

DēLonghi Group

SUSTAINABILITY  
REPORT

2025



# ESRS 2 – General disclosures

## [BP-1] General criteria for sustainability reporting

The Sustainability Report of the De' Longhi Group (the "Company," the "Group," or "De' Longhi") has been prepared on a consolidated basis; the reporting scope, in line with the requirements of Legislative Decree no. 125/2024 (BP-1-5 a) (BP-1, 5b(ii)), coincides with that of the Consolidated Financial Statements and therefore includes the companies consolidated on a line-by-line basis for financial reporting, unless otherwise specified (BP-1, 5b(i)). In addition, this document incorporates the recommendations that are provided annually by the European Securities and Markets Authority (ESMA), which for the current reporting year were published on 14 October 2025.

The Sustainability Report considers the entire value chain of the Group, from procurement practices, including the social and environmental footprint of suppliers and the use of materials with sustainable characteristics, through end consumers, by way of logistics and production processes carried out at the Company's plants. For more information on the Group's business model, as well as its value chain, please refer to the section "SBM-1, Strategy, business model and value chain." In addition, section "SBM-3, Material impacts, risks and opportunities and their interaction with strategy and business model" examines the most significant impacts, risks and sustainability opportunities along the different phases of De' Longhi's value chain (BP-1-5c).

The Group has applied the transitional provisions for the following:

- Information on the anticipated financial effects included in the disclosure requirements [SBM-3] *Material impacts, risks and opportunities and their interaction with the strategy and business model*, [E1-9] *Anticipated financial effects from*

*material physical and transition risks and potential climate-related opportunities, and [E5-6] Anticipated financial effects from material resource use and circular economy-related risks and opportunities;*

- Information relating to disclosure requirements [S1-11] *Social protection*; [S1-12] *Persons with disabilities*; [S1-15] *Work-life balance metrics*.

Finally, the Company undertakes to ensure that, where there is information classified as sensitive, namely intellectual property, company know-how or business innovation results, this is clearly identifiable, specified in the points of interest, and accompanied by the appropriate reasons for non-reporting (BP-1-5d, e).

## [BP-2] Disclosures in relation to specific circumstances

### Time horizons

This Sustainability Report has been prepared by adopting the time intervals set out in ESRS Standard 1, section 6.4 (*Definition of short, medium and long term for reporting purposes*) and specified below (BP2-9a,b):

- short term:** one year, corresponding to the Group's reporting period in its financial statements;
- medium term:** one to five years;
- long term:** more than five years.

### Value chain estimates

The disclosure regarding Scope 3 emissions is subject to greater intrinsic limitations than Scope 1 and 2 emissions, due to the lower availability/accuracy of both a quantitative and qualitative nature in relation to the value chain. For more information, see section E1-6 of *ESRS E1 Climate change* (BP2-10a,b,c,d).

### Causes of uncertainty in estimates and results

With regard to forward-looking information on events that may occur in the future and potential future actions by the Group as reported in this document, such information is inherently uncertain as it is based on assumptions and estimates. Consequently, significant deviations from actual results may arise in future years. Any references to uncertainties and estimates in the results are explicitly stated within the individual chapters (BP2-11a,b and BP2-12).

### Changes in the preparation and presentation of sustainability disclosures

As 2025 is the Group's second year of reporting under the European Sustainability Reporting Standards (ESRS), some data for 2023 is not available. Where data had been reported in the 2023 Non-Financial Statement prepared in accordance with the Global Reporting Initiative Framework, it has been included in this Sustainability Report to the extent deemed useful to readers. Data related to 2023 contained in this Sustainability Report should be considered as additional information under ESRS 1 (BP2-13a,b,c).

1 The country where De' Longhi is based does not fall within the exemption provided for in Articles 19a(3) and 29a(3) of Directive 2013/34/EU (BP1-5e).

## Reporting errors in previous periods

In accordance with the ESRS, the Group is required to report any material errors in the data reported in previous periods. However, with respect to the 2023 Non-Financial Statement and the 2024 Sustainability Report, no material errors have been identified. If any future errors are detected, De Longhi will guarantee timely communication and correction (BP2-14 a,b,c).

## Disclosures required by other regulations or generally accepted sustainability reporting requirements

With this Sustainability Report, the De Longhi Group meets the requirements of Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, also called the European Taxonomy. For more information, see the section *"The European Taxonomy"* (BP2-15).

## [GOV-1] Role of the administrative, management, and supervisory bodies

As a company listed on the Euronext Milan market starting on 24 July 2001, since 2021 the Company has complied with the Corporate Governance Code, which replaced the Code of Conduct for Listed Companies which De' Longhi followed from March 2007 to 2020. The De' Longhi Group's governance system, of the traditional type (the so-called "Latin" model), is designed to promote the creation of value while ensuring maximum transparency. Under this model, corporate management is entrusted to the Board of Directors (BoD), while supervisory functions are assigned to the Board of Statutory Auditors. The statutory audit of the accounts is performed by an external auditing firm. The Board of Directors is responsible for defining the company's objectives and developing the most effective strategy for achieving them. It plays a central role within the corporate organization and is the body that sets and bears responsibility for strategic and organizational guidelines, and makes sure controls are in place to monitor the performance of the Company and the Group. The Board guides the Company and the Group with a view to creating long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Company. In particular, the

Board plays a central role in defining sustainability strategies and identifying the annual and medium/long-term objectives pursued by the Group, and in the process of verifying the related results. Some medium-term objectives have a time horizon of less than five years, depending on the nature of the planned interventions. To support this process, the Board of Directors has set up three internal committees, each with investigative, propositional and advisory functions:

- **Control and Risk, Corporate Governance and Sustainability Committee (CCR):** Operational since 2019, it is an internal board committee that deals with, among other things, functions related to the internal control and risk management system and corporate governance, as well as supporting the Board of Directors, with specific investigative, propositional, and advisory functions, in evaluations and decisions regarding sustainability. This includes the analysis of relevant issues for long-term value generation for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Company, with a view to pursuing Sustainable Success for the Company and the Group. This support includes the analysis of the identification, approval, and monitoring of impacts, risks, and opportunities identified in the double materiality assessment carried out by the Group. Furthermore, the CCR evaluates the correctness of the preparation process of periodic financial and non-financial information, ensuring it is functional in correctly representing the business model, the Company's strategies, the impact of its activities, and the performance achieved. It also acknowledges the information provided by the delegated bodies and the Manager in charge of preparing the corporate accounting documents regarding the adequacy of the periodic financial and non-financial information to correctly represent the business model, the Company's strategies, the impact of its activities, and the performance achieved, considering the results of the analysis of relevant issues for long-term value generation for the benefit of shareholders, and taking into account the interests of other stakeholders relevant to the Company, with a view to pursuing Sustainable Success for the Company and the Group. (GOV1-22a); to date, the committee consists of three members, all of whom are female.
- **Remuneration and Appointments Committee (CRN):** Established by the Board of Directors from within its members, the CRN is called upon to perform investigative, propositional, and advisory functions regarding remuneration and appointments.

In exercising its responsibilities regarding remuneration, the CRN: (i) prepares and submits for the approval of the Board of Directors the "Annual Report on the Remuneration Policy and Compensation Paid" pursuant to Art. 123-ter of the TUF (Consolidated Law on Finance) and, in particular, the remuneration policy for Directors, the General Manager, Executives with Strategic Responsibilities, as well as, taking into account Art. 2042 of the Civil Code, the statutory auditors (the "Remuneration Policy"); the Board then submits the Report to the vote of the Shareholders' Meeting convened for the approval of the financial statements; (ii) periodically assesses its adequacy, overall compliance, and the concrete application of the Remuneration Policy, also utilizing information provided by the Chief Executive Officer through the Group Chief People Officer; (iii) presents proposals or expresses opinions to the Board regarding the remuneration of executive directors and other directors holding specific offices, as well as the setting of performance targets related to the variable component of such remuneration; (iv) formulates proposals or expresses opinions regarding the remuneration of the members of the internal committees established by the Board, monitors the implementation of the resolutions adopted by the Board, and verifies the achievement of performance targets; (v) assists the Board in preparing compensation plans based on shares and other financial instruments, as well as medium/long-term cash incentive plans; (vi) monitors the implementation of the decisions adopted by the Board, verifying the achievement of the performance targets upon which the accrual of variable remuneration is contingent; (vii) performs further additional tasks regarding remuneration required to implement the approved Remuneration Policy, or, in applying the recommendations of the Corporate Governance Code, it may avail itself of independent external consultants to support its activities; (viii) furthermore, it performs the tasks assigned to it by the Related Party Transactions Procedure.

Regarding appointments, the CRN has the following tasks: (i) it formulates opinions to the Board concerning its size and composition, as well as those of its Committees, and expresses recommendations regarding the professional figures whose presence on the Board is deemed appropriate, also taking into account the "Diversity Policies for the members of the corporate bodies" adopted by the Company (the "Diversity Policies"); (ii) expresses, where appropriate, recommendations to the Board regarding the maximum number of director or statutory auditor positions held in

other companies listed on regulated markets (including foreign ones) or of significant size, which can be considered compatible with an effective performance of the role of director of the Company, also taking into account the commitment required by the role held; (iii) expresses recommendations to the Board regarding the Board's general and prior authorization of derogations from the non-competition clause for directors envisaged by Art. 2390 of the Civil Code, and with respect to any problematic cases; (iv) proposes candidates for the office of director to the Board in cases of co-optation; (v) supports the Board in monitoring, defining, and updating the Diversity Policies; (vi) instructs and supervises, on behalf of the Board, the self-assessment process of the Board itself and of the committees, supporting the Chairman in ensuring the adequacy and transparency of this process (so-called board review or self-assessment); (vii) supports the Board in the potential preparation, as well as the subsequent updating and implementation, of the succession plan for the Chief Executive Officer and any other executive directors, which at least identifies the procedures to be followed in the event of early termination of office, by formulating its own opinion; (viii) examines and evaluates the procedures adopted for the succession of top management and expresses its opinion to the Board regarding their adequacy.

To date, the Committee consists of three members, all of whom are male.

- **Independent Committee:** It specifically performs the tasks assigned to it by the current Related Party Transactions Procedure regarding operations with related parties, and in particular those that the Consob RPT Regulation assigns to a committee composed exclusively of independent directors. To date, the committee consists of three members, of whom one is female (33%) and two are male (67%).

The members of the Board of Directors possess a profound knowledge of the sector, products, and markets in which the Group operates and hold diverse and complementary skills gained in industrial, financial, and strategic fields; this enables effective and informed management, supported by a plurality of perspectives and experiences.

Neither the Italian legal system nor the Articles of Association (which define the corporate bodies) provide for the representation of employees or other workers within said bodies; currently, the Board of Directors does not include representatives of employees or other workers (GOV1-21 b). Furthermore, the

Group has not adopted an employee share ownership scheme in which voting rights are exercised indirectly.

The Board of Directors:

- Is composed of 12 members, of which 3 (three) are Executive Directors and 9 (nine) are Non-Executive Directors, all possessing the professionalism and skills appropriate for the tasks assigned to them;
- The number and skills of the Non-Executive Directors (9) are such that they ensure a significant weight in the passing of board resolutions and guarantee effective monitoring of management; and
- A significant portion of the Non-Executive Directors (6 out of 9) possesses the independence requirements set forth by the Articles of Association and by law, as well as those established by the Corporate Governance Code. It should also be noted that another Non-Executive Director possesses the independence requirements set forth by the Articles of Association and by law, but not those established by the Corporate Governance Code, having held the position of director of the Issuer for more than 9 financial years within the last 12 years.

The members of the Board of Directors are appointed by the Shareholders' Meeting on the basis of the slate voting

mechanism (voto di lista). This voting system, which involves the use of competing lists of candidates, guarantees the appointment of representatives of minority shareholders.

The appointment process ensures compliance with gender balance in accordance with current regulations.

The Board of Directors has adopted a diversity policy regarding the composition of the administrative body and the control body concerning aspects such as age, gender composition, disabilities, or educational and professional backgrounds. This is entitled the "Diversity Policies for the members of the corporate bodies of De' Longhi S.p.A." (available on the website [www.delonghigroup.com](http://www.delonghigroup.com), in the "Governance" - "Corporate Documents" section).

The current composition of the Board is such that it guarantees the diversity of its members in relation to their age and their educational and professional backgrounds, in line with the provisions of the diversity policies regarding the composition of the administrative body. Furthermore, it is noted that this composition complies with the applicable legislation on gender quotas, as the Board is composed of more than two-fifths of directors of the less represented gender, which is female (of the 12 directors in office at the date of this Report, 5 belong to the female gender, while 7 to the male gender) (MDR-M 76,77).

TABLE 1 – COMPOSITION AND DIVERSITY OF THE ADMINISTRATIVE, MANAGEMENT AND CONTROL BODIES

(GOV1-21a,d, e) composition and diversity of the administrative, management and control bodies	2023	2024	2025
<b>Board of Directors</b>	<b>11</b>	<b>11</b>	<b>12</b>
<b>Number of members with and without executive roles</b>			
Executive members	3	3	3
Non-executive members	8	8	9
<b>Gender split</b>			
Female	45%	45%	42%
Male	55%	55%	58%
Undeclared	0%	0%	0%
<b>% of independent board members</b>	63%	63%	58%

TABLE 2 – BOARD OF STATUTORY AUDITORS

Board of Statutory Auditors	Unit of measurement	2025
<b>Number of members of the Board of Statutory Auditors</b>	Headcount	5 (including two alternates)
<b>Gender split</b>	Women	60%
	Men	40%

In 2024, the De' Longhi Group adopted the new regulatory obligations established by the Corporate Sustainability Reporting Directive (CSRD, EU-2022/2464). Currently, the bodies and figures entrusted with pursuing the Company's sustainability objectives, in addition to the Board of Directors and the aforementioned Control and Risk, Corporate Governance and Sustainability Committee, are:

- **Chief Executive Officer (CEO):** Submits the main corporate risks to the Board of Directors for review at least once a year and implements the Guidelines, overseeing the design, implementation, and management of the Internal Control and Risk Management System and constantly verifying its adequacy and effectiveness.
- **Group Sustainability Council:** Composed of the Chief Executive Officer, the General Manager, the Chief Executive Officer of the Professional division, the Chief Corporate Services Officer, and the Group Sustainability Director; it endorses and supports the Group's sustainability strategy.
- **Leadership Team:** Composed of the executive heads of the corporate departments and the General Manager, it guides action plans and ensures their effectiveness through executive review in relation to sustainability. The Leadership Team coordinates sustainability action plans, monitoring their progress and verifying their results through periodic executive reviews.
- **Group Sustainability Director:** Responsible for defining, implementing, and supervising sustainability strategies at the Group level. This figure collaborates synergistically with the heads of individual corporate departments to integrate sustainability practices and implement the initiatives outlined in the sustainability plan. The Group Sustainability Director guides the Group on its sustainability journey, combining strategic vision, management skills, and a deep commitment to social and environmental responsibility. Established in 2023, this figure reports directly to the Chief Executive Officer, ensuring an effective flow of information between management and the Board of Directors.
- **Commitments' Leading Teams:** Implement the initiatives of the sustainability plan through cross-functional teams.
- **Chief Financial Officer (CFO):** Responsible for sustainability reporting and the related certification of compliance with reference standards and regulations, in their capacity as the Manager in charge of preparing corporate accounting documents.

- **Internal Audit Director:** Oversees the Enterprise Risk Management (ERM) system, a management model developed and refined by the Group over the years that allows for the execution of corporate risk assessment and monitoring procedures (GOV1-22a). The function is not responsible for any operational area, reports hierarchically to the Board of Directors, and coordinates organizationally with the Chief Executive Officer, ensuring the necessary information is provided to the Control and Risk Committee, the Board of Directors, the Board of Statutory Auditors, and the Manager in charge of preparing corporate accounting documents. The Head of the function is guaranteed independence and operational autonomy from each head of the operational areas subjected to their monitoring activities, so as to guarantee absolute independence. They submit periodic reports at least semi-annually to the Control and Risk, Corporate Governance and Sustainability Committee and to the Board of Directors.

These figures play a key role in overseeing the impacts, risks, and opportunities related to Sustainability within the Group, and they foster a structured integration of Sustainability into corporate governance (GOV1-22b). The Internal Audit function plays an independent oversight role, contributing to the evaluation of the effectiveness of ESG risk management systems—also utilizing the support of external consultants—and of the monitoring procedures (GOV1-22c(i),(ii)). The Group manages impacts, risks, and opportunities through dedicated controls, based on ESG risk assessment, which are integrated into Financial Materiality and the ERM (Enterprise Risk Management) system (GOV1-22c(iii)).

The Control and Risk Committee (CCR) supports the Board of Directors (BoD) in actively monitoring the process of defining ESG objectives, ensuring the alignment of sustainability targets with the corporate strategy and relevant regulatory standards. In particular, the BoD approves the business plan of the Company and the Group, within which the Sustainability Plan is integrated; furthermore, it monitors its implementation by periodically comparing the achieved results with the planned ones (GOV1-22d).

The bodies entrusted with monitoring the correct management of sustainability-related issues have been selected based on their skills and the personal and professional experiences accumulated over their careers. However, considering the continuous regulatory evolution in the field of sustainability and the changing reference context, the Group is committed to enhancing the skills of these key figures.

All Directors and Statutory Auditors may participate, following their appointment and during their mandate, in initiatives aimed at providing them with adequate knowledge of the business sectors in which the Company operates, corporate dynamics and their evolution, also with a view to the sustainable success of the Company itself, as well as the principles of proper risk management and the relevant regulatory and self-regulatory framework (so-called induction).

To this end, training opportunities are offered, allowing the Company's actions to be effectively guided in addressing significant impacts, risks, and opportunities, thus ensuring strategic management of sustainability-related challenges (GOV1-21 c, GOV1-23 a,b).

## [GOV-2] Information provided to the administrative, management and supervisory bodies of the undertaking and sustainability matters addressed by them

The organizational structure described in paragraph [GOV-1] is designed to ensure effective management of the Group's sustainability issues. It clearly defines roles and responsibilities, ensuring that planned policies and actions are implemented and monitored in a consistent and systematic manner. The year 2024 marked the company's first experience in conducting a double materiality assessment fully aligned with the requirements of the CSRD framework. The processes aimed at defining the frequency and methodologies for the supervision of material IROs (Impact and Risk Opportunities) by the Board and its respective Committees are still under development, also considering the renewal – which took place in 2025 – of the Control and Risk, Corporate Governance and Sustainability Committee, with the aim of identifying adequate and efficient solutions and integrating any new indications. Attention remains focused on building solid foundations for structured and effective supervision, an area in which the Board of Directors has already been actively involved.

Prior to the approval of the Sustainability Reporting, the Control and Risk, Corporate Governance and Sustainability



Committee, as part of its support functions regarding sustainability, and the Board of Directors, were informed of the confirmation of the double materiality assessment, including the identification of material IROs, and the Board approved them. In particular, the Committee's activities are planned and coordinated by its Chairman, who convenes, chairs, and directs its meetings. At the first available Board meeting, and in any case at least semi-annually, the Chairman informs the Board of Directors about the topics discussed, the observations and recommendations that emerged, as well as the opinions expressed by the Committee during individual meetings. Based on periodic meetings with the Control, Risk and Sustainability Committee, the Group Sustainability Director provides periodic updates on the company's strategic sustainability guidelines (GOV2-26a). Through the double materiality assessment, the Group identifies the most relevant issues, allowing the BoD and the responsible committees to make informed strategic decisions, integrating the evaluation of impacts, risks, and opportunities into the oversight process of the corporate strategy and managing any trade-offs. For more information regarding how the administrative bodies consider IROs in relation to the risk management process, please refer to paragraph [IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities (GOV2-26b).

For more information regarding the Corporate Strategy, please refer to paragraph [SBM-1], while for further information regarding the material impacts, risks and opportunities resulting relevant to the Group, please refer to paragraph [SBM-3] (GOV2-26c).

## [GOV-3] Integration of sustainability performance in incentive schemes

De' Longhi's 2025 Remuneration Policy, publicly available on the corporate website (MDR-P-65f), has been defined in accordance with the Company's governance model and the recommendations of the Corporate Governance Code. This policy, approved by the BoD upon the proposal of the CRN and subsequently submitted to the binding vote of the Shareholders' Meeting (GOV3-29, e), contributes to the corporate strategy, the pursuit of the shareholders' long-term interests, and the sustainability of the Company and the Group, as it allows to:

1. align the interests of top management with those of the shareholders, pursuing the primary objective of creating long-term value for their benefit, taking into account the interests of other stakeholders relevant to the Company, through the creation of a strong link between remuneration and performance;
2. focus management's actions on the pursuit of short, medium, and long-term objectives, concentrating their efforts on the Group's industrial performance;
3. attract, motivate, develop, and retain individuals possessing the individual and professional qualities required to pursue the corporate business development objectives, based on remuneration packages that are competitive with the external market and defined taking into account the working conditions of the Company's employees, thereby fostering their loyalty and retention within the Group;
4. recognize merit in order to adequately value the individual and collective contribution of managers (MDR-P-65a).

These objectives are crucial in defining the Company's remuneration policies. The Remuneration Policy ensures consistency among the corporate strategy expressed in the 2024-2026 Business Plan approved by the Board of Directors, the sustainability strategy and targets (identified to give concrete form to its commitment in this area) set out in the Sustainability Manifesto, the targets included in the new Sustainability Plan, and the performance objectives set by the Company with reference to the short and medium/long-term variable incentive systems adopted and applicable for the benefit of executive directors and Executives with Strategic Responsibilities.

The compensation of non-executive directors is determined by the Shareholders' Meeting upon the appointment of the Board of Directors, for the duration of their mandate; it is commensurate with the competence, professionalism, and commitment required by the tasks assigned to them, also in relation to their participation in the committees established within the Board. No variable component of compensation is provided for non-executive directors. For directors with delegated powers (including the Chief Executive Officer), the General Manager, and Executives with Strategic Responsibilities, the remuneration structure is adequately balanced in order to ensure consistency among strategic objectives, risk management policy, and the sustainability of long-term value creation for shareholders. This structure includes a fixed component, a short-term variable component, and a medium/long-term variable

component: these variable components are defined within maximum limits and are aimed at remunerating the expected performance. Starting from 2025, the committees established by the Board of Directors are granted exclusively attendance fees, without the payment of any fixed amount (MDR-P-65b, GOV3-29, a). Furthermore, the overall remuneration is - for each type of role - consistent with market benchmarks for similar positions, thanks to specific remuneration benchmarking analyses carried out with the support of leading consulting firms. The objectives to which the accrual of variable remuneration is linked are predetermined, measurable, and significantly tied to a long-term horizon, also including non-financial parameters - including ESG performance targets - to promote sustainable success. The balance between the annual fixed component and short-term variable remuneration varies based on the role and responsibilities, to ensure the sustainability of corporate results and long-term value creation for shareholders.

The 2025 Remuneration Policy provides for an annual variable component (MBO), attainable upon the achievement of predefined values for short-term corporate performance indicators; its function is to direct management's actions toward the pursuit of the financial and non-financial objectives defined for the financial year.

The variable portion paid in 2025 and linked to 2024 performance targets related to Sustainability stands at 15% (GOV3-29d). The ESG performance targets are as follows:

- reduction of the environmental impact of products: increase in the % of products with polystyrene-free packaging (target: 70%, result achieved: 72%);
- reduction of the environmental impact of products: increase in the % of products with digital user manuals (target: 25%, result achieved: 31%);
- "DE&I program": define common HR Guidelines for staff recruitment activities and employer branding to ensure balanced candidate shortlists and review of job descriptions used for search and selection processes (project completed in 2024);
- responsible supply chain: finalize at least 30 social audits of component suppliers during 2024 (result achieved: 36 social audits). (GOV3-29b, c)

The 2025 Remuneration Policy provides, as for 2024, a medium-to-long-term variable component, represented by the De' Longhi 2024-2026 Performance Share Plan – intended for the Chief Executive Officer, the General Manager, and a limited number of the Group's top managers.

This Plan, approved by the Board of Directors on March 12, 2024, and by the Shareholders' Meeting on April 19, 2024, was introduced to direct the actions and efforts of management toward the Group's industrial performance—with an expected positive effect also in terms of the appreciation of the De' Longhi share price—in order to pursue the corporate strategy, the long-term interests, and the sustainability of the Company and the Group, aligning top management remuneration with shareholder interests and increasing the motivation and loyalty of the beneficiaries of said incentive system.

The plan's targets include the achievement of specific financial results along with the improvement of ESG performance by 2026. The latter are summarized in the following performance objectives:

- safe working environment: ensuring high standards in terms of health and safety by implementing ISO 45001 management systems at the Group's production sites;
- submission of SBTi Targets and definition of an emissions reduction strategy;
- gender equality: increasing the number of women in senior management positions;
- energy efficiency projects for automatic and pump-driven coffee machines intended for European markets;
- percentage increase of products with polystyrene-free packaging;
- percentage increase of products with digital user instruction manuals.

(GOV3-29b, c)

## [GOV-4] Statement on Due Diligence

The De' Longhi Group does not yet have a fully structured due diligence process in place; consequently, it is currently not possible to provide a comprehensive mapping of how the main aspects and phases of the process are integrated into the Sustainability Reporting. During 2025, however, the Group launched an initial assessment exercise along the value chain by administering a questionnaire to suppliers, aiming to identify impacts, risks, and opportunities and to devise any corrective actions (for further information, please refer to *paragraph [ESRS S2] S2-4 Actions on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions*). The formalization of the process and the related policy is scheduled for 2026. The implementation of this system will make it possible to strengthen the identification, assessment, and management of ESG impacts across business activities and throughout the entire value chain (GOV-4-32).

## [GOV-5] Risk Management Internal Controls over Sustainability Reporting

During 2025, the Group launched the development of an internal control system over sustainability information, with the aim of mitigating the risks of data misstatement, while ensuring the accuracy, reliability, and transparency of the information reported in the Sustainability Reporting. This system, integrated with the existing framework for financial reporting, covers quantitative information relating to the Companies included in the Group's consolidation perimeter (GOV5-36a).

In compliance with ESRS reporting requirements, and starting from the outcomes of the **double materiality analysis**, the definition of the internal control system involved the selection of specific **quantitative datapoints** that were:

- aligned with the **Sustainability Plan**;
- linked to management incentive systems;
- characterized by the need to involve third parties for data collection and/or by the presence of estimates in the calculation processes.

The initial selection was subsequently integrated by assessments from corporate functions (so-called management consideration), in order to define and consolidate the actual testing scope of the internal control system over sustainability information (GOV5-36b). The analysis of the processes underlying the data collection for these datapoints allowed for the identification of specific control measures, defined at the process level, aimed at detecting any errors in reporting activities and ensuring consistency with the methodologies used in previous reporting periods (GOV5-36c). For further details regarding the risks and opportunities identified by the Group, please refer to paragraph [IRO-1] *Description of the process to identify and assess material impacts, risks, and opportunities*.

Starting from the current financial year (2026), the internal control system over sustainability information is subject to testing activities referring to 2025 annual data, with the objective of verifying the operating effectiveness of the defined controls. The results of the testing activities generate information flows to the relevant Operating Functions, aimed at reporting any deficiencies found in the control system.

Any identification of such anomalies leads to the definition and implementation of a remediation plan, allowing the Group to progressively integrate the findings of the risk assessment into the sustainability reporting processes. The mechanism, based on procedural adjustments and continuous monitoring, is intended to ensure the quality, completeness, and reliability of the reported data over time (GOV5-36d).

Furthermore, periodic reporting on the progress of remediation actions is provided to the administrative, management, and supervisory bodies, ensuring a structured and timely information flow. This supports the effective monitoring and management of risks and control measures related to sustainability reporting, in line with the requirements of the standard (GOV5-36e).

## [SBM-1] Strategy, business model and value chain

De' Longhi S.p.A. is the holding company of a group of companies with 10,304 employees, active in the production and distribution of small domestic appliances in the coffee, food preparation and cooking, air conditioning, heating, and home care sectors. In 2024, the business combination between the subsidiary Eversys and La Marzocco—a leader in the production and

distribution of semi-automatic coffee machines—marked the creation of a world-leading hub in the premium professional coffee segment (SBM1-40a(i)). For further details on the breakdown of employees by geographical area, please refer to paragraph S1-6 of this document (SBM1-40a(iii)).

Listed on the Euronext Milan market managed by Borsa Italiana, the De' Longhi Group distributes its products in more than 120 markets worldwide and contributes annually to the launch of innovative items aligned with consumer needs. Despite having deep roots in Italy, and specifically in Treviso where the headquarters are located, the De' Longhi Group has long established itself as a major international player through numerous direct commercial subsidiaries and a vast network of distributors. To date, the Group supplies its products to international markets through a portfolio of strong brands: De' Longhi, Kenwood, Braun, Ariete, and Nutribullet. These were more recently joined by brands in the professional coffee machine segment—first Eversys and, in 2024, La Marzocco—which have consolidated the Group's presence in strategic markets while further expanding and diversifying the product range.

Products are distributed globally through a network of specialized distributors and retailers, including department stores, appliance stores, online shops, and consumer electronics chains. Furthermore, the Group operates its own e-commerce site, thus engaging in B2C distribution. Headquartered in Italy, the Group is present in over 30 countries; the main geographical areas of operation include key markets such as Europe, North America, China, Japan, the Middle East, and Australia. Since 2024, following the acquisition of La Marzocco, the market reach has been further expanded, consolidating the Group's position in the home appliance and coffee machine sector, with a growing presence in both emerging and established markets (SBM1-40a(ii)). None of the products offered by the Company are banned in the markets served (SBM1-40a(iv)).

In the first quarter of 2026, following a two-year preparation process, La Marzocco achieved B Corp™ certification, joining a growing global movement committed to the wellbeing of people and the planet. Certified B Corps are companies that meet B Lab's high standards of social and environmental performance, transparency, and accountability. B Lab and the B Corp movement aim to accelerate behavioral, cultural, and structural change by promoting an inclusive, equitable, and regenerative economic system.

The B Corp certification is holistic, evaluating a company's entire range of activities and covering impact areas related to business practices and outcomes in governance, workers, community, environment, and customers. With this certification, business practices are verified according to environmental, social, and governance standards. La Marzocco Group is committed to being transparent and accountable regarding its impact, continuously adapting its practices to address evolving social and environmental challenges, while aligning with consumer values and expectations.

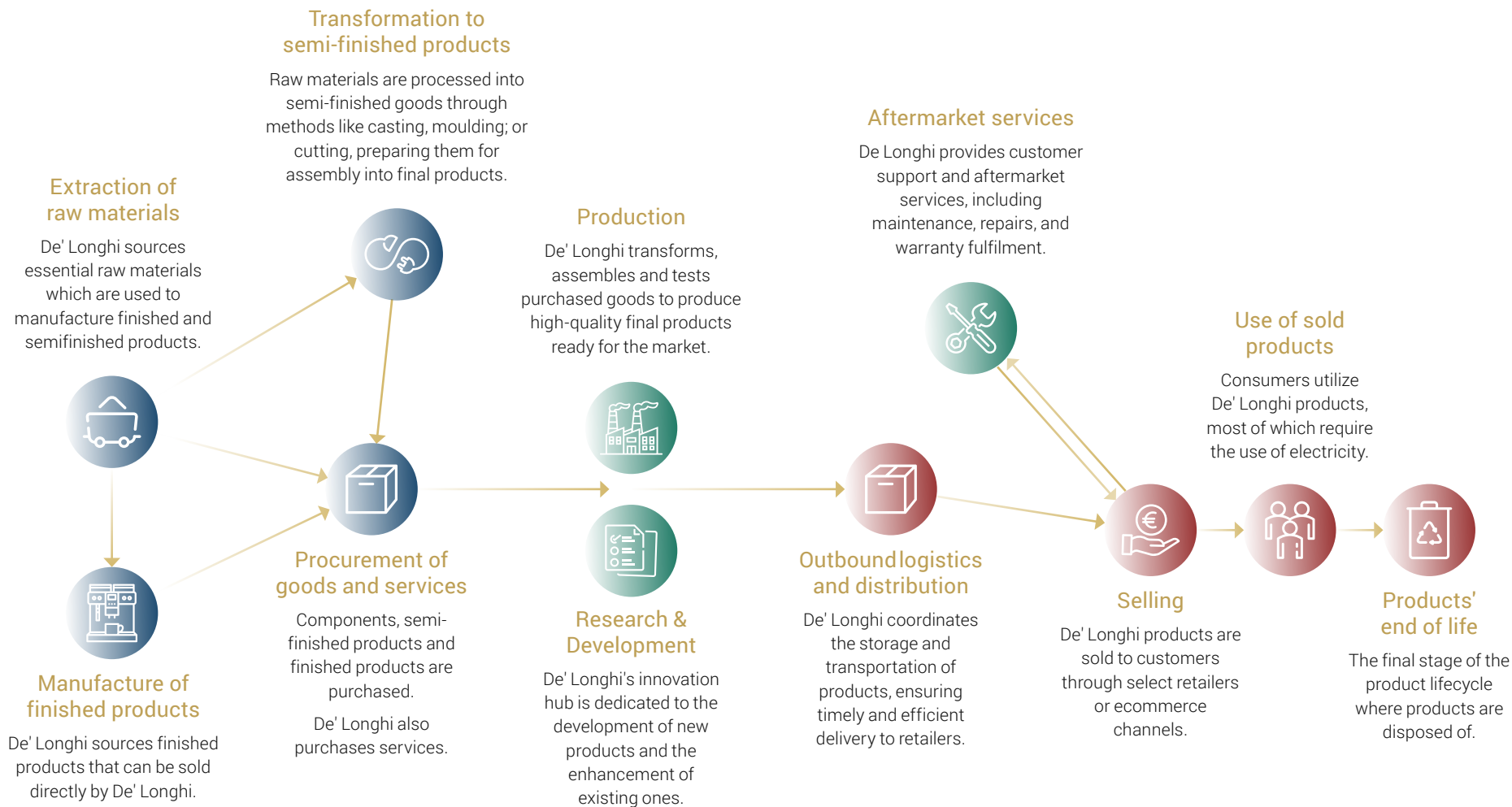
## The Group's business model and value chain

The Value Chain, and the relationships De' Longhi builds within it, is crucial for maintaining high standards of excellence at every stage of the production process, from the selection of raw materials to after-sales services.

The Group adopts a structured approach to ensure the safety and resilience of its value chain, intervening in both the inputs and outputs of the production process. Through responsible sourcing strategies and consolidated partnerships, De' Longhi mitigates risks related to the procurement of raw materials, ensuring operational continuity and optimizing production efficiency. This business model is capable of generating significant benefits for the stakeholders involved. In particular, customers can rely on reliable and safe products made in compliance with rigorous quality and sustainability standards, while investors benefit from the effective management of operational and reputational risks. Business partners benefit from solid and long-lasting collaboration that promotes innovation and shared growth. Finally, the commitment to a more ethical and responsible value chain contributes to the wellbeing of society as a whole by reducing environmental impact and strengthening the transparency of production processes (SBM1-42 a,b).

A detailed description of the different stages of the Group's value chain, with the relevant corporate actors and outputs, is provided below (SBM1-42 c).

# 02



(SBM1-42 a,b).

## [SBM-2] Interests and views of stakeholders

For the De' Longhi Group, maintaining a constant and constructive dialogue with its stakeholders, based on listening to mutual needs, is fundamental to successfully pursuing its business objectives. This interaction enables the establishment of a solid bond of trust, cultivated by specific corporate functions through communication consistent with the principles of transparency, fairness, clarity, and completeness of information.

As part of this process, periodic meetings take place between the relevant corporate functions and key stakeholders; for example, regarding consumers, any product issues identified through consumer reports are shared with the appropriate corporate functions and administrative bodies. This ensures alignment between corporate strategy and stakeholder expectations (SBM2 – 45d) (SBM2 – 45a(v)).

Key internal stakeholders, particularly from the Finance, Internal Audit, and Sustainability areas, were involved in the double materiality analysis. This analysis was discussed on several occasions during the Group Sustainability Council meetings, in the presence of the Chief Executive Officer and the General Manager. On these occasions, the main impacts, risks, and opportunities that emerged as material were discussed and defined. Engaging with key internal functions allowed for a detailed and profound understanding of the magnitude of impacts, risks, and opportunities specific to the Group's reality, particularly those related to its own industrial processes and the value chain (SBM 2 45 b).

The Group integrates sustainability goals into its corporate strategy through the Sustainability Plan, defining clear objectives in relation to its products and services, markets, customers, and stakeholders. This commitment translates into the development of solutions aimed at embedding sustainability into the business model by developing initiatives paired with specific targets to monitor progress over time. Three areas of sustainability commitment have been identified, as listed below, which guide the Group's strategy in the medium-to-long term (2024-2026) (SBM-3 48f):

1. Transforming the way business is conducted by decarbonizing the stages of its value chain;
2. Incorporate sustainability into designed and manufactured products;
3. Promoting awareness and responsible choices and behaviors by involving our employees, consumers, and external communities.

These three areas of commitment are operationalized through the implementation of specific initiatives, identified through the involvement of numerous corporate functions and taking into account the various categories of stakeholders and market segments addressed by the targets (for more information, see the paragraphs dedicated to objectives within each thematic chapter) (SBM1-40 f,g). In this regard, within the strategy oversight process, the Group's Administrative Bodies commit to considering material impacts and integrating them into strategic decisions and, consequently, into the Sustainability Plan (GOV2 - 26b).

Objectives are renewed and, if necessary, reformulated with each update of the Sustainability Plan (GOV2-26a). As evidence of this, in 2024 the Group approved and published a Sustainability Plan as part of the 2024-26 Three-Year Plan, which includes qualitative and quantitative targets that the Group intends to achieve to drive its commitment toward a more responsible business model.

For more information regarding the targets associated with the sustainability initiatives in the Plan, please refer to the respective paragraphs within the relevant topics. (SBM1-40 e).

The management of the Group's supply chain is entrusted to the *Supply Chain* Department, in collaboration with the *Quality* and *Procurement* functions, to ensure high *standards* of quality, *business* continuity, and compliance with environmental and social requirements, including human rights.

The Group's Business Model is based on two main elements: proprietary production hubs and a network of OEMs (Original Equipment Manufacturers), which are qualified partners responsible for specialized production. The production hubs include plants located in Italy, China, Switzerland, and Romania.

Relationships between the Group and OEMs are managed by the Procurement Offices located in Italy and Hong Kong, each responsible for specific product categories. Regarding the management of materials for components and finished products in Italy, Romania, and Switzerland, this is handled by the Supply Chain Department or by Local Managements for the Professional Coffee Division; in China, however, this responsibility is assigned to local plant managers, supported by the aforementioned Procurement Offices.

Once the assembly and production phase is completed, quality control tests regarding product safety are carried out by specific teams within the production sites, while the Corporate Quality Division is responsible for conducting specific internal audits. Subsequently, products are transported to dedicated warehouses at logistics hubs, from where they are distributed worldwide through the Group's commercial network.

To facilitate communication with its suppliers, De' Longhi created a dedicated portal several years ago that includes fundamental documents, such as the corporate Code of Ethics and the *Responsible Sourcing Guidelines*, available in Italian, English, and Chinese. These documents define risk assessment criteria and ensure adequate oversight of new suppliers. For further details regarding the tools available in this area, as well as the initiatives and actions implemented, please refer to the chapter on workers in the value chain, namely [ESRS S2] *Workers in the value chain*.

The main stakeholder categories identified are reported below (SBM2-45 a(i) (ii) (iv)):

TABLE 3 – STAKEHOLDERS AND THEIR ENGAGEMENT METHODS

Stakeholder	Role in the value chain	Means of stakeholder engagement (SBM2 – 45a (iii))	Type
<b>Trade Associations</b>	Trade associations represent and protect the interests and rights of workers within the business perimeter and consumers downstream in the value chain.	Periodic meetings with Associations.	Intended Users
<b>Shareholders</b>	Shareholders are crucial components for De' Longhi, as they provide capital and hold management accountable through voting rights and influence. They are individuals, companies, or institutions that play a steering role within the corporate perimeter and can influence decisions both upstream and downstream in the value chain.	Publication of Sustainability Reporting; Policy for management and dialogue with shareholders; Sustainability Plan and related targets; Other publicly available documentation on the Group's website.	Intended Users
<b>Communities and NGOs</b>	Local communities and NGOs support the De' Longhi Group by collaborating throughout the value chain, providing continuous consultancy and support to improve business practices. Specifically, these stakeholders can act as facilitators to enhance the Group's transparency and social responsibility.	Meetings with communities for local development.	Affected Stakeholders
<b>Consumers</b>	For De' Longhi, consumers are located in the downstream phase of the value chain; however, they influence the direct and upstream phases by determining demand, providing feedback for innovation, and affecting the Group's reputation. Furthermore, their environmental and social awareness drives the Group toward sustainable practices. For these reasons, consumer satisfaction is crucial for loyalty, while their price and value expectations guide corporate strategies.	Customer care service.	Intended Users Affected Stakeholders
<b>Employees</b>	Employees are crucial in De' Longhi's value chain, influencing productivity, quality, innovation, corporate culture, customer service, risk management, sustainability, and operational efficiency. Their contribution is fundamental to the company's long-term success and sustainability, and in directing virtuous actions within the corporate perimeter and the Group's role in the upstream and downstream phases.	Employee training activities; Dialogue with Trade Unions.	Affected Stakeholders
<b>Suppliers</b>	Suppliers are crucial in the Group's value chain, influencing product quality, production costs, innovation, operational flexibility, and sustainability. In the upstream phases, they provide essential raw materials and components, ensuring quality and reliability. In the direct phase, they collaborate closely with the company to optimize production processes and introduce innovations. Downstream, they support distribution and logistics, contributing to operational continuity and customer satisfaction.	Supplier audits; Periodic meetings with suppliers.	Affected Stakeholders
<b>Future Generations</b>	Future generations as stakeholders in the value chain push the Group to operate sustainably and responsibly, considering the environmental impact of operations to preserve the environment and communities. This ensures that De' Longhi's decisions account for the well-being of communities, securing economic and social opportunities for the future and guiding actions across all stages of the value chain.	Practical laboratory activities in schools; Meetings with university students and career guidance programs.	Affected Stakeholders

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Stakeholder	Role in the value chain	Means of stakeholder engagement (SBM2 – 45a (iii))	Type
<b>Financial Analysts and Media</b>	Financial analysts and the media influence public perception, reputation, and the Group's strategic decisions across all stages of the value chain. Upstream, they evaluate sourcing and sustainability practices, influencing investor confidence and market credibility. In the direct phase, they provide analysis on financial performance and transparency, guiding strategic decisions and promoting corporate accountability and governance. Finally, downstream, they manage reputation through media coverage and highlight sustainability and social responsibility practices, influencing public and investor perception.	Publication of Sustainability Reporting and the Sustainability Plan with related targets; Other publicly available documentation on the Group's website; Participation in meetings.	Intended Users
<b>Business Partners</b>	Business partners are fundamental in the Group's value chain. They influence collaboration, synergy, market expansion, and supply chain efficiency. In the direct phase, they facilitate access to new markets and customer segments, optimize logistics, and reduce operational costs through efficient supply chain management. Downstream, they stimulate innovation through the joint development of new products and technologies, help diversify and mitigate operational and market risks, and support sustainability and social responsibility initiatives.	Involvement of partners in Group activities through periodic meetings.	Intended Users Affected Stakeholders
<b>Universities and Research Centers</b>	Universities and Research Centers are crucial in the Group's value chain, as they influence innovation, training, and technological development across all phases. In the direct phase, they collaborate with De' Longhi to innovate through the application of new technologies, products, and processes, improving competitiveness and efficiency. They train future professionals by providing specialized skills and advanced knowledge to solve complex problems and improve business processes. Downstream, they promote open innovation, sharing ideas and technologies to accelerate the development of new solutions.	Collaborations between universities (e.g., Politecnico di Milano) and the Group's product development teams; Presentation of company activities to students and career guidance programs.	Intended Users

## [SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

In light of the recent developments in the regulatory framework, the double materiality analysis not only considers the effects of corporate activities on the environment and society (*impact materiality*) but also examines how ESG issues influence the company's financial performance and resilience, both now and in the future (*financial materiality*). The Group has therefore assessed the impacts, risks, and opportunities related to Sustainability through a structured and defined process. Initially, a benchmark study was conducted on both industry documents and the non-financial reports of competitors; subsequently, the impacts identified by the Group in the previous reporting year were analyzed to intercept any changes in the assessment. The identification of material topics is based on the analysis of the main economic, environmental, and social impacts (including human rights) that may be caused by the Group's activities as well as its business relationships, including potential ones. Furthermore, risks—already mapped within the corporate ERM (Enterprise Risk Management) and integrated with those arising from the analysis of impacts and dependencies—and opportunities were considered.

Please note that paragraph [IRO-1] *Description of the process to identify and assess material impacts, risks and opportunities* provides the list of material impacts, risks, and opportunities, including the stages in which they occur along the value chain and the activities by which they are generated (SBM-3, 48 c i, ii, iv).

The material impacts, risks, and opportunities identified through the materiality analysis formed the basis for defining the priority themes addressed in the Group's Sustainability Plan<sup>2</sup>. This assessment allowed for the identification of the most relevant areas of intervention and the alignment of strategic actions toward more responsible and conscious management (SBM-3, 48 b). The progress of the initiatives outlined in the Sustainability Plan is constantly monitored through relevant KPIs, and the results are published annually in the

Sustainability Reporting, ensuring transparency and consistency with the commitments made; the process of defining and monitoring targets involves all internal stakeholders described in the previous chapter, fostering a shared approach.

For further information regarding the link between the Sustainability Plan and the IROs, please refer to the target-related paragraphs within the topics to which they refer (SBM-3, 48 c(ii)).

## [IRO-1] Description of the process to identify and assess material impacts, risks and opportunities

In compliance with the *Corporate Sustainability Reporting Directive* (CSRD), the De' Longhi Group has conducted a double materiality analysis starting from the previous financial year, with the support of external consultants. During the current year, the analysis was updated to confirm the absence of significant changes compared to the previous assessment and to ensure an accurate and consistent overview of the Group.

The principle of double materiality represents the first step in defining the content of the sustainability reporting, as it allows for the identification of information relevant to *stakeholders*; through this analysis, the Group has reassessed the ESG impacts generated, the risks to which it is exposed, and the opportunities to be seized. The starting point consisted of updating the *impact materiality*, which involves an assessment of actual and potential, negative and positive impacts generated by the company toward the outside (inside-out approach). On the other hand, the update of the *financial materiality* involved the reassessment of risks and opportunities that influence or could influence the Group's financial position, financial performance, and cash flows, as well as the cost of capital in the short, medium, or long term (*outside-in* approach). The update of the analysis was carried out by taking the entire value chain into account, thus including, in addition to direct activities, those taking place upstream and downstream of the corporate perimeter (IRO-1-53a).



2 Please note that the objectives of the Sustainability Plan refer to all Group companies, excluding La Marzocco, as it was acquired after the Plan's approval.

## Impact Materiality

The impact analysis was conducted through a deep understanding of the value chain and the operating context, supported by an updated *benchmark* analysis of *competitors, comparables, and peers*, as well as industry sustainability trends and existing regulations applicable to the Group. Compared to the previous financial year, potential impacts on stakeholders—including workers, the community, and consumers—were maintained, involving and consulting the *Sustainability and Financial Reporting & Consolidation* areas (IRO-1-53b (iii)). For the quantification and prioritization of generated negative impacts, three parameters were used: scale, scope, and irremediable character; for positive impacts, *scale* and *scope* were assessed, as required by the ESRS (IRO-1-53b (iv)). Specifically:

- In assessing scale, the magnitude of the impact on the environment or people was evaluated;
- In analyzing scope, the geographical perimeter was assessed, considering the entire value chain;
- In evaluating the irremediable character, the difficulty of remedying the damage potentially generated should the impact occur was assessed.

Furthermore, for each potential impact, an additional parameter was evaluated: the likelihood of the event associated with the impact occurring. The likelihood of potential negative impacts was assessed using a “gross” approach, i.e., without considering the actions implemented by the Group to prevent or mitigate them.

Each impact was evaluated by distinguishing between direct impacts, resulting from corporate activities, and indirect impacts, attributable to commercial and business relationships (IRO-1-53b(ii)); the assessment also considered the geographical dimension and the type of asset where the impact is generated (IRO-1-53b(i)). Should a potential negative impact involve consequences for human rights, the severity (scale) is considered prevalent over the likelihood of occurrence; this criterion reflects the importance assigned by the Group to the protection of fundamental rights.

Finally, for potential impacts, a time horizon was identified within which the event might manifest its effects. The time horizons adopted by the Group follow the classification described previously.

## Financial Materiality

In implementing financial materiality, De' Longhi has updated and expanded its list of potential sustainability-related risks (both physical and transition risks) and opportunities that could respectively generate a negative or positive financial impact on the company. Risks and opportunities may be caused by the impacts generated or may also derive from the actions implemented to address those same impacts.

For the assessment and prioritization of risks and opportunities, in compliance with the requirements of the ESRS Standards and in continuity with the process used in the previous reporting year, the Group evaluated the following factors (IRO1-53 c (i),(iii), h):

- **Impact:** a risk or an opportunity can be generated by a company's impact on people and the environment, as identified during the impact materiality analysis phase;
- **Dependency:** dependencies represent the close relationship and interconnection between an organization and various factors—such as suppliers, customers, resources, regulations, or other external entities—upon which the organization relies for its operations and the achievement of its objectives;
- **Corporate ERM:** the Enterprise Risk Management process serves as the foundation for the analysis; by studying the impacts generated, the ERM has been integrated with the risks and opportunities found to be significant from the Materiality analysis;
- **Climate Risk Analysis:** the Climate Risk Analysis constitutes a fundamental tool for identifying potential risks that may affect the Group's activities, products, and production sites. Consequently, risks deemed significant within the Materiality analysis were defined by also taking the results of this assessment into account;
- **Actions taken to address sustainability matters:** risks and opportunities can be generated by the actions the company undertakes to mitigate its negative impacts or to maximize its positive sustainability impacts.

In assessing risks and opportunities over the short, medium, and long term, two parameters were considered: the magnitude of the financial effect generated on the company and the likelihood of occurrence of the event to which the risk or opportunity is linked. The magnitude thresholds are the same as those used for risk assessment within the ERM (IRO1-53 c (ii)).

The results of the double materiality analysis are integrated into the overall enterprise risk management process and used to assess the overall risk profile (IRO-1-53 e).

As with impact materiality, a time scale was also used for financial materiality to represent the horizon within which a risk or opportunity might occur. The time horizons used for the financial materiality assessment follow the classification adopted for impact materiality, presented in the previous paragraph (IRO-1-53 f,g).

## Double Materiality

After identifying and prioritizing the impacts, risks, and opportunities along the value chain, these were validated by the Group Sustainability Council and subsequently reviewed by the Control and Risks, Corporate Governance and Sustainability Committee.

The involvement of the Group's internal stakeholders throughout the process of updating risks and opportunities is emphasized. To complete the analysis and identify the pertinent metrics, consultations were held with key internal functions of the Group, specifically identified to ensure coverage of all relevant financial aspects (IRO-1-53d) (MDR-M-77 (a)).

The undertaking discloses the metrics adopted to evaluate performance and effectiveness in relation to material impacts, risks, and opportunities, ensuring structured monitoring consistent with the defined objectives (MDR-M-75). However, none of the metrics used have been validated by an external body other than the assurance provider issuing the report (MDR-M-77 (b)). A representation of the material impacts, risks, and opportunities is provided below, including the stage in which they occur within the value chain (SBM-3, 48a) (SBM-3, c(i)) (SBM-3, c(iii)) (SBM-3, c(IV)).

All impacts, risks, and opportunities are covered by the disclosure requirements set out in the ESRS; therefore, no further entity-specific disclosures are required (SBM-3-48 h).

TABLE 4 – MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

ESRS Topic	ESRS Sub-topic	ESRS Sub-sub-topic	IRO Description	IRO Type	Actual/ Potential	Neg./ Pos.	Position in the value chain	Time Horizon
E1 - Climate Change	Climate change mitigation	-	Climate change due to greenhouse gas (GHG) emissions	Impact	Actual	Negative	Upstream, Direct, Downstream	Short-term
			Difficulty in attracting investors and higher interest rates due to inadequate sustainability targets	Risk	-	-	-	Medium-long term
			Access to tenders and funding for sustainable investments	Opportunity	-	-	-	Short-term
			Reputational risks associated with the lack of initiatives to mitigate climate change	Risk	-	-	-	Medium-long term
	Climate change adaptation	-	Loss of market share due to insufficient low-carbon product offerings	Risk	-	-	-	Medium-long term
			Increased operating costs and business continuity impacts due to climate change	Risk	-	-	-	Short-term
			Increased operating costs and business continuity impacts due to climate change	Risk	-	-	-	Medium-long term
			Reduced availability of coffee on the market due to climate change	Risk	-	-	-	Medium-long term
	Energy		Excessive energy consumption	Impact	Actual	Negative	Upstream, Direct, Downstream	Short-term
			Reputation improvement and cost savings from energy transition	Opportunity	-	-	-	Short-term
E5 - Resource use and circular economy	Resource inflows, including resource use		Depletion of natural resources due to the use of virgin raw materials	Impact	Actual	Negative	Upstream and Direct	Medium-long term
			Increased procurement costs due to scarcity of virgin raw materials	Risk	-	-	-	Medium-long term
			Increased costs due to the use of recycled materials	Risk	-	-	-	Short-term
			Increased operating costs due to sustainability regulations in the coffee supply chain	Risk	-	-	-	Medium-long term
			Revenue growth through the development of products based on circular economy principles	Opportunity	-	-	-	Short-term
	Resource outflows related to products and services		Damage to ecosystems due to inadequate management of resource flows related to products and services	Impact	Potential	Negative	Direct	Medium-long term
		Waste	Ecosystem damage caused by improper waste disposal	Impact	Potential	Negative	Upstream, Direct, Downstream	Medium-long term

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ESRS Topic	ESRS Sub-topic	ESRS Sub-sub-topic	IRO Description	IRO Type	Actual/ Potential	Neg./ Pos.	Position in the value chain	Time Horizon	
S1 - Own workforce	Working conditions	Health and safety	Physical harm to workers due to inadequate working conditions	Impact	Actual	Negative	Direct	Short-term	
			Reputational and legal risk arising from failure to protect worker health and safety	Risk	-	-	-	Short-term	
		Work-life balance	Promotion of a healthy work-life balance for employees	Impact	Potential	Positive	Direct	Medium-long term	
		Secure employment; Working hours; Adequate wages; Social dialogue; Freedom of association; Collective bargaining; Work-life balance	Violation of workers' human rights due to inadequate labor practices	Impact	Potential	Negative	Direct	Short-term	
			Difficulty in attracting and retaining talent	Risk	-	-	-	Short-term	
	Equal treatment and opportunities for all	Training and skills development	Failure to develop employee skills due to inadequate training activities	Impact	Potential	Negative	Direct	Short-term	
		Gender equality; Equal pay; Inclusion of persons with disabilities; Diversity; Anti-violence/harassment	Discrimination against workers	Impact	Potential	Negative	Direct	Short-term	
	Other work-related rights	Child labor; Forced labor	Violation of workers' human rights due to inadequate labor practices	Impact	Potential	Negative	Direct	Short-term	
			Reputational and legal risks for human rights violations within the company	Risk	-	-	-	Short-term	
		Privacy	Breach of worker privacy due to inadequate data protection	Impact	Potential	Negative	Direct	Short-term	
	S2 - Workers in the value chain	Working conditions	Health and safety	Physical harm to workers due to inadequate working conditions	Impact	Actual	Negative	Upstream	Short-term
		Equal treatment; Other work-related rights	Anti-violence/harassment; Child labor; Forced labor	Reputational and legal risks for human rights violations along the value chain	Risk	-	-	-	Short-term
Violation of workers' human rights due to inadequate labor practices				Impact	Potential	Negative	Upstream	Short-term	

ESRS Topic	ESRS Sub-topic	ESRS Sub-sub-topic	IRO Description	IRO Type	Actual/Potential	Neg./Pos.	Position in the value chain	Time Horizon	
S4 - Consumers and end-users	Personal safety of consumers/end-users	Health and safety	Damage to user health and safety due to product quality	Impact	Potential	Negative	Direct	Short-term	
			Promotion of a healthy lifestyle for consumers	Impact	Actual	Positive	Direct	Short-term	
			Reputation recognition through the promotion of healthy lifestyles	Opportunity	-	-	-	Short-term	
			Consequences of distributing products to consumers that do not meet health and safety standards	Risk	-	-	-	Short-term	
	Personal safety	Privacy	Damage to consumer health and safety due to misleading labeling	Impact	Potential	Negative	Direct	Short-term	
			Violation of customer privacy	Impact	Potential	Negative	Direct	Short-term	
	Information impacts for consumers/end-users	Access to (quality) information	Fines and reputational damage from data breaches	Risk	-	-	-	Short-term	
			Lack of safe and clear information for customers	Impact	Potential	Negative	Direct	Short-term	
		Social inclusion for consumers/end-users	Non-discrimination; Access to products; Responsible marketing	Risk of misleading sustainability claims (Greenwashing)	Risk	-	-	-	Short-term
				Promoting social inclusion through products	Impact	Potential	Positive	Direct	Medium-long term
G1 - Business conduct	Corporate culture	-	Market expansion through inclusive product development	Opportunity	-	-	-	Short-term	
			Positive impact on corporate governance by strengthening transparency, compliance, and governance processes	Impact	Actual	Positive	Direct	Short-term	
	Protection of whistleblowers	-	Potential lack of a safe and confidential environment for reporting misconduct without fear of retaliation	Impact	Potential	Negative	Direct	Short-term	
			Legal and reputational consequences of corporate corruption	Risk	-	-	-	Short-term	
	Active and passive corruption	Prevention and detection (including training)	Reputational consequences from supplier misconduct	Risk	-	-	-	Short-term	

## [IRO-2] Disclosure requirements in ESRS covered by the undertaking's sustainability statement

In the preceding paragraphs, the Group illustrated the process aimed at updating the assessment of impacts, risks, and opportunities identified as material; for further information, please refer to paragraph [SBM-3] *Material impacts, risks and opportunities and their interaction with strategy and business model* and [IRO-1] *Description of the process to identify and assess material impacts, risks and opportunities* (IRO-2-59).

Below is a list of the disclosure requirements for which the Group has committed to providing disclosure, based on the results of the double materiality analysis (IRO-2-56):

TABLE 5 – DISCLOSURE REQUIREMENTS EMERGING FROM THE DOUBLE MATERIALITY ANALYSIS

List of disclosure requirements arising from the double materiality analysis	
Disclosure requirement	Page
<b>ESRS 2 - General disclosures</b>	
BP-1 - General basis for preparation of sustainability statements	Page 45
BP-2 - Disclosures in relation to specific circumstances	Page 45-46
GOV-1 - The role of the administrative, management and supervisory bodies	Page 46-47-48
GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Page 48-49
GOV-3 - Integration of sustainability-related performance in incentive schemes	Page 49-50
GOV-4 - Statement on due diligence	Page 50
GOV-5 - Risk management and internal controls over sustainability reporting	Page 50-51
SBM-1 - Strategy, business model and value chain	Page 51-52-53
SBM-2 - Interests and views of stakeholders	Page 53-54-55
SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Page 56
IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities	Page 56-57-58-59-60
IRO-2 - Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	Page 61-62-63-64-65-66-67-68-69-70-71 Taxonomy: Page 72-73-74-75-76 -77-78-79-80-81-82

List of disclosure requirements arising from the double materiality analysis	
Disclosure requirement	Page
<b>ESRS E1 – Climate change</b>	
E1 - GOV-3 - Integration of sustainability-related performance in incentive schemes	Page 83
E1 - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Page 83-84-85
E1 - IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Page 83-84-85
E1-1 – Transition plan for climate change mitigation	Page 85
E1-2 - Policies related to climate change mitigation and adaptation	Page 85-86-87
E1-3 – Actions and resources in relation to climate change policies	Page 87-88
E1-4 – Targets related to climate change mitigation and adaptation	Page 88-89
E1-5 – Energy consumption and mix	Page 90-91
E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions	Page 91-92-93-94
E1-7 - GHG removals and GHG mitigation projects financed through carbon credits	Page 95
E1-9 - Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	DR subject to transitional provisions
<b>ESRS E5 – Resource use and circular economy</b>	
E5 - IRO-1 - Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Page 96
E5-1 – Policies related to resource use and circular economy	Page 96-97
E5-2 – Actions and resources related to resource use and circular economy	Page 98-99
E5-3 – Targets related to resource use and circular economy	Page 99-100-101
E5-4 – Resource inflows	Page 101
E5-5 – Resource outflows	Page 102
E5-6 - Anticipated financial effects from material resource use and circular economy-related impacts, risks and opportunities	DR subject to transitional provisions

List of disclosure requirements arising from the double materiality analysis	
Disclosure requirement	Page
<b>ESRS S1 – Own workforce</b>	
S1 - SBM-2 - Interests and views of stakeholders	Page 103
S1 - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Page 104
S1-1 - Policies related to own workforce	Page 105-106-107
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	Page 107-108
S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns	Page 108
S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Page 108-109-110-111
S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Page 111-112
S1-6 – Characteristics of the undertaking's employees	Page 112-113-114
S1-7 - Characteristics of non-employee workers in the undertaking's own workforce	Page 115
S1-8 – Collective bargaining coverage and social dialogue	Page 115
S1-9 - Diversity indicators	Page 116
S1-10 - Adequate wages	Page 116
S1-11 - Social protection	<i>DR subject to transitional provisions</i>
S1-12 - Persons with disabilities	<i>DR subject to transitional provisions</i>
S1-13 – Training and skills development indicators	Page 117
S1-14 - Health and safety indicators	Page 117-118
S1-15 - Work-life balance	<i>DR subject to transitional provisions</i>
S1-16 - Remuneration indicators (pay gap and total remuneration)	Page 118-119
S1-17 Incidents, complaints and severe human rights impacts	Page 120

List of disclosure requirements arising from the double materiality analysis	
Disclosure requirement	Page
<b>ESRS S2 – Workers in the value chain</b>	
S2 - SBM-2 - Interests and views of stakeholders	Page 121
S2 - SMB-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Page 121-122
S2-1 - Policies related to value chain workers	Page 122-123
S2-2 - Processes for engaging with value chain workers about impacts	Page 124
S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns	Page 124
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Page 124-125
S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Page 125
<b>ESRS S4– Consumers and end-users</b>	
S4 - SBM-2 - Interests and views of stakeholders	Page 126-127
S4 - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Page 127-128
S4-1 - Policies related to consumers and end-users	Page 128-129
S4-2 - Processes for engaging with consumers and end-users about impacts	Page 130
S4-3 - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Page 130-131
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Page 131-132
S4-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Page 132-133

**List of disclosure requirements arising from the double materiality analysis**

Disclosure requirement	Page
<b>ESRS G1 – Business conduct</b>	
G1-GOV-1 - Role of the administrative, management and supervisory bodies	Page 134
G1-1 – Corporate culture and business conduct policies	Page 134-135-136
G1-3 – Prevention and detection of corruption and bribery	Page 137
G1-4 - Incidents of corruption or bribery	Page 137



In contrast, the following list outlines the topics identified as non-material and/or not applicable to the Group (IRO-2-58):

TABLE 6 – NON-MATERIAL AND/OR NON-APPLICABLE TOPICS

ESRS	Subtopic
ESRS E2 – Pollution	Air pollution
	Water pollution
	Soil pollution
	Pollution of living organisms and food resources
	Substances of concern
	Substances of very high concern
	Microplastics
ESRS E3- Water and marine resources	Water
	Marine resources
ESRS E4 – Biodiversity and ecosystems	Direct impact drivers of biodiversity loss
	Impacts on the state of species
	Impacts on the extent and condition of ecosystems
ESRS S1 – Own workforce	Impacts and dependencies on ecosystem services
	Adequate housing

ESRS	Subtopic
ESRS S2 – Workers in the value chain	Secure employment
	Working time
	Adequate wages
	Social dialogue
	Freedom of association, including the existence of works councils
	Collective bargaining
	Work-life balance
	Gender equality and equal pay for work of equal value
	Training and skills development
	Employment and inclusion of persons with disabilities
	Diversity
	Adequate housing
	Water and sanitation
	Privacy
ESRS S3 – Affected communities	Economic, social and cultural rights of communities
	Civil and political rights of communities
	Rights of indigenous peoples
ESRS S4 – Consumers and end-users	Freedom of expression
	Protection of children
ESRS G1 - Business conduct	Animal welfare
	Political engagement and lobbying activities
	Management of relationships with suppliers, including payment practices



The following table also discloses the information included in this Statement deriving from other European Union legislative acts, in addition to Delegated Regulation 2023/5303 on the European Sustainability Reporting Standards, indicating the pages where it is located:

TABLE 7 – INFORMATION DERIVING FROM OTHER EUROPEAN UNION LEGISLATIVE ACTS

Disclosure requirement and corresponding information	SFDR reference <sup>3</sup>	Pillar 3 reference <sup>4</sup>	Benchmark regulation reference <sup>5</sup>	EU climate regulation reference <sup>6</sup>	Material	Page
ESRS 2 GOV-1 Board's gender diversity ratio, paragraph 21(d)	Annex I, table 1, indicator 13		Commission <sup>7</sup> Delegated Regulation (EU) 2020/1816, Annex II		Yes	Page 47
ESRS 2 GOV-1 Percentage of independent members of the board of directors, paragraph 21(e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		Yes	Page 45
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Annex I, table 3, indicator 10				Yes	Page 50
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40(d)(i)	Annex I, table 1, indicator 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 <sup>8</sup> Table 1 - Qualitative information on environmental risk and Table 2 - Qualitative information on social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		Yes	-
ESRS 2 SBM-1 Involvement in activities related to the production of chemicals, paragraph 40(d)(ii)	Annex I, table 2, indicator 9		Commission Delegated Regulation (EU) 2020/1816, Annex II		Yes	-

3 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector (SFDR) (OJ L 317, 9.12.2019, p. 1).

4 Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation) (OJ L 176, 27.6.2013, p. 1).

5 Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

6 Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

7 Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

8 Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).

9 Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

Disclosure requirement and corresponding information	SFDR reference <sup>3</sup>	Pillar 3 reference <sup>4</sup>	Benchmark regulation reference <sup>5</sup>	EU climate regulation reference <sup>6</sup>	Material	Page
ESRS 2 SBM-1 Participation in controversial weapons-related activities, paragraph 40(d)(iii)	Annex I, table 1, indicator 14		Article 12(1) of Delegated Regulation (EU) 2020/1818 and Annex II to Delegated Regulation (EU) 2020/1816		Yes	-
ESRS 2 SBM-1 Involvement in activities related to tobacco cultivation and production, paragraph 40(d)(iv)			Article 12(1) of Delegated Regulation (EU) 2020/1818 <sup>9</sup> and Annex II to Delegated Regulation (EU) 2020/1816		Yes	-
ESRS E1-1 Transition plan to achieve climate neutrality by 2050, paragraph 14				Article 2(1) of Regulation (EU) 2021/1119	Yes	Page 85
ESRS E1-1 Enterprises excluded from Paris-aligned benchmarks, paragraph 16(g)		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 12(1)(d-g) and (2) of Delegated Regulation (EU) 2020/1818		Yes	-
ESRS E1-4 GHG emissions reduction targets, paragraph 34	Annex I, table 2, indicator 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Banking book - Indicators of potential climate change transition risk: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		Yes	Page 88-89
ESRS E1-5 Energy consumption from fossil fuels disaggregated by source (high climate impact sectors only), paragraph 38	Annex I, table 1, indicator 5 and Annex I, table 2, indicator 5				Yes	Page 90-91
ESRS E1-5 Energy consumption and mix, paragraph 37	Annex I, table 1, indicator 5				Yes	Page 90-91
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Annex I, table 1, indicator 6				Yes	Page 91

Disclosure requirement and corresponding information	SFDR reference <sup>3</sup>	Pillar 3 reference <sup>4</sup>	Benchmark regulation reference <sup>5</sup>	EU climate regulation reference <sup>6</sup>	Material	Page
ESRS E1-6 Gross scopes 1, 2 and 3 and total GHG emissions, paragraph 44	Annex I, Table 1, indicators 1 and 2	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Articles 5(1), 6, and 8(1) of Delegated Regulation (EU) 2020/1818		Yes	Page 92
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Annex I, table 1, indicator 3	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Banking book - Indicators of potential climate change transition risk: alignment metrics	Article 8(1) of Delegated Regulation (EU) 2020/1818		Yes	Page 92
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Annex II to Delegated Regulation (EU) 2020/1818 and Annex II to Delegated Regulation (EU) 2020/1816	Yes	Page 95
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Annex II to Delegated Regulation (EU) 2020/1818 and Annex II to Delegated Regulation (EU) 2020/1816		No	-
ESRS E1-9 Breakdown of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Position of significant assets at material physical risk, paragraph 66(c)		Article 449a of Regulation (EU) No 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; template 5: Banking book - Indicators of potential physical risk related to climate change: exposures subject to physical risk			No	-
ESRS E1-9 Breakdown of the carrying amount of real estate assets by energy efficiency classes, paragraph 67(c)		Article 449a of Regulation (EU) No 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking book - Indicators of potential climate change transition risk: Loans secured by real estate - Energy efficiency of collateral			No	-

Disclosure requirement and corresponding information	SFDR reference <sup>3</sup>	Pillar 3 reference <sup>4</sup>	Benchmark regulation reference <sup>5</sup>	EU climate regulation reference <sup>6</sup>	Material	Page
ESRS E1-9 Degree of portfolio exposure to climate-related opportunities, paragraph 69			Annex II to Delegated Regulation (EU) 2020/1818		No	-
ESRS E2-4 Quantity of each pollutant listed in Annex II to the European Pollutant Release and Transfer Register (E-PRTR) Regulation issued to air, water and soil, paragraph 28	Annex I, table 1, indicator 8; Annex I, table 2, Indicator 2; Annex 1, table 2, indicator 1; Annex I, table 2, indicator 3				No	-
ESRS E3-1 Water and marine resources, paragraph 9	Annex I, table 2, indicator 7				No	-
ESRS E3-1 Dedicated policy, paragraph 13	Annex I, table 2, indicator 8				No	-
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Annex I, table 2, indicator 12				No	-
ESRS E3-4 Total water recycled and reused, paragraph 28(c)	Annex I, table 2, indicator 6.2				No	-
ESRS E3-4 Total water consumption in m3 per net revenue on own operations, paragraph 29	Annex I, table 2, indicator 6.1				No	-
ESRS 2 IRO-1 - E4 paragraph 16(a) (i)	Annex I, table 1, indicator 7				No	-
ESRS 2 IRO-1 - E4 paragraph 16(b)	Annex I, table 2, indicator 10				No	-
ESRS 2 IRO-1 - E4 paragraph 16(c)	Annex I, table 2, indicator 14				No	-
ESRS E4-2 Sustainable agricultural/land use policies or practices, paragraph 24(b)	Annex I, table 2, indicator 11				No	-
ESRS E4-2 Sustainable sea/ocean use practices or policies, paragraph 24(c)	Annex I, table 2, indicator 12				No	-
ESRS E4-2 Policies to address deforestation, paragraph 24(d)	Annex I, table 2, indicator 15				No	-
ESRS E5-5 Non-recycled waste, paragraph 37(d)	Annex I, table 2, indicator 13				Yes	Page 102

Disclosure requirement and corresponding information	SFDR reference <sup>3</sup>	Pillar 3 reference <sup>4</sup>	Benchmark regulation reference <sup>5</sup>	EU climate regulation reference <sup>6</sup>	Material	Page
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Annex I, table 1, indicator 9				Yes	Page 102
ESRS 2 - SBM3 - S1 Risk of forced labor, paragraph 14(f)	Annex I, table 3, indicator 13				Yes	Page 104
ESRS 2 - SBM3 - S1 Risk of child labor, paragraph 14(g)	Annex I, table 3, indicator 12				Yes	Page 104
ESRS S1-1 Human rights policy commitments, paragraph 20	Annex I, table 3, indicator 9 and Annex I, table 1, indicator 11				Yes	Page 105-106
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		Yes	Page 105-106
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Annex I, table 3, indicator 11				Yes	-
ESRS S1-1 workplace accident prevention policy or management system, paragraph 23	Annex I, table 3, indicator 1				Yes	Page 105-106-107
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32(c)	Annex I, table 3, indicator 5				Yes	Page 108
ESRS S1-14 Number of fatalities and number and rate of workrelated accidents, paragraph 88(b) and (c)	Annex I, table 3, indicator 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		Yes	Page 118
ESRS S1-14 Number of days lost due to injuries, accidents, fatalities or illnesses, paragraph 88(e)	Annex I, table 3, indicator 3				Yes	Page 118
ESRS S1-16 Unadjusted gender pay gap, paragraph 97(a)	Annex I, table 1, indicator 12		Commission Delegated Regulation (EU) 2020/1816, Annex II		Yes	Page 119
ESRS S1-16 Excessive CEO pay ratio, paragraph 97(b)	Annex I, table 3, indicator 8				Yes	Page 119

Disclosure requirement and corresponding information	SFDR reference <sup>3</sup>	Pillar 3 reference <sup>4</sup>	Benchmark regulation reference <sup>5</sup>	EU climate regulation reference <sup>6</sup>	Material	Page
ESRS S1-17 Incidents of discrimination, paragraph 103(a)	Annex I, table 3, indicator 7				Yes	Page 120
ESR S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 104(a)	Annex I, table 1, indicator 10 and Annex I, table 3, indicator 14		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Yes	-
ESRS 2 SBM-3 - S2 Significant risk of child labor or forced labor in the value chain, paragraph 11(b)	Annex I, Table 3, indicators 12 and 13				Yes	Page 122
ESRS S2-1 Human rights policy commitments, paragraph 17	Annex I, table 3, indicator 9 and Annex I, table 1, indicator 11				Yes	Page 123
ESRS S2-1 Policies related to value chain workers, paragraph 18	Annex I, Table 3, indicators 11 and 4				Yes	Page 122-123
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Annex I, table 1, indicator 10		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Yes	-
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		Yes	-
ESRS S2-4 Human rights issues and incidents connected to the upstream and downstream value chain, paragraph 36	Annex I, table 3, indicator 14				Yes	-
ESRS S3-1 Human rights policy commitments, paragraph 16	Annex I, table 3, indicator 9 and Annex I, table 1, indicator 11				No	-
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines, paragraph 17	Annex I, table 1, indicator 10		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		No	-
ESRS S3-4 Human rights issues and incidents, paragraph 36	Annex I, table 3, indicator 14				No	-

Disclosure requirement and corresponding information	SFDR reference <sup>3</sup>	Pillar 3 reference <sup>4</sup>	Benchmark regulation reference <sup>5</sup>	EU climate regulation reference <sup>6</sup>	Material	Page
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Annex I, table 3, indicator 9 and Annex I, table 1, indicator 11				Yes	Page 129
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	Annex I, table 1, indicator 10		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Yes	-
ESRS S4-4 Human rights issues and incidents, paragraph 35	Annex I, table 3, indicator 14				Yes	-
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	Annex I, table 3, indicator 15				Yes	-
ESRS G1-1 Protection of whistleblowers, paragraph 10(d)	Annex I, table 3, indicator 6				Yes	Page 135
ESRS G1-4 Fines for violations of anti-corruption and anti-bribery laws, paragraph 24(a)	Annex I, table 3, indicator 17		Annex II to Delegated Regulation (EU) 2020/1816		Yes	Page 137
ESRS G1-4 Standards of anticorruption and anti-bribery, paragraph 24(b)	Annex I, table 3, indicator 16				Yes	-

(IRO-2 56)



# The UE taxonomy

The European Union Taxonomy introduced by Regulation (EU) 2020/852 (the "Regulation"), adopted by the European Commission on 12 July 2020, is part of the EU strategy to achieve the objectives of the European Green Deal and make Europe climate-neutral by 2050. The Regulation, which applies to all companies required to publish a Sustainability Report in accordance with the provisions of the CSRD (cf. Article 8 of the Regulation itself), provides a single classification system through which economic activities that comply with certain **eco-sustainability criteria** can be defined.

Specifically, the Regulation distinguishes economic activities between:

- Eligible: an activity is eligible<sup>10</sup> if it is listed in the Delegated Acts of the Regulation under one or more of the six environmental objectives of the Taxonomy. These are: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. If eligible, the activity has the potential to contribute substantially to the relevant objective;
- Aligned: an economic activity is aligned if, in addition to being eligible, it is carried out:
  - **in accordance with the technical screening criteria defined by the European Commission.** In particular, the economic activity must make a **substantial contribution to one of the environmental objectives** defined in art. 9 of the Regulation and **"Do No Significant Harm" (DNSH)** to any of the other environmental objectives mentioned above;

- **in compliance with the minimum safeguards**, meaning the measures implemented to ensure respect for human rights and international standards in the organization's management and throughout the supply chain.

Since its entry into force in 2020, the Regulation has been gradually supplemented in order to expand the scope of the economic activities considered and detail the applicable criteria. In 2021, the *Climate Delegated Act*<sup>11</sup> was adopted, relating to the first two environmental objectives in the climate sphere: climate change mitigation and climate change adaptation. This Act was subsequently supplemented, initially with the *Complementary Climate Delegated Act*<sup>12</sup>, which included certain activities related to natural gas and nuclear energy in the scope of the Taxonomy, and subsequently with Delegated Regulation (EU) 2023/2485, which introduced further economic activities and updated some technical screening criteria.

Furthermore, the *Environmental Delegated Act*<sup>13</sup> was approved in June 2023, which extended the Taxonomy to non-climate environmental objectives, including activities relevant to the sustainable use and protection of water and marine resources, the transition to a circular economy, the prevention and control of pollution, and the protection and restoration of biodiversity and ecosystems.

From the 2024 reporting year, companies subject to the CSRD, including the De' Longhi Group, are required to report the share of eligible and aligned activities to the Taxonomy in terms of turnover, capital expenditure (CapEx) and operating expenses (OpEx), with reference to all six environmental objectives provided by the Regulation.

During 2025, the European Commission adopted Delegated Regulation (EU) 2026/73, which amends Delegated Regulation (EU) 2021/2178 to simplify the content and presentation of the disclosures to be reported regarding environmentally sustainable activities, as well as Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 concerning the simplification of specific technical screening criteria. The Delegated Act applies from 1 January 2026 and covers the 2025 financial year, while leaving undertakings the option to apply the previous versions of the regulations for the 2025 financial year.

With reference to the current financial year, the De' Longhi Group has chosen not to adopt these simplifications, maintaining the structure and approach of the analysis already applied in previous financial years.

The following paragraphs outline how the Group has assessed compliance with the Regulation and provide the table with the required quantitative KPIs.

As the legislation is updated constantly, all criteria and assumptions made and included in this section are based on current information and requirements, which may be subject to future revisions.

<sup>10</sup> Taxonomy-eligible economic activity: an economic activity described in delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852, irrespective of whether that economic activity meets any or all of the technical screening criteria set out in those delegated acts.

<sup>11</sup> Delegated Regulation (EU) 2021/2139.

<sup>12</sup> Delegated Regulation (EU) 2022/1214.

<sup>13</sup> Delegated Regulation (EU) 2023/2486, adopted on 27 June 2023 and entered into force on 1 January 2024.

## Analyses performed

As it did in the previous reporting year, the De' Longhi Group re-analyzed its revenue-generating activities in order to identify which, according to the European Taxonomy, can be classified as eligible, ie potentially able to contribute substantially to one or more of the six environmental objectives. On this basis, economic activity **"1.2- Manufacture of electrical and electronic equipment"** of the objective "Transition to a circular economy" was found to coincide with the Group's core business. The description of this activity explicitly refers to the NACE code (Nomenclature statistique des activités économiques dans la Communauté européenne) "C27: Manufacture of electrical equipment," which matches the NACE code of the De'Longhi Group.

In addition, on the basis of Annex 1 of Delegated Regulation (EU) 2021/2178, para. 1.1.2.2(c) and 1.1.3.2 (c)<sup>14</sup>, relating to investments and expenses associated with the purchase of outputs from eligible economic activities and individual measures allowing the activities to maintain low carbon emissions, with reference to the investments incurred for the renewal of the company fleet and the installation of photovoltaic panels at certain production sites, the Group has identified as eligible the activities **"6.5-Transport by motorcycles, passenger cars and light commercial vehicles"** and **"7.6 - Installation, maintenance and repair of renewable energy technologies,"** both linked to the objective "Climate change mitigation."

The methodological steps taken to **assess the alignment** of these activities with the technical screening criteria are described below.

### Activity 1.2 – Transition to a circular economy: Manufacture of electrical and electronic equipment

Analysis of the technical screening criteria:

- **Substantial contribution to the transition to a circular economy:** the main activity of the De Longhi Group is the manufacture of electrical and electronic equipment for professional and consumer use. The substantial contribution

criteria were analyzed for each of the Group's brands, dividing products into similar clusters, with input from the R&D, customer care and marketing departments. Since no Group product has the Ecolabel certification, the substantial contribution criteria were assessed by carefully analyzing the requirements listed in the Regulation. This showed that the substantial contribution criteria are partially met, as no product fully complies with all points. Such a finding is the result of a conservative approach, in consideration of the high number of Group products and the complexity and granularity of the technical parameters required by the Regulation; consequently, the substantial contribution criteria cannot be considered to be fulfilled for the purposes of alignment.

- **Do No Significant Harm (DNSH):** to be DNSH-aligned, the Regulation requires compliance with the following criteria:
  - *Climate change mitigation:* according to this criterion, if a manufactured product contains refrigerants, it must comply with the global warming potential (GWP) performance as outlined in Regulation (EU) No. 517/2014 of the European Parliament and the Council and must not score below the third class of energy efficiency in accordance with Regulation (EU) 2017/1369 of the European Parliament and the Council. The analysis was therefore conducted on portable air conditioners (PAC) and De' Longhi dehumidifiers, the only products containing refrigerant gases. All of these meet the first requirement; however, only some of them comply with the latter, as various products are in energy efficiency class A (the fourth highest). Finally, none of the products sold by the Group contain sulfur hexafluoride (SF6). The criterion is therefore considered partially satisfied for the above products, while all the other products sold by the Group are considered to be aligned with the DNSH criterion relating to climate change mitigation;
  - *Climate change adaptation:* according to the criteria listed in Appendix A, the organization must perform an analysis aimed at identifying and assessing climate risks that may impact the business. The Group carried out this analysis on all its production assets, identifying

the main physical climate risks among those listed in section II of the Appendix (for detailed information refer to Chapter ESRS E1, paragraph [IRO-1] Description of processes to identify and assess climate-related material impacts, risks and opportunities). Although the plants are covered by insurance policies against extreme weather events, physical solutions ("adaptation solutions") have not yet been evaluated to reduce the most significant risks identified affecting this activity; the criterion is therefore considered not met;

- *Sustainable use and protection of water and marine resources:* in accordance with the criteria specified in Appendix B, the company must identify and manage risks of environmental degradation related to water quality and the prevention of water stress, as defined in Regulation (EU) 2020/852 and Directive 2000/60/EC. At the Chinese plants, environmental impact assessments were carried out by third parties in 2015 and 2024, respectively, and actions were implemented to prevent and mitigate the identified risks. In addition, all the Group's plants are UNI EN ISO 14001 certified, including the new production facility in Satu Mare (Romania), which obtained certification in early 2026. The criterion is therefore considered to be met for all the Group's plants.
- *Pollution prevention and control:* based on the criteria listed in Appendix C, the activity does not involve the manufacture, placing on the market or use of hazardous substances listed in EU Regulations (2019/1021, 2017/852, 1005/2009, 2011/65/EU, 1907/2006, 1272/2008), unless they are present as unintentional trace contaminants or there are not suitable alternatives. These criteria are met in most cases because the Group's products must comply with numerous relevant laws, including those listed in the aforementioned regulations. To this end, internal procedures have been implemented over time to ensure compliance with these regulations regarding the presence of hazardous substances in products. Therefore, the criterion is considered to be met for all products sold by the Group.

<sup>14</sup> These relate to the purchase of products resulting from taxonomy-aligned economic activities and to individual measures that enable the target activities to achieve low carbon emissions or achieve greenhouse gas reductions, in particular the activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other economic activities listed in delegated acts adopted pursuant to Article 10, (3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852, provided those measures are implemented and made operational within 18 months.

- *Protection and restoration of biodiversity and ecosystems*: in accordance with the criteria outlined in Appendix D, organizations must carry out an environmental impact assessment or examination pursuant to Directive 2011/92/EU. The analyses carried out to verify compliance with the requirements are the same as those performed for the objective “Sustainable use and protection of water and marine resources.” Therefore, the criterion is considered to be met for all the Group’s plants.

With the exception of the criteria relating to “Climate change mitigation” and “Pollution prevention and control”, which are valid across all products designed by the Group, it should be noted that the analyses of the DNSH criteria described above are valid only for those products manufactured at the company’s own plants. Following a conservative and cautious approach, products manufactured by OEMs are considered not aligned with the DNSH criteria of “Adaptation to climate change”, “Sustainable use and protection of water and marine resources”, and “Protection and restoration of biodiversity and ecosystems”.

#### Activity 6.5 – Climate change mitigation: Transport by motorcycles, passenger cars and light commercial vehicles

With regard to the investments made by the Group in the 2025 reporting year relating to the company fleet, details of the analysis performed are reported below:

- **Substantial contribution to climate change mitigation:** the assessment was carried out to determine whether the individual economic activity contributes substantially to the achievement of climate change mitigation on the basis of specific quantitative and/or qualitative parameters, listed in points a) and b) defined by the Regulation. Results showed that a portion of the Group’s investments is aligned with the substantial contribution criteria listed by the Climate Delegated Act, as only some of the cars, classified as M1 (Vehicles intended for the transport of people, with a maximum of 8 seats in addition to the driver’s seat) and N1 (Vehicles intended for the transport of goods, with a maximum mass not exceeding 3.5 t), have specific emissions of less than 50 gCO<sub>2</sub>/km;



- **Do No Significant Harm (DNSH):** to be DNSH-aligned, the Regulation requires compliance with the following criteria:
  - *Climate change adaptation:* according to the criteria listed in Annex A, the organization must carry out an analysis aimed at identifying and assessing the physical climate risks that impact the activity, based on a specific procedure defined in the Delegated Act;
  - *Transition to a circular economy:* the criteria require that vehicles be reusable or recyclable for at least 85% of their weight and that waste management measures be in place both in the use phase (maintenance) and at the end of the fleet's life;
  - *Pollution prevention and control:* the criteria require that vehicles:
    - comply with the requirements of the most recent applicable stage of Euro 6 type-approval for emissions from light-duty vehicles established in accordance with Regulation (EC) No 715/2007;
    - comply with the emission thresholds for light-duty vehicles set out in Table 2 of the Annex to Directive 2009/33/EC<sup>15</sup> of the European Parliament and of the Council;
    - have tires that comply with the requirements relating to the external rolling noise of the highest populated class and the rolling resistance coefficient in the two highest populated classes as established by Regulation (EU) 2020/740 (for road vehicles of categories M and N);
    - comply with Regulation (EU) No 540/2014<sup>16</sup> of the European Parliament and of the Council.

The granularity of the available data does not reach a sufficient level of detail to allow a complete assessment of compliance with the DNSH criteria. For this reason, taking a conservative and cautious approach, the Group considers the activity not aligned with the DNSH criteria in the 2025 reporting year.

## Activity 7.6 – Climate change mitigation: Installation, maintenance and repair of renewable energy technologies

With regard to the investments made by the Group in the 2025 reporting year relating to the installation of photovoltaic panels at the plants in Switzerland and Romania, details of the analysis performed are reported below:

- **Substantial contribution to climate change mitigation:** the investments and expenses incurred are related to the installation of photovoltaic panels on site. Therefore, the activity is considered to be aligned with the criterion referred to in point a), which provides for the “installation, maintenance and repair of photovoltaic solar systems and ancillary technical equipment”;
- **Do No Significant Harm (DNSH):** companies are only required to meet the DNSH criterion relating to climate change adaptation. As mentioned with reference to activity 1.2 and in chapter ESRS E1, in the section [IRO-1] Description of processes to identify and assess climate-related material impacts, risks and opportunities, since the Group has performed climate risk analyses on the sites as per the requirements of Appendix A of the Regulation, the activity is considered to be partially aligned with the DNSH criterion.

### Minimum safeguards

With regard to minimum safeguards, the De' Longhi Group pays great attention to issues concerning consumers' interests, corruption, competition, taxation, and respect for human rights. With reference to this last aspect, the Group is committed to pursuing an ethical business that complies with the various regulations applicable in all of the countries served, following the Group's Code of Ethics to which all of its suppliers have been bound since 2022. In addition to the Code of Ethics, the “Responsible sourcing guidelines” define risk assessment criteria for all new suppliers so they can be monitored over time, and the periodic audits the Group performs on suppliers of finished products enable it to monitor numerous social

aspects such as freedom of association and collective bargaining, working hours and conditions, health and safety, child labor and forced labor, discrimination, and employee training.

As mentioned in chapter [ESRS S1] S1-1 Policies related to own workforce, during 2025 the Group formalized its objectives in this area in a Human Rights Policy, which outlines key principles on decent working conditions, diversity and inclusion, freedom of association, prohibition of child labor and forced labor, protection of privacy, and protection of personal data. In addition, to align with the principles mentioned above, the Group joined the United Nations Global Compact in 2024. For further information, see the chapters [ESRS S1] Own workforce and [ESRS S2] Workers in the value chain.

The Group pays particular attention to issues related to gender equality<sup>17</sup>, as evidenced by the launch of specific DE&I (Diversity Equity and Inclusion) programs and initiatives, the publication of a dedicated Policy, and monitoring of the gender pay gap. For more information on these areas, see chapters [ESRS S1] S1-1 Policies related to own workforce, and [ESRS S1] S1-16 Compensation metrics.

Also in terms of consumer protection, competition, anti-corruption and taxation, the Group makes a constant commitment to preventing and mitigating any potential negative impacts. The Group's Code of Ethics plays an important role in this regard, with its strong focus on the consumer and customers, the values of fair competition, the condemnation of episodes of corruption, and compliance with laws, regulations and provisions of the tax authorities. For further information, see chapter [ESRS G1] Business conduct.

In line with what is described above, during 2025, the Group adopted a Human Rights Policy outlining the fundamental principles that guide the organization in the protection and promotion of human rights. Furthermore, it emphasizes that the scope of analysis for investments related to activities 6.5 and 7.6 should take into account the supplier's practices and procedures. For this reason, following a conservative and cautious approach, the current practices in place are deemed insufficient to consider the activities aligned with the minimum safeguards criteria.

<sup>15</sup> Directive 2009/33/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of clean and energy-efficient road transport vehicles.

<sup>16</sup> Regulation (EU) No 540/2014 of the European Parliament and of the Council of 16 April 2014 on the sound level of motor vehicles and of replacement silencing systems.

<sup>17</sup> For information on the gender split in the Board of Directors, see chapter ESRS 2 - [GOV-1] Role of the administrative, management, and supervisory bodies.

## KPI calculation methodology (Accounting Policy)

As defined in the Annexes to the Disclosure Delegated Act<sup>18</sup>, the assumptions and methodologies used to calculate KPIs are set out below, based on the activities deemed eligible and, if applicable, aligned. For each KPI, the calculation methods, the values relating to the different activities of the EU Taxonomy and the process of quantification are reported. In accordance with the Regulation, the analysis does not consider revenue and cost items generated by intercompany transactions in the calculation of KPIs.

The Group's administrative-accounting units, at the HQ level and at the individual legal entities, were involved in developing the three KPIs. At Group level, on the basis of the indications set out in Annex I of the Disclosure Delegated Act, accounting items have been matched with the various KPIs (numerator and denominator), starting with the items in the consolidated financial statements.

Furthermore, to date, no investment plans have been developed that meet the requirements set out in point 1.1.2.2 of Annex I of the Disclosure Delegated Act for their inclusion within the CapEx and OpEx items. For this reason, the two KPIs do not include any element that can be traced back to a plan to expand taxonomy-aligned economic activities or to allow eligible economic activities to align.

Furthermore, because the Group has not identified Taxonomy-aligned activities, the following paragraphs explain the KPI calculation methodologies for eligible activities only, differentiating for each indicator the method of reporting the denominator and numerator, which are ultimately summarized in the calculation tables.

### Turnover KPI

The Turnover KPI was calculated on the basis of paragraph 1.1.1 of the Regulation, i.e. as the ratio between the share of net revenues deriving from the sale of products or services, including intangibles, associated with Taxonomy-eligible activities (numerator) and the Group's net revenues (denominator).

Consistently with accounting standard IAS 1.82(a) cited by the regulations, the denominator corresponds to the item "Sales revenues" from the 2025 consolidated income statement, for a total of €3,745 million.

The items used to calculate the denominator are therefore those specifically referring to the sale of goods and services, net of discounts, VAT or any other direct tax, thus isolating the revenues deriving from the Group's core operations: specifically, the item included refers to "Sales revenues" which already provides for the separation of the components attributable to cash discounts and allowances.

Furthermore, to avoid any double counting, intercompany items have been eliminated and do not contribute to the determination of the KPI.

To quantify the numerator, an analysis was conducted of the revenues from the product lines associated with the eligible economic activities that contribute to the revenue item used for defining the denominator, thus excluding from the total revenues included in the denominator the revenues obtained from the sale of IT services to third parties and the revenues from the sale of accessories, net of discounts, rebates, VAT and added taxes.

The eligible turnover generated by the Group is therefore associated with activity 1.2 Manufacture of electrical and electronic equipment, for a total of €3,623 million.

### CapEx KPI

To calculate the denominator of the KPI, the additions incurred in the reference period relating to property, plant and equipment (Investments in property, plant and equipment), intangible assets (Investments in intangible assets), and right of use assets (Investments in leased assets) were considered.

The approach used for data extraction was based on the analysis of consolidated financial data and data derived at the management level.

In line with international accounting standards and Annex I of the Disclosure Delegated Act, the Group considered property, plant and equipment accounted for in accordance with IAS 16, intangible assets – excluding goodwill – accounted for in accordance with IAS 38, and leases accounted for in accordance with IFRS 16, as per the consolidated annual financial report.

<sup>18</sup> Delegated Regulation (EU) 2021/2178.



Therefore, the denominator was calculated in the amount of €106 million.

The numerator was determined based on an analysis of the asset additions that took place during the year, identifying investments related to points (a) and (c) of Annex I of the Disclosure Delegated Act:

- Point (a), i.e. capital expenditures included in the denominator that are related to assets or processes associated with taxonomy-aligned economic activities;
- Point (c), i.e. capital expenditures related to the purchase of products resulting from Taxonomy-aligned economic activities and individual measures that enable the target activities to achieve low carbon emissions or greenhouse gas reductions.

Specifically, for activity 1.2 Manufacture of electrical and electronic equipment – representative of the Group's core business activities – investments in property, plant and equipment, intangible assets or right of use assets of the manufacturing companies (i.e., De' Longhi Romania S.r.l., De' Longhi Appliances S.r.l., On Shiu (Zhongshan) Electrical Appliance Co. Ltd., De' Longhi-Kenwood Appliances (DongGuan) Co. Ltd., Eversys S.A.) were deemed instrumental to the performance of business activities, and therefore allocated entirely to the numerator, with the exception of the portion relating to fixed assets classifiable under point (c) of the Regulation. It should be noted that, among the manufacturing companies considered, following a conservative and cautious approach, asset additions recorded during the year for La Marzocco International LLC were excluded, as this data is sub-consolidated and includes both manufacturing plants and non-manufacturing legal entities, making it impossible to allocate investments solely to the manufacturing legal entities.

The total of these investments is €72 million.

The above amount, for the companies De' Longhi Romania S.r.l. and Eversys S.A., includes a portion relating to activity 7.6 – Installation, maintenance and repair of renewable energy technologies, as the installed photovoltaic systems have been considered, for a total of €334 thousand.

The Group's analysis also led to the identification, with reference to investments by the aforementioned companies, of a portion attributable to activity 6.5 – Transport by motorcycles, passenger cars and light commercial vehicles. Specifically, the items relating to the use of cars for the Group companies De' Longhi Romania S.r.l., De' Longhi Appliances S.r.l. and Eversys S.A. were considered for a total of €793 thousand, relating to the item "Investments in leased assets".

In addition, with reference to investments by the Group's non-manufacturing companies, investments attributable to activity 6.5 – Transport by motorcycles, passenger cars and light commercial vehicles were taken into consideration starting from a detailed excerpt of the motor vehicle asset book, for a total of €4.5 million.

The numerator of the CapEx KPI is therefore composed of:

1. €71.7 million relating to activity 1.2 – Manufacture of electrical and electronic equipment;
2. €5.3 million relating to activity 6.5 – Transport by motorcycles, passenger cars and light commercial vehicles;
3. €0.3 million relating to activity 7.6 – Installation, maintenance and repair of renewable energy technologies.

As a further subdivision, the following is a representation of the breakdown of the De' Longhi Group's eligible CapEx with respect to the two variables Taxonomic Category and Type of CapEx:

Taxonomic Category	Eligible CapEx (absolute values)	Aligned CapEx (absolute values)	Eligible CapEx (%)	Aligned CapEx (%)
Point A	71,730	0	92.73%	0%
Point C	5,625	0	7.27%	0%

Table1: CapEx KPI by Taxonomic Category (€/K).

Type of CapEx	Eligible CapEx (absolute values)	Aligned CapEx (absolute values)	Eligible CapEx (%)	Aligned CapEx (%)
IFRS 16 (leasing)	6,053	0	7.82%	0%
Intangible assets	25,708	0	33.23%	0%
Property, plant, and equipment	45,594	0	58.94%	0%

Table2: CapEx KPI by Type of CapEx (€/K).





## OpEx KPI

To calculate the denominator, an analysis of the consolidated figures produced an amount of €96.1 million with reference to the categories mentioned in the regulations, such as non-capitalized R&D, maintenance, day-to-day servicing of assets, and leases, an item containing short-term leases and out-of-scope leases according to IFRS 16.

The numerator was determined following a methodology similar to that used for the CapEx KPI.

In particular, the categories of R&D and Leasing were considered instrumental to the performance of core business activities, as they represent product developments and logistics spaces used by Group companies for distribution, with the exception of €3.0 million in Royalties.

In addition, the Group's R&D costs were identified by considering the entire allocation of costs recorded in the R&D cost centers, including both expenses directly incurred for the development of new products and technological innovations, as well as those relating to continuous improvement projects and adaptation to market needs. Similarly, short-term lease expenses were included as they were functional to the performance of core business activities, corresponding to logistics spaces essential for the distribution and operations of Group companies. The portion of operating expenses relating to these categories, corresponding to a total of €83.0 million, was determined on the basis of consolidated Group figures and therefore allocated entirely to the numerator within activity 1.2 - Manufacture of electrical and electronic equipment.

The De' Longhi Group's eligible OpEx is broken down below by Type:

Type of OpEx	Eligible OpEx (absolute values)	Aligned OpEx (absolute values)	Eligible OpEx (%)	Aligned OpEx (%)
Maintenance	0.00	0	0%	0%
Non-capitalized R&D	59,708	0	71.94%	0%
Day-to-day servicing of assets	0.00	0	0%	0%
Short-term and out of scope IFRS 16 leases	23,294	0	28.06%	0%

Table3: OpEx KPI by Type of OpEx (€/K.).

TURNOVER KPI CALCULATION TABLE

Financial Year 2025	Year			Substantial contribution criteria							"Do No Significant Harm" criteria										
Economic activity (1)	Code(s) (2)	Absolute turnover (3)	Share of expenses to turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned revenue share, Year 2024 (18)	Category (enabling activity) (19)	Category (transition activity) (20)		
		€/k	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
<b>A. ELIGIBLE ACTIVITIES</b>																					
<b>A.1 Eco-sustainable activities (taxonomy-aligned)</b>																					
Turnover of eco-sustainable activities (taxonomy-aligned) (A.1)		- €	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%				
of which: enabling			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%	E			
of which: transitional			0.00%	0.00%													0.00%		T		
<b>A.2 Eligible but not eco-sustainable activities (activities not aligned with the taxonomy)</b>																					
Manufacture of electrical and electronic equipment	CE 1.2	3,622,771.88 €	96.75%					EL									97.15%				
Revenues from eligible but not eco-sustainable activities (activities not aligned with the taxonomy) (A.2)		3,622,771.88 €	96.75%					96.75%									97.15%				
Total (A.1 + A.2)		3,622,771.88 €	96.75%	0.00%	0.00%	0.00%	0.00%	96.75%	0.00%								97.15%				
<b>B. NON-ELIGIBLE ACTIVITIES</b>																					
Turnover of non-eligible activities (B)		121,870.12 €	3.25%																		
Total (A + B)		3,744,642.00 €	100.00%																		

	Turnover/Total turnover	
	Alignment by objective	Eligibility by objective
CCM	0.00%	0.00%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	96.75%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

CAPEX KPI CALCULATION TABLE

Financial Year 2025	Year		Substantial contribution criteria							"Do No Significant Harm" criteria							Share of aligned (A1) or eligible (A2) CapEx, Year 2024 (18)	Category (enabling activity) (19)	Category (transition activity) (20)
	Code(s) (2)	Absolute CapEx (3)	CapEx share (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Garanzie minime di salvaguardia (17)			
Economic activity (1)		€/k	%	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Eco-sustainable activities (taxonomy-aligned)</b>																			
CapEx of eco-sustainable activities (taxonomy-aligned) (A.1)		- €	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
of which: enabling			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%	E	
of which: transitional			0.00%	0.00%													0.00%		T
<b>A.2 Eligible but not eco-sustainable activities (activities not aligned with the taxonomy)</b>																			
Manufacture of electrical and electronic equipment	CE 1.2	71,730.31 €	67.67%					EL									70.62%		
Transport by motorcycle, passenger car and light commercial vehicle	6,5	5,290.98 €	4.99%	EL													2.90%		
Installation, maintenance and repair of renewable energy technologies	7,6	333.63 €	0.31%	EL													1.27%		
CapEx of eligible but not ecosustainable activities (activities not aligned with the taxonomy) (A.2)		77,354.92 €	72.98%														74.79%		
<b>Total (A.1 + A.2)</b>		<b>77,354.92 €</b>	<b>72.98%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>								<b>74.79%</b>		
<b>B. NON-ELIGIBLE ACTIVITIES</b>																			
CapEx of non-eligible activities (B)		28,645.08 €	27.02%																
<b>Total (A + B)</b>		<b>106,000.00 €</b>	<b>100.00%</b>																

	CapEx/Total CapEx	
	Alignment by objective	Eligibility by objective
CCM	0.00%	5.31%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	67.67%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

OPEX KPI CALCULATION TABLE

Financial Year 2025	Year		Substantial contribution criteria							"Do No Significant Harm" criteria							Share of aligned (A1) or eligible (A2) OpEx, Year 2024 (18)	Category (enabling activity) (19)	Category (transition activity) (20)
	Code(s) (2)	Absolute OpEx (3)	OpEx share (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)			
	€/k	%	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Eco-sustainable activities (taxonomy-aligned)</b>																			
OpEx of eco-sustainable activities (taxonomy-aligned) (A.1)		- €	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
of which: enabling			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%	E	
of which: transitional			0.00%	0.00%													0.00%		T
<b>A.2 Eligible but not eco-sustainable activities (activities not aligned with the taxonomy)</b>																			
Manufacture of electrical and electronic equipment	CE 1.2	83,001.85 €	86.41%					EL									89.91%		
OpEx of eligible but not ecosustainable activities (activities not aligned with the taxonomy) (A.2)		83,001.85 €	86.41%														89.91%		
<b>TOTAL (A1+A2)</b>		<b>83,001.85 €</b>	<b>86.41%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>								<b>89.91%</b>		
<b>B. NON-ELIGIBLE ACTIVITIES</b>																			
OpEx of non-eligible activities (B)		13,050.74 €	13.59%																
<b>Total (A+B)</b>		<b>96,052.59 €</b>	<b>100.00%</b>																

	OpEx/Total OpEx	
	Alignment by objective	Eligibility by objective
CCM	0.00%	0.00%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	86.41%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

## Nuclear and fossil fuel activities

Activities related to nuclear energy		
1.	The company conducts, finances or has exposures to research, development, demonstration and deployment of innovative power generation facilities that produce energy from nuclear processes with minimal fuel cycle waste.	NO
2.	The company carries out, finances or has exposures to the construction and safe operation of new nuclear facilities to produce electricity or process heat, including for district heating purposes or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technologies.	NO
3.	The Company operates, finances or has exposures towards the safe operation of existing nuclear plants that generate electricity or process heat, including for district heating or for industrial processes such as the production of hydrogen from nuclear energy, and improvements to their safety.	NO
Activities related to fossil fuels		
4.	The company carries out, finances or has exposures to the construction or operation of electricity generation facilities that produce electricity from gaseous fossil fuels.	NO
5.	The company carries out, finances or has exposures to the construction, refurbishment and operation of combined hot/cold and power generation facilities using gaseous fossil fuels.	NO
6.	The company carries out, finances or has exposures to the construction, refurbishment and operation of heat generation facilities producing heat/cooling from gaseous fossil fuels.	NO



# ESRS E1 - Climate change

## [GOV-3] Integration of sustainability-related performance in incentive schemes

The incentive systems for the members of the administrative, management and supervisory bodies include variable components related to ESG aspects. For more information, please refer to the section “[GOV-3] Integration of sustainability-related performance in incentive schemes” within the chapter “[ESRS 2] General disclosures” (GOV-3, 13).

## [SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model [IRO-1] Description of processes to identify and assess climate-related material impacts, risks and opportunities

The double materiality analysis identified as significant both the impacts generated on climate change, in terms of GHG emissions produced by direct and indirect activities (IRO-1, 20 a), and the related financial risks and opportunities (IRO-1, 20 b, c), which may influence the Group’s business. For a detailed

description of the process followed to identify and assess IROs, see the section “[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities” in the chapter “[ESRS 2] - General disclosures”.

The assessment carried out showed that, although all of the Group’s assets have a negative and current impact on climate change, this is only material for the production plants (for further details, please refer to section “[E1-6] Gross scopes 1, 2 and 3 and total GHG emissions”). As far as the value chain is concerned, among the most impactful activities are the extraction and processing of raw materials and semi-finished products upstream, while downstream they include logistics and the distribution and use of marketed products (IRO-1, 20 a, AR 9).

The financial dimension of the double materiality analysis, instead, identified the most significant climate-related risks and opportunities for the short, medium and long term. In particular, the risks identified can be classified as physical or transitional (SBM-3, 18):

- **Physical risks:** linked to the direct impacts of climate change, for the De’ Longhi Group these mainly consist of the potential exposure of corporate assets to extreme weather events, in all regions where it operates. These risks can be acute, i.e., resulting from extreme weather events (such as heatwaves, floods, storms, etc.), or chronic, i.e., connected to long-term phenomena such as sea-level rise, droughts, and changes in precipitation patterns. Similarly, supplier assets can also be directly impacted, with consequent repercussions for De’ Longhi on supply chain stability. Finally, climate change could lead to the reduced supply of coffee in the market, with a consequent increase in coffee prices and a potential decline in consumption. (IRO-1, 20 b).

- **Transitional risks:** these derive from changes in the regulatory, technological and market framework in connection with the transition to a low-carbon economy. These risks include, for example, the introduction of more stringent environmental regulations, shifting consumer preferences, the adoption of new low environmental impact technologies, and the growing ESG expectations of stakeholders (IRO-1, 20 c).

As far as financial opportunities are concerned, the analysis highlighted two main areas of development:

- **Access to grants and financing for sustainable investments:** the Group can benefit from the support offered by European and Italian programs dedicated to the energy transition, designed for companies that invest in sustainable technologies and low environmental impact practices;
- **Improved reputation and cost savings from the energy transition:** the adoption of efficient energy practices and the use of renewable sources can generate competitive advantages and improve corporate and brand reputation (IRO-1, 20 c-ii).

At a later stage of the process of identifying material IROs, further analyses were initiated to complement the current qualitative approach with methodologies based on publicly available climate scenarios; these efforts improve understanding of the climate change-related risks to which the company is exposed and help determine the most appropriate adaptation measures.

The analyses in question, conducted with the support of advanced analysis tools, covered all of the Group's production plants and considered characteristics such as geographical location, construction materials, asset value, and the age of buildings. The assessment of the physical climate risks to which the Group's production assets are exposed was based on three climate scenarios, developed by the IPCC and published in the Sixth Assessment Report (AR6), based on the integration of *Shared Socioeconomic Pathways* (SSP) and *Representative Concentration Pathways* (RCP). The scenarios taken into consideration represent various possible climate trends and socioeconomic projections:

- The **RCP2.6 / SSP1** scenario anticipates low emissions thanks to ambitious climate policies; emissions decrease after 2020 and become negative by 2100, limiting global warming to 1.5-2°C and reducing the risks of extreme events.
- The **RCP4.5 / SSP2** scenario follows an intermediate path: emissions increase until 2040 and then gradually decrease, with moderate policies and a slower energy transition. Global warming could reach 2.5-3°C, increasing climate risks.
- The **RCP8.5 / SSP5** scenario describes high emissions based on economic growth and the use of fossil fuels; emissions grow until 2100, leading to warming above 4°C, extreme weather events, sea-level rise, and pressure on ecosystems and food security (IRO-1, 20 b-i).

The analysis of physical risks was conducted over three time horizons: short term (2030), medium term (2050), and long term (2085). Each horizon does not refer to a single year but represents an interval of approximately 20-30 years, within which averaged climate data are considered (e.g., 2030 corresponds to the 2021-2040 period) (IRO-1, AR 11a). The time horizons adopted in the analysis follow the literature best practices commonly used in international climate studies, which recommend the use of multi-decadal intervals to represent the evolution of key climate drivers in a statistically significant manner, consistent with the methodologies widespread in the scientific community and referenced in the main IPCC reports (IRO-1, AR 11b). The analysis was also based on a systematic comparison between the different climate scenarios, in order to understand how each emissions trajectory might influence, over the various time horizons considered, the identification and assessment of both physical risks and transition risks and opportunities (IRO-1, 21).

The results of the analysis are expressed in terms of Annualized Asset Damage Values (in USD), which represent the estimated average expected financial damages on an annual basis for each analysis period and scenario. This value reflects the gross risk, i.e., the risk in the absence of any mitigation or adaptation measures, and is calculated by integrating asset exposure information, based on geographical location, with the intrinsic and structural characteristics of the facilities.

The overall analysis of the results shows a slight increase in physical risks and the related financial impacts on the Group's assets as the time horizon and the severity of the climate scenarios change. To assess the Group's exposure to physical risks, the risk classification scale within the ERM is adopted. The scale includes five increasing levels of severity: Incidental (1), Minor (2), Moderate (3), Major (4), and Extreme (5). The higher levels correspond to more significant impacts on the Group, with higher economic losses, greater media exposure, relevant operational consequences, and possible regulatory repercussions.

The evolution of risk over time can be summarized as follows:

- In the short term (2030), the overall risk shows a slight increase compared to the baseline. The differences between the climate scenarios are contained, with values falling within the *Major* range of the scale, and do not lead to substantial changes in the risk profile. Only in the RCP8.5-SSP5 scenario does the combination of severe climate impacts and potential economic losses cause the risk to cross this threshold, placing it in the *Extreme* category.
- In the medium term (2050), under the RCP2.6-SSP1 and RCP4.5-SSP2 scenarios, a moderate reduction in risk is observed, whereas in the most severe scenario, RCP8.5-SSP5, the risk level remains substantially unchanged and the classification stays firmly in the *Major* range.
- In the long term (2085), in the less extreme scenarios (RCP2.6-SSP1 and RCP4.5-SSP2), the trend of risk reduction continues with a slight but constant decrease. Conversely, in the RCP8.5-SSP5 scenario, an increase is recorded again, highlighting how the failure to adopt mitigation measures leads to more significant economic impacts on the analyzed assets. The intensification of climate events and the potential amount of economic losses accentuate its severity, while remaining within the limits of the *Major* class.

Overall, the temporal evolution shows how the more moderate scenarios tend to progressively improve, while the high-emissions pathway presents a more unstable trend, characterized

by a peak in severity in the short term and an increase in the long term.

Among the risk categories analyzed, the main one is related to cold and heavy snowfall, followed by the risks of flooding and heatwaves, which maintain a constant incidence; in the most severe scenario, the relevance of wildfire risk also increases.

The variability of the impacts highlights the need for an integrated assessment that takes into account the specific characteristics of each site, the exposure to extreme climate phenomena, and the vulnerability of the assets (IRO-1, AR 11b, AR 11c).

The analysis of transitional risks was instead carried out using a qualitative approach structured in several phases:

- **Analysis of the regulatory context** (current and evolving), whose impact could steer the Group towards a low-carbon business model. The evolution of the regulatory framework can, in fact, influence market dynamics, product development, and strategic choices, making timely action necessary;
- **Benchmark analysis**, delving into the strategies of the main competitors;
- **Industry analysis**, aimed at understanding the main emerging trends to anticipate future challenges and opportunities;
- **Analysis of the coffee market trends**, identified as a complementary sector to the one in which De' Longhi operates and central to the current business model and revenue distribution.

Unlike what was done for physical risks, the assessment of transitional risks was conducted over a single short-term time horizon (2030) (IRO-1, AR 12a), but considering the same emissions scenarios as the physical risk analysis (IRO-1, 21), including the RCP2.6/SSP1 scenario, which, despite representing a strong mitigation trajectory close to the goals of the Paris Agreement, does not fully correspond to a scenario aligned with limiting global warming to 1.5°C with no or limited overshoot (IRO-1, 20 c-i; AR 12 c).

The analysis identified four risk categories connected to the transition to a low-carbon economy, each capable of generating financial impacts on the business.

- **Regulatory and legal risks** derive from the introduction or tightening of environmental regulations, such as the Carbon Border Adjustment Mechanism (CBAM), which can affect competitiveness and procurement costs, in addition to regulations on materials and energy efficiency.

- **Technological risks** concern the evolution towards sustainable solutions, which could render certain products obsolete and require investments in research and development to adapt the offering to new market needs.
- **Market risks** are linked to changes in demand, consumer preferences, and fluctuations in raw material prices, with possible repercussions on supply chains and production costs.
- **Reputational risks** emerge from corporate practices inconsistent with stated environmental commitments, such as a lack of transparency or non-credible climate targets, which can generate accusations of greenwashing, loss of trust, and brand damage, influencing sales and access to capital (IRO-1, AR 12 a).

The results of the analysis show how the materiality of transitional risks for De' Longhi varies depending on the climate scenarios considered. The assessment was carried out taking into account the likelihood of the risks occurring and the potential magnitude of their impacts on the business, including effects on demand, operating costs, and corporate reputation (IRO-1, AR 12 b). Based on these criteria, each risk was classified as not material, material, or highly material.

In contexts characterized by an accelerated transition and stringent environmental regulations, the possible **increase in carbon taxes** and the **strengthening of environmental requirements applicable to products and packaging materials** take on particular importance; in more moderate regulatory contexts, however, they are less significant.

The **evolution of sustainability regulations along the coffee supply chain** also shows a consistent level of materiality across the different transition scenarios. This reflects a progressively intensifying regulatory trend, which requires continuous monitoring and a structured adaptation of procurement practices.

The **technological transition towards solutions with a lower environmental impact** emerges as one of the most significant risks. This is highly material in the scenario most oriented towards decarbonization and still maintains high materiality in the intermediate scenarios. A similar dynamic concerns the **growing pressure exerted by consumers and stakeholders on ESG issues**, which proves highly material in the most ambitious scenarios and remains an influential factor even where the transition proceeds at a more gradual pace.

As for **structural changes in the coffee value chain**, the analysis notes a greater significance of possible structural changes in contexts characterized by more intense climate impacts. Such scenarios could indeed cause critical issues in raw material availability and supply stability, with potential repercussions on costs and business continuity.

Finally, the **public perception of the company's environmental performance** continues to play a central role across the different transition scenarios. It is highly material in contexts characterized by strong social and regulatory expectations and maintains a substantial impact even in less marked transition conditions, confirming the importance of reputational positioning and transparency in ESG practices (IRO-1, AR 12 d).

The results obtained from the analysis of physical and transitional climate risks formed an integral part of the update of the financial materiality analysis required by the European Sustainability Reporting Standards (ESRS) for the 2025 CSRD report. The integration of physical and transitional climate risks has indeed made it possible to assess the financial materiality of these factors in terms of potential impacts on revenues, operating costs, investments, and supply chain continuity (IRO-1, AR 15). The risk analysis conducted has therefore integrated both physical and transitional climate risks, assessing their financial materiality and potential impact on revenues, operating costs, investments, and supply chain continuity. However, an in-depth resilience analysis of the strategy and business model with respect to the possible effects of climate change has not yet been carried out (SBM-3, 19).

## [E1-1] Transition plan for climate change mitigation

The De' Longhi Group, long attuned to sustainability issues, has further intensified its commitment in recent years by working to find solutions aimed at mitigating its impact on climate change and furthering the transition to a low-carbon economy. The 2024-2026 Sustainability Plan includes many initiatives aimed at reducing the environmental impact of the Group's activities. For further information, see section "[E1-3] - Actions and resources in relation to climate change policies".



In this sense, the company has reached an important milestone by joining the *Science Based Targets initiative* (SBTi), which has validated the Group's emission reduction targets:

- Reduction of Scope 1 & 2 emissions by 2034: **-58.8%** compared to 2023
- Reduction of Scope 3 emissions by 2034: **-35%** compared to 2023
- **Net zero** by 2050.

Prior to joining the SBTi, a feasibility analysis of the transition plan was carried out to support the definition of the targets. Starting in 2025, the operational implementation of the plan is underway, which the Group expects to complete by 2027 (E1-1, 17).

## [E1-2] Policies related to climate change mitigation and adaptation

The De' Longhi Group recognizes climate change as one of the most urgent and complex global challenges, with potential significant impacts across all stages of the value chain. To address this challenge in a structured and responsible manner, the Group has defined a set of policies that guide the management of environmental impacts, greenhouse gas emissions, and health and safety aspects (E1-2 24).

The main corporate policies relevant to the management of climate and environmental risks, and their related impacts, include:

TABLE 1- POLICIES RELATED TO CLIMATE CHANGE

Reference policy	Target (MDR-P 65a)	Scope (MDR-P 65b)	Responsible for implementation (MDR-P 65c)	Recognized national and international preparation tools (MDR-P 65d)	Accessibility (MDR-P 65f)	IRO considered (MDR-P 65a)
Environmental, Health & Safety Policy	<p>Commitment to reducing the Group's carbon footprint</p> <p>Reduction in the use of fossil fuels</p> <p>Designing more sustainable products</p> <p>Lessen the amount of waste sent to landfills</p> <p>Promoting occupational health and safety principles</p>	De' Longhi Group, suppliers, collaborators	Board of Directors	<p>ISO 45001:2018</p> <p>ISO 14001:2015</p> <p>Sustainable Development Goals (UN)</p>	Corporate website	<p>Climate change due to GHG emissions</p> <p>Excessive energy consumption</p> <p>Reputational risks associated with a lack of initiatives to mitigate climate change</p> <p>Access to grants and loans for sustainable investments</p> <p>Operational instability and supply chain disruption due to extreme weather</p>
Code of Ethics	<p>Statement of the Group's fundamental ethical principles</p> <p>Formalizes the standards for conduct in business management</p> <p>Management of relations with the Public Administration</p> <p>Management of relations with other stakeholders</p> <p>Diligence in the use of company assets and protection of IT tools</p> <p>Criteria and goals in the composition of the Board of Statutory Auditors</p> <p>Monitoring of compliance with the policy</p> <p>Processes and guidelines for guaranteeing equal opportunities</p> <p>Goals and KPI for monitoring developments and ensure the purpose of the policy is served</p> <p>Initiatives targeting gender diversity in order to promote the presence of women</p>	De' Longhi Group, suppliers, collaborators	Board of Directors	<p>Directive 2014/95/EU</p> <p>Principles for the emancipation of women</p> <p>United Nations International Bill of Rights</p> <p>Declaration of the International Labor Organization on Fundamental Principles and Rights</p> <p>International Labor Organization Convention on Violence and Harassment</p>	Corporate website	Reputational and legal risks for violations of human rights inside the company
Travel policy	<p>Sustainable travel practices</p> <p>Business travel organization rules</p>	De' Longhi Group	Chief People Officer	-	Not available to the general public	-

Currently, the Group has an **Environmental, Health & Safety (EHS) Policy**, which outlines the company's commitments regarding the environment and health and safety. The EHS Policy, approved by the Group CEO, entered into force on 1 September 2025, replacing the previous Environmental Policy. The Group also plans to develop a specific policy dedicated to climate change mitigation and adaptation; to date, this activity is still ongoing.

The De' Longhi Environmental, Health & Safety Policy, approved by the Chief Executive Officer and published on the Corporate website, represents the company's commitment to a sustainable development model, integrating environmental management into operating strategies and decision-making processes; the policy also calls for the periodic assessment of stakeholders' needs, along with risk assessments. The policy guides the Group's actions along three fundamental directions - Progressing Over Emissions, Designing Tomorrow, and Caring Together - and, in line with these principles, provides for:

- the reduction of the carbon footprint, through emission reduction targets validated by the Science Based Targets initiative (SBTi);
- the gradual replacement of fossil fuels through energy efficiency measures and the adoption of renewable sources;
- the design of more sustainable products through the "Eco-Design Guidelines," focusing on recycled materials, energy efficiency, durability, repairability, and waste management;
- the reduction of waste sent to landfills (E1-2 25).

Finally, the Group is committed to maintaining the Environmental Management System in compliance with ISO 14001 and to obtaining ISO 45001 certification for all production plants (MDR-P 65 (a)) (MDR-P 65 (e)) (MDR-P 65 (f)). The policy covers the company's entire perimeter and all its activities (MDR-P 65 (b)). The ultimate responsibility for the implementation and supervision of the policy is entrusted to the Chief Executive Officer, who ensures the integration of environmental objectives into the corporate strategy and monitors progress in achieving the commitments undertaken (MDR-P 65 (c)). In line with its commitment to sustainability, this policy adheres to the principles of the United Nations' 2030 Agenda for Sustainable Development, focusing its initiatives on the Sustainable Development Goals (SDGs) most relevant to its sector and operating context, including SDG 3, SDG 5, SDG 12 e SDG 13 (MDR-P 65 (d)).

The desire and necessity to protect the environment across all of its activities, in compliance with current regulations, is also expressed within the **Code of Ethics**; this principle translates into the adoption, where possible, of solutions with reduced environmental impact, in order to reconcile the company's economic needs with environmental concerns, paying particular attention to future generations (MDR-P 65 (e)).

At the same time, the Group is working on defining a policy dedicated to energy and emissions issues, which will formalize the objectives defined in this area and act as a high-level framework for managing the related impacts, risks, and opportunities (E1-2 24).

Finally, in 2026, the Group updated its Travel Policy, introducing new guidelines oriented towards sustainability and emissions reduction (E1-2 25). The policy encourages employees to prioritize remote communications, to plan trips more efficiently, and to limit the number of business trips and people involved. Furthermore, it is recommended to use means of transport with a lower environmental impact, whenever possible.

## [E1-3] Actions and resources in relation to climate change policies

In line with the 2024-2026 Sustainability Plan, the De' Longhi Group has implemented measures to reduce its impact on climate change. The main initiatives concern both the entire corporate scope, such as increasing the self-production of electricity from renewable sources and the energy efficiency of production processes, as well as the products it sells.

One of the main areas of focus has become the development of increasingly energy-efficient products, which is also a top priority for all of the De' Longhi Group's GNPD (Group New Product Development) professionals. This commitment extends to all the main product lines, for example through the introduction into heating systems of the Eco mode, which reduces consumption during use and in the stand-by phase.

During 2025, efforts continued to optimize energy consumption throughout the entire product use phase, through targeted interventions that affected various product lines. In the automatic machines segment, the PrimaDonna Aromatic model introduced a significant design evolution, providing for the **elimination of the second boiler** dedicated to milk frothing and thus

allowing for a reduction in energy consumption. As for manual coffee machines, the Classic Line was instead equipped with a **lighter thermoblock** compared to previous models, a solution that made it possible to achieve energy class A.

In the thermal comfort sector, the radiators of the Radia and Atlante series integrate Easytronic technology, a high-precision electronic control solution that allows for **precise temperature regulation** ( $\pm 0,5^{\circ}\text{C}$ ); this greater accuracy makes it possible to optimize heat delivery according to actual needs, allowing for energy savings of up to 25%. In addition, the *Comfort Coach* interface guides the user towards a more conscious use of the product through 12 adjustment levels and dedicated areas, promoting **more efficient consumption behaviors** and reducing energy waste. This technological evolution will continue with the Atlante Pro series, currently under development, which will integrate advanced management features via App; such solutions will enable dynamic optimization of energy consumption.

On the air treatment front, the new *Pinguino GentleJet* introduces the *Arctic Gentle Surround* system, which makes it possible to accelerate the achievement of comfort conditions, reducing cooling times by 30% and therefore significantly improving operational efficiency. The AP120 and AP98 models, in fact, record an increase in energy efficiency (EER) of 10% and 19%, respectively, compared to previous models.

Finally, by 2026, the introduction of a new range equipped with Inverter technology is also planned, developed in line with the requirements of future Ecodesign regulations, which will allow for continuous power modulation based on the actual load, with the goal of improving seasonal energy efficiency by up to 50%.

Furthermore, research into these products is not limited to energy efficiency alone, but extends to the choice of less emission-intensive materials, by increasing the proportion of recycled materials in newly designed products. For further details on this type of initiative, see chapter "ESRS E5 - Resource use and circular economy" (MDR-A, 68 a, b, c).

To further optimize direct energy consumption, instead, the Group has installed advanced **energy monitoring** systems at its plants in Italy, Romania, and China, as well as at its headquarters in Treviso. These tools enable real-time data collection, improving resource management and contributing to the reduction of greenhouse gas emissions; in parallel, the implementation of motion sensors for lighting activation ensures more efficient energy use by minimizing unnecessary consumption.

## [E1-4] Climate change mitigation and adaptation targets

As anticipated in section E1-1 of this chapter, the Group has defined its climate transition path through the adoption of decarbonization targets fully aligned with science (MDR-T 80 g). In 2025, in fact, the Group obtained formal validation of its near-term and long-term targets from the Science Based Targets initiative (SBTi), committing to reduce Scope 1 and Scope 2 emissions by 58.8% and Scope 3 emissions by 35% by 2034, compared to 2023<sup>19</sup> (E1-4, 33, 34). The Group has also committed to achieving climate neutrality by 2050, in line with the scenario of limiting global warming to 1.5°C (E1-4 34 e, 16 a, AR 30 c).

Alongside the SBTi targets, the 2024-2026 Sustainability Plan includes further initiatives and targets aimed at reducing emissions, relating to the management and monitoring of climate objectives (MDR-T 80 a). These initiatives are reported in the table below.

Measures have also been taken on the mobility front to reduce the Group's carbon footprint; it is progressively migrating the company fleet to hybrid or electric vehicles, with the aim of reducing diesel or gas-powered cars by 2027 (MDR-A, 68 a, b, c). In Romania, the Group is also continuing collaborations to reduce the use of diesel in vehicles used for employee transportation, with the aim of a total conversion to hybrid or low-consumption cars (MDR-A, 68 a, b, c).

For the listed initiatives, aimed at reducing the Group's impact on climate change, present or anticipated GHG emission reductions have not yet been quantified (E1-3, 29 a, b).

Alongside operational initiatives, 2025 also saw the Group contribute to the drafting of the **position paper “The digital transition in support of business sustainability”** (La transizione digitale a supporto della sostenibilità del business), in collaboration with the Secretariat of the UN Global Compact Network Italy and 46 other Italian companies adhering to the UNGC (United Nations Global Compact). The document recognizes the digital transition as a fundamental enabling factor for the environmental sustainability of businesses, particularly in the fight against climate change and in the efficient management of resources. The ability of digital technologies to collect and process real-time data constitutes essential support for defining decarbonization strategies and for guiding companies towards production models that are less damaging to the environment.

The position paper further emphasizes the importance of a digital transition that allows companies to systematically address emerging environmental risks. In a context where energy demand is growing rapidly, partly due to the expansion of digital services and data centers, the document recalls the urgency of adopting energy-efficient digital models, predictive systems based on artificial intelligence, and infrastructure capable of supporting preventive maintenance and consumption optimization. The actions implemented by the Group in its plants, from the optimization of testing cycles to the digitalization of energy monitoring and the gradual integration of high-efficiency systems, reflect the paper's recommendations, according to which technology is a determining lever for reducing waste, increasing operational efficiency, and improving the quality of decision-making processes.

In 2025, the modification of the calibration methods for coffee machines was also completed at the Italian plant in Mignagola with the aim of reducing energy consumption; an extension of the initiative to the plants in Romania is also planned for 2026.

In parallel, energy efficiency interventions on infrastructure continued at the plants, particularly through the replacement of traditional lighting systems with LED technology. In China, for example, the complete conversion of lighting has resulted in a reduction in consumption. In Romania, the gradual installation of LED lighting is also underway in all plants, with completion scheduled for 2026 (MDR-A, 68 a, b, c). Finally, at the Chinese plants, the introduction of new **electric presses for plastic injection** has made it possible to achieve energy savings of between 30% and 32%, thanks to the lower consumption of electric machines compared to the previous hydraulic solutions (MDR-A, 68 a, b).

To further reduce its impact on climate change, another area of intervention is the self-production of energy from renewable sources. In addition to those already present in Mignagola, Treviso, Scarperia and San Piero, Cluj (Romania), and Sierre (Switzerland), the installation of new solar panels is also planned at the Satu Mare plant (Romania) during 2026 (E1-3, 29 c) (MDR-A, 68 a, b, c). The capital expenditures (CapEx) already incurred in 2025 for the photovoltaic systems in Sierre and Cluj amount to a total of €333,629 (MDR-A, 69 b). The implementation of these initiatives requires accurate planning of resource use and stable access to adequate financing, which are essential to support infrastructure investments, energy efficiency interventions, and innovative activities connected to the energy transition. The Group's ability to implement the planned actions is therefore also linked to the availability of capital under favorable conditions and its correct allocation over time (E1-3, AR 21). The CapEx amounts connected to these interventions are consistent with the scope of the investments planned by the company (E1-3, AR 22).

In 2025, La Marzocco also conducted an in-depth energy diagnosis, culminating in the submission to ENEA of two separate audits relating to the Scarperia and Accademia del Caffè Espresso sites, in compliance with regulatory obligations regarding energy assessments.

19 The baseline value for the year 2023 is considered representative of De'Longhi's operations, as it reflects the entire organizational scope and no exceptional events occurred during the reporting period. (E1-4 AR 25 a).

TABLE 2 – CLIMATE CHANGE MITIGATION TARGETS

Initiative (E1-4 34 f)	Target (MDR-T 80 b)	Baseline (MDR-T, 80d) <sup>20</sup>	Target Year (MDR-T 80 e)	Scope (MDR-T 80 c)	Reference policy (MDR-T 80 a)
Presentation of SBTi targets covering Scope 1, Scope 2 and Scope 3 emissions and definition of an emissions reduction strategy	Submission of SBTi target	-	2025	De' Longhi Group and its value chain	Environmental, Health & Safety Policy
Increase the use of electricity from renewable sources (both self-generated and purchased) at production plants	100% of the energy consumption of production plants certified as coming from renewable sources through Guarantees of Origin <sup>21</sup>	53.8% renewable electricity at the Group's plants (2022)	2024	All production plants	Environmental, Health & Safety Policy
Energy efficiency interventions aimed at making changes and/or implementing new solutions to reduce the energy consumption of plants/ offices	0.06 kWh consumed per test (40% reduction in energy consumption)	0.1 kWh consumed per test (2022)	2027	Fully automatic coffee machines	Environmental, Health & Safety Policy
	0.017 kWh for calibration of each machine (50% reduction in energy consumption%) Reduction of energy intensity per unit produced <sup>22</sup>	0.034 kWh for calibration of each machine (2022) 6.7 kWh = total energy consumed / number of units produced (2022)		All production plants	
Activities and training to promote more sustainable behavior and a zero-waste approach inside and outside the company	Review of the travel policy and analysis of the costs of employee travel between offices or sites, promoting car sharing and videoconferencing	-	2024	De' Longhi Group	N/A
	100% electric and/or hybrid vehicles in the company fleet	16% electric and/or hybrid vehicles (2022)	2027	De' Longhi Group	N/A
Reducing the environmental impact of packaging	Up to 20% reduction in kg of CO <sub>2</sub> per unit in the pilot project	-	2026	Pilot project	N/A

The initiatives and KPIs associated with the established targets are monitored on a regular and systematic basis. The progress of each initiative is evaluated annually and is the responsibility of the Sustainability Department (MDR-T 80 j). In particular, as of 31 December 2025, the progress of the aforementioned targets was as follows (MDR-T 79 c):

- **Presentation of SBTi targets covering Scope 1, Scope 2 and Scope 3 emissions and definition of an emissions reduction strategy:** The Group has submitted and obtained validation of the SBTi targets relating to Scope 1, Scope 2 and Scope 3, which are as follows (E1-4 34 a, 34 b):
  - Reduction of Scope 1 & 2 emissions by 2034: **-58.8%** compared to 2023.

- Reduction of Scope 3 emissions by 2034: **-35%** compared to 2023.
- **Net zero by 2050.**
- **Increase the use of electricity from renewable sources (both self-generated and purchased) at production plants:** In 2024 and 2025, 100% of the energy consumption at production plants was certified through Guarantees of Origin (target achieved).
- **Energy efficiency interventions aimed at making changes and/or implementing new solutions to reduce the energy consumption of plants/offices:** The reduction target has been achieved in technological and energy-saving terms for conducting tests and, at the end of 2025, is already applied to 100% of the production of fully automatic coffee

machines equipped with conical burr grinders manufactured at the Mignagola plant.

- **Review of the travel policy and analysis of the costs of employee travel:** The review of the travel policy has been completed (target achieved).
- **Reduction of energy intensity per unit produced:** The value stands at 5.93<sup>23</sup> kWh/per unit produced.
- **Migrating the company fleet to electric and hybrid vehicles:** As of 31 December 2025, the percentage of hybrid and electric vehicles was 57%.
- **Reducing the environmental impact of packaging of a coffee machine's model:** The initiative, launched in 2025, is currently underway.

<sup>20</sup> The baseline value for the year 2023 is considered representative of De'Longhi's operations, as it reflects the entire organizational scope and no exceptional events occurred during the reporting period.

<sup>21</sup> Portion of electricity covered by GO on the total amount purchased by production plants.

<sup>22</sup> Calculated as the ratio between electricity consumed and units produced in the Group's factories.

<sup>23</sup> The value of energy intensity per unit produced was calculated by considering the purchased electricity, together with the electricity self-generated by photovoltaic panels, divided by the number of units produced.

## [E1-5] Energy consumption and mix

In 2025, the Group's total energy consumption amounted to 141,058 MWh, up 5% compared to 2024 (133,861 MWh). Overall energy consumption from fossil sources stood at 53,803 MWh, accounting for 38% of the energy mix (down compared to 2024), while consumption from renewable sources reached

86,634 MWh (61%). Energy from nuclear sources, deriving primarily from national electricity mixes, accounted for 621 MWh.

As for the purchase of electricity, in 2025, 100% of the power purchased from the grid by the Group's industrial plants was covered by guarantees of origin (GO), which certify that the electricity consumed is derived from renewable sources. In addition, the increase (27%) in self-production from renewable sources is due to the installation of new photovoltaic panels in Sierre, Switzerland.

TABLE 3 - ENERGY CONSUMPTION AND MIX (IN THOUSANDS OF MWH)

Energy consumption and mix (E1-5, AR 34) (MDR-M 77c)	UOM	2023	2024	2025
Consumption of fuel from coal and coal products (E1-5, 38 a)	MWh	-	-	-
Consumption of fuel from crude oil and petroleum products (E1-5, 38 b)	MWh	11,181	12,237	11,055
Consumption of fuel from natural gas (E1-5, 38 c)	MWh	32,822	33,006	38,392
Consumption of fuels from other non-renewable sources (E1-5, 38 d)	MWh	-	-	-
Consumption of electricity, heat, steam, and cooling from fossil sources, purchased or acquired (E1-5, 38 e)	MWh	8,082	9,377	4,356
<b>a. Total energy consumption from fossil sources (E1-5, 37a)</b>	<b>MWh</b>	<b>52,084</b>	<b>54,619</b>	<b>53,803</b>
Fossil fuels as percentage of total energy consumption <sup>24</sup>	%	43%	41%	38%
<b>b. Consumption from nuclear sources (E1-5, 37b)</b>	<b>MWh</b>	<b>786</b>	<b>1,480</b>	<b>621</b>
Nuclear sources as percentage of total energy consumption	%	1%	1%	0,4%
c.i) Consumption of fuels from renewable sources, including biomass (including industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.)	MWh	-	-	530
c.ii) Consumption of electricity, heat, steam, and cooling from renewable sources, purchased or acquired	MWh	67,832	73,812	81,097
c.iii) Consumption of renewable energy self-produced without the use of fuels (E1-5, 39)	MWh	881	3,950	5,007
<b>c. Total energy consumption from renewable sources (E1-5, 37c)</b>	<b>MWh</b>	<b>68,714</b>	<b>77,762</b>	<b>86,634</b>
Renewable sources as percentage of total energy consumption	%	57%	58%	61%
<b>Total energy consumption (E1-5, 37)</b>	<b>MWh</b>	<b>121,584</b>	<b>133,861</b>	<b>141,058</b>

24 Percentage calculated starting from the Residual Mix of the individual countries in which the Group operates.



Because the Group operates in a high-climate-impact sector, namely the “Manufacture of electrical equipment” (E1-5, 42), energy intensity (E1-5, 40) was calculated as the ratio between total energy consumption and net revenues (E1-5, 41), giving 38.491 MWh per million euros (MWh/€M) in 2024 e 37.67 MWh per million euros (MWh/€M) in 2025. (MDR-M 77 a)

TABLE 4 - TOTAL CONSUMPTION OF SELF-PRODUCED ENERGY

Total consumption of self-produced energy (E1-5, 39) (MDR-M 77 c)	UDM	2023	2024	2025
Consumption of self-produced renewable energy without the use of fuels	MWh	881	3,950	5,007
Consumption of self-produced non-renewable energy (cogeneration)	MWh	10,192	9,583	11,033

TABLE 5 - ENERGY INTENSITY BASED ON NET REVENUES

Energy intensity based on net revenues (E1-5, 40) (MDR-M 77 c)	UOM	2023	2024	2025	% N / N-1
Total energy consumption from activities in high climate-impact sectors per net revenue from activities in high-climate impact sectors (MWh/monetary unit)	MWh/€k	0.040	0.039	0.038	-3%

TABLE 6 - NET REVENUES CONSIDERED FOR THE CALCULATION OF INTENSITY METRICS (E1-5, AR 38 B) (E1-6, AR 55 B)

Net revenues considered for the calculation of intensity metrics (MDR-M 77 c)	UOM	2024	2025
Net revenues from activities in high-climate-impact sectors used to calculate energy intensity (E1-5, 43) (E1-6, 55)	€k	3,445,635	3,744,642
Net revenues (other)	€k	51,920	56,816
<b>Total net revenues (financial statements)</b>	<b>K€</b>	<b>3,497,555</b>	<b>3,801,458</b>

## [E1-6] Scope 1, 2, 3 and total gross GHG emissions

In 2025, total Scope 1 and Scope 2 emissions, calculated using the “location-based” method, stood at 49,339 tons, showing a 6% increase compared to 2024. In 2025, 95% of the electricity purchased by the Group was covered by Guarantees of Origin or international renewable energy certificates (I-REC) (E1 - 6 AR 45d). Scope 3 emissions, which quantify emissions not included in Scope 1 or 2 and which occur along the De’ Longhi Group’s value chain, make up 99% of the Group’s total emissions. In 2025, overall Scope 3 emissions recorded a 15% increase compared to 2024. In particular, the increase in

emissions associated with purchased goods and services in 2025 compared to 2024 is mainly attributable to the growth in purchasing volumes of raw materials and finished products recorded during the reporting year. Similarly, the increase in emissions related to the use phase of sold products is primarily attributable to the higher sales volumes recorded in 2025 compared to 2024. It should also be noted that, in line with the continuous improvement process of the calculation methodology, some methodological refinements were introduced; however, these updates have a marginal impact in terms of emissions. In 2025, De’ Longhi included all 13 applicable categories out of the 15 defined by the Greenhouse Gas Protocol Accounting & Reporting Standard in its inventory.



Within total Scope 3 emissions, Category 11: "Use of products sold" accounts for 76% of the total. This category includes emissions related to the energy consumption from the use of products sold by the Group. The second most significant contribution comes from Category 1: "Purchased goods and services", which includes emissions linked to the procurement of raw materials, semi-finished goods, finished products, packaging, and services, representing approximately 19% of total Scope 3 emissions.

It should be emphasized that Category 15 "Investments" emissions and part of the Category 7 "Employee commuting" and Category 8 "Upstream leased assets" emissions were calculated using primary data. The overall percentage of emissions deriving from primary data is negligible compared to the total Scope 3 emissions. (E1-6 AR 46 g) (MDR-M 77 a)

TABLE 7 - GHG EMISSIONS (IN TCO<sub>2</sub>) (E1-6 AR 48) (MDR-M 77C)

	2023	2024	2025	% N / N-1
<b>GHG emissions (E1-6, 44a), (E1-6, 48a)</b>				
<b>Gross Scope 1 GHG emissions (tCO<sub>2</sub>)<sup>25</sup></b>	<b>10,240.11<sup>26</sup></b>	<b>11,255.0</b>	<b>10,796.6</b>	<b>-4%</b>
<b>% of Scope 1 GHG emissions covered by regulated emissions trading systems</b>	-	-	-	-
<b>GHG Scope 2 emissions (E1-6, 44b) (E1-6, 49a,b)</b>				
<b>Gross Scope 2 GHG emissions (location-based) (tCO<sub>2</sub>eq)</b>	<b>32,622.5</b>	<b>35,294.9</b>	<b>38,542.6</b>	<b>+9%</b>
<b>Gross Scope 2 GHG emissions (market-based) (tCO<sub>2</sub>eq)</b>	<b>4,133.1</b>	<b>4,993.6</b>	<b>2,121.1</b>	<b>-58%</b>
<b>Significant Scope 3 GHG emissions (E1-6, 44c) (E1-6, 51)</b>				
<b>Total gross indirect Scope 3 GHG emissions (tCO<sub>2</sub>eq)</b>		<b>6,709,227.7</b>	<b>7,718,386.0</b>	<b>+15%</b>
1 Purchased goods and services		1,080,408.7	1,490,075.7	+38%
2 Capital goods		29,781.2	29,029.9	-3%
3 Fuel and energy-related activities (not included in Scope 1 and 2)		2,887.6	2,411.2	-16%
4 Upstream transportation and distribution		82,917.4	79,169.8	-5%
5 Waste generated during operations		1,666.0	1,791.1	+8%
6 Business travel		793.5	1,809.9	+128%
7 Employee commuting		8,433.2	13,668.9	+62%
8 Upstream leased assets			1,716.5	
9 Downstream transportation		49,721.8	36,113.5	-27%
10 Transformation of products sold				
11 Use of products sold		5,403,262.8	5,885,611.0	+9%
12 End-of-life treatment of products sold		47,464.8	176,307.6	+271%
13 Downstream leased assets			226.8	
14 Franchising				
15 Investments		1,890.7	454.18	-76%
<b>Total GHG emissions (E1-6, 44d) (E1-6, 52) (E1-6, AR 47b)</b>				
<b>Total GHG emissions (location-based) (tCO<sub>2</sub>eq)</b>		<b>6,755,777.6</b>	<b>7,767,725.2</b>	<b>+15%</b>
<b>Total GHG emissions (market-based) (tCO<sub>2</sub>eq)</b>		<b>6,725,476.2</b>	<b>7,731,303.7</b>	<b>+15%</b>

TABLE 8 - GREENHOUSE GAS EMISSIONS INTENSITY AS A PERCENTAGE OF NET REVENUES

<b>Greenhouse gas intensity based on net revenues (E1-6, 53) (MDR-M 77C)</b>	<b>UDM</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>% N / N-1</b>
<b>Total greenhouse gas emissions (location-based) per net revenue (tCO<sub>2</sub>eq/monetary unit)</b>	tons of CO <sub>2</sub> e/€k	<b>2.23</b>	<b>1.96</b>	<b>2.07</b>	<b>+6%</b>
<b>Total greenhouse gas emissions (market-based) per net revenue (tCO<sub>2</sub>eq/monetary unit)</b>	tons of CO <sub>2</sub> e/€k	<b>2.22</b>	<b>1.95</b>	<b>2.06</b>	<b>+6%</b>

25 It should be noted that Scope 1 and Scope 2 emissions were calculated using emission factors expressed in tCO<sub>2</sub>, whereas the summary table reports the overall results in tCO<sub>2</sub>e. Consequently, the sum of these values could be interpreted as a total in tCO<sub>2</sub>e, despite deriving from metrics that are not entirely homogeneous. This misalignment represents an interpretive limitation regarding the full comparability of the aggregated data.

26 Emissions related to the trigenerator located at the Mignagola site have been included in the calculation of direct emissions Scope 1, in line with the operational control principle referenced by ESRS E1. For further details, please refer to the methodological note.

# Methodological Note on GHG Emissions (E1-6, AR 39 b)

## Direct Emissions Scope 1

Direct Scope 1 emissions include emissions generated from the mobile and stationary combustion of fuels, such as natural gas, heating oil, gasoline, diesel, and LPG, used for heating and the company fleet, and those resulting from refrigerant gas leaks. Emissions related to the operation of the trigenerator have been included in the calculation of direct Scope 1 emissions, in accordance with the application of the operational control principle referenced by ESRS E1. Emission calculations were performed using emission factors from the National Standard Parameters Table of the Italian Ministry of the Environment for the year 2025, calculated based on ISPRA tables, and emission factors from the database of the Department for Energy Security and Net Zero 2025, previously known as DEFRA (Department for Environment, Food and Rural Affairs).

## Indirect Emissions Scope 2

The indirect Scope 2 emissions of the De' Longhi Group derive from the electricity purchased and used during the reporting year. The reporting of Scope 2 emissions must follow two approaches: location-based (LB) and market-based (MB). While the location-based approach considers an average emission factor related to the national energy mix of each country, the market-based approach allows for the valuation in terms of emissions of the purchased renewable electricity, through the application of a zero emission factor for energy covered by certificates demonstrating its sustainable origin. The location-based method was implemented using emission factors from Terna's "Confronti Internazionali" database, while for the market-based method, Residual Mix emission factors from the Association of Issuing Bodies (AIB) 2024 database were applied for European countries. In cases where Residual Mix emission factors are not available, reference is made to the energy mix published by Terna ("Confronti internazionali 2022").

## Indirect Emissions Scope 3

The Scope 3 emissions inventory has been calculated in line with the GHG Protocol Corporate Accounting and Reporting

Standard – Revised Edition. The categories included in the inventory are listed below.

### Cat. 3.1 - Purchased goods and services

The category reports the emissions deriving from the purchase of raw materials, semi-finished products, finished products, packaging, and services by the De' Longhi Group in the reporting year. Where not available, the weight and composition of the purchased goods were estimated based on similar products. As for the calculation of emissions related to raw materials and packaging, emission factors derived from Ecoinvent v.3.10 were used based on the kg purchased; for the calculation of emissions related to the purchase of services, a spend-based methodology was used, and the factors applied are those provided by DEFRA – SIC Multipliers 2022.

### Cat. 3.2 - Capital goods

Emissions associated with capital goods were calculated starting from the expenditure costs incurred for the purchase of capital goods in the reporting year, for each Group Company. The expenditure costs were multiplied by the spend-based emission factors from the DEFRA – SIC Multipliers 2022 database.

### Cat. 3.3 - Fuel- and energy-related activities (not included in Scope 1 and 2)

Emissions deriving from fuel- and energy-related activities used by the Group in the reporting year were calculated starting from the same precise data used for the calculation of Scope 1 and 2 emissions, to which emission factors from the Department for Energy Security and Net Zero 2025 database were applied, which make it possible to report the emissions deriving from the production of fuels and the generation, transmission, and distribution of the electricity consumed.

### Cat. 3.4 - Upstream transportation and distribution

The reporting of emissions deriving from the flow of inbound and outbound transport and between the different Group companies was carried out considering, for each route traveled, the distance in kilometers traveled between the point of departure and arrival and the weight transported along that route, to which emission factors published by the Department

for Energy Security and Net Zero 2025 were applied, depending on the mode of transport used. In the absence of information regarding the weight transported, the calculation methodology used is distance-based, with input data on the distance traveled and emission factors from the Department for Energy Security and Net Zero 2025 database according to the type of vehicle used.

### Cat. 3.5 - Waste generated during operations

Emissions associated with waste produced in the reporting year were calculated starting from data on the weight of the waste generated, clustered by EWC (European Waste Catalogue) code and type of waste destination. Depending on the type of waste and the disposal method, emission factors published by the Department for Energy Security and Net Zero 2025 were applied.

### Cat. 3.6 - Business travel

Emissions related to business trips made in the reporting year were calculated starting from quantitative data on the km traveled for each trip, with an indication of the mode of transport used. In addition, emissions deriving from overnight stays during business trips were calculated starting from the number of nights spent in each country. For the calculation of emissions, emission factors from the Department for Energy Security and Net Zero 2025 database were used.

### Cat. 3.7 - Employee commuting

Emissions were calculated for reporting year using primary data on home-to-work distances (km) and the types of transportation used by employees (car, public transport, etc.). This information was collected through a questionnaire directed at all employees of the Group and conducted at the end of the year. In some specific cases, it was possible to collect data on actual fuel consumption used for commuting. Emission factors published by DEFRA 2025 were applied for the calculation.

### Cat. 3.8 - Upstream leased assets

Emissions deriving from the use of assets owned by third parties were calculated starting from quantitative data on electricity consumption recorded in each asset during 2025. In the absence of this information, consumption was estimated starting from the surface area of the asset using consumption

indices calculated from available data, in some cases originating from the CURB database. For assets where surface area information was not available, the average surface area of the other assets was used. Emissions were then calculated by multiplying the annual consumption by the emission factors from the TERNA 2022 database.

### Cat. 3.9 - Downstream transportation

The reporting of emissions deriving from downstream transportation was carried out considering, for each route traveled, the distance in kilometers traveled and the weight transported along that route, to which emission factors from the Department for Energy Security and Net Zero 2025 database were applied, depending on the mode of transport used. In the absence of information regarding the weight transported, the calculation methodology used is distance-based, with input data on the distance traveled and emission factors from the Department for Energy Security and Net Zero 2025 database according to the type of vehicle used. For some logistics flows, for which data on the distance traveled and the weight transported were not available, the expenditure costs incurred by third parties for the purchase of products were used, to which a % coefficient was applied to obtain the transport cost, which was then multiplied by an average factor among road, air, and sea transport from DEFRA – SIC Multipliers 2022.

### Cat. 3.11 - Use of products sold

This category considers emissions generated from the use of products sold by the Group in the reporting year. To proceed with the calculation, the estimate of the electricity consumption of the products throughout their entire life cycle was taken into consideration, calculated starting from the nominal power of the product and specific assumptions on the daily duration of use and the average useful life. In the event that the available data did not allow full coverage of the entire product range, the data was re-proportioned based on total sales, so as to ensure an accurate and complete representation of the emissions associated with the products sold. The emission factor was selected from the Terna 2022 database, depending on the specific country of sale of the products.

### Cat. 3.12 - End-of-life treatment of products sold

Emissions deriving from the end-of-life treatment of products sold were calculated starting from the composition of each

product and the number of products sold. Depending on the country where the product was sold and subsequently disposed of, disposal rates for each single management method were applied, originating from the Eurostat database for European countries and from specific databases for non-European countries. For each type of material, depending on the disposal method, the corresponding emission factors from the Department for Energy Security and Net Zero 2025 database were applied.

### Cat. 3.13 - Downstream leased assets

Emissions deriving from owned assets in use by third parties were calculated through electricity consumption, estimated starting from the surface area of the asset using consumption indices from the CURB database. Emissions were then calculated by multiplying the annual consumption by the emission factors from the TERNA 2022 database.

### Cat. 3.15 - Investments

Emissions deriving from the consumption of the De' Longhi Group's subsidiaries were calculated starting from precise

data on the fuel and electricity consumption of the individual companies, pro-rated for the percentage of shares owned by De' Longhi. Emissions were calculated using the same methodology used for the calculation of the Group's Scope 1 and 2 emissions.

Finally, the following excluded categories are noted:

- Cat.3.10 transformation of products sold: not applicable;
- Cat.3.14 franchising: not applicable. (E1-6 AR 46i)

## Climate-altering emissions and GWP applied

The GHG emissions considered are CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and refrigerant gases. The Scope 3 GHG emissions reported by the De' Longhi Group are expressed in CO<sub>2</sub>e, unless otherwise specified. (E1-6 AR 46h)

The data consolidation approach is the same as that adopted for the Consolidated Sustainability Reporting as of 31/12/2024, understood as the De' Longhi S.p.A. Group and the companies that are part of the Consolidated Group's organizational perimeter.



## [E1-7] GHG removals and mitigation projects financed through carbon credits

In 2025, the Group continued to support climate-altering emission compensation initiatives, strengthening a path developed over the years that integrates reduction actions and certified carbon offset projects.

In 2024, the Group quantified the emissions of the Rivelia coffee machine in accordance with PAS 2060, thereby initiating a reduction and offsetting plan certified by Bureau Veritas. All emissions of the model marketed in 2023 were offset: the carbon credits, amounting to 5,100 tons of CO<sub>2</sub>e, were purchased through the “Water Purifiers for Rural Households” project in Vietnam, which improves sanitation conditions and reduces the use of fossil fuels, guaranteed by the Verified Carbon Standard program. In continuity with what was started in 2024, during 2025 the Group achieved the climate footprint certification for Rivelia in compliance with the ISO 14067 standard.

In parallel, La Marzocco also continued its support for numerous carbon offset projects in 2025, consolidating a multi-year collaboration with Rete Clima. This partnership, launched several years ago, includes both Nature-Based Solutions (NBS) interventions and initiatives for afforestation and sustainable forest management in Italy (E1-7, AR 57 b) (E1-7, 57 a, 58). All forest management and reforestation projects fall under the national afforestation campaign Foresta Italia, launched by

Rete Clima in 2022 and still active today. In addition to the NBS interventions, over the years La Marzocco has supported numerous international carbon offset projects certified by VCS-Verra and Gold Standard, which guarantee standardized verification procedures (E1-7, 61c). In 2023 and 2024, the company had already financed initiatives such as:

- Ghani Solar Renewable Power Project (India), a 500 MW photovoltaic plant for the reduction of emissions from electricity
- Envira Amazonia Project (Brazil), a REDD+ project for the conservation of 39,000 hectares of the Amazon rainforest;
- Improved Cooking Practices (Nigeria), involving the distribution of over 385,000 efficient cookstoves;
- Barroso Hydropower Project (Colombia), a 20 MW hydroelectric plant with a reduction of 48,746 tCO<sub>2</sub>e/year;
- Katingan Peatland Restoration and Conservation Project (Indonesia), an initiative for the protection and restoration of 149,800 hectares of peatlands with high ecosystem value.

In 2025, La Marzocco renewed its commitment to supporting climate mitigation through three new certified projects intended to offset its 2024 Scope 1 and Scope 2 corporate emissions, in addition to a portion of its Scope 3 emissions. The selected projects, all in line with international best practices and certified by VCS-Verra and Gold Standard programs, include:

- VCS 1522 – “Soubré Hydropower Project” (Ivory Coast)

A strategic hydroelectric project for the diversification of the national energy mix, with an estimated average annual reduction of 607,720 tCO<sub>2</sub>e. In addition to the environmental benefits, the initiative generates positive impacts on local development, thanks to the construction of new infrastructure and the creation of employment opportunities.

- VCS 612 – “Kasigau Corridor REDD Project – Phase II” (Kenya)

A REDD+ project covering 200,000 hectares between the Tsavo East and West parks, aimed at preventing deforestation.

- VCS 2581 – “Mekong River Delta Water Purifier” (Vietnam)

An initiative for the distribution of 600,000 water purifiers in rural communities in the Mekong Delta, aimed at reducing the use of firewood, while also improving sanitation conditions.

With regard to the carbon offset projects financed in 2025, it is specified that the entire portfolio consists of GHG emission reduction projects certified in accordance with recognized international quality standards (Verra) (E1-7, AR 62 a,c). The carbon credits derived from these reduction projects are attributable to biogenic interventions; furthermore, all credits were issued from projects located outside the European Union and, for the reporting period, there are no credits subject to or eligible for a corresponding adjustment under Article 6 of the Paris Agreement (E1-7, AR 62 d,e).

Overall, thanks to the carbon offset projects and forest protection initiatives developed in recent years, La Marzocco and the Group have contributed to the planting of 600 trees in Italy, capable of absorbing 2,490 tCO<sub>2</sub>eq at maturity, supported offsetting activities for over 37,500 tCO<sub>2</sub>eq through certified projects (E1-7, 58 a, 59 a) and involved a total of 10 countries, generating environmental and social benefits across different geographies (E1-7, 56 b, 57 b). Through these projects, the Group and La Marzocco contribute not only to the reduction of global emissions but also to the generation of environmental, social, and economic co-benefits, consistent with their corporate responsibility objectives.



# ESRS E5 - Resource use and circular economy

## [E5-IRO-1] Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Responsible resource use and the inclusion of circular economy principles are strategic to reducing environmental impact and improving operating efficiency. De' Longhi has adopted a structured approach to assessing its impacts, risks and opportunities in this area, as described in the chapter ESRS 2, paragraph [IRO-1] Description of the processes to identify and assess relevant impacts, risks and opportunities. As a result of the double materiality analysis the following topics were identified as material topics for the Group: resource inflows (including the use of the resources), circular economy and waste. The impact, risks and opportunities were assessed for both De Longhi's own operations (direct) and upstream and downstream value chain operations (indirect). For more information regarding the assumptions and tools used in the analysis, please refer to paragraph [IRO-1] Description of the process to identify and assess material impacts, risks, and opportunities (E5-IRO-1, 11a).

- **Depletion of natural resources due to the use of virgin raw materials (actual):** the production and transport of appliances can result in the significant consumption of raw materials and packaging, which impacts the environment. The extraction and use of non-renewable natural resources can, in fact, deplete natural resources and damage the ecosystem.

- **Damage to ecosystems due to the inadequate management of resource outflows related to products and services (potential):** the use of materials and resources that are not managed correctly can cause damage to the ecosystem.
- **Damage to the ecosystem caused by incorrect waste disposal (potential):** inadequate waste disposal in the production phase and upstream can damage the ecosystem. Similarly, the choice of materials in the design phase can have a significant impact on end-of-life product waste management and its associated environmental consequences.

The relevant risks connected to resource use and the circular economy for the Group include:

- **Increase in procurement costs due to scarcity of virgin raw materials:** De Longhi's dependence on virgin raw materials represents a financial risk associated with higher procurement costs. If the raw materials were to become harder to find due to depletion or more severe regulations, the Group would have to face an increase in costs.
- **Increase in costs due to the use of recycled materials:** De' Longhi could encounter higher procurement costs due to the use of recycled raw materials in its products and packaging. While the use of recycled materials is consistent with sustainability targets and may provide savings in the long-term, as well as mitigate risk, the initial transition may call for significant financial outlays. These costs could stem from investments in new equipment, changes in current production lines, potential increases in the costs of recycled materials and the research development needed to maintain product quality.
- **Increase in operating costs due to sustainability regulations in the coffee supply chain:** the EU Deforestation Regulation (EUDR) requires traceability and compliance throughout the entire coffee supply chain. Restrictions, sanctions, or additional costs for suppliers could reduce the

availability of certified coffee or increase its price, impacting the demand for coffee machines and overall competitiveness.

An opportunity was also found:

- **Higher revenues thanks to the development of products based on circular economy principles:** De' Longhi is capable of capitalizing on the growth opportunities by developing products and technologies which adhere to circular economy principles, focusing on the regeneration of products and implementing a business model which promotes end-of-life product recycling, reuse and recovery. These initiatives result in increased customer engagement, as consumers increasingly support sustainable practices and environmentally friendly products. Innovative, circular economy products may also create resource inflows and a competitive advantage, positioning the company as a leader in sustainable development.

To date, De' Longhi has yet to confer with local communities about resource use and the circular economy. The main internal stakeholders have, however, been involved in the identification and assessment of the impacts, risks and opportunities associated with this topic; for more information refer to section IRO-1 of the chapter on ESRS 2 (E5-IRO-1, 11b).

## [E5-1] Policies implemented to manage resource use and the circular economy

The adoption of clear and specific guidelines, the use of recycled materials, waste reduction and sustainable waste management are key to minimizing the environmental impact associated with the use of resources.

The most important tools used by the Group to promote the circular economy include the *Handbook of Guidelines to Design Sustainable Products*, a strategic document which provides guidelines for improving product sustainability. Adopted beginning in 2023, this document comprises a series of directives conceived with a view to providing New Product Development (NPD) with skills and tools for each phase of the development process. The goal is to create innovative, performing, low-environmental impact products. The guidelines address

all phases of development, design and planning, through product approval and distribution.

The guidelines aim to:

1. Reduce energy consumption;
2. Increase product durability;
3. Increase the amount of recycled materials used in the products (E5-1 15 a,b);

4. Ease of disassembly;
5. Reduce the volume of product materials;
6. Improve conservation of the materials;
7. Avoid toxic or damaging finishing processes.

This document is consistent with the main regulatory standards, strengthens the Group's commitment guaranteeing the sustainable and responsible development of its products over the entire life cycle of its products (E5-1 14).

TABLE 1 – POLICIES RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY

Policy	Key content (MDR-P 65a)	Policy perimeter (MDR-P 65b)	Implementation responsibilities (MDR-P 65c)	Domestic and international tools used to prepare this policy (MDR-P 65d)	Policy accessibility (MDR-P 65f)	R/O considered (MDR-P 65a)
Environmental, Health & Safety Policy	<ul style="list-style-type: none"> <li>• Commitment to reducing the Group's carbon footprint</li> <li>• Reduction in the use of fossil fuels</li> <li>• Design of more sustainable products</li> <li>• Reduction of waste sent to landfills</li> <li>• Promotion of occupational health and safety principles</li> </ul>	De' Longhi Group, suppliers, collaborators	Board of Director	ISO 14001:2015 Sustainable Development Goals (UN) ISO 45001:2018	Company's website	Increase in costs due to the use of recycled materials Revenue growth thanks to the development of products based on circular economy principles
Handbook of guidelines to design sustainable De' Longhi Products	<ul style="list-style-type: none"> <li>• Provide basic guidelines for design product development for:</li> <li>• Reduce energy consumption when used and transported</li> <li>• Optimize the life cycle of product parts</li> <li>• Facilitate recycling of materials</li> <li>• Facilitate product disassembly</li> <li>• Minimize the consumption of materials</li> <li>• Optimize the conservation of materials</li> <li>• Minimize the toxicity of materials and the potential harm that could be caused</li> </ul>	De' Longhi Group	Innovation, Technology, Marketing, R&D, Sustainability Department, Purchasing Office and Design and Customer Care	Ecodesign Directive (2009/125/EC) Directive 2012/19/EU on waste electrical and electronic equipment (WEEE) Directive Restriction on the Use of Hazardous Substances (RoHS) (2011/65/UE) ISO 14001	Not available to the general public	Improved reputation and savings on the cost of energy transition Revenue growth thanks to the development of products based on circular economy principles

**The Environmental, Health & Safety (EHS) Policy**, which came into effect on 1 September 2025 replacing the previous Environmental Policy, represents another tool for incentivizing the circular economy and reducing waste. Through this Policy, the Group is committed to reducing the environmental impact

through the design of products that promote energy savings and are built according to the principles of recyclability, durability and repairability. Therefore, the policy promotes the reduction of waste in the production processes and optimal resource utilization by focusing on the design of more

sustainable products through the Eco-Design Guidelines. For further information refer to section E1-2 of the chapter [ESRS E1] Policies related to climate change mitigation and adaptation. (MDR-P 65 a,b,c,d,e,f).

## [E5-2] Actions and means relating to resource use and the circular economy

De' Longhi has developed a structured strategy in order to optimize the use of resources and strengthen the circular economy. The approach adopted is based on the principles outlined in the *Handbook of Guidelines to Design Sustainable Products* as described in *E5-1 Policies implemented to manage resource use and the circular economy*. In order to support these actions, significant investments were made in Research & Development (R&D), thanks also to collaborations with research institutions and Life Cycle Assessments (LCA). In 2024 an Ecodesign Manual specifically for coffee machines was also developed which prioritizes the improvements called for in the LCA which focus on the environmental impacts viewed as the priorities in the context of product efficiency and sustainability. The results of the LCA are key to identifying the optimization priorities in product development; in order to include them in their design and innovation strategy, La Marzocco purchased a software license which, based on the LCA models, actively supports R&D in the integration of eco-design standards in the design phase. This was used in a LCA of the Micra line, the biggest seller, this analysis made it possible to assess the environmental impact across the product's entire life cycle (E5-2, 17,18,19). In 2025, as part of a regional Research and Development grant, the company also began developing an LCA study on a product prototype.

As the Group has commercial relationships in more than 120 countries, during the design phase the international regulatory framework is also taken into consideration. The creation of new products, protected by registered patents, is done by the Group's GNPD (Group New Product Development) and calls for the collaboration of several company divisions, like Marketing and Design, which work with the Regulatory Affairs team in order to guarantee compliance with the local regulations of the different countries.

The approach used, namely "*Local for Global*", guarantees that the products comply with the most rigorous quality control standards in the European market like REACH (Registration, Evaluation, Authorization and Restrictions of Chemicals) and the directive RoHS (Restrictions of Hazardous Substances).

## Use of secondary raw materials

Consistent with circular economy principles, the Group is committed to increasing the use of recycled materials in its products and packaging. For example, at the Dongguan plant, in China, plastic bags made out of a certain percentage of recycled material are used and the use of soy-based inks was introduced. In a majority of its plants, the Group is also using pallets made from recycled pallets which are lighter than the traditional wooden pallets, circular and less subject to breakage which prolongs the life cycle and utility. In 2025, a project was launched to progressively replace cardboard boxes with containers made of **recycled plastic**, with the aim of improving packaging sustainability and increasing the efficiency of the logistics system. The initiative also involved suppliers, engaging them in the transition process. Following a preliminary phase to map the box inventory, the project was further strengthened by the implementation of dedicated software for the management and traceability of box movements, developed to make logistics flows more transparent, controllable, and efficient. Based on incoming delivery notes, the system automatically processes the exact number of boxes to be handled and processed. Alongside the initiatives linked to the use of recycled plastic, in 2025 the Group activated further circular economy projects aimed at the recovery of other materials, including steel. In this context, a project was launched in collaboration with Acciaierie Venete SpA, with the support of the University of Trento. The process, active at the Mignagola (Treviso) plant, involves collecting the scraps generated by the lathe processing of steel bars—supplied by Acciaierie Venete and processed at De' Longhi plants—to be treated again by Padana Rottami and reintroduced into the cycle for the production of new bars. The latter will then be transferred by CIA (Centro Italiano Acciai, a service of the Acciaierie Venete Group) directly to De' Longhi, ensuring the circularity and continuity of the flow. In parallel, the Group has undertaken a significant path aimed at integrating recycled materials into its products, with the objective of reducing the use of virgin plastic and fostering more sustainable production models. A particularly relevant result is represented by the Primadonna Automatic coffee machine, launched on the market at the beginning of 2025. This is the first premium-range automatic coffee machine to incorporate two important initiatives compared to previous similar models, without compromising aesthetic and performance quality requirements: over 30% recycled plastic (relative to the total plastic content for non-food contact applications) and the removal of the second boiler dedicated to milk frothing.

For more information about the Group's targets for increasing the use of recycled materials in its products, the actions taken and the results achieved refer to [E5-3] *Resource use and circular economy action plans* (E5-2, 20b) (MDR-A 68 a,b,c).

## Circular design

Product design brings durability and ease of disassembly together in order to enhance repairability, recycling and the reuse of materials. This approach optimizes both product functionality and durability, reducing the environmental impact and promoting correct end-of-life disposal. As of 2023 the Group began promoting two campaigns focused on product durability: Kenwood's *Build to last generations* and Braun's *Sustainable design* that lasts campaigns. Both are updated every year to integrate new initiatives and new products, strengthening the message of a design meant to last over time. Both initiatives address the importance of developing durable products which challenge the widespread use of planned obsolescence. An iconic *Kenwood Chef*, for example, undergoes rigorous testing in order to ensure the preparation of more than 15,600 cake mixes and 10,920 pizza doughs. The design, which has interchangeable parts, allows models built in 1976 to use the more recent accessories. A further example of design developed with durability in mind is the *Cooking Chef XL* product of the KCL96 Series, introduced by Kenwood in 2025, which allows the resistance of the current transmission system to be doubled when processing bread dough, while simultaneously reducing noise, vibration, and harshness (NVH) by 17%. Furthermore, the product integrates a remote management mode that provides advanced analysis and diagnostic functions, supported by an engineering service dedicated to repair and maintenance. Starting in 2026, the brand plans to progressively introduce this new gear design across the entire *Chef* range, further strengthening the reliability, quality, and longevity of its appliances. Each Braun product undergoes hundreds of impact resistance tests, including resistance to thermal shocks, in order to ensure maximum quality and product longevity over time (E5-2, 20c) (E5-2, 20e) (E5-2, 20d (ii)).

In 2023, 12 models of the De' Longhi coffee machines obtained the French certification *LONGTIME*. This voluntary certification recognizes products designed for greater durability, resistance and repairability. In 2024 this certification was expanded to include the main Kenwood kitchen products; the certification, valid for two years, remained in effect throughout 2025.

## Prevention of waste production

In order to ensure responsible management of the waste generated during production processes, the Operations Division implements solutions designed to reduce waste and maximize the recovery of materials.

At the Mignagola (Italy) and Dongguan (China) production sites, for example, plastic scraps from molding are recovered and put back into the production cycle. This approach makes it possible to reduce consumption of raw materials, limit the use of new plastic and reduces the quantity of scraps that need to be disposed of. A similar initiative was introduced during 2024, and continued in 2025, at the Romanian plants in Cluj and Salonta, where 100% of the plastic waste generated annually by the molding process is recycled, with recovery processes carried out outside the production facilities. Specifically, scraps from molded components are separated into ABS, ABS-PC and other materials, then they are ground and finally delivered to the supplier. In 2025 a total of 490 tons of material was delivered. The recovery process is applied to other materials, also, including paper, cardboard and nylon, which are sent to specific outside plants. At the same time, iron scraps are sold as secondary raw materials which contributes further to resource efficiencies.

Specific attention is paid to the use of coffee with a view to two primary objectives: reduce consumption and promote reuse. With regard to the first goal, a study was completed at the Mignagola plant in 2025 to modify the grinder calibration method during the testing phase of the fully automatic coffee machines. The implementation of this initiative resulted in annual savings of over 150 tons of coffee and an 80% reduction in related energy consumption, without compromising quality. Starting from 2026, the project will also be extended to the plants in Romania. An example of coffee reuse, on the other hand, can be found in the Romanian plants, where all the powder resulting from tests on the coffee machines is sold to a third-party company specializing in the recovery and valorization of this material. The project was received positively and approximately 192 tons of coffee powder were sold in 2025 (E5-2, 20d (i)). Finally, to best manage product end-of-life aspects, the Group adheres to consortia in the reference country markets to ensure correct disposal and with a view to fostering recovery and regeneration practices (E5-2, 20f) (E5-3 24 e).

In 2024 the first line of refurbished fully automatic coffee machines, Renova, was launched. These retired products are checked carefully in order to understand if any repairs are needed and assess the machine's functional and aesthetic condition. Any damaged parts are substituted with original De' Longhi parts which guarantees quality and durability. Subsequently, each product is subject to rigorous electrical and functional safety tests in order to verify efficiency. Lastly, the regenerated product is put back on the market through De' Longhi's e-commerce channel. During 2025, all returns received from the European market were refurbished.

Consistent with circular economy principles, De' Longhi promotes the optimization of the spare parts supply chain, which represents another element which is key to preventing the generation of waste, prolonging the products' life cycle and reducing the need for premature replacements.

With this in mind, in 2025 Eversys also launched an initiative dedicated to the recovery of faulty electronic boards. The latter, instead of being scrapped, are repaired through the internal competence center and reintroduced into the production cycle or the market. During the year, a total of 242 components were regenerated. In fact, when a board stops working, the Quality function verifies the degree of reparability: if the board is difficult to recover, it is sent for destruction and recycled according to company guidelines; if, on the other hand, it is repairable, the damaged parts are fixed and the board can be put back on the market.

In 2025, the Group carried forward the Spare Parts Excellent Service (SPES) project to respond to the increased requests for commercial guarantees, with the aim of optimizing planning by including the demand for spare parts in production planning. De' Longhi focuses on maintaining a high level of service to the customer, guaranteeing the timely availability of spare parts and reducing wait times, as well as streamlining inventories and promoting a repair culture.

In 2024, La Marzocco carried out a recyclability analysis of its coffee machines with a view to optimizing the recovery of materials and energy at the end of the product's life. The study took different geographic scenarios into account, analyzing the RAEE and plastic recycling processes, as well as secondary stages and the recovery of polymers. This initiative is consistent with the company's broader commitment to improving the circularity of its products, reducing the environmental impact throughout a product's life cycle.

For example, in Italy De' Longhi Appliances S.r.l. is a member of the Ecoped and Ridomus consortia, along with the most important companies operating in the household appliance sector. These consortia are responsible for the management of waste from the WEEE (Waste Electrical and Electronic Equipment) supply chain, in accordance with Legislative Decree 49/2014. Their work involves the recovery of discarded equipment, the extraction and reuse of components and processing to ensure the recovery of secondary raw materials. Not only does this process facilitate the reuse of materials and semi-finished goods, but it also contributes to a significant reduction in greenhouse gas emissions stemming from the production of new metallic materials and components.

In addition to the initiatives carried out by the plants, the Group branches are also committed to implementing circular economy activities through relationships with retailers and distribution chains, which manage products returned by consumers, and with service centers, for the repair of products or possibly managing the disposal of non-repairable products. Customer Care also uses packaging comprised mainly of paper and recyclable bags. (E5-2, 20 AR12).

## [E5-3] Resource use and circular economy action plans

The Group is committed to the responsible management of resources and reducing the environmental impact throughout the entire product life cycle. In order to limit the environmental impact of boxes, plastic bags, and other materials, over the last few years, the Group has undertaken a path to improve the management of packaging. One of the first interventions involved reducing the volume of materials used, in order to limit waste, reduce costs, and contain the production of waste. To further this goal, different corporate initiatives were launched, including the distribution of digital instruction manuals and *Styrofoam-free* packaging. Thanks to this strategy, in 2025, 53% of the products marketed were distributed with digital instruction manuals and a minimal amount of paper packaging in accordance with the law. At the same time, in 2025, 86% of the Group's products were packaged without Styrofoam, which resulted in a significant drop in the use of a material that is not renewable and hard to recycle. The objectives established by the Group are connected to the inflow and outflow of resources, including waste, as described in section [E5-2] *Actions and resources related to resource use and circular economy* (E5-3 21) (E5-3 24 a, b, d, f).

The main targets of the Sustainability Plan relating to resource management, along with the relative KPI, the expected timeframe and the progress made to date are shown below:

TABLE 2 – RESOURCE USE AND CIRCULAR ECONOMY TARGETS

Initiatives related to the target	Description of the targets	Targets (MDR-T, 80b, e)	Starting point (MDR-T, 80d)	Perimeter (MDR-T, 80c)	Reference policy (MDR-T, 80a) (E5-3, 27)
<b>Lessen the amount of waste sent to landfills</b>	Lessen the waste generated by all the production plants sent to landfills	97% of waste reused, recycled or recovered by 2025 <sup>27</sup>	93% of waste reused, recycled or recovered in 2022.	All the production plants	
<b>Product refurbishment</b>	Refurbish returns and DOA (Dead on Arrival) products in Europe	3 categories of key products part of a pilot project by 2026	No pilot projects in 2023	Automatic and manual coffee machines, kitchen machines (mixers)	
<b>Reduce products' environmental impact</b>	Focus on recycled materials in order to increase circularity and the sustainability of new and/or refurbished products	Incorporate recycled material in new products by 2025	Recycled materials not used in new products	New products (when applicable)	<ul style="list-style-type: none"> <li>Eco-Design Guidelines</li> <li>Guidelines for the development of sustainable products</li> <li>Eco-Design Guidelines</li> </ul>
		30% of total plastic used from recycled plastic by 2027	Recycled materials not used in new products	New products launched in 2027	
	Improve the longevity, the water and energy efficiency of products by providing systematic maintenance and repair services <sup>28</sup>	Pilot project involving fully automatic machines in an EU country by 2026		Automatic coffee machines	
	Include the Eco Design approach in product development and give priority to design strategies through LCA, when relevant	100% of the new products developed by 2028	10 pilot projects assessed based on the Eco Design Guidelines (without LCA) (2023)	New products	
<b>Reduce the environmental impact of packaging</b>	Increase the number of products with Styrofoam free packaging	70% by 2024	65% (2023)	All products sold	
		90% by 2028		All products sold	
	Increase the number of products with digital instruction manuals	25% by 2024	15% (2023)	All products sold	
		50% by 2025		All products sold	

<sup>27</sup> This percentage includes incinerations from which energy is recovered.

<sup>28</sup> Excluding plastic materials in contact with food products.

Monitoring of the KPIs and activities related to the targets set is carried out on a constant and organized basis; every year the progress of the activities is recorded, under the responsibility of the sustainability function (MDR-T 80 j). In particular, at 31 December 2025, the progress of the targets listed in the table above is as follows (MDR-T 79 c):

- **Minimizing waste sent to landfill generated by all production plants:** currently, 98% of waste generated is reused, recycled, or recovered.
- **Refurbishment of commercial returns in Europe:** to date, two out of three product categories are subject to a pilot project. Specifically, the project on Renova refurbished coffee machines has been concluded for fully automatic machines, while it is being launched for pump machines. For more information, please refer to section [E5-2] *Actions and resources related to resource use and the circular economy*.
- **Focusing on recycled materials in order to increase the circularity and sustainability of new and/or renewed products:**
  - With respect to the target of 30% recycled plastic out of the total plastic used, the Group is developing new projects which involve the application of at least 30% recycled plastic;
  - With respect to the target of incorporating recycled material into new products by 2025, it should be noted that during 2025 new models were introduced to the market in which approximately 26% of the aluminum used comes from recycled material.
- **Improving the longevity, water and energy efficiency of products by providing scheduled maintenance services and full support to facilitate repairs:** the pilot project relating to the implementation of fully automatic coffee machines in an EU country is currently underway;

- **Integrating the Eco-Design approach into product development and prioritizing design strategies through LCAs when relevant:** 40% of products developed in 2025;
- **Reducing the environmental impact of packaging:** the pilot project was identified during 2025.
- **Increasing the percentage of products with expanded polystyrene-free packaging:** 86% of products sold with expanded polystyrene-free packaging;
- **Increasing the number of products with digital user manuals:** 53% of products sold with digital user manuals.

## [E5-4] Resource inflows

The Group uses a wide range of materials for the production of its household appliances, the main ones being:

- **Metals:** steel and aluminum for the frame of coffee machines and kitchen appliances; copper for thermal components, such as heating coils.

- **Plastics:** ABS and polypropylene for external and internal components.
- **Glass:** borosilicate glass, chosen for its thermal resistance, for carafes and kettles.
- **Electronic components:** printed circuit boards (PCBs) and sensors, which include rare earths, essential for high-performance magnets and temperature control systems.
- **Packaging:** mainly paper and cardboard to ensure product protection and reduce environmental impact, with an increasing share of FSC-certified and recycled materials. (E5-4 30)

The Group is aware of the environmental impact resulting from pollution generated by materials in the upstream phases, such as the extraction and processing of raw materials. Therefore, it is committed to further investigating and monitoring the impact of its suppliers' activities to promote more sustainable practices throughout the entire supply chain.

The Group, by collecting data from its plants, has calculated the total values of resource inflows, as shown in the table below. (E5-4 32).

TABLE 3 – RESOURCE INFLOWS

Resource inflows (MDR-M 77 c)	UOM	2024	2025 <sup>29</sup>
Total weight of the products, technical and biological materials used during the reporting period	ton	173.019	226.497
Total weight of the secondary components reused or recycled, as well as the secondary intermediate products and materials used by the company for its products and services (including packaging)	ton	15.547	12.849
Percentage of the secondary components reused or recycled, as well as the secondary intermediate products and materials used by the company for its products and services (including packaging)	%	9%	6%
Percentage of the biological materials which come from a sustainable supply chain	%	0%	0%

(E5-4 31, a, b, c) (E5-4 32)

29 It should be noted that the Packaging and Packaging Waste Regulation (PPWR) has not yet finalized the methodology to be adopted for calculating packaging recyclability. Consequently, the values reported in the table may no longer be representative at the time the delegated acts are published. (MDR-M 77 a)

## [E5-5] Resource outflows

The De' Longhi Group actively supports circular economy practices, integrating principles of **durability and recyclability** into the design of its products and favoring, where possible, the **reuse** of excess or waste materials, which are reintroduced into the production cycle. Regarding the first of these two aspects, new products are also designed with components that facilitate disassembly, maintenance, repair, and the replacement of individual elements, thereby reducing the need to dispose of the entire product in the event of malfunctions. To incentivize these practices, the Group has defined precise criteria for the choice of materials: for example, the selection of metal alloys that are resistant to corrosion contributes to extending the useful life of the products. Furthermore, the use of composite materials with high resistance and longevity properties improves overall performance, reducing the need for frequent replacements (E5-5 35, 40).

To date, data relating to the expected durability of products placed on the market is not yet available, but is currently being studied by the Group (E5-5 36a). Similarly, the Group has not yet implemented an internal assessment system relating to the reparability of its products, and there are currently no official assessment systems available at the European level to refer to. However, in this case as well, the company is exploring the possibility of adopting future standards to improve transparency and facilitate reparability assessment (E5-5 36b).

In 2025, the recyclable content rate was 9%, a decrease compared to 12% in 2024. In the absence of more precise data, specific assumptions were formulated for the recyclable component of products and packaging. For products, the value was calculated based on the purchase volumes of the most representative metallic materials in terms of weight, applying a recovery rate of 95% to account for possible losses during recycling operations. For packaging, an initial recyclability analysis was conducted in 2025 on a specific type of packaging; the resulting percentage was obtained by assigning each component a weight proportional to its mass and multiplying it by its respective recyclability percentage. For the purposes of the 2025 indicator, only the share referring to the packaging

volumes covered by the study was considered (E5-5 36c).

Regarding waste produced, the **13,019 tons** generated in 2025 (E5-5 37a) mainly include materials such as plastic, metals, and electronic components resulting from the production process, in addition to paper and cardboard from the packaging phase. Assembly processes also involve the production of complex waste, including industrial dusts, which consist of resins, paints, and other chemical substances. Finally, non-metallic minerals such as silica and rare metals may be

contained in electronic components and circuits (E5-5 38 a,b) (MDR-M 77 a).

In 2025, the total amount of recycled waste was **9,733 tons**, corresponding to **75%** of the total waste produced; non-recycled waste amounted to **3,286 tons**, equal to **25.0%** of the total (E5-5 37 a,d).

The following tables show the quantities of waste produced and the corresponding disposal methods for the three-year period 2023-2025<sup>30</sup>.

TABLE 4 – WASTE DIVERTED FROM DISPOSAL

Waste not intended for disposal (MDR-M 77 c)	UOM	2023			2024			2025		
		H	NH	Total	H	NH	Total	H	NH	Total
Preparation for reuse		-	220	220	-	-	-	-	-	-
Recycling	ton	18	8,859	8,877	9	9,623	9,632	5	9,728	9,733
Other recovery operations <sup>31</sup>	ton	88	2,353	2,441	106	2,502	2,608	57	2,409	2,466
<b>Total waste<sup>32</sup></b>	<b>ton</b>	<b>106</b>	<b>11,432</b>	<b>11,538</b>	<b>115</b>	<b>12,125</b>	<b>12,240</b>	<b>62</b>	<b>12,137</b>	<b>12,199</b>

(E5-5 37b, 39)

TABLE 5 – WASTE DIRECTED TO DISPOSAL

Waste intended for disposal (MDR-M 77 c)	UOM	2023			2024			2025		
		H	NH	Total	H	NH	Total	H	NH	Total
Incineration		82	-	82	57	-	57	147	385	532
Landfill	ton	2	406	408	0	289	289	-	25	25
Other disposal methods	ton	36	281	317	59	252	310	45	219	264
<b>Total waste</b>	<b>ton</b>	<b>120</b>	<b>687</b>	<b>807</b>	<b>116</b>	<b>540</b>	<b>656</b>	<b>192</b>	<b>628</b>	<b>820</b>

(E5-5 37c, 39)

**Key:**

**H** = Hazardous waste

**NH** = Non-hazardous waste

<sup>30</sup> It should be noted that all data reported in the tables relating to waste production refer only to production plants. Offices and other operating sites are therefore excluded.

<sup>31</sup> It should be noted that the 'Other recovery operations' item includes waste incinerated with energy recovery, recovered waste, and composted waste.

<sup>32</sup> The share of radioactive waste is equal to zero.

## ESRS S1 - Own workforce

### [S1-SBM-2] Interests and views of stakeholders

(ESRS 2 SBM-2 12)

The workforce represents a key group of stakeholders for De' Longhi. The engagement of this group is crucial to the ability to successfully pursue the business plan's long-term targets. In order to support its employees, the Group practices active listening, open communication informed by a fair, complete and transparent exchange of information. This commitment is set out in the Code of Ethics, which always puts people before everything else. Over the years the company has implemented different processes which make it possible to gather the opinions of employees and include them in the company strategy. The main tools include:

- The **Employee Engagement Survey** which is carried out every year in order to gather employees' opinions about different topics including leadership, feedback, recognition and diversity and makes it possible to identify strengths and areas of improvement, contributing to the development of strategies and targeted initiatives to improve the engagement and wellbeing of the company's people.
- The **annual performance reviews** which are carried out through a dedicated platform, "FORWARD", conceived to promote professional growth, aligned with the corporate and individual goals, while fostering continuous dialogue between managers and employees with a view to improving performance, promoting engagement and sharing feedback. In 2025, this tool involved more than 3,000 employees.
- Periodic meetings to **share the results** which guarantee transparency, provide an update on the business performance and priorities as part of an open and constructive dialogue.



## [S1-SBM3] Material impacts, risks and opportunities and their interaction with strategy and business model

### ESRS 2 SBM-3 13

Based on the double materiality analysis, the Group identified the impacts and risks connected to the company's operations for all the collaborators comprising its workforce. These include employees with temporary and permanent contracts, broken down into groups of managers, white collar workers and blue collar workers. Interns, freelance workers and workers made available by third party businesses active in the recruitment and selection of personnel are also part of this group (S1-SBM3-14a). Among the people in the company's workforce, no particular categories emerged that were more at risk (S1-SBM3-15).

The Group identified the following negative impacts with respect to its workforce, most of which potential. These impacts are typical of manufacturers with a large workforce and relate to working conditions, health and safety, protection of human rights, non discriminatory management and equal job opportunities, as well as training and skill enhancement. With respect to these, in order to reinforce preventive actions and the structured management processes already in place, the Group has launched a program calling for continuous improvement (please refer to sections S1-1 "Policies related to own workforce" and S1-4 "Taking action on material impacts on own workforce") relating to the protection of human rights and working conditions, to prevention and/or mitigation of the following impacts:

- **Physical injury of workers due to inadequate working conditions** (actual), including in consideration of the possible use of machinery, tools or in areas within the plants and offices.
- **Promotion of a healthy work-life balance for employees** (potential), considering that the implementation of clear policies and support practices fostering work-life balance can promote employee well-being, reduce stress, and improve overall job satisfaction.

- **Possible discrimination of workers** (potential), in terms of selection and remuneration of people which could result in episodes of discrimination based on different factors (gender, sexual orientation, ethnicity, religion, disabilities, etc.).
- **Violation of workers' human rights due to inadequate work practices** (potential): potential impact tied to the employment of skilled workers characterized by a low level of specialization or with fixed-term contracts also taking into account the seasonality of production, which could potentially have a negative impact due to unfair labor practices which violate workers' rights like excessive working hours, violations of minimum age requirements, insufficient compensation, lack of freedom of association and unfair treatment of workers (harassment or abuse).
- **Failure to develop employee skills** (potential) when inadequate training programs could limit employees' development, which could impact motivation/engagement which could negatively impact turnover.
- **Violation of workers' privacy due to inadequate data protection** (potential), where the failure to implement adequate privacy and confidentiality measures can lead to unauthorized access or improper use of employees' personal information.

More in detail, the negative impacts identified were assessed in the different geographies in which the company operates where different local regulations and laws govern workers' rights. These potential impacts do not refer necessarily solely to De' Longhi, as they reflect local socioeconomic dynamics (SBM3-14b).

As the transition plan relative to climate change is in its development phase, to date impacts on employees associated with the introduction of the plan have yet to be identified. For more information refer to section *E1-1-Transition plan for climate change mitigation*. Based on the double materiality analysis, no significant positive impacts have been identified in relation to the own workforce (S1-SBM3-14 c,e).

De' Longhi is aware that its activities depend heavily on its human resources and any issues impacting them could cause the company to be exposed to risks. In the following paragraphs, the policies and processes implemented by De' Longhi to prevent the potential and actual risks identified are discussed. These are centered around the wellbeing of its resources and ensuring a safe, inclusive workplace for all its employees.

Based on the double materiality analysis, the Group identified the following potential risks:

- **Operating risk due difficulties attracting and retaining talent**: the company could encounter difficulties in attracting and retaining the talent needed to drive innovation and satisfy new consumer needs. This could impact productivity, result in the loss of competitive advantages over the long-term and difficulty maintaining market relevance.
- **Reputational and legal risks tied to possible human rights violations**: potential human rights violations in the company's operations could increase reputational risks and affect the business's legal status.
- **Reputational and legal risks stemming from the failure to protect worker health and safety**: potential risk stemming from the lack of adequate measures being taken to protect the health and wellbeing of workers, which not only violate health and safety laws, with the risk of legal sanctions and financial liability, but also damage the company's image and reputation. (S1-SBM3-13b) (S1-SBM3-14d).

More in detail, special attention should be paid to the potential risk associated with the use of forced labor and/or child labor, particularly in countries which are not part of the European Union given the different regulatory environments and regions. The Group monitors respect of human rights across the Group perimeter constantly, implementing actions and structured preventive and risk management processes (S1-SBM3-14 f, g).

De' Longhi views topics relating to its people as a priority and an integral part of its Sustainability Plan which includes different initiatives related to their wellbeing; for more information refer to section *S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities* (S1 SBM-3 13 a,b).

A detailed analysis of how the De'Longhi Groups identifies impacts and risks is provided in chapter ESRS 2, in the section *IRO-1-Description of the process to identify and assess material impacts, risks, and opportunities* (S1 SBM-3 13 a,b) (SMB-3 15) (SMB-3 16).

## [S1-1] Policies related to own workforce

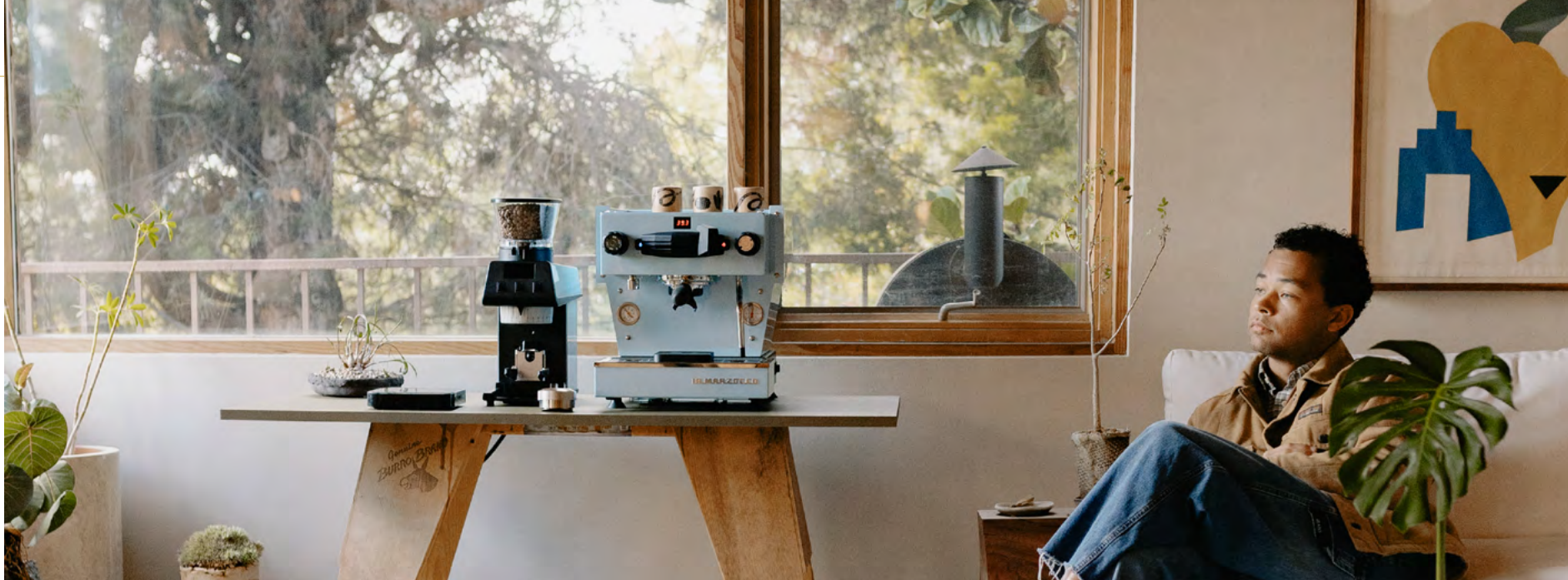
The De' Longhi Group's value reflect the identity, character and approach to work. Courage, ambition, teamwork, passion, competence, respect and our heritage create the pillars upon

which we base our actions, striving to improve day after day. In order to guarantee that these principles are applied and respected throughout the company, the Group developed a series of policies used to manage impacts and the risks connected with its own workforce, with a particular focus on the protection of human rights and working conditions (S1-1 17, 18, 19).

These policies are informed by known international standards for the protection of human rights which include **United Nations Guiding Principles on Business and Human Rights, International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, OECD Guidelines for Multinational Enterprises and the United Nations' Sustainable Development** (S1-1 20 a, S1-1 21).

TABLE 1 – POLICIES RELATED TO OWN WORKFORCE

Policy	Key content (MDR-P 65a)	Application perimeter (MDR-P 65b)	Responsible for implementation (MDR-P 65c)	Recognized national and international preparation tools (MDR-P 65d)	Accessibility (MDR-P 65f)	Related risks/impacts (MDR-P 65a)
Human Rights Policy	Commitment to respecting health and safety principles; Promotion of adequate working conditions; Condemnation of forced and child labor; Statement of the principles of non-discrimination; Statement of the principles of freedom of association; Protection of privacy and personal data.	De' Longhi Group, suppliers, collaborators	Chief Executive Officer	ISO 45001:2018 ISO 22000:2018 Universal Declaration of Human Rights Declaration on Fundamental Principles and Rights at Work United Nations International Bill of Rights OECD Guidelines for Multinational Enterprises OECD Guidelines on 3TG materials	Not available to the general public	Violation of workers' human rights due to inadequate labor practices Reputational and legal risks for human rights violations along the value chain
Code of Ethics	States the Group's fundamental ethical principles Formalizes the standards for conduct in Business management Management of relationships with the Public Administration Management of relationships with other counterparties Standards of diligence when using company assets and protection of company assets and protection of IT instruments	De' Longhi Group, suppliers, collaborators	Board of Directors	-	Corporate website	Possible discrimination of workers Reputational and legal risks for violations of human rights inside the company
Diversity policy for members of corporate bodies	Definition of diversity criteria and goals in the composition of the Board of Directors Criteria and goals in the composition of the Board of Statutory Auditors Monitoring of compliance with the policy	De' Longhi Group	Board of Directors Board of Statutory Auditors Compensation and Appointments Committee	Art. 123-bis paragraph 2, lett. d-bis) of TUF Directive 2014/95/EU	Corporate website	Discrimination against workers
Diversity, Equity, Inclusion Policy	Promotion of a corporate culture which supports diversity, equity and inclusion Processes and guidelines for guaranteeing equal opportunities Goals and KPI for monitoring the developments and ensure the purpose of the policy is served Initiatives targeting gender diversity in order to promote the presence of women	De' Longhi Group	Diversity, Equity and Inclusion Steering Committee	United Nations Global Compact Principles for the emancipation of women United Nations International Bill of Rights Declaration of the International Labor Organization on Fundamental Principles and Rights International Labor Organization Convention on Violence and Harassment United Nations Sustainable Development Goals	Corporate website	Discrimination against workers



Among the main adopted policies, the **Code of Ethics** is the document which defines the basic ethical principles recognized, accepted and shared by the Group. The De Longhi Group is committed to promoting and ensuring compliance with the values identified in its Code of Ethics, as well as using them to inform all the company's transactions. The Company uses this document to ensure that the employees, managers and top management comply with current laws and regulations, carrying out their duties with honesty and integrity. The foundation created by the Code of Ethics is also a point of reference for the daily activities carried out by all the Group's employees and partners, including in relation to the relationships with third parties, including customers, public administrations and suppliers. The Code of Ethics is applicable to all the Group's collaborators and includes specific provisions for the protection of human rights, the ban of discrimination, child and forced labor, and the guarantee of safe and decent working conditions (S1-1 22). It is accessible to all through the corporate website and is distributed internally to all interested parties.

In 2025, the Group developed its **Human Rights Policy**, formalized in 2026. The document is based on international standards including the **Universal Declaration of Human Rights** (S1-1 21). This policy outlines the key principles relating

to adequate and decent working conditions, diversity and inclusion, freedom of association, prohibition of child labor, forced or compulsory labor, protection of privacy, and protection of personal data (S1-1 20a) (S1-1 22).

Particular attention was paid to **Diversity, Equity and Inclusion (DEI)**. This topic was addressed through the publication, in 2024, of a specific policy which aims to formalize the protection of the workforce from any and all forms of discrimination and harassment, promoting equal opportunity and an inclusive workplace (S1-1 24a). The DEI policy defines the De' Longhi Group's approach and the objectives, strategies and initiatives to promote and enhance diversity, equity and inclusion, in full respect for individual rights and freedoms. This commitment is concretized through the adoption of company processes, organizational structures and managerial initiatives which aim to guarantee opportunities for all, in terms of both career development and compensation, as well as the work experience. The protection and advancement of the unique assets that our people constitute is one of the most important pillars needed to guarantee sustainable long-term growth, for both the company and the individual. Our goal is to create and promote a collaborative and inclusive environment, where the contribution of each individual involved is recognized and valued.

The Policy explicitly addresses different forms of discrimination, including association or labor union activities, categories protected by the local laws, personal convictions, disabilities, age, identity expressions, genetic information, language, sexual orientation, geographic or national origin, political opinions, ethnicity, religion, civil status or co-habitation, parental status, if actively serving in the military or a veteran, in accordance with European Union law and national laws (S1-1 24b). The implementation of this policy is guaranteed by the **Global Wellbeing and Engagement team**, which monitors topics linked to diversity, equity and inclusion in the company, ensuring the consistency of the internal goals with market best practices (S1-1 24d). De Longhi has not made any specific commitments relating to inclusion and the positive steps taken with respect to the people belonging to particularly vulnerable categories in its workforce (S1-1 24c).

In support of inclusive governance, the Group also adopted a **Diversity Policy for the members of corporate bodies** which defines the diversity criteria and goals in the composition of the Board of Directors and the Board of Statutory Auditors. This policy is based on applicable legislation, including **EU Directive 2014/95 and Art. 123-bis of Testo Unico della Finanza (TUF)**, and indicates the tools to be used to monitor and assess the achievement of the targets set.

## [S1-2] Processes for engaging with own workers and workers' representatives about impacts

S1-1-25,26

As the driver of all daily activities, the Group recognizes how important the opinion of its employees is and, in order to put them in the best possible conditions to express their potential, promotes a working environment in which everyone may voice their opinions. To facilitate this dialogue, the workforce is engaged both directly, through the use of the different communication tools and channels referred to in section [S1-SBM-2] - Interests and views of stakeholders, and indirectly through meetings with employee representatives. The latter have a key role in supporting the dialogue between employees and management, ensuring, at the same time, that the needs of collaborators are considered part of the corporate decision-making process. Other channels include the company intranet which makes it easier to access information, documents which aim to promote interaction between colleagues and the Group's house organ, a company magazine full of news, success stories and company initiatives, which help to strengthen a sense of belonging and engagement (S1-2-27a,b,d). To assess the usefulness and level of appreciation of the tool, a survey directed at employees was conducted in 2025, with the aim of understanding how the Group can implement the channel and offer a tool that fully reflects the workers' needs. The operational responsibility of workforce engagement is entrusted to the Human Resources Division, with the Chief People Officer (CPO) acting as the point of reference. This division guarantees that the feedback gathered is taken into account when corporate decisions are made and that the employees have access to tools which support professional growth and development (S1-2-27c).

In 2025, the **Group Engagement Survey - Your Voice** took place, conducted for the second time with the support of a new provider. The initiative, which involved more than 8,000 employees, recorded a participation rate of 89%, highlighting an improvement in the overall employee engagement index and confirming strengths such as Company Confidence and Teamwork & Alignment. Based on the results, a global action plan was defined, structured along two main guidelines: strengthening the culture of 'recognition' to build trust and connection among colleagues, and launching a structured

The protection of work health and safety represents another pillar of the company strategy, which is checked constantly through monitoring and prevention activities. Despite the current lack of a formal Groupwide policy for worker health and safety, rigorous prevention and incident mitigation protocols have been adopted, with a particular focus on the production plants where activities entail higher exposure to risks. From 2025, all plants are **ISO 45001:2018** certified, the most highly recognized international health and safety standard (S1-1 21). These initiatives are accompanied by safety training programs, monitoring of accidents and the adoption of risk reducing management systems (S1-1 23).

Toward this end, a cross-functional HR-Operations team was created which analyzes risks relating to the organization of production and supply chain activities, in order to determine a path for gradual improvement over the long-term and consolidate a culture oriented toward a "Zero accident mindset".

At the same time, the global "I am Safety" campaign continued. The goal is to strengthen and spread a Groupwide safety culture, engage and empower employees in topics related to safety and, at the same time, improve efficacy and productivity through initiatives focused on "new ways of working", particularly remote working. In the production plants the initiative was applied through the "Safety Ambassadors" campaign, which led to the appointment of a few employees as spokespeople and support for the safety rules.

In order to guarantee the correct implementation and compliance with all the policies adopted, the Group uses different monitoring tools and reporting mechanisms. These include the **internal and external audits** which verify compliance with the ethical and social standards (S1-1 20 c).

The **Whistleblowing channel - "Integrity Platform"** has a key role. It is an anonymous system through which anyone - employees, suppliers and other parties - may report violations, including those relating to human rights and discrimination (S1-1 24d) (S1-1 20 c). The use of this tool is strongly encouraged and governed by internal procedures which guarantee safe and confidential processing of the reports received. For more information about how the whistleblowing channel works, refer to chapter [G1-1] *Business conduct policies and corporate culture*.

The Group works to involve its own workforce through the engagement channels described in the sections [S1-SBM-2] - *Interests and views of stakeholders* and [S1-2] *Processes for engaging with own workers and workers' representatives about impacts* (S1-1 20b).

path on talent management processes, aimed at promoting transparency, accountability, and a work culture based on equity and continuous feedback.

As part of the initiatives launched during 2025 to strengthen the effectiveness of **internal communication** and ensure its constant updating, the Group introduced a new intranet interface and directed specific questionnaires to employees aimed at understanding their communication expectations and needs. Based on the feedback received, the graphic layout and content of the company intranet were reviewed, improving accessibility and usability. Also in 2025, the three-year storytelling project dedicated to the topics of digital transformation, sustainability, and operational footprint continued, aimed at strengthening the corporate culture and supporting the Group's evolutionary path. The efficacy of the engagement initiatives is monitored through periodic analysis of results, which makes it possible to adapt and constantly improve the company strategies based on the needs of the workforce and any requests that might be presented. These tools, accessible by the entire company, are discussed in detail in the section [S1-4] *Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions* (S1-2-27e).

Lastly, internal communication was at the center of important changes made to guarantee greater access to, transparency of, and dissemination of the company strategy. In this context, the **3-Year Plan Unfolded** project made it possible to share the content of the Three-Year Business Plan with the entire company population, which further strengthened the dialogue and the connection between leadership and employees. The initiative fostered a clearer understanding of the Group's strategic priorities, reinforcing greater engagement and more solid organizational cohesiveness. The formats for sharing the General Manager's quarterly results were renewed, and the "Spotlight" initiative was launched, which offers teams the opportunity to present successful projects at the Group level.

Finally, in order to gather the perspectives of vulnerable categories within the company population, in 2025, the Group launched a series of targeted initiatives informed by the analysis conducted in 2023 on the presence of women at all organizational levels with a focus on the gender pay gap and identifying corrective actions, followed by a study of the work experience of women in order to identify specific needs and priorities (S1-2-28).

## [S1-3] Processes to remediate negative impacts and channels for own workers to raise concerns

### S1-3-30 e 31

The Group has a whistleblowing system which may be used to report behaviors which are illicit or do not comply with the Code of Ethics, the law, current regulations and the internal procedures adopted by the Company. The system uses a specific platform, the **De' Longhi Group Integrity Platform**, which guarantees the reporter's anonymity and complies with whistleblowing regulations, consistent with ISO Standard 37001:2016. The *Integrity platform* is managed by an independent third party, in order to protect the identity of those who use it (S1-3 31) (S1-3 32 a) (S1-3-33).

The Company encourages individuals who have been victims of discrimination or harassment to report these incidents through the whistleblowing channel. The Group is committed to guaranteeing the anonymity of the person reporting an incident and to prevent any and all retaliatory or discriminatory act, direct or indirect, against those who report in good faith. At the same time, the annual surveys (including the Employee Engagement Survey) and the involvement of employee representatives help to monitor people's level of wellbeing and identify any problem areas (S1-3 32 b).

The Whistleblowing Committee is charged with carefully analyzing each report, investigating each case and, when necessary, adopting adequate and appropriate measures (S1-3 32c).

For more information about how the Group's whistleblowing channel works, refer to chapter [G1-1] *Business conduct policies and corporate culture* (S1-3-32 d,e) (S1-3-33).

## [S1-4] Taking action on material impacts on own workforce and approaches to mitigating material risks and pursuing material opportunities related to own workforce and effectiveness of those actions

### S1-4-35,36,37

The policies and processes implemented by De' Longhi constitute the base of the actions undertaken to prevent potential and actual negative impacts, as well as risks. Thanks to the tools referred to in the sections [S1 SBM-2] - *Interests and views of stakeholders* and [S1-2] *Processes for engaging with own workers and workers' representatives about impacts*, the company directs its actions in this area, putting the wellbeing of its resources at the center and works to ensure a safe, inclusive workplace for all its employees.

At Group level, people management is the responsibility of the Human Resources Department, led by the Chief People Officer. The HR function is entirely responsible for the management of the Group's human resources, from the moment each person joins the company until the termination of their employment relationship: research, selection and placement, management and development, health, safety and work environment, administration and payroll, HRIS, organizational development, union relations, general services such as security and reception and often travel management.

At regional and local level, roles are divided into macro-clusters that enhance, on one hand, the activities of Talent Acquisition, Training and Development of Human Resources and Internal Communication and, on the other hand, the activities of HR Management and HR Business partnership.

Thanks to the activities of this division, the Group is able to ensure that its practices do not cause nor contribute to situations which could have potential negative impacts on the workforce, working continuously to address and mitigate them as effectively as possible. The data and the feedback are

managed in accordance with privacy policies and processed with the utmost confidentiality, making it possible to receive honest and constructive feedback (S1-4-41).

The recent actions and initiatives, planned or underway in accordance with chapter *S1-SBM3 Material impacts, risks and opportunities and their interaction with strategy and business model* are reported on below.

### Talent attraction and Employer Branding

To offset the potential risks linked to difficulties in attracting and retaining talent, De' Longhi organizes talent attraction and retention, as well as employer branding, initiatives (S1-4-40a, b).

Toward this end, the relationships with Italian universities have grown, particularly with institutions in the Veneto region and with Bocconi, Milan's Politecnico and H-Farm College. These relationships have made it possible to (i) initiative specific research programs, (ii) for the Group to attract resources with a solid academic background and competencies in line with the business needs, and (iii) design and offer training programs to employees.

Also in 2025, the strategic partnership with the Career Services of Bocconi University and Milan's Politecnico, named the **Corporate Associate Program**, was renewed in order to create synergies with the schools and guarantee the best possible professional placements for the new graduates. Also in partnership with other universities, like Ca' Foscari University in Venice, the University of Padua and the University of Trento, the **Ambassador on campus** program was proposed again, designed to involve different Group teams in employer branding activities. More in detail, in 2025, 46 employees submitted their candidacy and were involved in organized career days during which they describe their daily activities in the company and advise the students about the opportunities available with the Group (S1-4-38a, b, c, d).

In 2025, the **IT Talent Academy**, targeting students and new graduates interested in IT, was proposed again. This six week course provides specific training in SAP and ends with interviews for positions on the Group's IT team. Following the initiative, 7 participants were hired in 2025 (S1-4-38a, b, c, d).

In 2025, the **Internship Program** involved 13 interns and represented an important opportunity for university students and graduates to put into practice the knowledge they acquired during their academic careers. The candidates were chosen based on a structured and engaging selection process, designed to optimize selection time and attract Italian, as well as

international, students. The full-time internships last 6 months and are held at the Treviso headquarters where the interns are placed within their reference teams. The main goal of the program is to foster the development of young workers' professional skills, supporting their on-the-job learning and enhancing their potential, also with a view to possible future hiring and career path development (S1-4-38a, b, c, d).

With a view to strengthening the initiatives supporting talent attraction, the Group has been investing in a structured manner in the development of its social media strategy for several years. In particular, the Group's **LinkedIn** page recorded a 20% increase in followers at the end of 2025 compared to 2024. Furthermore, 90% of successfully concluded hires occurred through the platform, confirming its strategic role in attraction and recruitment activities. In order to further consolidate the Group's presence on this channel, in June 2024 the global advocacy campaign, **LinkedIn Month**, had been launched. The initiative aimed to improve the use of the platform through training and "netiquette" (rules and guidelines for appropriate online communication behaviors). The main objectives include increased visibility for the company, strengthened engagement, stronger employer branding and the involvement of employees through greater awareness of the use of the LinkedIn channel and the creation of a global community of Ambassadors. The creation of two editorial threads focusing on people, their development paths and internal careers, in addition to sharing the Group's values and results, also contributed to this important achievement (S1-4-38a, b, c, d).

Furthermore, in 2025 the **Social Media HUB** was established in London, a space designed to foster creativity, dynamism and cultural cross-pollination.

Finally, in order to render the recruiting of candidates and development of our employees more dynamic and inclusive, the Group initiated an **in-depth review of its Talent Strategy**. The project resulted in the activation of two main lines of intervention. On one hand, guidelines for recruiting and employer branding were defined, with a specific focus on inclusion and enhancing potential. On the other, an analysis path was launched which, in 2025, led to the design and implementation of two targeted events:

- The *IT International Meeting* spanned two days and involved 21 employees from different countries, who participated in a masterclass designed by Milan's Politecnico, aimed at developing technical skills and strengthening international collaboration.

- The *Quality Team Summit*, held at the Mignagola plant, involved the participation of 18 people from different countries and included activities dedicated to consolidating teamwork, carried out in collaboration with Smile to Move.

#### Professional development and learning

In 2025 the Group continued to invest in the growth and development of its people, expanding the training provided and promoting initiatives designed to strengthen competencies at all levels of the company. By encouraging continuous learning and professional development for all its resources, De' Longhi offsets the risks tied to failing to develop the expertise of employees through the use of adequate tools and ongoing training (S1-4-40 a, b).

More specifically, to support the professional growth of its workforce, De' Longhi mainly uses two digital platforms, adopted on a global scale: **PULSE**, a tool dedicated to training which makes it possible to register for different courses and workshops, both in person and e-learning, offered in different languages and with a high degree of interactivity, offering workers the possibility to access tailor-made training programs and monitor their progress; **FORWARD**, an ad hoc performance appraisal tool, designed to promote a transparent and constructive dialogue between managers and employees, thus helping De' Longhi's people to identify their development goals and learning needs (S1-4-38a, b, c, d).

In 2025, the performance appraisal process through FORWARD involved 3,180 people. While registering an increase in participating individuals compared to the previous year, the total number of approved plans showed a slight decrease. Forward was confirmed as a pillar of internal growth, supporting individual development and promoting a culture of continuous feedback.

With regard to training, the Group's offering is designed to provide employees with the tools and resources needed to improve both technical and soft skills, develop leadership, as well as *upskilling* and *reskilling* opportunities, consistent with their interests and professional growth path.

The training offered, freely accessible to the entire company population, included a vast selection of catalog courses, structured into five macro-categories:

1. **Digital mindset:** training in data analysis and the use of Microsoft Excel (basic, intermediate and advanced training are offered);
2. **Managerial skills:** training in effective management and "manager as a coach";

3. **Communication skills:** internal and online training, in both Italian and English, on public speaking;
4. **Organizational skills:** internal online training, in both Italian and English, on *project management, problem solving, time management, finance for non-specialists, demystifying methodologies and lean office*;
5. **Company Culture:** introduction to the coffee world to provide an overview of the basic concepts and fundamental terminology associated with the world of coffee.

The global courses were held in virtual mode, guaranteeing participation from all the Group's geographies, while local courses were held in person at the different offices.

The **De' Longhi Shares Academy** continued with its program at offices in Italy. The program offering was expanded with the introduction of four new courses taught by internal resources who are selected based on their specialized expertise and teaching skills. This project further strengthened the exchange of information within the organization, highlighting the know-how of the company and its people.

In 2025, **Digital Lab**, an ad hoc training initiative conceived to improve the digital expertise of employees working in the Marketing and Commercial divisions and sustain the growth of the Group's e-commerce channel, continued. The license was also renewed for the platform **Econsultancy** specialized in digital and e-commerce training, with a focus on new sector trends. Language courses continued globally, supported by the **Speex** platform which provides classes in five languages (English, German, Spanish, French and Italian) and promotes language skills in a global environment.

Specific attention was paid to leadership development. In 2025, the **E.D.G.E. Leader Program** was activated in collaboration with Bocconi University, a continuous training path aimed at strengthening the skills of people in positions of responsibility and consolidating the sense of belonging to the Group. The program involved 25 professionals and was divided into three modules dedicated to business leadership, people leadership and leadership in action, supplemented by six group works. During the year, five **Executive Master in Business Administration (EMBA)** programs were also activated in the various countries where the Group operates, with the aim of further strengthening managerial skills. In the area of sustainability, the **Sustainability Learning Journey**, an integral part of a broader sustainability strategy for the Group, comprised training sessions and thematic contests designed to make employees more aware of their impact and the

positive steps they can take to ensure a better future (S1-4-38a, b, c, d) (S1-4-AR 43).

During 2025, the Group launched a global training program dedicated to the adoption of digital and collaboration tools, training over 1,400 employees on the use of Google Gemini (Generative Artificial Intelligence) and over 2,200 people on Google Workspace, promoting the collaborative features provided by the different tools. The project, which began in October 2025, involved sending a questionnaire to all employees to understand their level of knowledge of the Google Workspace environment and subsequently holding **30 general training sessions, 40 specialized courses and 3 advanced webinars**. The initiative, structured over a two-year timeframe, will conclude in 2027 with the drafting of a final report that will summarize the results achieved and the skills developed.

Particular attention was paid to the training of blue-collar workers. In 2024, three days of training were organized at the Mignagola plant in Italy which involved more than 400 employees. The sessions looked at relevant topics for the involved population, from the digital transformation to posture exercises, to specific content relating to lean manufacturing and quality. In 2025, the training was also extended to the employees of the finished product warehouse at the Mignagola plant and to the blue-collar personnel at the Gorgo al Monticano site, who had not been involved in the previous year.

## Health and Safety

De Longhi organized several initiatives focused on the potential impact of on-the-job injuries caused by inadequate working conditions, particularly in the production plants (S1-4-40 a,b).

The sustainability of a successful manufacturing project is based largely on the ability to address and protect the health and safety of its employees: the Human Resources division calls upon specific employees to promote these aspects among workers. These figures include the Head of Prevention, Protection and the Environment Division and the country heads of the division in Italy, Switzerland, China and Romania, namely the countries where the Company's production plants are located. Their duties include an analysis of the risk inherent in the activities carried out by the Group's employees and the definition of plans for improvement.

In 2025, the commitment to the global "*I am Safety*" campaign continued. This initiative, which foresees the development of

its final phases in 2026, is part of the sustainability strategy and has three main objectives: strengthen and spread a safety culture throughout the Group, involve and make employees responsible for issues linked to safety and improve efficacy and productivity through initiatives focused on "*new ways of working*". In the production plants the initiative was applied through the "*Safety Ambassadors*" campaign, which led to the selection of a few employees as safety "ambassadors" and the Gemba Walks (for reporting any risky situations).

The project is currently operational in the production plants in China, Romania and Italy and has already been tested in Australia and the United Kingdom in a few pilot branches. Intended to be extended to all subsidiaries, it was organized into three phases:

- 1. Appointment of the ambassadors:** the ambassadors are employees who are chosen to safeguard aspects of Health, Safety and the Environment (HSE) in each production facility. In order to identify the best people for the assignment, the work team developed an identikit of the characteristics needed to cover this role;
- 2. Training of the ambassadors:** the ambassadors selected completed a dedicated training course in order to understand their role and the related responsibilities;
- 3. Identification of any equipment needed:** in this phase any investments needed to improve health and safety inside the plants are quantified, identifying the anticipated benefits.

A global project for injury management was also implemented which began by focusing on the safe interaction between pedestrians and forklifts. Following this, an anti-collision system for forklifts was developed, already tested and almost completely installed in the Romanian plants, while it is currently being evaluated at the Mignagola plant. At Satu Mare all vehicles are already equipped with anti-collision devices, while at the Salonta and Cluj plants, 26 systems were installed during 2025. The Group has also scheduled the installation of an additional 27 devices for 2026, also intended for the Salonta and Cluj plants, thus continuing the commitment aimed at improving operational safety and reducing the risk of accidents (S1-4-38a, b, c, d).

## Diversity, Equity and Inclusion

De Longhi strives to promote a collaborative and inclusive work environment, capable of embracing the contribution of

all the individuals involved, with a view to promoting equitable growth and maximizing the level of inclusion and social cohesion among employees, consumers, suppliers and the entire local community in general, with zero tolerance for any form of impact linked to discrimination against workers and violations of human rights (S1-4-40 a,b).

In 2024, the Group published the Global DEI Policy, defining its commitment in a document which was shared across all geographies. De' Longhi's commitment is based on concrete initiatives relating to four areas of interest:

- 1. Corporate culture:** enhance the wealth that diversity can bring to the organization, beginning with a corporate culture which views difference as a strong point.
- 2. Processes:** define equitable processes and guidelines, ensuring that people may prosper regardless of how they identify and guaranteeing equal access to opportunities, careers and compensation.
- 3. Goals and KPI:** monitor the current situation in the different areas of interest and define the goals that are expected to be achieved.
- 4. Targeted initiatives on gender diversity:** guarantee that women can and will be able to express their full potential through targeted actions.

De' Longhi established a structured **governance** framework built around DE&I initiatives, defining clear roles and responsibilities to guarantee consistency with the Group's basic values. The publication on internal and external channels of the Group's DE&I Policy is focused on promoting equitable growth and social cohesion among employees.

In line with the objective of enhancing the diverse capabilities of employees and taking into account the needs that emerged through the Your Voice listening channel, in 2025 the Group launched the **People Development Compass project**. The initiative represents a people development tool and defines the meaning of "Talent" within the Group, identifying different types of talent and associating specific development paths with each. Consistent with the DE&I strategy, the project aims to guarantee equitable and inclusive growth opportunities, valuing individual differences.

In support of this strategic framework, in 2025 the **Global DE&I Training program** continued, comprising 3-hour interactive virtual sessions delivered in 30 branches and in 14 different languages, involving more than 2,000 people with the aim of raising awareness about "biases" and creating a shared

language on diversity, equity and inclusion. The training contents, differentiated based on the role held within the Group, are designed to provide concrete tools to recognize and mitigate prejudices, promoting the spread of an inclusive work culture on a global level.

To offer employees the opportunity to broaden their horizons and engage with different perspectives, the **Beans of Inspiration** program was also created in 2025, consisting of inspirational meetings with external speakers dedicated to topics such as inclusion and social impact, wellbeing and sustainable lifestyles, technology and digital transformation, neuroscience and collaboration. The initiative involved a total of over 1,400 participants, helping to spread awareness, new languages and cross-functional perspectives throughout the organization.

As part of this initiative, the Group promoted two seminars dedicated to key Diversity, Equity & Inclusion topics, with the aim of strengthening an inclusive and aware corporate culture. The first, *“Language as a tool for inclusion”*, delivered in Italian and English, explored the role of language in work and personal contexts, involving a total of 147 participants. The second, *“From Like to Hate: defending oneself and taking action against online gender violence”*, created in collaboration with the **Libellula Foundation** and also offered bilingually, addressed the issue of gender equality, recording the participation of 94 people.

Also important was the launch of the collaboration with Valore D, the first association of Italian companies committed to promoting Diversity, Equity and Inclusion topics. Thanks to this partnership, the Group was able to activate valuable initiatives in the local area, such as:

- InspirinGirls: an international project that brings female role models into middle schools to share their professional paths, encouraging girls and boys to look to the future free from any gender stereotypes;
- Girls&Boys@work: an event dedicated to the daughters and sons of the Group’s personnel (Italy), designed to offer a moment of orientation in view of university choices or starting a career, offering a concrete perspective on the world of work.

Alongside training and cultural initiatives, the Group has been promoting tools for **solidarity and mutual support** for years. This area includes the **My Gift Time** program, which allows employees to voluntarily donate unused hours of leave or vacation time to colleagues who need additional time to assist family members requiring continuous care. Since 2021, thanks to the participation of collaborators, a total of 1,137 hours have been collected (S1-4-38a, b, c, d).

In compliance with the principles set out in EU Directive 2023/970 on **Pay Transparency**, the Group began a process aimed at integrating the criteria and logic introduced by European regulations into its remuneration systems. Starting in 2026, the company plans to strengthen transparency at all stages of the remuneration process, making salary information clearer and more accessible right from the selection interview. At the same time, it intends to increasingly adopt remuneration criteria based on objective parameters—such as role, seniority, performance, and geographic location—in line with the impartiality and neutrality requirements set out in the Directive. By 2027, the Group is committed to drafting its first Gender Pay Gap Report, an essential tool for rigorously monitoring pay parity and identifying any areas for improvement. The implementation of this system will allow the Group to promote greater internal equity, increase salary transparency, and strengthen employee trust, while fostering broader and more conscious involvement in corporate life. Finally, in order to align with the principles of respect for human rights, since 30 September 2024 the Group formalized its adherence to the **United Nations Global Compact**, committing to operate in consistency with the ten universal principles that guide businesses on human rights, labor, the environment and anti-corruption. For more information, refer to section [S2-4] *Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions.*

## [S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

### S1-5-44a,b,c

In order to improve the wellbeing and development of employees and therefore pursue the objectives of the policies described in section [S1-2], the De’ Longhi Group included specific initiatives and relative quantitative and qualitative targets in its 2024-2026 Sustainability Plan (MDR-T 80 a), developed using a structured methodology involving key stakeholders within the Human Resources function (MDR-T 79 e; MDR-T 80 h, MDR-T 80 f). The identified targets are reported below (S1-5-45, S1-5-46):

TABLE 2 – OWN WORKFORCE TARGETS

Initiative	Description	Target (MDR-T 80 b)	Baseline (MDR-T, 80d)	Target Year (MDR-T 80 e)	Perimeter (MDR-T 80 c)	Policy
Safe work environment	Ensure the highest health and safety standards by implementing a ISO 45001 certified health and safety management system in the Group's plants	100% of the Group's plants ISO 45001 certified	out of 7 plants certified in 2023	2027	All the Group's plants	-
Gender equality	Increase in the number of women in management and senior management positions	30% of the Management and senior management positions held by women	26% of the Management and senior management positions held by women at September 2023	2028	De' Longhi Group	Policy on diversity of members of corporate bodies
Wellbeing And employee development	Address the training and development of our people through a global Training Program	80% of the Employees involved on average in the three-year period (2024-2026)	70% of the Employees involved in the two-year period (2020-2022)	2026		
	Define and implement a global approach and a communication plan based on the new ways of working	Improvement in work/life balance each year, measured using a specific survey	In 2022 a new Remote working policy with new content was launched	2026	-	
Impact on The community	Sponsor educational programs to high school students with a focus on STEM and women	Delivery of the programs in 2025	No educational programs in 2024	2025	De' Longhi Group	

The monitoring of the KPIs and initiatives associated with the outlined targets is carried out regularly and systematically. The progress of each initiative is recorded and assessed annually and is the responsibility of the Human Resources Division (MDR-T 80 j). In particular, at 31 December 2025, the progress of the aforementioned targets was as follows (MDR-T 79 c):

- **Ensure the highest standards in terms of health and safety by implementing an ISO 45001 certified health and safety management system in the Group's plants:** at 31 December 2025, all the De' Longhi Group's plants are ISO 45001 certified;
- **Increase the number of women in managerial/senior management roles:** at 31 December 2025, 28.6% of women in senior management positions;
- **Nurture the training and development of our People, with a Global Training Program:** 95.9% of employees involved in training courses in 2025;
- **Define and implement a global approach and communication plan on a new way of working:** the work-life balance survey was delivered during 2025;

- **Delivery of educational orientation programs to high school students with a specific focus on STEM subjects for women:** the initiative relating to educational orientation programs was launched during 2025 with the involvement of two Group employees.

These results demonstrate De' Longhi's commitment to meeting the pre-established targets. The company is in line with the defined timeline to reach the target of 30% of women in senior management positions by 2028; furthermore, exceeding the target of 80% of employees involved in training courses for the 2024-2026 two-year period highlights the importance the Group attributes to developing the skills of its personnel. In addition, the two targets achieved in 2025 demonstrate the Group's constant commitment to reaching the set goals and continuously improving its performance.

The Group's Sustainability Plan is public and available on the website. For more information about the Sustainability Plan, refer to section SBM-1 of chapter ESRS 2 (S1-5 47).

## [S1-6] Characteristics of the undertaking's employees

The management of the workforce is a core aspect for the Group, which pays particular attention to the changes and growth over time. At 31 December 2025 the Group had **10,304** employees, down from 10,641 in 2024 (S1-6-50d); this figure includes all the contractual categories existing within the Group and reflects the total workforce at year-end. Please note that all employee data within the chapter are in headcount.

During the reporting period a total of **2,227**<sup>33</sup> employees left the Group which corresponds with a turnover rate of **21,6%**<sup>34</sup> (S1-6-50c). This indicator measures the workforce turnover and provides an overview of the organization's employment dynamics which are influenced by factors like new hires, voluntary terminations and contract adjustments. The indicator reflects the high turnover rate of blue-collar workers at the production plants.

33 The figure refers to the total number of employees who left the Group between 1 January 2025 and 31 December 2025.

34 To calculate this figure, the total number of employees who left the Group was divided by the total number of employees. (MDR-M 77 c)

TABLE 3 – NUMBER OF EMPLOYEES WHO LEFT THE COMPANY IN 2025 (MDR-M 77 C)

Datapoint	2024	2025
Total number of employees who left the company	3,136	2,227
Employee turnover rate	29.5%	21.6%

Information on the total number of employees by gender is provided below (S1-6-50a). Compared to 2024, there was a decrease in both men and women with a constant balance in the gender mix, with men at 51.8% and women at 48.0% in 2025.

TABLE 4 – NUMBER OF EMPLOYEES BY GENDER 2023-2025 (MDR-M 77 C)

Gender	2023	2024	2025
Men	4,894	5,499	5,339
Women	4,943	5,125	4,942
Other	-	-	1
Not disclosed	-	17	22
<b>Total</b>	<b>9,837</b>	<b>10,641</b>	<b>10,304</b>

The number of employees, broken down by country (only of the countries which account for more than 10% of the total) and by gender in Table 5 and by region in Table 6, provide a complete overview of the geographic distribution of the Group's workforce (S1-6-50 a).

TABLE 5 – NUMBER OF EMPLOYEES BROKEN DOWN BY COUNTRY, WHICH ACCOUNT FOR MORE THAN 10% OF THE TOTAL, AND GENDER IN 2025 (MDR-M 77 C)

Country	2024					2025				
	Men	Women	Other	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
Italy	1,369	802	0	0	<b>2,171</b>	1,393	824	0	0	<b>2,217</b>
China	1,377	1,127	0	0	<b>2,504</b>	1,312	1,091	0	0	<b>2,403</b>
Romania	1,495	2,207	0	0	<b>3,702</b>	1,352	2,057	0	0	<b>3,409</b>

In terms of regions, in 2025 68% of De' Longhi's employees were in Europe, followed by America & Asia at 31% and lastly, MEIA (Middle East, India and Africa).



TABLE 6 – NUMBER OF EMPLOYEES BY REGION 2025  
(MDR-M 77 C)

Region	2024	2025
Europe	7,334	7,018
America & Asia	3,246	3,222
MEIA	61	64
<b>Total</b>	<b>10,641</b>	<b>10,304</b>

The total number of employees by contract type is shown in Table 7 (S1-6-50 b).



TABLE 7 – TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE AND GENDER 2023-2025 (MDR-M 77 C)

2023					
Category	Men	Women	Other	Not disclosed	Group
Employees with permanent positions	4,354	4,472	-	-	8,826
Employees with temporary positions	540	471	-	-	1,011
Employees with flexible hours	-	-	-	-	-
<b>Total number of employees</b>	<b>4,894</b>	<b>4,943</b>	<b>-</b>	<b>-</b>	<b>9,837</b>
Full-time employees	4,809	4,625	-	-	9,434
Part-time employees	85	318	-	-	403
<b>Total number of employees</b>	<b>4,894</b>	<b>4,943</b>	<b>-</b>	<b>-</b>	<b>9,837</b>
2024					
Category	Men	Women	Other	Not disclosed	Group
Employees with permanent positions	5,073	4,918	-	17	10,008
Employees with temporary positions	426	207	-	-	633
Employees with flexible hours	-	-	-	-	-
<b>Total number of employees</b>	<b>5,499</b>	<b>5,125</b>	<b>-</b>	<b>17</b>	<b>10,641</b>
Full-time employees	5,443	4,924	-	17	10,384
Part-time employees	56	201	-	-	257
<b>Total number of employees</b>	<b>5,499</b>	<b>5,125</b>	<b>-</b>	<b>17</b>	<b>10,641</b>
2025					
Category	Men	Women	Other	Not disclosed	Group
Employees with permanent positions	4,971	4,760	1	21	9,753
Employees with temporary positions	367	182	-	-	549
Employees with flexible hours	1	-	-	1	2
<b>Total number of employees</b>	<b>5,339</b>	<b>4,942</b>	<b>1</b>	<b>22</b>	<b>10,304</b>
Full-time employees	5,286	4,754	1	21	10,062
Part-time employees	53	188	-	1	242
<b>Total number of employees</b>	<b>5,339</b>	<b>4,942</b>	<b>1</b>	<b>22</b>	<b>10,304</b>

## [S1-7] Characteristics of non-employee workers in the undertaking's own workforce

The number of non-employee workers is reported as at 31 December 2025 (S1-7 55b) and includes all the professional who work for De' Longhi without a direct employment contract. The most common include workers hired in outsourcing, like consultants and interns, as well self-employed workers who provide specialized or temporary services (S1-7 56). Please note that all data related to non-employee workers within the chapter are in headcount.

The information on the total number of non-employee workers in De' Longhi's workforce is shown below (S1-7 55 a).

TABLE 8 – TOTAL NUMBER OF NON-EMPLOYEE WORKERS 2024-2025 (MDR-M 77 C)

Type	2024	2025
Self-employed workers	16	13
Workers hired in outsourcing	1,415	2,103 <sup>35</sup>
<b>Total</b>	<b>1,431</b>	<b>2,116</b>



## [S1-8] Collective bargaining coverage and social dialogue

De Longhi is aware of how important social dialogue and collective bargaining are and that they are crucial to guaranteeing equitable working conditions and protecting the rights of its employees.

At 31 December 2025, 62% of De' Longhi's employees were covered by collective bargaining agreements (S1-8 60); 58% of the employees are covered by workers' representatives, up from 52% in 2024 (S1-8 63).

Information on the coverage of the collective bargaining agreements and social dialogue in each country in which the company had a significant level of EEA (European Economic Area) employment in 2025, consistent with 2024, is shown below. The following table also indicates the collective bargaining coverage rate for each non-EEA country where the Group has a significant level of employment.

TABLE 9 – COVERAGE OF THE COLLECTIVE LABOR AGREEMENTS AND SOCIAL DIALOGUE 2025 (MDR-M 77 C)

Coverage (%)	Coverage - collective		Copertura dialogo sociale
	EEA Employees	Non-EEA Employees	EEA Employees
0-19%		China	
20-39%			
40-59%			
60-79%			
80-100%	Italy, Romania		Italy, Romania

35 The increase in the value compared to 2024 is due to a methodological refinement in data collection.

## [S1-9] Diversity metrics

De' Longhi works actively to implement policies and initiatives which position diversity as a strategic priority for the Group, as described in section [S1-1] Policies related to own workforce and [S1-4] Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-10 64, 65).

The breakdown of employees by age and senior management by gender are provided below (S1-10 66 a, b).

TABLE 10- BREAKDOWN OF EMPLOYEES BY AGE 2023-2025 (MDR-M 77 C)

Age range	2023	2024	2025
Less than 30 years old	1,695	1,701	1,463
Between 30 and 50 years old	5,863	6,291	6,102
More than 50 years old	2,279	2,649	2,739
<b>Total</b>	<b>9,837</b>	<b>10,641</b>	<b>10,304</b>

TABLE 11 – BREAKDOWN OF SENIOR MANAGEMENT BY GENDER (NUMBER AND PERCENTAGE) 2023-2025 (MDR-M 77 C)

Gender	2023	%	2024	%	2025	%
Men	7	78%	7	70%	7	70%
Women	2	22%	3	30%	3	30%
Other / Not disclosed	0	0%	0	0%	0	0%
<b>Total</b>	<b>9</b>	<b>100%</b>	<b>10</b>	<b>100%</b>	<b>10</b>	<b>100%</b>

Between 2023 and 2025, the number of senior managers rose from 9 to 10, consistent with the slight increase in company management.

## [S1-10] Adequate wage

An important part of De' Longhi's commitment is to guarantee fair and adequate wages for all workers. When a minimum wage is established by law, this will be guaranteed as the base pay, along with all the benefits provided for under the law or contractual agreements. In countries where there is no legal minimum wage, fair compensation will be determined based on sector standards and the local cost of living (S1-10 -69).



## [S1-13] Training and skills development metrics

The Group attributes great importance to the professional development and advancement of its people, investing in targeted training paths and opportunities for advancement in the organization. Consistent with section [S1-4] *Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions*, De' Longhi adopts concrete strategies to support talent, foster inclusion and promote a work environment which stimulates growth and the development of competencies.

The three-year information about the percentages of employees that participated in performance reviews and career development (S1-13 -83 a, 84) is provided below. The figures are broken down by gender and employee category which provides an overview of the access to and use of performance reviews within the Group.

TABLE 12 – PERCENTAGE OF EMPLOYEES WHO PARTICIPATED IN PERFORMANCE REVIEWS AND CAREER DEVELOPMENT BROKEN DOWN BY GENDER AND EMPLOYEE CATEGORY 2023-2025<sup>36</sup> (MDR-M 77 C)

Gender	2023	2024	2025
Men	33%	33%	34%
Women	25%	28%	27%
Other	0%	0%	0%
Not disclosed	0%	0%	91%
<b>Average</b>	<b>29%</b>	<b>30%</b>	<b>31%</b>
Employee category	2023	2024	2025
Manager	68%	65%	67%
White-collar worker	78%	80%	76%
Blue-collar worker	2%	2%	3%
<b>Average</b>	<b>29%</b>	<b>30%</b>	<b>31%</b>

The breakdown of the average hours of training provided to De' Longhi employees by gender and employee category is provided below. These figures provide insight into how development opportunities were distributed and an update on the roles within the company. These figures provide insight into how development opportunities were distributed and an update on the roles within the company (S1-13 -83 a, 84).

TABLE 13 - AVERAGE NUMBER OF TRAINING HOURS BROKEN DOWN BY GENDER AND EMPLOYEE CATEGORY 2023-2025<sup>37</sup> (MDR-M 77 C)

Gender	2023	2024	2025
Men	26.4	26.7	27.4
Women	22.1	23.9	25.5
Other	0.0	0.0	0.0
Not disclosed	0.0	0.0	12.5
<b>Average</b>	<b>24.3</b>	<b>25.3</b>	<b>26.4</b>
Employee category	2023	2024	2025
Manager	21.7	18.8	26.8
White-collar worker	22.9	23.7	27.9
Blue-collar worker	25.1	26.6	25.6
<b>Average</b>	<b>24.3</b>	<b>25.3</b>	<b>26.4</b>

## [S1-14] Health and safety metrics

The Group recognizes the importance of guaranteeing that its employees work in a healthy and safe environment and works every day to lessen the risk of any accidents, as detailed in section [S1-4] *Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions* (S1-14 -87).

Furthermore, as testimony to the Group's commitment, ISO 45001:2018 certified management systems were implemented in all plants; therefore, 100% of workers at the production sites are covered by management systems. For more information, refer to section [S1-1] *Policies related to own workforce*.

The figures relating to the numbers and percentage of own workers covered by the company's health and safety management system as per applicable regulations, laws and/or recognized guidelines are shown below in Table 14 (S1-14 -88a).

<sup>36</sup> The percentages here reported express the number of male/female/other employees who participated in periodic and scheduled performance and career development reviews out of the total number of male/female/other employees. (MDR-M 77 a)

<sup>37</sup> To calculate this data, the total number of hours of training provided to men/women/others was divided by the total number of men/women/others. (MDR-M 77 a)

TABLE 14 - PERCENTAGE OF OWN WORKERS COVERED BY THE COMPANY'S HEALTH AND SAFETY MANAGEMENT SYSTEM AS PER APPLICABLE REGULATIONS, LAWS AND/OR RECOGNIZED GUIDELINES 2025 (MDR-M 77 C)

Employee category	2024		2025 <sup>38</sup>	
	Number	Percentage	Number	Percentage
Employees	10,218	96%	9,042	88%
Non employees	1,332	93%	1,719	81%

The number of deaths due to work-related injuries and illnesses is 0, as shown in Table 15 (S1-14-88b).

TABLE 15 - THE NUMBER OF DEATHS DUE TO WORK-RELATED INJURIES AND ILLNESS 2023-2025 (MDR-M 77 C)

Employee category	2023	2024	2025
Employees	0	0	0
Non employees	0	0	0

The number and rate of recordable workplace injuries are shown in Table 16 (S1-14-88c).

TABLE 16 - THE NUMBER AND RATE OF RECORDABLE WORKPLACE INJURIES 2023-2025 (MDR-M 77 C)

Employee category	2023		2024		2025	
	number	rate	number	rate	number	rate
Employees	56	2.7	75	3.5	80	3.98
Non employees	18	5.9	10	2.1	10	1.50

The rate of injury is the total number of injuries expressed as a percentage of the total number of labor hours multiplied by 1,000,000; this number, therefore, represents the number of injuries for a million labor hours. (MDR-M 77 C)

The number of recordable occupational diseases, with the exception of legal restrictions on the use of data, is shown in table 17 (S1-14-88d).

TABLE 17 - THE NUMBER OF RECORDABLE OCCUPATIONAL DISEASES, WITH THE EXCEPTION OF LEGAL RESTRICTIONS ON THE USE OF DATA 2023-2025 (MDR-M 77 C)

Employee category	2023	2024	2025
Employees	2	5	12

Lastly, the number of days lost due to workplace injuries, occupational disease and deaths due to illness are reported below (S1-14-88e).

TABLE 18 – THE NUMBER OF DAYS LOST DUE TO WORKPLACE INJURIES, OCCUPATIONAL DISEASE AND DEATHS DUE TO ILLNESS 2025 (MDR-M 77 C)

Employee category	2024	2025
Employees	1,401	1,337

## [S1-16] Compensation metrics (pay gap and total compensation)

The Group recognizes that the commitment to lessening the gender gap is essential; for this reason, the Group defined specific DE&I and compensation policies, described in section [S1-7] *Policies related to own workforce*.

In 2025, it began a process aimed at integrating the criteria and logic introduced by European regulations into its remuneration systems, in compliance with the principles set out in EU Directive 2023/970 on Pay Transparency. During 2026, the Group plans to strengthen transparency at all stages of the personnel management process, making salary information clearer and more accessible right from the selection interview. At the same time, it will continue to adopt remuneration criteria based on objective parameters—such as role, seniority, skill level, performance, potential, and geographic location—in line with the impartiality and neutrality requirements set out in the Directive. By 2027, the Group is committed to drafting its first Gender Pay Gap Report, an essential tool for rigorously monitoring pay parity and identifying any areas for improvement. The implementation of this system will allow the Group to promote ever greater internal equity, increase salary transparency, and strengthen employee trust, while fostering broader and more conscious involvement in corporate life.

It should also be noted that the Group included the increase of the number of women in management/senior management roles among its Sustainability Plan targets, as described in section [S1-5] *Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*.

38 The reduction in the coverage percentage is due to a refinement in the calculation methodology.

The pay gap, defined as the difference between the average compensation paid to female and male employees, expressed as a percentage of the average compensation paid to male employees, was 40% in 2025 (35% nel 2024) (S1-16 97a). The trend of the indicator is influenced, especially in the current year, by benefits and notional costs related to medium/long-term incentive plans based on financial instruments intended in particular for beneficiaries operating in the Professional Division, who acquired the right to participate in the plans at a prior time and during the business combination. Net of these components, the indicator would have stood at 34% in 2025 (33% in 2024).

It should also be noted that this indicator, calculated as the average for the entire Group (unadjusted gender pay gap), reflects significant differences in roles and geographic location. The figure is in fact the consequence of a female workforce comprised of more blue and white-collar workers and fewer in managerial roles, a difference amplified by variable components of compensation, which are more relevant for senior and top management figures. It should also be noted that the trend of the indicator in 2025 is negatively influenced by the exchange rate trends against the euro of the currencies used in the countries where the Group employs a large number of blue-collar workers.

The ratio of the highest-earning individual's total annual remuneration to the median total annual remuneration of all employees is 301 (245 in 2024) (S1-16 97b). Here too, the impact of notional costs related to medium/long-term incentive plans based on financial instruments active within the Group is significant.

Furthermore, the De Longhi Group personnel is comprised for more than 60% by blue-collar workers who work at the production sites located in different geographies characterized by very different labor costs, cost of living and very different market dynamics. This has a significant impact on the above ratio.

For the calculation of the indicators, the annual compensation of each employee was considered, which includes the base salary, overtime compensation, benefits in cash (like payment of living quarters, bonuses and commissions), benefits in kind (like company cars, private health insurance and wellness programs), the portion for the year relating to employee severance (TFR), long-term incentives and *stock option* and *performance share* plans (the latter elements are not considered for the calculation of the adjusted indicators).

With regard to the gender pay gap, the hourly remuneration was calculated dividing the total annual compensation, from which the portion relating to overtime compensation was deducted, by the theoretical working hours. The latter were determined starting from a total of 2,080 hours (40 hours weekly multiplied by 52 weeks) and subtracting the days of vacation and public holidays provided in each country.

Included in the calculation were employees employed at the end of the year with a permanent contract or temporary workers with a contract duration of more than 12 months. If an employee was hired at any time during the reference year, the respective salary was reported on an annual basis (S1-16 97c) (MDR-M 77 C).



## [S1-17] Incidents, complaints, and severe human rights impacts

Below, De' Longhi reports the number of work-related accidents and/or complaints and serious human rights violations within its workforce, as well as related fines and sanctions or significant damages in 2025.

In 2024, there were three instances of discrimination: two in the United States and one in New Zealand. All the episodes were researched through timely internal investigations; corrective actions were taken and the contracts with the employees responsible for the actions were terminated for bad external behavior and violation of internal policies; in 2025, however, a single case of verbal discrimination was reported in Germany, for which timely measures were adopted and the process is still ongoing. De' Longhi does not support any kind of violence, harassment or discrimination at the workplace and is committed providing a safe, inclusive and respectful environment through policy and specific actions as outlined in the section [S1-1] *Policies related to own workforce*.

TABLE 19 – INCIDENTS, COMPLAINTS, AND SEVERE HUMAN RIGHTS IMPACTS 2023-2025 (MDR-M 77 C)

Datapoint	2023	2024	2025
Episodes of discrimination connected to work for reasons of gender, race or ethnic origin, nationality, religion or personal beliefs, disability, age, sexual orientation or other relevant forms of discrimination involving internal and/or external stakeholders in all operations during the reporting period	0	3	1
The total number of discrimination episodes, including harassment, reported during the reporting period	2	3	1
The number of complaints lodged through the channels provided for company workers to raise concerns (including reporting mechanisms)	0	1	1
The total amount of the fines and sanctions or significant damages stemming from the above incidents and complaints, along with a reconciliation of the monetary sums reported with the most relevant amount recognized in the financial statements	0	0	0
If appropriate, the information needed to understand the data and how it was compiled	0	0	0
The number of serious incidents relating to human rights violations connected to the company's workforce during the reporting period, indicating also to what degree these were in violation of the United Nations Guiding Principles on Business and Human Rights, of the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises. If there were no incidents of this sort to report, the company must state it	0	0	0
The total amount of fines, penalties and compensation for damages for the incidents referred to in point (a), together with a reconciliation of the monetary amounts indicated with the most relevant amount in the financial statement	0	0	0





## ESRS S2 - Workers in the value chain

### [S2-SBM2] Interests and views of stakeholders

Although the De' Longhi Group has not yet finalized the structuring of a process for actively engaging workers in the value chain, it recognizes the fundamental role of these individuals and has long since initiated the implementation of tools and initiatives aimed at improving their involvement, conditions, and opportunities. While the Company recognizes that workers' interests and rights may be impacted by its activities, the development of a formal mechanism to capture and integrate these considerations into the business strategy is still ongoing (S2 SBM-2 9).

### [S2-SBM3] Material impacts, risk and opportunities and their interaction with strategy and the business model

De' Longhi carefully manages all processes along the value chain, committing itself to monitoring the entire supply chain to ensure the quality of products and the protection of workers' rights, which may be subject to negative impacts of various kinds (S2.SBM-3). The main types of workers in the value chain who are involved in the Group's activities and vulnerable to negative impacts include those in the upstream supply chain (extraction and processing of raw materials), employees of suppliers of semi-finished and finished products, and downstream workers such as logistics and distribution personnel. Also included are particularly vulnerable workers, such as migrants, women and the young (S2 SBM-3 11 a). Among these, De' Longhi has not yet identified the categories of workers

who may be more susceptible to risks than others, nor has it clarified which risks are associated with specific groups (S2 SBM-3 12, 13).

The Group has identified the following negative impacts in relation to workers in the supply chain (S2 SBM-3 11d):

- **Physical harm to workers due to inadequate working conditions** (actual, negative, systemic): failure to take adequate health and safety measures can lead to accidents to workers.
- **Violation of workers' human rights due to inadequate labor practices** (potential, negative, systemic): in the areas involved in De' Longhi's value chain, there is a possibility that skilled workers, characterized by a low level of specialization or with fixed-term contracts also taking into account the seasonality of production, may be used, thus increasing the risk of unfair labor practices such as forced labor and child labor as well as violence and harassment. Furthermore, the demand for low-cost labor could push suppliers to use child labor, depriving minors of education and exposing them to hazardous working environments.

Both impacts are associated with the location of suppliers' activities in geographical areas, such as Asia, where laws, regulations and labor protections may be less stringent than those in force within the European Union, raising the risk of exploitation, forced labor and child labor (S2 SBM-3 11 b,c).

The Group has also identified a potential risk related to workers in the value chain: the **reputational and legal risk due to human rights violations along the value chain** is related to the negative impact on the company's reputation and legal compliance due to human rights violations. For example, if suppliers or partners use forced or child labor, the Company could suffer repercussions, including reputational damage, resulting in an impact on sales and financial results (S2 SBM-3 10 b,11 e).

To prevent the risks and impacts mentioned above, relations with suppliers are regulated by specific policies and their actions are carefully screened and monitored during audits. For more information, see sections [S2-1] - *Policies related to value chain workers* and [S2-4] *Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions*.

A detailed analysis of the De Longhi Group's impacts, risks and

opportunities is provided in chapter ESRS 2, [IRO-1] *Description of the process to identify and assess material impacts, risks and opportunities*.

To date, no targets have been identified in relation to the impacts mentioned above. For more information, see section [S2-5] *Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*. (SMB-3 10 a).

## [S2-1] Policies related to value chain workers

Workers in the De' Longhi Group's value chain are a key stakeholder for the business; for this reason, relations with such workers are formalized, regulated, and managed through three main policies: the Code of Ethics, the Supplier Code of Conduct and the Human Rights Policy. The latter was approved at the beginning of 2026 (S2-1 16).

The **Code of Ethics** extends to the Group's suppliers and establishes criteria binding on both parties, stressing the shared values of integrity, transparency, and respect for human rights promoted by the Group. Through compliance with the Code, the Group promises to instill along the value chain working conditions that comply with fundamental human rights, international conventions and local laws and regulations.

The **Supplier Code of Conduct (SCoC)**, available online and shared with all suppliers, sets out the fundamental principles binding on business partners, first-tier suppliers, second-tier suppliers, subcontractors, and all individuals employed along the value chain. The SCoC addresses critical issues such as forced and child labor (S2-1 18), requiring suppliers to conduct their activities in compliance with local laws on environmental, health and safety matters, as well as in alignment with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the SA8000 standard (S2-1 19). The Group reserves the right to conduct audits to ensure compliance with the SCoC, during which suppliers provide the necessary documentation and allow interviews with personnel; if irregularities are found, De' Longhi works with the suppliers to identify appropriate corrective actions. Where they are unable to comply with the mandatory minimum requirements set out in the Supplier Code of Conduct, the Group reserves the right to terminate the business relationship (S2-1 17 a,c).

In addition, the SCoC recommends Group good practices that suppliers can adopt with a view to making improvements, such as risk assessment processes, appropriate training programs for workers and management, and supplier-specific codes of conduct. These measures aim to promote respect for fundamental human rights and to continuously improve working conditions throughout the value chain.

The **Human Rights Policy**, developed during 2025 and formalized in January 2026, defines the Group's commitment to respecting the highest ethical standards and promoting human rights at all stages of its activities, including the value chain, in line with the main relevant international regulations and conventions. Indeed, this policy aims to protect all stakeholders: from workers at suppliers, to Group employees, up to end consumers (S2-1 17 a). In drafting the Policy, the Group drew inspiration from the main international principles and standards on human rights, such as the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, the International Bill of Human Rights and the OECD (Organisation for Economic Co-operation and Development) Guidelines for multinational enterprises (S2-1 19). Furthermore, through this document, the Group firmly condemns all forms of child and forced labor throughout the entire scope of its activities and is committed to ensuring that such practices do not occur at any stage of its value chain (S2-1 18). Through the adoption of these principles, the Group confirms its commitment to creating a safe, ethical and respectful work environment for all collaborators. The Policy reiterates that De' Longhi uses the whistleblowing platform to collect any reports of violations of the Code of Ethics and the principles adopted by the Group, making this mechanism available also to workers operating along the value chain. The integration of whistleblowing procedures with the Group's ethical principles aims to strengthen internal controls in order to ensure the effective application of the principles outlined in the policy and to identify and prevent any risk that could compromise the well-being and rights of the people involved (S2-1 17 c).

As in the previous two years, in 2025 De' Longhi did not find any violations of the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines on value chain workers (S2-1 19).

The ways in which De' Longhi engages value chain workers and works to remedy the impacts generated are explained in section S2-4, which describes the actions implemented by the Group (S2-1 17 b,c).

Additional information on the policies currently in place is summarized in the following table:

TABLE 1 – POLICIES RELATED TO VALUE CHAIN WORKERS

Policy	Key content (MDR-P 65a)	Scope (MDR-P 65b)	Person in charge of implementation (MDR-P 65c)	Recognized domestic or international tools for policy drafting (MDR-P 65d)	Accessibility policy (MDR-P 65f)	R/O considered (MDR-P 65a)
Human Rights Policy	<p>Commitment to respecting health and safety principles</p> <p>Promotion of adequate working conditions;</p> <p>Prohibition of forced and child labor;</p> <p>Representation of non-discrimination principles;</p> <p>Representation of freedom of association principles;</p> <p>Protection of privacy and personal data.</p>	De'Longhi Group, suppliers, personnel	Chief Executive Officer	<p>ISO 45001:2018</p> <p>ISO 22000:2018</p> <p>Universal Declaration of Human Rights</p> <p>ILO Declaration on Fundamental Principles and Rights at Work</p> <p>International Bill of Human Rights</p> <p>OECD Guidelines for Multinational Enterprises</p> <p>OECD Guidelines for 3TG materials</p>	Not available to the general public	Reputational and legal risks for human rights violations along the value chain
Code of Ethics	<p>Statement of the Group's fundamental ethical principles;</p> <p>Definition of behavioral standards on the job;</p> <p>Management of relations with the Public Administration;</p> <p>Management of relations with other parties;</p> <p>Diligence in the use of company assets and protection of IT tools.</p>	De'Longhi Group, suppliers, personnel	Chief Executive Officer	-	Corporate website	Reputational and legal risks for human rights violations along the value chain
Supplier Code of Conduct	<p>Statement of fundamental business principles;</p> <p>Supplier demand for compliance, integrity and business ethics;</p> <p>Management and minimum guarantees of health, safety and fair working conditions within the supply chain;</p> <p>Description of cases of potential conflicts of interest;</p> <p>Principles of protection of industrial and intellectual property.</p>	Group suppliers	Head of Purchasing/ Quality Department	<p>International Labor Organization</p> <p>SA8000</p> <p>ISO 14001</p> <p>ISO 45001</p>	Corporate website	Reputational and legal risks for human rights violations along the value chain

## [S2-2] Processes for engaging with value chain workers about impacts

Despite De' Longhi's focus on value chain workers, to date no engagement processes have been implemented that allow suppliers to actively participate in strategic decisions (S2-2 24). In addition, although De' Longhi does not participate in global framework agreements, enterprise agreements or global union federations in relation to respecting human rights, the Group joined the United Nations Global Compact (UNGC) in 2024, a voluntary international initiative that promotes respect for human rights and labor (S2-2 22 d).

## [S2-3] Processes to remediate negative impacts and channels for value chain workers to raise concerns

The De' Longhi Group is committed to promoting a safe working environment including for workers in the value chain. To this end, communication channels have been set up that allow all of them to freely express their concerns and report any problems. In particular, the Group has also made the whistleblowing system accessible to workers in the value chain; through the De' Longhi Group Integrity Platform, workers can anonymously report any unlawful conduct. While these channels are available on the website, however, the Group does not require them to be set up locally at the workplace of value chain workers (S2-3 27 b, c) (S2-3 28). Since the system was established, no significant complaints have been filed. To learn more about the whistleblowing system, see section [G1-1] *Corporate culture and business conduct policies* (S2-3 27 d).

To date, De' Longhi has not developed structured processes to verify the effectiveness of actions to remedy its negative impacts on workers in the value chain (S2-3 27 a), nor to assess whether workers in the value chain are aware of these structures or processes, and whether they consider them a reliable

way to raise concerns (S2-3 28).

## [S2-4] Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The supply chain is managed by the **Supply Chain Department** and the Quality and Purchasing units, which collaborate to ensure high quality standards, business continuity and compliance with environmental and social requirements, including human rights. Relationships with finished product suppliers are handled by two Purchasing units dedicated to monitoring and support activities, located in two geographical regions (Italy and Hong Kong) based on the relevance and proximity of production.

Finally, in Italy and Romania, several working groups that are part of the Supply Chain Department deal with the management of materials for components and finished products ; in China, this task is entrusted to the managers of the Dongguan and OnShiu plants, supported by the Purchasing units.

To address and prevent impacts on workers in the value chain and mitigate the risk associated with them, the De' Longhi Group conducts periodic audits to make sure suppliers comply with the social and environmental principles included in the policies described in paragraph [S2-1] *Policies related to value chain workers*. In particular, this type of audit is carried out every year at all new suppliers of finished products, while for well-established suppliers the audits take place every two years (S2-4 34a) (S2-4 32 a,b).

Through the *vendor portal*, a platform shared with the group's business partners, the Group shares its Code of Ethics (available in Italian, English and Chinese) so suppliers can fully

understand its meaning, comply with its obligations and principles, and adapt their activities in accordance with what is required during the audit. Within the same portal, the **Responsible Sourcing Guidelines** are also published, defining the risk criteria and oversight system for every supplier. Based on this document, each supplier's risk is assessed in consideration of three aspects: type (first-or second-tier suppliers, contract manufacturers, subcontractors, service providers), geopolitical region (with country-specific risk levels based on KPIs defined according to the main International Organizations, in particular the World Bank), and the relevance of the business for the De' Longhi Group. The risk described considers different social, environmental and governance aspects, analyzing nine specific indicators. These include crucial matters such as child and forced labor, discrimination and abuse, freedom of association, wage conditions and working hours, as well as health, safety and environmental issues.

Audits are then conducted through three different procedures: light, medium or reinforced. For new suppliers, the procedure is selected according to the determined level of risk (low, medium or high), while for existing suppliers previous audits are also taken into account (S2-4 35).

Audits are planned on a semi-annual basis (MDR-A 68 c) by the Quality Department and are conducted strictly in person to ensure maximum accuracy. The same department is responsible for continuously updating the checklist used for audits carried out directly at the establishments. This tool is based on the principles of the SA 8000 standard and aims to assess supplier adequacy across six key areas: Social Responsibility, Health and Safety Management, Environmental Compliance, Human Rights and Employee Well-being, Regulatory Compliance of Facilities and Activities, and Risk and Emergency Management.

The survey concludes with the assignment of a qualitative score ranging from "compliant" to "zero tolerance". If any situations are classified as "zero tolerance," the Group contacts the suppliers to assist them in taking corrective actions. If suppliers fail to meet the minimum requirements set out in the Code of Conduct despite the assistance provided by De' Longhi, demonstrating ineffectiveness in remedying negative impacts, the Company reserves the right to terminate the relationship with the supplier (S2-4 32 c) (S2-4 33 a,b,c) (S2-4 34a). In 2025, out of 221 audits carried out (MDR-A 68 e), no corrective action was required as all suppliers met the

minimum requirements of the SCoC (S2-4 36). This reflects the effectiveness of the measures the Group has taken to ensure compliance with ethical principles and regulations.

In addition to internal audits, in 2025 the Group launched an extensive **process to map its supply chain**, supported by the administration of a **questionnaire** aimed at evaluating their performance and compliance with the main sustainability principles. The completion of the questionnaire was managed through a digital platform, enabling the Group to collect responses in a structured manner, allowing suppliers to upload the required documentation and providing immediate feedback on the score obtained and any corrective actions to be implemented. The questionnaire was sent to a sample of over 2,000 suppliers, selected based on criteria such as the economic significance of the relationship, geographical location and the risk level associated with the country of origin. Furthermore, it should be noted that these suppliers included all those providing processed or semi-finished goods containing conflict minerals. The main topics subject to evaluation are:

- Climate impact;
- Resource use;
- Product responsibility;
- Pollution;
- Human Rights;
- Workers' rights;
- Human trafficking and slavery;
- Corporate commitment;
- Resilience;
- Data protection and privacy.

Once the assessment questionnaire has been completed by the suppliers, the responses are analyzed to identify any deviations from the required standards. This stage allows for the identification of the main gaps and the assignment of a risk level to each supplier for every area under analysis; should high-risk profiles emerge, the company requires the adoption of specific **improvement actions**.

These interventions can range from simply uploading missing policies onto the platform to the definition and implementation of actual corrective actions aimed at addressing the issues identified. Following the communication of the required actions, the supplier can choose whether to proceed with immediate implementation, thus improving their score during 2025, or to plan for implementation in the following year. In the latter case, effective implementation is verified through the administration of a new questionnaire. If the actions have not yet been implemented, the Group initiates a targeted assessment of the individual supplier's situation to define the subsequent initiatives to be undertaken.

At the beginning of 2026, remedial actions were sent to over 200 suppliers, demonstrating the Group's commitment to transforming value chain mapping into a structured path of continuous improvement. The ultimate goal is to guide suppliers toward a greater awareness of their critical areas, providing clear and operational guidance to intervene effectively, in line with sustainability expectations and the principles of a responsible supply chain.

In line with the Group's approach to managing impacts and risks along the value chain, as of 30 September 2024, the Group joined the **United Nations Global Compact**, a voluntary initiative that invites companies to respect ten universal principles related to human rights, labor, the environment, and the fight against corruption. As part of this initiative, during 2025, two Group employees participated in the **"Business and Human Rights Accelerator"** program promoted by the **United Nations Global Compact** (UNGC). The program consists of a structured guidance path aimed at supporting companies in the development of concrete measures to prevent, manage and mitigate potential negative impacts on human rights, as well as their systematic integration into corporate processes and value chain management.

The path included, among other things, training sessions with United Nations experts and practitioners, as well as opportunities for peer-to-peer exchange and learning with other companies, fostering the sharing of experiences and operational solutions. Participation in the program also contributed to strengthening internal competencies and led to the definition of a dedicated action plan aimed at translating the

commitments undertaken into concrete interventions and strengthening the Group's capacity over time to manage human rights issues along the value chain.

To date, the Group has not set impact-related targets or determined the actions necessary to achieve them. For this reason, it has not yet implemented tools to monitor the effectiveness of its actions involving workers in the value chain (S2-4 32 d). For more information, see section [S2-5] *Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities* (MDR-A 69 a,b,c).

De' Longhi is currently unable to provide information on the resources and investments allocated to the management of material impacts or on how suppliers are kept up-to-date on these issues (S2-4 38).

## [S2-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To date, the De' Longhi Group has not established targets or engagement actions to manage its impacts, risks and opportunities relating to value chain workers. The Group has not yet defined these targets because it has decided to begin by mapping and collecting information along the supply chain (currently underway) to provide a snapshot of the current situation, and then perform a risk analysis accordingly. Based on the results of that analysis, it will set targets in order to better manage activities along the value chain (S2-5 41, MDR-T 72 a).

# ESRS S4 - Consumers and end-users

## [ESRS 2 SMB2] Interests and views of stakeholders

De' Longhi actively listens to the opinions and needs of its consumers, using this information to improve its products and promptly incorporate new market demands, ensuring a service that protects the privacy and the health and safety of consumers with full respect for human rights. In this sense, the Group's **Customer Care** division plays a fundamental role in creating a direct and constant link between the company and its consumers, ensuring that the latter's expectations are always met. In recent years, the expansion of direct B2C sales through e-commerce has allowed De' Longhi to form closer, direct relationships with customers and assist them from product choice through after-sales assistance. To further improve these interactions, the Group is developing a program to offer increasingly efficient and high-quality support to its end customers.

### Use of consumer feedback to optimize the business strategy

All opinions and feedback from the end consumer are collected through various **communication channels**, such as email, social media, chat sessions, and satisfaction questionnaires and contact centers; these tools not only make it easier to interact with consumers, but to analyze and understand their needs in depth. This way, the Group can integrate the information collected directly into the design and continuous improvement of its products and services, ensuring that solutions consistently meet customer expectations.

De' Longhi's Marketing, Design, Quality and R&D units also interact with consumers through market surveys conducted both at brand and Group level to obtain timely information regarding, for example, the popularity of its offerings, appreciation for new products, and brand reputation. In 2025, more than 39,000 people in 12 countries were involved in market analyses, engaged in aspects such as ergonomics, ease of use, performance, product quality, and key expectations for new market launches. Consumer responses were analyzed and integrated into the Group's product improvement strategies.

The feedback received through the various communication channels is then analyzed in detail by the Customer Care division, which manages a structured after-sales and customer support system, through advanced management systems such as **CRM** and **Wonderflow**. The CRM system, based on SAP C4C (Cloud for Customer), allows the Group to accurately monitor customer interactions and continuously improve the quality of service. Analysis of the data, updated in real time thanks to a dashboard developed with SAP Analytics Cloud, makes it possible to optimize the service process, reduce repair times, and improve the overall experience. **Wonderflow**, instead, is a VoC (Voice of Consumer) software that analyzes customer sentiment through reviews and feedback from over 70 online sales channels and integrates it with data received directly from the Group. This tool organizes feedback into geographical clusters so that strengths and areas for improvement can be identified in a targeted manner, in terms of both operational efficiency and product quality. These interactions are subsequently analyzed in depth using the **Gemini AI** functionality, introduced in 2025. This solution not only allows for a detailed examination of customer responses, but also makes it possible to expand the Group's knowledge base, thus managing recurring requests more effectively and ensuring faster and more accurate feedback.

In addition, customer support is ensured through **contact centers** and **technical service centers** present in the countries where De' Longhi operates; by maintaining direct contact with consumers, these centers play a fundamental role not only in the timely resolution of problems, but also in the collection of valuable feedback that contributes to the continuous improvement of the products and services offered. To further improve the speed and efficiency of the services offered by contact centers, the Group is progressively implementing in various countries a combined AI-powered virtual assistance system capable of guaranteeing 24/7 responses to customers, supporting human agents in the delivery of customer care services. This system also allows for more accurate information on user preferences to be collected, thus enabling contact centers to develop increasingly fast and effective solutions that best meet consumer needs.

### Measuring actions to ensure continual service improvement

De' Longhi not only collects feedback, but also monitors the loyalty of its customers through the **Net Promoter Score (NPS)**, a useful tool for assessing consumer loyalty and how likely they are to recommend the Group's products. The Marketing Division, which enhances brand identity by coordinating centralized activities and the work of the branches' marketing units, carries out targeted surveys to collect more detailed information on brand perception, appreciation of new products, and company reputation. All this information allows De' Longhi to understand the needs of consumers and adapt its offer accordingly.

Furthermore, to improve its service level, the company constantly monitors the effectiveness of the actions taken to integrate consumer feedback into its operations, using specific indicators such as First Time Fix and Turnaround Time. Specifically, **First Time Fix** measures the percentage of products repaired without the need for further intervention, thus measuring the effectiveness of the customer care service, while **Turnaround Time** indicates the average time needed to manage user feedback and find solutions. Another key element of the success achieved is the intensive **training** offered to employees and qualified external partners, through courses delivered in hybrid mode, which combine e-learning platforms and classroom lessons. In continuity with the previous year, also in 2025 the Group decided to focus strongly on direct interaction with customers, organizing specific training sessions led by external consultants intended for service center operators and managers of the care network. The meeting included, in addition to theoretical lessons, field activities, which allowed participants to put into practice and perfect their communication and commercial skills, with the aim of concretely improving the interaction and support offered to customers.

Thanks to these initiatives, De' Longhi has strengthened its feedback capacity, gaining a deeper understanding of consumer needs and actively involving all stakeholders. This integrated, customer-focused approach marks an important step towards excellence in service and customer satisfaction, allowing the Group to effectively monitor the performance of its products and its reputation in the various markets served and to acquire useful information for the development and launch of new products.

## [ESRS 2-SBM3] Material impacts, risks and opportunities and their interaction with strategy and business model

With a strong commitment to customer satisfaction, De' Longhi is committed to offering high-quality products that meet the strictest safety standards. As described in ESRS 2, the Group has identified its negative and positive material impacts including with respect to customers: these may concern

individual incidents encountered by the consumer while using the products, or larger-scale repercussions from the infringement of consumer rights, such as privacy violations due to a data breach (SMB3 10 a i-iv). Physical risks to consumers may relate to sharp components of De' Longhi products or malfunctions; in addition, IoT technologies could lead to privacy risks. The Group also acknowledges products that could be dangerous for children and the most vulnerable categories of consumers. Therefore, it is crucial to provide clear instructions to prevent possible negative impacts

The impacts identified by the Group are as follows (SMB3 10b,c):

- **Consumer privacy violation** (potential, negative, systemic): improper processing or handling of data could lead to privacy breaches, resulting in identity theft, financial loss, or other harm to the individuals involved.
- **Harm to health and safety due to misleading labeling** (potential, negative, event-related): the dissemination of misleading information that does not comply with the labeling requirements of the countries of sale could lead consumers to make uninformed decisions.
- **Harm to health and safety due to product quality** (potential, negative, event-related): product safety is of paramount importance to companies operating in this sector. A malfunctioning appliance could cause harm to the consumer's health, sometimes of a significant extent. In the specific case of products used in the food industry, strict health and hygiene requirements must be met. Furthermore, the exponential growth of personal data collected by companies, along with the obsolescence of telecommunications and information processing technologies, increases the risk of consumer privacy violations.
- **Promotion of a healthy consumer lifestyle** (actual, positive, systemic): through its products, the Company is able to promote a healthy lifestyle for all its consumers, for example by upholding the nutritional principles of food or adding functions that favor the use of sustainable food products (e.g. plant milk).
- **Promotion of social inclusiveness through products** (potential, positive, systemic): fostering a corporate culture and lifestyles that promote social inclusiveness leads to a positive impact on society, especially for the most vulnerable people, who can benefit from the introduction of more accessible products.

- **Lack of safe and clear information for customers** (potential, negative, event-related): failure to provide clear, accurate, and complete product information can pose direct risks to the health and safety of consumers. Inadequate communication regarding proper use, maintenance, or potential hazards can lead to product misuse, increasing the likelihood of accidents, injuries, or damage.

De' Longhi's materiality analysis also considers both risks and opportunities in relation to the impacts on its consumers. The opportunities identified include:

- **Reputational recognition derived from promoting a healthy lifestyle:** the company can strengthen its reputation by promoting healthy lifestyles through its products, thus responding to consumers' growing focus on health and well-being. By offering solutions that meet new market needs, it can stand out from competitors, gaining consumer trust and loyalty and solidifying its position as a leader committed to improving its customers' quality of life and well-being.
- **Increased market share through the development of more inclusive products:** the company can expand its market and strengthen brand reputation by developing innovative products that promote inclusiveness and cultural diversity. By responding to a variety of consumer needs, it can attract underrepresented market segments, setting itself apart from competitors and increasing customer loyalty through its commitment to representation and accessibility.

Specifically, the company has also worked on creating inclusive product guidelines, with the aim of developing solutions that respond to needs related to accessibility, age, gender, economic situation, level of education, geographical location, and language. These initiatives aim to ensure that De' Longhi products are accessible to a wide range of consumers, thus contributing to an even more responsible and inclusive approach.

At the same time, the company also considers the following financial risks (SMB-3 10d):

- **Possible payment of penalties for privacy violations:** the company could risk penalties and reputational damage for failing to protect personal data. In a context where privacy is highly regulated and valued by consumers, violations can result in legal fines, such as those provided for by the GDPR, and compromise customer trust and loyalty, damaging brand reputation.

- **Compensation to consumers for health damage resulting from poor product quality:** the company could risk reputational and economic consequences if its products do not comply with health and safety regulations. The sale of unsafe products could result in fines, lawsuits, and compromise consumer trust, damaging brand reputation.
- **Possible misleading claims regarding product sustainability:** the company may risk reputational damage and a loss of consumer trust if its sustainability claims prove to be misleading. Discrepancies between stated commitments and the actual level of product sustainability, such as the use of recyclable materials, sustainable packaging, or energy efficiency, can generate reputational damage, legal disputes, and a decrease in customer loyalty, impacting market position and financial performance

The risks and opportunities described apply to all consumers of the Group's products, without being limited to specific categories (SBM- 3 11, 12).

For a more in-depth understanding of the impacts, risks, and opportunities of the De' Longhi Group, particularly regarding how they derive from and guide the corporate strategy and business model, please refer to chapter ESRS 2, paragraph [IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities, and to paragraph [SBM-1] Strategy, business model and value chain (SBM- 3 9 a) (SBM- 3 9 b).

## [S4-1] Policies related to consumers and end-users

The Group's Code of Ethics establishes the rules that govern customer relations, defining the fundamental ethical principles that must guide all internal and external communications. This code promotes transparency, integrity, and mutual respect, ensuring that every interaction is conducted in a professional and ethically correct manner.

Most customer communications take place through virtual channels, which – by collecting sensitive data – can lead to consumer privacy risks; for this reason, the De' Longhi Group's **Privacy Policy** encompasses its commitment to ensuring the protection of the information collected from customers. In line

with the General Data Protection Regulation (GDPR 2016/679), the Group informs consumers about the data it collects, the purposes of its use, the protection methods, any profiling treatments, retention times, and sharing methods.

To ensure the security of its customers' data, De' Longhi uses recognized and certified IT and cloud service providers; for this reason, consumer-related reports and information are stored securely on the Google Cloud Platform web server. The security of this data is guaranteed by Google's advanced technologies and its compliance with **data protection regulations**, including the GDPR and international standards such as ISO 27001, ISO 27017, and ISO 27018 (S4-1 15).

In addition, to improve the browsing experience and offer personalized access, De' Longhi uses cookies. The **Cookie Policy** informs customers about the function and the various types of cookies used on the Group's website in order to guarantee maximum transparency towards its consumers.

The company not only protects the privacy of its consumers, but is proactively committed to promoting the health and safety of its consumers by also including this category of stakeholders in the Human Rights Policy (for more information on this policy, see chapter S1, section S1-2 "Policies related to own workforce") (S4-1 16 a). This policy, developed during 2025 and approved in early 2026, is based on international standards, including the Universal Declaration of Human Rights; it should be noted that in 2025, there were no recorded cases of human rights violations involving consumers (S4-1 17).

In 2025, the Group developed the **Inclusive Product Guidelines**, a tool designed to structurally integrate the principles of inclusion and accessibility into the design processes. These Guidelines define operational criteria and requirements aimed at supporting the development of solutions capable of responding, in an equitable and inclusive manner, to the needs of a diverse range of users. In this context, attention is focused on several relevant dimensions of diversity, including age, disability and neurodiversity, ethnicity and culture, gender identity, and socio-economic diversity.

To date, the policy has been adopted within the De' Longhi, Kenwood, and Braun brands, providing structured guidance to concretely integrate the principles of inclusiveness into product development. The Guidelines were formally introduced following the implementation of a pilot project on a Kenwood product.

The project, named *Multi Tasker*, represented a significant challenge for the Group, as it aimed to improve the user experience of the previous *Prospero* model, while respecting technical constraints, the compatibility of existing accessories, and the predetermined pricing strategy.

The project was divided into eight phases. The first involved an in-depth analysis of the *Prospero* model, aimed at identifying areas for improving the user experience. Subsequently, the idea for the new *Multi Tasker* was developed, with particular attention to the introduction of elements capable of strengthening the perception of quality. Ethnographic research was then conducted through home visits, testing with people with different needs, and a systematic collection of the emerging evidence.

The different perceptions and solutions proposed by users were subsequently analyzed in order to guide design improvements and the integration of new functionalities. Finally, business opportunities were evaluated, and dedicated workshops were organized to define the core principles and main objectives of the Guidelines.

Furthermore, during 2025, the Group developed the **Food Policy and Product Integrity Policy**, which was approved in early 2026. Through this policy, the Group recognizes food safety and product integrity as central elements of its responsibility towards consumers and stakeholders. Food safety management is ensured by a structured Food Safety Management system, the selection of materials suitable for food contact, advanced controls, and constant regulatory monitoring. The safety culture involves the entire value chain, supported by traceability, training, and effective communication. (S4-1 16 b).

For information on the measures the Group takes to remedy any human rights impacts, see section S4-3 within this chapter (S4-1 16 c).

For specific information on the policies implemented to protect consumers, please refer to the following table:

The table below presents the specifics of consumer protection policies:

Policy	Key content (MDR-P 65a)	Scope (MDR-P 65b)	Person in charge of implementation (MDR-P 65c)	Recognized domestic or international tools for policy drafting (MDR-P 65d)	Accessibility policy (MDR-P 65f)	R/O considered (MDR-P 65a)
Guidelines for inclusive products	Principles for the development of products suitable for people: <ul style="list-style-type: none"> <li>• of all ages;</li> <li>• with disabilities;</li> <li>• of different cultures;</li> <li>• of any gender</li> </ul>	De' Longhi Group, customers	-	-	Not available to the general public	Promotion of social inclusiveness through products
Human Rights Policy	Commitment to respecting health and safety principles; Promotion of adequate working conditions; Condemnation of forced and child labor; Representation of non-discrimination principles; Representation of freedom of association principles; Protection of privacy and personal data	De' Longhi Group, suppliers, personnel.	Chief Executive Officer	ISO 45001:2018 ISO 22000:2018 Universal Declaration of Human Rights Declaration on Fundamental Principles and Rights at Work International Bill of Human Rights OECD Guidelines for Multinational Enterprises OECD Guidelines on 3TG materials	Not available to the general public	Reputational and legal risks for human rights violations along the value chain
Code of Ethics	Statement of the Group's fundamental ethical principles; Definition of behavioral standards on the job; Management of relations with the Public Administration; Management of relations with other stakeholders; Diligence in the use of company	De' Longhi Group, suppliers, personnel	Board of Directors	-	Company website	Reputational and legal risks due to human rights violations within the business
Cookie Policy	Information on the function of cookies on the www.delonghigroup.com site	De' Longhi S.p.A.	Website managers	Provision of the Italian Data Protection Authority of 8 May 2014	Company website	Fines and reputational damage from data breaches
Privacy Policy	Processing, handling, and disclosure of users' personal data Data protection	De' Longhi Group	IT Manager	EU Directive 2016/679 (GDPR)	Company website	Fines and reputational damage from data breaches
Food Safety and Product Integrity Policy	Protection of food safety and product integrity through: <ul style="list-style-type: none"> <li>• Selection of materials suitable for food contact;</li> <li>• Migration tests and advanced chemical controls;</li> <li>• Structured Food Safety Management system;</li> <li>• Traceability, training, and regulatory monitoring;</li> <li>• Integration of "Safe-by-Design" criteria.</li> </ul>	De' Longhi Group, customers and consumers	Board of Directors	-	Not available to the general public	Harm to health and safety due to misleading labeling Harm to health and safety due to product quality

## [S4-2] Processes for engaging with consumers and end-users about impacts

Although to date the De' Longhi Group does not have a structured process for consumer engagement (S4-4 22), it has implemented several activities to promote a healthy, sustainable, and conscious lifestyle. This commitment is not limited to the simple offer of products, but takes the form of initiatives aimed at raising awareness and engaging the public on issues related to well-being, proper nutrition, and sustainability.

Specifically, with reference to the Braun and Kenwood brands, the Group has launched initiatives to **raise awareness of the importance of a balanced diet and of reducing food waste**. For example, Braun's website offers various educational sections with practical advice on how to organize one's shopping and store food optimally. Kenwood, instead, has integrated the One Planet Food objective into its Sustainability Manifesto, creating sections dedicated to food sustainability on its

website, with the aim of raising consumer awareness on crucial issues such as food waste and the environmental impact of consuming meat.

To strengthen the relationship with its stakeholders, in previous years De' Longhi developed two important partnerships: one with the **University of Parma** and the other with the **Politecnico di Milano**, both of which continued fruitfully during 2025. The Group submitted a proposal to the Ministry of University and Research (MUR) as part of the National Recovery and Resilience Plan (NRRP), becoming part of **Onfoods**, a foundation coordinated by the University of Parma that unites public and private entities in the search for sustainable, safe, and healthy food models. De' Longhi is a founding member of the foundation and an integral part of the scientific committee, which works on six strategic objectives aligned with the NRRP directives and on seven fundamental thematic areas for the food system. The project ended in 2024 and the dissemination of results took place in early 2025. In 2025, within the three-year agreement with the Politecnico di Milano, three **doctoral scholarships** were confirmed on the topic of sustainable coffee (two in design and one in chemical engineering).

Despite De' Longhi's commitment to actively engaging consumers in its positive impacts, at the moment the Group has not yet identified the categories of consumers most vulnerable to potential negative impacts (S4-2 21).

## [S4-3] Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

To allow consumers to express their comments or needs, De' Longhi uses various online feedback channels (S4-3 25 b, c); specifically, the Group has implemented an online self-service web to collect complaints. Based on artificial intelligence, the system provides quick answers and solutions to customers, analyzing questions and offering thorough replies for an initial resolution of the problem. Subsequently, De' Longhi specialists validate the answers provided and contact the customer to ensure a superior quality of service (S4-3 25 d). Each response is carefully formulated according to the moderation guidelines provided to every employee to enable them to provide the customer with complete and reliable answers aimed

at resolving the identified issues. Furthermore, thanks to simultaneous e-mail and web-chat translation systems, the online self-service channel has been recently improved to extend its use not only in Italy and English-speaking countries but also in Germany, Belgium, France, and the Netherlands.

In the event of product safety issues, the Group can receive reports from multiple sources, such as trade associations, social media, regulatory bodies, retailers, suppliers, or directly from consumers. The reports, managed according to a specific internal procedure, are carefully analyzed and directed to the competent bodies for the relative resolution. The process is carried out under the supervision of or, when the classification emerging from the analysis requires it, under the direct management of the Group Insurance & Product Risk Department, which is responsible at the Group level for aspects concerning product safety and civil liability ("Product Safety & Liability").

The aforementioned procedure is managed, periodically verified and, where necessary, revised by the **Group Insurance & Product Risk Department**: according to it, upon receipt of a report, all possible information related to the event, the product, and the processes involved is collected. Subsequently, the extent of the risk is assessed, considering various possible scenarios, and finally, risk treatment actions appropriate to the outcome of this assessment are implemented. Should corrective actions be necessary, these could include product withdrawals or recalls from the markets where they were sold. Each phase of the process is carefully monitored under the supervision of the Group Insurance & Product Risk Department and the Legal Department, ensuring a constant verification of the effectiveness of the actions taken (S4-3 25 a).

The Group pays particular attention to the correct use of reporting tools, ensuring they are employed transparently and in compliance with regulations. In this context, risks of possible retaliation related to the use of such systems are managed with extreme care. The Group has implemented guidelines contained in the "Behavioral standards on the job" section of the Code of Ethics, which ensure that reports are treated fairly and respectfully, without the reporter suffering negative consequences or retaliation of any kind. Finally, the Company discloses whether and how it assesses that consumers and/or end-users are aware of such structures or processes and rely on them to express concerns or needs and receive appropriate assistance (S4-3 26).



## [S4-4] Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

De' Longhi is strongly committed to ensuring consumer protection, with a particular focus on privacy and product safety. The company takes preventive measures to address its risks, implementing strict privacy policies and thorough product controls. In addition, the Group is committed to listening carefully to consumer needs, constantly monitoring consumer feedback and translating it into opportunities for continuous improvement (MDR-A 68 a,b) (S4-4 30).

### Protecting consumer safety through quality products

De' Longhi is committed to preventing potential negative impacts on the health and safety of consumers by developing safe, reliable, high-quality products, in accordance with current product safety laws and regulations, including food contact requirements.

To ensure that product quality always complies with regulatory standards, the technical departments constantly monitor changing legislation in the sector, making sure that each product complies with the most **stringent international directives**.

With this in mind, the Group also adopts a management model that is inspired by the *Hazard Analysis and Critical Control Points*<sup>39</sup> (HACCP) protocol and the Codex Alimentarius to ensure food safety throughout the production chain. The **HACCP protocol** is designed to prevent food contamination and must be applied by all companies involved in the primary production, transformation, preparation, processing, packaging, transport, distribution, sale, or supply of food. The **Codex Alimentarius**<sup>40</sup> is a set of international norms and guidelines that aim to preserve the quality and freshness of food traded globally, while also preventing the risks associated with inadequate production and storage practices.

In line with these regulations, the Group has for years followed an **ISO 9001** certified quality management system at every plant; it has also implemented strict internal quality controls (S4-4 31 a) (S4-4 33b). Some units are responsible for quality control and compliance with regulatory requirements, monitoring both in-house manufactured products and those purchased from external suppliers. Others oversee quality levels during the development phases, collecting and analyzing feedback from the market. To prevent malfunctions and further ensure product quality, items are tested right from the design stages (S4-4 34). In addition, to optimize the quality control process, the Group has developed **AI Visual Inspector**, an AI-based system that performs visual inspections to check the quality and assembly of products.

To monitor the effectiveness of the measures taken, the Quality function uses specific indicators. The **First Time Quality Indicator (FTQ)** makes it possible to identify the main malfunction problems and assess the percentage of products that meet quality standards relative to total production. Furthermore, the **Service Call Rate (SCR)** measures the percentage of equipment repaired during the first year of the warranty, acting as an indicator of product quality and enabling the adoption of solutions to further improve efficiency (S4-4 31 d) (S4-4 33 a).

All of De' Longhi's production undergoes rigorous controls, not only to ensure correct functioning but also to **protect consumer health and safety**. During the design and development phases, all products are examined by technical teams, including Research and Development (R&D) departments and laboratories, in order to minimize risks. Furthermore, the company follows product safety guidelines inspired by industry best practices and applicable regulatory and legislative requirements. Regarding food contact safety, the Group has adopted an organizational model based on **Good Hygienic Practices (GHP)** and international food safety standards, including UNI EN 1672-2:2021<sup>41</sup>, UNI EN 22005:2008<sup>42</sup> e UNI EN ISO 22000:2018. The plants in Mignagola (Italy) and Cluj (Romania) are ISO 22000 certified, further confirming the Group's commitment to food safety management.

The Group protects its consumers by also seeking to **minimize safety risks** to prevent potential accidents. To achieve this, the Group Insurance & Product Risk Department—responsible for Product Safety & Liability—defines internal procedures for conducting rigorous risk assessments during the development of new products. These assessments cover a wide range of potential hazards to ensure a high level of product safety across multiple areas, such as **as electrical, mechanical, static, dynamic, and toxicological** risks. The risk analysis is carried out taking into account industry best practices, such as those adopted within the EU (*Commission Delegated Regulation (EU) 2024/3173 of 27 August 2024, supplementing Regulation (EU) 2023/988 regarding access to and the operation of the Safety Gate rapid alert system*).

In the event that these preventive measures are insufficient and problems occur, the Group Insurance & Product Risk Department intervenes promptly to manage reports regarding defective or non-compliant products, ensuring rapid and effective risk treatment (S4-4 31 b). For a more in-depth look at the intervention and risk management methods, please refer to section S4-3 (S4-4 32 a,b,c).

39 *L'hazard analysis and critical control points* o HACCP, is a systematic preventive approach to food safety from biological, chemical and physical hazards in production processes.

40 The Codex Alimentarius, or "Food Codex," is a collection of standards, guidelines, and codes of practice adopted by the Codex Alimentarius Commission. The Commission, also known as the CAC, is the central body of the Joint FAO/WHO Food Standards Programme and was established by FAO and WHO to protect consumer health and promote fair practices in food trade.

41 This standard establishes the hygiene requirements common to machines used for the preparation and processing of food intended for human consumption in order to exclude or reduce to a minimum the risk of contagion, infection, disease or damage originating from such food.

42 This standard incorporates the regulations relating to 'Food product traceability systems' and applies them to the entire agri-food sector. By adopting this standard, the company guarantees documentation of the history of the product and the corresponding food supply chain.

To ensure high-quality products for all customers, **external audits** are also carried out in addition to internal quality controls (S4-4 31 a) (S4-4 33b). These audits not only evaluate product characteristics but also examine ethical aspects related to workers and hygienic conditions along the production lines. The evaluations are based on specific key indicators (S4-4 31 d), including:

- **Technical Factory Audit (TFA):** evaluates the effectiveness of processes and the results of life tests on products purchased from the Group's suppliers, also considering social and environmental aspects.
- **Quality Evaluation (QE):** measures product quality before they are shipped to suppliers in China.
- **On Time Delivery (OTD):** measures delivery punctuality by calculating the difference between the scheduled and actual shipment dates.
- **Order Fill Rate (OFR):** measures the supplier's ability to supply the entire quantity of goods requested by the De' Longhi Group.

The results of these indices represent a valid starting point for initiating corrective actions and improving the efficiency of the Group's products. However, at the moment, De' Longhi has no plans to develop a target based on these results (S4-4 36).

In 2024, only one case of non-compliance related to the health and safety of a single product occurred: a kettle with wiring in the base that did not comply with insulation requirements. Following this, the Product Certificate of Conformity was cancelled, and new insulation was implemented for the wiring, allowing for product improvement and the subsequent obtaining of a new certification. In 2025, however, there were two confirmed cases of non-compliance related to safety. The first was identified during customs checks carried out upon entry into Italy for a batch of Braun brand *wafflemaker* plates, imported to be used as spare parts. These showed an aluminum release exceeding the permitted limit; consequently, the plates were disposed of in accordance with applicable legal requirements. The second case relates to the Nutribullet NBG-100 model (portable and *rechargeable hand blender*), for which possible overheating occurred in a limited number of batteries from a specific batch. Following a thorough investigation, the Group decided to implement a voluntary corrective action in three markets (United Kingdom, Japan, and the Philippines), where the only units of the NBG-100 model that could have used a battery from the batch described above were sold. The action was launched jointly in the three markets in March

2025, with public notifications and in agreement with the relevant national authorities involved. Consumers were offered a free product replacement or a refund where a replacement product was not available (S4-4 31 b).

### Product labels: a guarantee for the consumer

Every De' Longhi product, after passing rigorous inspections, is marketed with clear and detailed instruction manuals and labels that ensure maximum safety and quality for the consumer. To guarantee this, the technical area and the marketing department perform constant supervision of labels and user manuals, ensuring they comply with Group procedures and thus minimizing risks related to incorrect or incomplete information.

Thanks to a global distribution network and a risk-reduction strategy, De' Longhi ensures that 100% of its products strictly adhere to corporate procedures, minimizing the possibility of incorrect labeling.

In 2024, one case of non-compliance occurred regarding an incorrect safety label on a toaster. During the same year, the *Guardia di Finanza* proceeded with the seizure of some Ariete products because the Italian flag was visible on the packaging. After a careful review, these items were returned in April 2024. Currently, the legal proceedings at the Court of Turin are still ongoing.

In 2025, there was also only a single case of non-compliance, which emerged during market surveillance activity in Romania: the anomaly concerned the absence of instructions in Romanian on some units of Kenwood brand food choppers. This omission was promptly rectified by including the documentation in that language as well.

### Safeguarding consumer privacy

The company faces not only risks related to product quality and safety but also the **management of consumers' personal data**. De' Longhi protects this information with great care, storing it in two data centers protected by physical and IT systems managed by a dedicated IT department. Additionally, personal data—such as consumer reports and information—is stored on web servers within the Google Cloud Platform (S4-4 34). Over the last three years, no incidents regarding the circulation of personal data have been recorded (S4-4 35).

Although the company is developing actions to reduce impacts on consumers, it has not yet clearly defined the

resources to be allocated for managing material impacts nor the methods for communicating this information; furthermore, to date, it has not implemented additional actions with the primary objective of contributing positively to improving social outcomes for consumers. (S4-4 37) (S4-4 31 c) (MDR-A 69 a,b,c).

## [S4-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The De' Longhi Group places a fundamental emphasis on innovation, aiming for a sustainable future through the development of actions and strategies designed to maximize positive impacts. At the same time, it carefully manages the risks and opportunities related to its consumers.

The design principles within the *inclusive product guidelines* aim to create solutions accessible to diverse categories of people. In 2025, the company launched the "Multi Tasker" pilot project under the Kenwood brand, with the goal of subsequently extending it to other brands. This pilot project involved the development of an entry-level product characterized by a design and price point accessible to all types of consumers, in line with the principles defined in the *inclusive product guidelines*.

Furthermore, in line with the positive impacts the Group can generate and with new lifestyles oriented toward well-being, De' Longhi has implemented a strategy to raise consumer awareness regarding the responsible use of products and the reduction of food waste. This commitment takes the form of dedicated initiatives delivered through the Kenwood and Braun brand websites, which offer informative content and practical tips designed to promote more sustainable daily habits. The company, therefore, does not focus solely on the quality and performance of its products, but also aims to facilitate household behaviors that contribute to reducing waste and spreading consumption models in line with sustainability principles (S4-5 41 a,b,c).

The following table presents the details of these initiatives, highlighting the key aspects and the objectives pursued: (S4-5 40).

TABLE 2 – TARGETS RELATING TO CONSUMERS AND END USERS

Initiative	Description	Goal (MDR-T 80 b)	Baseline (MDR-T, 80d)	Target Year (MDR-T 80 e)	Perimeter (MDR-T 80 c)	Policy
<b>Guidelines for inclusive products</b>	Development and implementation of guidelines for inclusive products. The inclusivity may refer to accessibility, age culture, economic position, education, gender, geographic positioning, language and race	Pilot project	At 2023, there are no guidelines for product inclusivity	2025	De' Longhi, Kenwood and Braun brands	
<b>Promotion of a healthy and sustainable life style</b>	Definition of a Group strategy focusing on making consumers aware of the products and the responsible use of the resources, healthy and sustainable food and food waste	Group strategy for healthy and sustainable lifestyles	At 2023, there is no Group strategy for healthy and sustainable lifestyles	2026	De' Longhi, Kenwood Braun, Nutribullet and Ariete	

It should be noted that these objectives are not based on conclusive scientific data and that stakeholders were not directly involved in the process of defining them. (MDR-T 80 g,h).



## [GOV-1] The role of the administrative, supervisory and management bodies

De' Longhi's corporate bodies consist of the Shareholders' Meeting, the Board of Directors, and the Board of Statutory Auditors. The objective of the corporate governance system is to ensure the proper functioning of the Company and the Group in general, as well as to enhance the global reliability of its products and, consequently, its reputation.

The administrative bodies play a central role for the Group in ensuring solid and transparent governance, oriented towards sustainability and business ethics. The Board of Directors is composed of 12 members<sup>43</sup>, possessing expertise in legal, financial, and sustainability matters, and is tasked with identifying corporate objectives and defining the best strategy to achieve them. The Board of Directors has established three committees with institutional, proactive, and advisory functions:

1. The Remuneration and Appointments Committee;
2. The Independent Committee;
3. The Control and Risks, Corporate Governance and Sustainability Committee.

The size and composition of the committees are determined directly by the Board of Directors, taking into account corporate strategies and the risk management system, as well as aspects relating to the professional experience, gender, and seniority of the members themselves. Thanks to their many

years of experience, all members of the Board of Directors have the necessary skills and experience to manage the most relevant aspects regarding ethical business conduct, including any related impacts and risks. Dr. Fabio De' Longhi, Chairman and CEO, through strategic guidance and the coordination of operational activities, ensures that business conduct principles are integrated into decision-making processes. For more specific information regarding corporate governance, please refer to paragraph [ESRS 2 GOV-1] *Role of the Administrative Bodies* (G1.GOV-1, 5b) (G1.GOV-1, 5a).

The Board of Statutory Auditors is the body responsible for supervising the correct application of regulations, the Articles of Association, and the principles of proper administration in the conduct of daily activities. For further details, please refer to the 2025 Report on Corporate Governance and Ownership Structures. The Internal Audit team plays a fundamental role in ensuring risk mitigation within the Group. Working closely with all corporate functions, it provides independent assessments to improve governance; the currently implemented ERM (Enterprise Risk Management) framework allows for the systematic identification and management of corporate risks. For more information, please refer to paragraphs [ESRS 2 GOV-1] and [ESRS 2 IRO-1] *Description of the processes to identify and assess material impacts, risks and opportunities*.

The Group adopts a structured and integrated approach to identify and assess material impacts, risks, and opportunities linked to its activities. Through the double materiality analysis process, described in paragraph [ESRS 2 IRO-1] *Description of the process to identify and assess material impacts, risks, and opportunities*, the Group has identified as material the topics related to *corporate culture, whistleblower protection, and active and passive corruption* (ESRS2 IRO-1, 6).

## [G1-1] Corporate culture and business conduct policies

### Communication of initiatives to establish, develop and promote corporate culture and policies on business conduct

The corporate culture is promoted through clear and continuous internal communication which reflects values, goals and successes. The training of employees helps to align behavior and decisions with the company principles; team building events promote the collaboration between employees, creating a cohesive working environment. The success stories are shared in order to inspire employees. Lastly, the corporate culture is also reflected in the policies which guarantee consistency across the organization. The De' Longhi Group, therefore, pays great attention to developing a corporate culture based on ethics, transparency, inclusion and a sense of responsibility and, including through the use of dedicated policies, the company is committed to guaranteeing behavior which reflect the Group's values, defined in the Code of Ethics." (G1-1, 9).

The main documents the Group uses to apply the principals relating to conduct and corporate culture include:

**The Code of Ethics:** document which integrates sustainability in the company values, promoting ethical behavior, the respect of human rights and the correct management of environmental issues (G1-1, 7). The document defines the principles and key rules which guide the conduct of employees, management and the Group's external stakeholders, including integrity, fairness, professionalism, transparency and protection of privacy, the norms for preventing active and passive corruption and workers human rights are also defined, as well as diversity and

43 For more information on the composition of the BoD refer to chapter ESRS 2, section GOV-1.

the confidentiality of information. While the Group has yet to implement a policy for training in corporate conduct, it organizes training programs targeting different company roles. For more information about specific training on the Group's internal policies, refer to the sections below (G1-1, 10g).

**Legislative Decree 231/2001 Organization, Management and Control Model:** the Group's Italian companies (*De'Longhi S.p.A.*, *De'Longhi Appliances S.r.l.* and *La Marzocco S.r.l.*) have adopted a *Legislative Decree 231/2001 Organization, Management and Control Model* (231 Organization Model) which establishes the principles and procedures for mitigating the risks associated with financial crimes and corruption, as well as violations relating to workplace health and safety and tax crimes. By instituting the controls for the prevention of corruption, environmental crimes and failure to protect workplace health and safety, the Model strengthens the Group's commitment to include ethics in its operations (G1-1, 7). All employees of the Group's Italian companies are made aware of the Model's content and any periodic updates through specific training programs, planned for both blue-collar and white-collar workers. Participation in a specific 231 Organization Model course is mandatory for each employee at the Group's Italian offices; furthermore, for foreign companies, the Group provides specific anti-corruption training which is managed directly by HR (G1-3, 21a).

**Whistleblowing Procedure (G1-1 10 c):** the 231 Organization Model calls for a whistleblowing system which may be used to report unethical, fraudulent behavior which violates the Code of Ethics that has taken place inside and outside the organization. The system involves all employees, as well as external stakeholders including, for example suppliers and sub-contractors. More in detail, workers from outside the Group but who work along the value chain can access the whistleblowing system through the corporate website which makes it possible to make reports safely in a secure and confidential manner (G1-1, 7). The reports may be made using the dedicated platform De' Longhi Group Integrity Platform which guarantees the anonymity of the reporter, guiding them in the completion of the report, which helps to reduce the risk of retaliation; all

the interactions are made through a protected channel and all information is encrypted. The Board of Directors is responsible for monitoring the effectiveness of the procedure, while the Whistleblowing Committee, a body comprised of three Group members who are charged with analyzing and investigating the reports received, is responsible for daily management. The Committee reports every quarter to the *Risk and Control, Corporate Governance and Sustainability Committee* and the *Supervisory Board*. If the report proves to be true and can be held to have serious consequences for the company, the Group reserves the right to apply sanctions (G1-3, 18c). The Committee comprises the Director of Human Resources, Director of Legal Affairs and the Head of Internal Audit in order to guarantee a significant degree of independence with respect to the processes subject to evaluation. In the event a report is made involving a member of the Whistleblowing Committee, all the members of the Committee would examine the report with the exception of the party referred to in the report; this measure guarantees impartiality and fairness in subsequent investigations (G1-3, 18 b). The platform, updated in compliance with the new European regulations, has a dominion which is outside the company systems in order to guarantee independence and privacy (G1-1, 10 c(ii)); in order to improve accessibility and allow for a greater number of people to make reports, over the years the number of languages that may be used has risen (standing at eight as of December 2025) and an automatic transcriber has been added which facilitates filling out the report. (G1-3, 20).

The whistleblowing system adopted by the Group is also in line with international policies, including the EU Whistleblowing Directive (EU 2019/1937), as well as with the guidelines for the ISO 37001:2016 certified whistleblowing management systems. In 2024, a specific course for blue-collar workers was organized at the Italian headquarters and in 2025 it was also extended to the personnel of the finished product warehouse at the Mignagola plant and to the blue-collar population employed at the Gorgo al Monticano site. The course was designed to raise the awareness of the employees about the purpose of the whistleblowing system, about the regulations

which govern it and the main instances in which it should be used. In this way, the company sought to foster a greater understanding and correct management of the reports by workers. The whistleblowing procedure is publicly available and company personnel is informed about the importance of reporting illicit acts; moreover, the reporting process through the platform is designed to be easy to access and use by a wide range of people, guaranteeing a simple, safe and inclusive process for reporting any irregularities (G1-1, 10 c(i)) (G1-10, a,e).

**Supplier code of Conduct:** the Supplier Code of Conduct (SCoC) establishes the social, environmental and legal standards that all the suppliers and commercial partners must respect in their relationships with the Group. By signing the Code, the suppliers are committing to adhere to equitable work practices and ethical behavior (G1-1, 7). It is also available to the public on the Group's website in order to guarantee complete accessibility to all stakeholders.

Even if the Group had yet to conduct a specific analysis to determine the company divisions more exposed to risks of corruption and illicit practices, the company recognizes the importance of assessing and identifying these figures and is considering implementing processes which will further strengthen its control and prevention system (G1-1, 10h). Although no specific training programs for divisions at risk have been defined, the entire Italian population participates in a course of the 231 Model which includes anti-corruption topics (G1-3, 21b).

Any incidents involving corporate conduct which are reported are first assessed by the Whistleblowing Committee; these reports are then followed by the investigations deemed opportune, designed to provide rapid resolution of the incidents, these are carried out with rigor, ensuring that certain and indisputable elements are gathered, in full respect for the privacy of the parties involved. If an illicit act is found, the outcomes of the investigation will be communicated to the three Board committees and corrective measures or disciplinary action may be taken (G1-10, a,e).

For more information about the policies adopted by the Group, refer to the following chart:

TABLE 1 – POLICIES RELATED TO BUSINESS CONDUCT

Policy	Key content (MDR-P 65a)	Policy scope (MDR-P 65b)	Responsible for implementation (MDR-P 65c)	Recognized domestic or international tools for policy drafting (MDR-P 65d)	Accessibility policy (MDR-P 65f)	R/O considered (MDR-P 65a)
<b>Code of Ethics</b>	Statement of the Group's fundamental ethical principles; Definition of behavioral standards on the job; Management of relations with the Public Administration; Management of relations with other parties; Diligence in the use of company assets	De' Longhi Group, suppliers, personnel	Board of Directors	-	Corporate website	Reputational and legal risks for violation of human rights in the company
<b>231 Organization, Management and Control Model)</b>	Reference to relevant sensitive processes; Specify the components that characterize the preventive control system, as well as general and specific standards of conduct related to the sensitive processes; Provide the Supervisory Board with the tools needed to carry out the monitoring and verification activities of the correct application of all parts of the Model.	De' Longhi S.p.A. De' Longhi Appliances	Board of Directors	LD 231/01	Corporate website	Legal and reputational consequences due to company corruption
<b>Supplier Code of Conduct</b>	Statement of fundamental business principles; Supplier demand for compliance, integrity, and business ethics; Management and minimum guarantees of health, safety and fair working conditions within the supply chain; Description of cases of potential conflicts of interest; Principles of protection of industrial and intellectual property.	Group suppliers	Head of Purchasing	IOL (International Labor Organization) SA8000 ISO 14001 ISO 45001	Corporate website	Reputational consequences of supplier misconduct

## [G1-3] Prevention and detection of corruption and bribery

### Disclosure of the system to prevent and detect, investigate and respond to allegations or incidents relating to corruption and bribery

The Group has enacted solid procedures for preventing episodes of corruption and bribery, in order to guarantee transparency and integrity in all its activities. Firstly, the policies and procedures implemented by the company described above guarantee compliance with ethical standards, providing clear guidelines useful to prevent episodes of corruption (G1-3, 18a).

The anticorruption training are included in the Model 231 training; all of the new employees hired by the Group's Italian companies (*De'Longhi S.p.A.*, *De Longhi Appliances S.r.l.* and *La Marmorata S.r.l.*) receive this training which is provided through

flexible e-learning modules (G1-3, 21a). The Group ensures that the members of the administrative, management and control bodies receive adequate anti-corruption and anti-bribery training, toward this end, the leadership has a strategic role in promoting a responsible culture which aims to prevent episodes of corruption across the organization (G1-3, 21c).

The Group has implemented a group of practices designed to keep illicit acts to a minimum, in order to identify any episodes of corruption quickly. More in detail, all the expenses are monitored closely and the biggest payments are subject to direct investor by the company divisions involved in finance. In order to further strengthen the control, a policy relating to corporate gifts was adopted based on which each corporate gift must be registered through a database which each quarter gathers the data in order to guarantee traceability. With regard to the identification of illicit transactions, the Group has instituted several control bodies, including the above mentioned Supervisory Board and the Whistleblowing Committee, as well as internal and external audits. These bodies work independently in order to ensure impartiality in the investigative processes; the committee members do not have any direct ties to the company areas being investigated and their activities are supervised

directly by the Board of Directors (G1-3, 18b). At the end of each investigation, the commissions will prepare a report in which the results, evidence and conclusions are shared. The company also controls expense accounts very carefully and all supervisory bodies are charged with conducting adequate controls of the expense reports and all supervisory functions must conduct investigations of any actions which could potentially be illegal (G1-3, 18c).

## [G1-4] Episodes of active and passive corruption

Consistent with the trend seen in the last three years, in 2025 the Group did not record any episodes of corruption in its operations nor was it found guilty of corruption related crimes (G1-4, 24a) (G1-4, 25a).

In 2025, therefore, no public instances of corruption involving the Group emerged (G1-4, 25d).

