGISTERED OFFICE:
Via L. Zanussi, 8, Maron di Brugnera (PN)
www.ls-light.com

SUSTAINABILITY POLICY

L&S GROUP

Design

Innovation

Expertise

VISION

"We are driven by a shared vision of creating a better world through a commitment to sustainability. With enthusiasm and determination, we embrace every challenge, taking pride in delivering value through innovative and impactful lighting projects".

MISSION

"We design lighting solutions that empower creativity and elevate individual experiences, enabling our partners to confidently tackle any project challenge".

- We make your projects shine -



Pietro Barteselli
GROUP CEO

We recognize the sensitive aspects of the sector in which we operate. Now more than ever, we believe that true quality lies in achieving sustainable success by aligning and integrating economic, social and environmental objectives.

In the context of significant global challenges, we strive to operate responsibly across our supply chain – from the selection of raw materials and packaging to meticulous production and services. Our goal is to provide our customers beauty, elegance and functionality while creating lasting value for society and the environment.

We are fully committed to developing and implementing strategies, management practices and operating methods that contribute to a healthy, inclusive and sustainable global economy. Our approach respects human and labour rights, protects the environment and ensures integrity across all aspects of the business.

Guided by the highest global standards, our Sustainability Policy complements and enhances the Code of Ethics adopted by L&S Group. This policy applies to all activities, interactions with stakeholders and partnerships, promoting active engagement and shared accountability across our sphere of influence.

Guiding principles and scope of application

L&S Group openly embraces and upholds its values, integrating them into our day-to-day activities and transforming them into strategies, objectives and actions which are shared with shareholders, business partners and all stakeholders. This Sustainability Policy applies to all L&S Group companies. It is fully accessible to all L&S Group personnel via the corporate intranet and is shared with stakeholders through publication on www.ls-light.com.

In line with the highest standards of integrity and fully aware of global challenges, L&S Group is committed to creating value through innovation, competitiveness and sustainability. We prioritize healthy, inclusive economic growth that respects human and labour rights, safeguards the environment and actively combats corruption.

Within its sphere of activity, L&S Group is guided by and promotes values that are consistent with the most advanced international governance practices, including the United Nations Global Compact – the largest strategic initiative for corporate responsibility.

This approach extends to transparent communication and information sharing across all levels of the organization – from subsidiaries companies to the holding company, from individual operating sites to the corporate level. It also encompasses engagement with local communities, institutions, non-governmental organizations and representatives of both the public and private sectors.

At the core of this commitment are people, intellectual capabilities, social relationships and natural, technological and financial resources are capitals, which collectively serve as key drivers for creating lasting and shared value.

COMMITMENTS

- 1 To support and respect internationally proclaimed **human rights**, which are universal and belong equally to every person.
- 2 To implement work practices based on fair employment, **equal opportunities**, skills development and **inclusiveness**, considering diversity as a source of value.
- 3 To ensure the **health, safety** and **well-being** of all parties involved by providing adequate working conditions, equipment, information and training.
- 4 To enforce and ensure transparent **governance** and **integrity**, implementing appropriate models and effective organisational procedures.
- 5 To create and maintain **relationships with shareholders, investors and the market** based on partnerships, transparency, exchange of information and sharing of commitments.

- 6 To invest time, skills and resources in **supporting communities** and fostering local development with the regular involvement of all interested parties.
- 7 To pursue **energy efficiency** and **climate protection** along the entire value chain by implementing actions aligned with the global objectives of the Paris Agreement.
- 8 To contribute to **environmental protection** and **biodiversity**, by responsibly utilizing natural resources and respecting the sentient nature of **animals**.
- 9 To guarantee continual improvement in the **quality** and in the **environmental and social value** of processes, products, applications and services, promoting research and innovation.
- 10 To generate and distribute direct and indirect **economic benefits**, creating **shared value** for investors, business partners, society and the environment.

Our Sustainability Policy extends and integrates the Code of Ethics adopted by L&S Group. The "Guiding principles" are the cornerstone of this document and are further detailed in four dedicated subsections:

- Health and safety
- Environment and resource management
- Human rights
- Quality and responsibility

These apply to all Group companies or counterparties and extends to all stakeholders in our sphere of influence.

This document is subject to periodic review or update to ensure its effectiveness.

Health and safety

Health and safety are integral to L&S Group's Sustainability Policy.

As a fundamental element of its strategies, procedures and operations, our approach to health and safety is applied across all Group companies, counterparties and stakeholders in our sphere of influence.

To ensure its effectiveness, this document is subject to periodic review or update.

L&S Group considers the safety, health and well-being of individuals as fundamental values to be integrated into all its activities. This commitment extends to employees, business partners, suppliers, visitors, local communities and any other stakeholders within its sphere of influence.

The Group is committed to taking concrete actions to eliminate workplace accidents, injuries and illnesses by reducing risks across all activities. It seeks to achieve the highest levels of collective and individual awareness, encouraging continuous improvement by adopting effective management systems and visible leadership as critical success factors.

All personnel are thoroughly trained and equipped to perform their roles in conditions of complete safety and health, according to operating procedures aimed at eliminating hazards and reducing risks, taking into consideration the different needs and requirements of men and women.

By exemplifying these principles in their own behaviour – both in and beyond the workplace – everyone within the Group demonstrates a commitment to valuing people and promoting health and safety as a way of life.

COMMITMENTS

1 To ensure that all **plant and equipment** are designed, constructed, operated and maintained to minimize the risks to health and safety, by adopting the best available techniques in the development of new facilities or during the modernisation and replacement of existing ones.

2 To define and adopt **operating standards** of excellence for core activities, supported by the necessary tools to ensure their consistent application across all locations.

3 To implement regular **checks in the workplace** and adequate **health surveillance** to monitor workers' exposure and prevent exposure to risks that could compromise their health and safety.

4 To adopt **management systems** subject to regular audits and periodic updates.

5 To promote a **transparent and effective information**, using the most appropriate tools for both incident reporting and analysis, and for the timely sharing of best practices and improvement actions.

6 To ensure that all staff regularly participate in training programs, fostering individual awareness of our **health and safety culture** and adopting responsible behaviour in the workplace.

L&S Group provides a safe workplace environment for all its employees and other outsourced staff by reducing exposure to workplace hazards through the following measures:

Clear and effective safety signage: Including fire exits, emergency exits, floor evacuation plans, danger signs, work-in-progress notices, and zebra stickers.

Proper storage of hazardous materials: Ensuring all hazardous objects are securely stored in designated areas.

Emergency preparedness: Implementing a comprehensive emergency management plan and conducting regular evacuation drills.

Provision of Personal Protective Equipment (PPE): Ensuring all personnel have access to and use appropriate protective gear as required.

Environment and resource management

L&S Group is committed to preventing, minimizing, mitigating and compensating the footprint generated by the Group's activities on the environment and biodiversity. We recognize the need for a proactive transition towards a regenerative economy that respects the sentient nature of animals, minimizes carbon emissions and simultaneously creates social value.

To this end, we actively collaborate with institutions and other responsible stakeholders across the production and consumption cycles of our products. We promote the development of practical solutions, including the utilization of alternative resources, the design of sustainable products and the adoption of eco-efficient technologies and management practices.

The low-carbon transition, responsible resource use, and promotion of sustainable lifestyles safeguard natural capital while generating value for the Group.

Environment and resource management are integral considerations of L&S Group's Sustainability Policy.

As a fundamental element of its strategies, procedures and operations, our approach to the environment and resource management is applied across all Group companies, counterparties and stakeholders in our sphere of influence.

To ensure its effectiveness, this document is subject to periodic review or update.

COMMITMENTS

1 To ensure that all **plant and equipment** are designed, constructed, operated and maintained in order to reduce the environmental footprint of operations, by adopting the best available techniques in the development of new facilities or during the modernisation and replacement of existing ones.

2 To promote **responsible access to natural resources** over the entire life cycle and adopt management practices aimed at reducing consumption and preserving availability and quality. With regard to energy matters, the Group undertakes to continuously increase the proportion of electricity derived from renewable sources and to procure Guarantees of Origin (GOs) in order to compensate for any residual supply shortfalls.

3 To protect the **quality of water and soils**, safeguard collective access, and preserve **biodiversity**, including in areas outside protected zones, while ensuring the optimal environmental and historical management of any contamination. To this end, the Group aims to promote the responsible sourcing of materials by progressively increasing the use of paper and cardboard packaging from recycled or certified sources (e.g. FSC) so as to contribute to the prevention of deforestation.

4 To maximize the value of waste by prioritizing **recycling, material recovery, and energy recovery**, while ensuring environmentally and socially responsible disposal methods as a last resort.

5 To establish and implement internal reference standards for evaluating and **monitoring environmental performance**, enabling the definition and verification of improvement objectives.

6 To proactively address the **challenge of climate change** by aiming to reduce greenhouse gas emissions across the entire life cycle through the implementation of energy-saving measures, improvements to the efficiency of facilities and supply chains, and the design of products and services that support the global objectives of the **Paris Agreement**. To this end, L&S Group has adhered to the **Science Based Targets initiative (SBTi)**, defining and formalising its quantitative greenhouse gas emission reduction targets (Scopes 1, 2 and 3) in line with climate scenarios endorsed by the scientific community. **The Group monitors and reports its Carbon Footprint** on an annual basis in order to assess progress against such targets.

7 To adopt **management systems** subject to regular audits and periodic updates.

8 To encourage employees, suppliers, customers, and end users to adopt environmentally **responsible behaviors and make sustainable choices**. This includes supporting projects and initiatives, in collaboration with local communities, to promote environmental awareness and facilitate the transition to **sustainable lifestyles**.

9 The Group aims to apply **circular economy principles** in the development of lighting solutions, with the qualitative objective of evaluating the adoption of **eco-design criteria** that enhance product modularity, repairability and disassembly. In relation to end-of-life management, the Group is committed to promoting the use of recyclable materials and to progressively improving the information provided to customers and partners for proper disposal, with a view to facilitating component recovery in compliance with applicable laws and regulations.

L&S Group's Sustainability Policy is guided by the highest global principles including the Universal Declaration of Human Rights, the UN Global Compact principles and Sustainable Development Goals, the ILO Conventions, Protocols and Recommendations, the Paris Agreement on Climate, International Regulations and Conventions on Animal Rights and standards such as ISO 26000, GRI, SASB and TCFD. The Policy is also based on the Standard ISO 9001 and ISO 14001 adopted by L&S Group.

Human rights

Human rights are an integral part of L&S Group's Sustainability Policy.

As a fundamental element of its strategies, procedures and operations, our approach to human rights is applied across all Group companies, counterparties and stakeholders in our sphere of influence

To ensure its effectiveness, this document is subject to periodic review or update.

L&S Group supports internationally proclaimed human rights, as inalienable rights of all individuals, based on the recognition of the dignity, freedom and equality of human beings. Relations with all its stakeholders are built on mutual commitment, active partnership, trust, transparency and long-term collaboration.

The Group is committed to avoiding complicity in human rights abuses within its supply chain and in commercial relationships with all the countries in which it operates. We do not maintain relations with organizations that fail to uphold equality of opportunity and treatment, regardless of gender, age, ethnicity, nationality, social status, religion, sexual orientation, political beliefs or any other creed.

We create relationships with local communities by regularly engaging stakeholders, understanding their needs and supporting sustainable local projects that foster independence.

Values, Codes and Policies define the mandatory prerequisites for establishing and maintaining relationships of any kind within the Group's sphere of influence.

COMMITMENTS

1 To set eighteen years as the **minimum age** for employment or work that, by its nature or the conditions, could compromise the health, safety or moral integrity of minors.

2 To guarantee **full equality** of opportunity, treatment and **inclusion** without distinction of gender, age, ethnicity, nationality, social status, religion, sexual orientation, political beliefs or any other creed, rejecting all forms of forced labour, mental or physical coercion, harassment and sexual and verbal violence.

3 To respect primary **labour rights**, such as freedom of association, collective bargaining, guaranteeing social security benefits, working hours that are not excessive and the payment of fair wages.

4 To recognize people as a strategic resource by promoting **professional development** and career growth, ensuring equal opportunities and implementing initiatives that foster a **work-life balance** aimed at satisfying the needs of both employees and their families.

5 To provide **healthy and safe working conditions**, ensuring access to clean drinking water, sanitation facilities, and, wherever necessary, suitable work or housing accommodation, as well as designated areas for dining, refreshments and meal storage and consumption.

6 To promote **health protection** programmes and provide **assistance to communities** affected by natural and health disasters.

7 To support **education** in all its forms, promote the development of **local skills** and encourage artistic, sporting, cultural and social activities that align with the Group's values.

8 To support programs that provide public utility services, contribute to the development of essential infrastructure and enhance the **quality of life** in local communities.

L&S Group's Sustainability Policy is guided by the highest global principles including the Universal Declaration of Human Rights, the UN Global Compact principles and Sustainable Development Goals, the ILO Conventions, Protocols and Recommendations, the Paris Agreement on Climate, International Regulations and Conventions on Animal Rights and standards such as ISO 26000, GRI, SASB and TCFD. The Policy is also based on the Standard ISO 9001 and ISO 14001 adopted by L&S Group.

Quality and responsibility

L&S Group works to ensure and continuously improve the quality of products, processes and services. To this end, it adopts a systematic approach aimed at satisfying increasingly challenging quality requirements, creating value along the product life cycle and improving relationships with customers and suppliers.

By combining this vision with the growing demands of the market, the Group aims to understand, control and communicate the technical, environmental and social performance of its products and services throughout their life cycle, from the procurement of raw materials to production and final disposal or reuse.

Furthermore, as far as feasible in its sphere of influence, we promote the most sustainable application and responsible consumption of our products and services.

Activities, products and services that align with the Group's policies and the standards we uphold create value for the market while fostering sustainable lifestyles.

Quality and responsibility are integral considerations of L&S Group's Sustainability Policy.

As a fundamental element of its strategies, procedures and operations, our approach to quality and responsibility is applied in relations with all Group companies or counterparties and in the active involvement of all stakeholders in its sphere of influence.

To ensure its effectiveness, this document is subject to periodic review or update.

COMMITMENTS

1 To ensure that all **plant and equipment** are designed, constructed, operated and maintained in order to **guarantee safety** of products, processes and services, in line with the sustainable approach adopted.

2 To adopt measures for the **monitoring** and control of production cycles and service activities based on appropriate instruments, metrics and procedures, operated by qualified technicians.

3 To promote the development of a **culture for product safety** and quality through the adoption of **management systems** according to internationally recognised reference schemes and subject to periodic updates and regular checks.

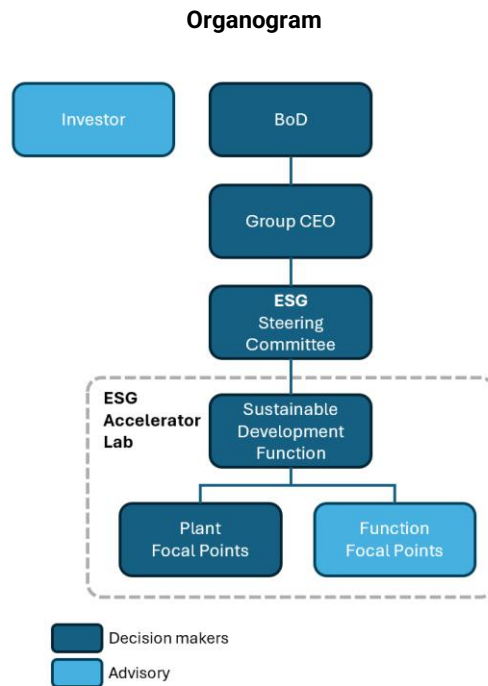
4 To ensure **product authenticity** across the entire value chain while adhering to all applicable standards, technical regulations, codes of practice, market requirements and customer requests.

5 To achieve and maintain the **trust of suppliers and customers**, guaranteeing the technical, environmental and social qualities of products, processes and services, fair economic conditions and qualified assistance.

6 To responsibly provide and **communicate information** to customers, retailers, end consumers and other stakeholders regarding the technical, environmental and social performance of products, including the potential health and safety impacts of the materials used and products marketed.

L&S Group's Sustainability Policy is guided by the highest global principles including the Universal Declaration of Human Rights, the UN Global Compact principles and Sustainable Development Goals, the ILO Conventions, Protocols and Recommendations, the Paris Agreement on Climate, International Regulations and Conventions on Animal Rights and standards such as ISO 26000, GRI, SASB and TCFD. The Policy is also based on the Standard ISO 9001 and ISO 14001 adopted by L&S Group.

Roles and responsibilities



Sustainability Governance

Investor

The investor advises and support the Group CEO and the ESG function in initiatives and projects that should be carried out by the Group. They set requirements for minimum compliance to deliver on their objectives.

Board of Directors (BoD)

The BoD provides leadership in implementing good corporate governance to ensure integrity, responsibility, accountability, fairness and transparency across the Group. The BoD determines the overall strategy, encompassing both financial and non-financial objectives, while considering emerging trends and risks. The overarching corporate strategy includes, among other components, the Group's sustainability strategy.

Group CEO

The Group CEO prepares the corporate strategy and goals, which are presented to the Investor. The Group CEO has the responsibility of reporting financial and non-financial performance to the BoD and the Investor.

ESG Steering Committee (ESG-SC)

The ESG-SC is responsible for organizing, allocating resources and prioritizing tasks necessary to achieve the strategy defined by the Group CEO within their respective area/sub-entities. The committee is composed of key members such as C-level executives, the sub-entity CEOs and other relevant stakeholders.

The Group COO oversees all activities related to the improvement and compliance for health, safety and environmental (HSE) standards across all entities. He is responsible for HSE together with each sub-entity CEO.

ESG Accelerator Lab (ESG-AL)

The ESG-AL serves as the operational mechanism responsible for executing all activities defined in the Group's sustainable development plan, as approved by the Group CEO and the ESG-SC.

- Sustainable Development Function (SDF)

The SDF, acting as the PMO for ESG activities within the ESG-SC, provides guidance and support to drive the actions necessary for achieving the Group's sustainability targets. This includes assisting the business in monitoring and assessing risks and opportunities, adapting to emerging regulatory changes, responding to developments in the social and environmental context, and addressing evolving stakeholder needs and expectations. The function informs, challenges, and supports the business in aligning its responses to stakeholder expectations while shaping a long-term strategy to address global challenges..

- **Focal Points**

Focal points are established in each Business Unit and in each company function as points of reference and connection across different parts of the business.

- **Plant Focal Points**

Plant focal points represent the company functions potentially involved in ESG activities (such as Human Resources, Operation, R&D, Procurement and Legal). They are responsible for driving ESG initiatives, ensuring compliance with set targets, managing rating activities, and conducting benchmarking analyses to identify emerging trends and best practices.

- **Function Focal Points**

Function Focal Points represent the company functions involved in ESG activities (such as finance and controlling, QHSE), which monitor processes, ensure compliance with set targets.

e.g. Finance and Control: *The Finance and Control functions are responsible for the control and quality of data for reporting, both financial and non-financial.*

e.g. QHSE: *The regional QHSE functions monitor, control and assess risk and compliance with applicable business conduct requirements regarding quality, health, safety and environment. These functions support social, managerial, climate and environmental objectives through specific procedures and internal and external audits.*

Monitoring and Reporting

The Group considers the involvement of stakeholders as fundamental to the success of its approach to sustainability. The Group is committed to reporting annually on its social, environmental and economic performance, showcasing progress in upholding commitments and achieving sustainability goals through comprehensive corporate reporting.

L&S Group is committed to producing a Sustainability Report on an annual basis, as well as annually reporting to the UNGC.