

DēLonghi Group

2021



Sustainability Report

in brief

2021

Main results



The **people**
of De' Longhi
Group

People are our power

10,352

employees

52%

of employees are **women**

3.9

injury frequency index

224,309 hours

of training provided



Our **products:**
to improve
everyday life

Products with a purpose

100%

of Group's plants are
ISO9001 certified

Numerous **partnership and
research initiatives** with the top
Universities in the world

1,800

technical assistance centers
worldwide



Our **responsible
processes**

Processes are value in progress

51%

of electricity consumed is produced
from **renewable sources**

436

tons of CO₂ not emitted thanks
to the energy self-produced
from renewable sources

-18%

reduction in emissions
(kg CO₂/unit) vs 2020

The De' Longhi Group

While strongly rooted in Italy, with headquarters in Treviso, today the De' Longhi Group is an established international player: thanks to its numerous directly owned commercial branches, a dense network of distributors and a few stores, De' Longhi is, in fact, found and recognized globally. De' Longhi also has 6 production facilities located in Italy, Romania, Switzerland and China.

The first appliance manufactured under the De' Longhi brand, an oil-filled radiator launched in 1974, contributed to the success of the first production site which, in subsequent years, succeeded in gradually expanding its product range in coffee machines, cooking and food preparation, comfort (heating and conditioning) and home care segments. Over the years, the De' Longhi Group's solutions became synonymous with innovation and efficiency which allowed for increased brand recognition and recognizability.

The Group is active internationally with 6 brands: De' Longhi, Kenwood, Braun, Ariete and Nutribullet (this latter became part of the Group following the acquisition in 2020 of the American company Capital Brands Holding Inc., leader worldwide in the personal blenders segment), as well as Eversys (a Swiss brand acquired in 2021 active in the professional espresso coffee machine segment). Thanks to these recent acquisitions the Group was able to strengthen its presence in the strategic US market, as well as further expand and diversify its product range.

Our sustainability path

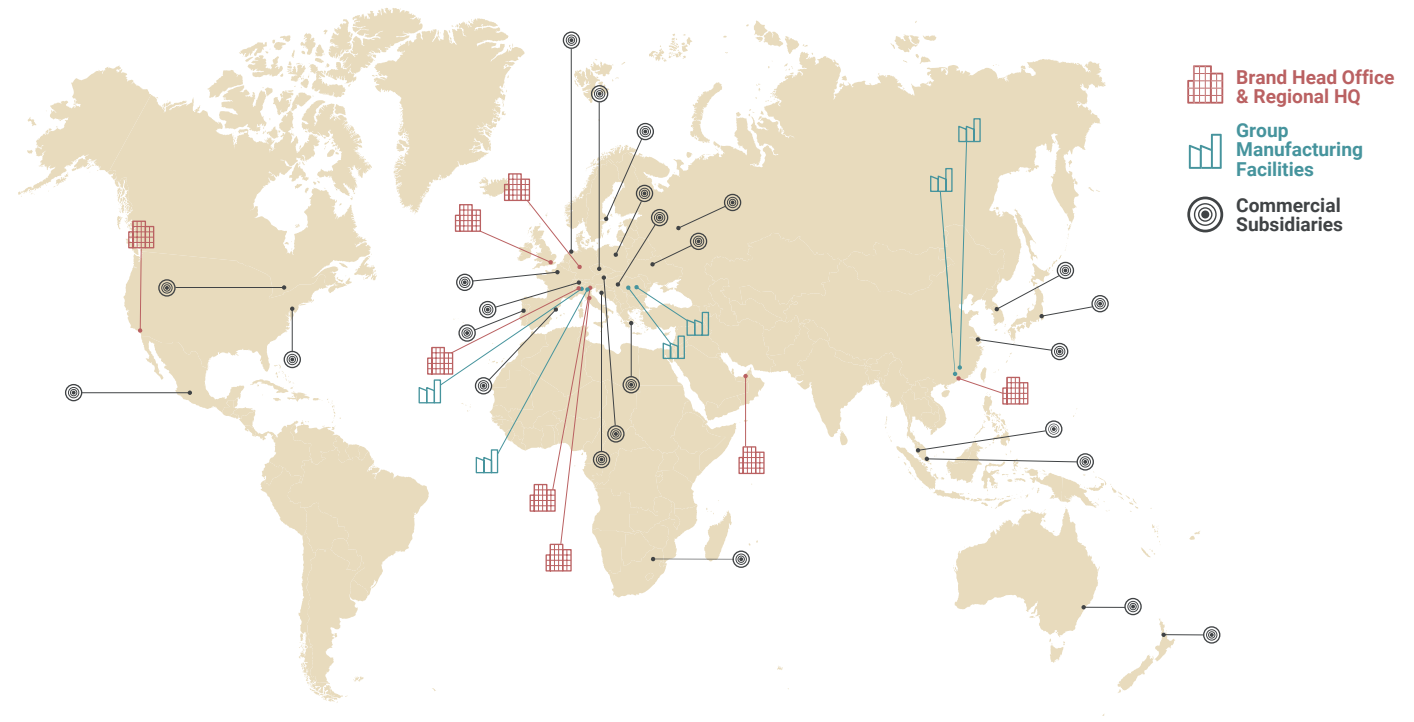
A number of years ago the De' Longhi Group began following a structured sustainability path which is an integral part of its business model; consistent with the company's strategy, the Group defined concrete steps to take in order to lessen its impact and, at the same time, create long-term value for the company and its stakeholders.

With a view to pursuing sustainable success the Group, in fact, rethought its sustainable govern-

ance which now comprises the following bodies:

- the **Control, Risk, Corporate Governance and Sustainability Committee**, operational since 2019, is a Board committee with proactive guidance and advisory functions;
- the **Sustainability Steering Committee**, also operational since 2019, comprised of different department managers, responsible for defining the sustainability strategy, as well as the relative Sustainability Plan;

- three **Focus Groups** - one for each of the Group's sustainability pillars (People, Products and Processes). Each Focus Group has a Team Leader who is responsible for the supervision/implementation of projects included in the plan relative to his/her own area of expertise;
- the **Group's Sustainability Director**, appointed in 2021.



The people of De' Longhi Group

People are our power

Our commitment

The people who work in the Group provide strength and energy that we are committed to supporting and nurturing. We provide a stimulating work environment, capable of attracting, motivating and retaining talent, as well as promoting the growth and development of our people. The workplace should, in fact, be a safe and healthy place, fueled by ambition, but also by passion, know-how and the desire to work as part of a team which respects diversity and the potential of every individual. We also invest actively in projects and actions which support the local communities in which we operate in order to help them grow and prosper.



2021 Initiatives



Digital Lab 2021 is a project aimed to develop digital expertise of employees who participated in the program divided into two groups, with customized training paths built based on their roles and expertise. Six webinars were organized for the first group which focused on different topics related to the digital world (including, for example, Digital Mindset, Design Thinking and Marketing Automation); the second group, comprising employees from Sales and Marketing divisions, was involved in 4 master classes.



Onboardays is an event dedicated to all the new hires that join the Group during the year: in 2021 roughly 400 people took part in this welcome event. Organized virtually, the purpose is to welcome the new hires and provide a space where they can get to know their new colleagues, the Group and the corporate culture. The initiatives that are part of this event provide participants with an immediate sense of belonging, as well as a way to get to know one another through team building activities.



In 2021 the fourth edition of the engagement survey "**Your voice: to make a difference**" was completed. This survey is used to measure engagement and the extent to which employees identify with and are attached to the Group. The survey, which once again recorded a very high level of participation, showed that there has been a slight increase in the level of engagement with respect to the prior edition.



In 2021, the Group launched the **Graduate Program**, an initiative which calls for the recruiting of ten talents from universities across Italy in order to offer them a permanent contract which begins with a 12-month working experience, half of which to be spent at the headquarters in Treviso and the other half in one of the Group's international branches. The goal at the end of this process is to offer the young talent a position within the Group.

Information and key figures

52%

of employees are women

88%

of staff with a permanent contract

+38%

of training hours provided in 2 years (2021 vs. 2019)

more than 5 mln €

distributed to the community for sport, regional development, health and well-being in the last 3 years

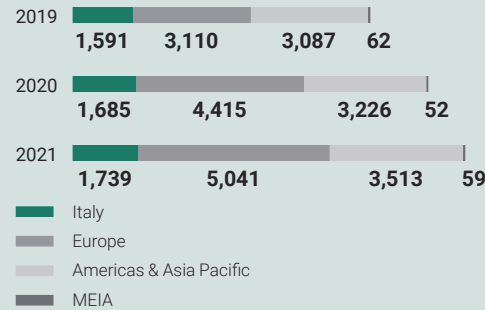
3,215

new employees hired permanently in 2021

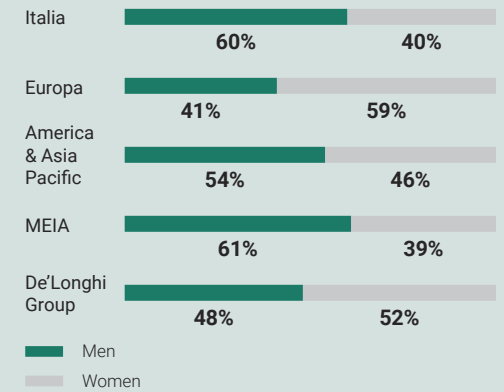


Our people

The number of employees by geographical area



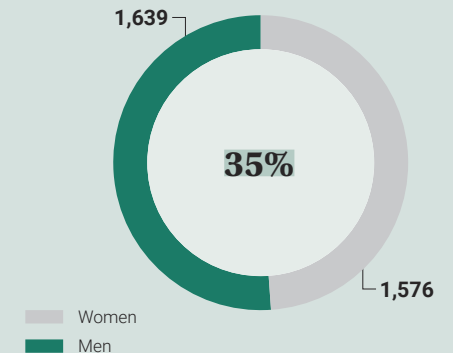
Breakdown of employees by gender, 2021



Training for people / hours



Total number and rate of new employees hired permanently



Our products: to improve everyday life

Products with a purpose

Our commitment

For us, innovation means looking for the best materials, product durability and energy efficiency, as well as the development of technologies that facilitate and promote a healthy lifestyle for our customers: every De' Longhi Group product is, in fact, conceived, designed and made to improve the life of who selects it. Improve means making daily life easier and more comfortable, as well as ensure that neither the environment or future generations will have to bare the weight of our improvements. Because today is already tomorrow.

2021 Initiatives



In 2021, partnerships were established and promoted with the best Italian and foreign **research centres and universities**, e.g. Politecnico in Milan and Delft University of Technology, with which the Group develops numerous projects and organises workshops involving students and professors of all nationalities.



De' Longhi Group firmly believes in the importance to invest in the development of solutions which guarantee connectivity and ease-of-use through digital technologies like Wi-Fi and Bluetooth. In particular, the concept of **Geofencing** is behind the project to develop a series of air conditioners for the European market which, in addition to being connected to specific apps, incorporate innovative technologies capable of locating the user and optimizing consumption.



The Group is constantly committed to improving the durability and repairability of its products with a view to sustainability. As regards De' Longhi brand, further work was done on modifying the frames of the "La Specialista" machine, to facilitate **repairability** and thus **ensure maximum service life**; the process of **standardizing internal parts** for the Kenwood brand kitchen machines in order to reduce the number of parts and simplify repairs continued.



In 2021, an important pilot project was launched with a software supplier in the UK; the purpose of this project is to use an AI – **Artificial Intelligence** - powered web service system which makes it possible to improve the quality of the **support provided to the consumer**, as well as the quality of the relationships, by having the AI system handle a large number of the requests.



Information and key figures

A+

Energy class of Lattissima One Evo

1,800

technical assistance centers
worldwide

ISO 9001

All Group's plants are
ISO9001:2015 certified



Increasingly more sustainable packaging

Over the years the Group has developed a number of initiatives relating to packaging, which each year is becoming more and more sustainable with respect to both environmental impact and optimization of procurement costs.

Since a number of years, research has been underway into alternative materials to polystyrene, including recycled cardboard, which can guarantee the same performance; then these studies were extended to research into sustainable materials and alternatives to plastic, including biodegradable materials for making adhesive tapes. In parallel, over the years, Braun brand has conducted Life Cycle Assessment (LCA) studies on the various existing packaging solutions, looking for less CO₂-impacting alternatives,

and has used recycled and compostable cardboard for the packaging of 18 models sold directly online. In 2021 the Group conducted studies and assessments in order to find a software that can be used by the entire Group for LCA assessments with a view to standardizing the analyses.

The packaging efficiency initiatives involved not only the marketed products but also the Group's internal operations which use pallets extensively to transport and move goods. At the Chinese factories, for example, the traditional virgin wooden pallets have already been replaced with pallets made of plastic recovered from production waste.



Our responsible processes

Processes are value in progress

Our commitment

The De' Longhi Group is committed to using its energy resources responsibly and efficiently in order to make an active contribution to the fight against climate change. At the same time, our priority is to guarantee unconditional respect for human rights and working conditions in every phase of production, while helping the communities in which the Group operates to prosper. The focus on the environment and social impact is continuous, as is the attention to the value chain which for the De' Longhi Group is part of a virtuous cycle that includes the entire production process.

2021 Initiatives



In 2021, there was a further, noticeable acceleration in direct **e-commerce**, which made it possible to deliver the goods directly and bypass the retailer warehouse. This shift allowed for more efficient deliveries and a lower environmental impact. Similar to e-commerce, based on the initiative called **"Assembly to order"** or **"Assembly to Truck"**, products are sent to customers directly from the production facilities, without going through the regional logistics hub.



Throughout the year, as part of the supplier social compliance audits (Audit Social Code Of Conduct - SCOC), a specific checklist was integrated to assess environmental aspects, enabling **100% of new suppliers of finished products** to be assessed according to social and environmental criteria.



The Group is constantly looking for and studying **solutions** that would make it possible to **reduce the environmental impact** of its daily operations; for example:

- substitution of traditional lighting systems with LED lighting in all Group's plants;
- in partnership with local government a further work on the energy saving plan was done; in particular, meters were installed which make it possible to monitor the consumption of electricity and find the areas and functions which consume the most energy (Dongguan plant);
- the crates used to move material internally are made out of recycled metal, finished products are warehoused using recycled pallets and all internal movements are made without using paper and cardboard packaging (On Shiu plant);
- installation of charging stations in order to service the corporate fleet of cars which now comprises hybrid models or ones that are 100% electric (Treviso HQ);
- installation of a trigeneration system (Mignagola), nearing completion in 2022.

Information and key figures

950,972 kWh

of electricity produced by solar panels at the Mignagola plant

51%

of electricity consumed is produced from **renewable sources**

100%

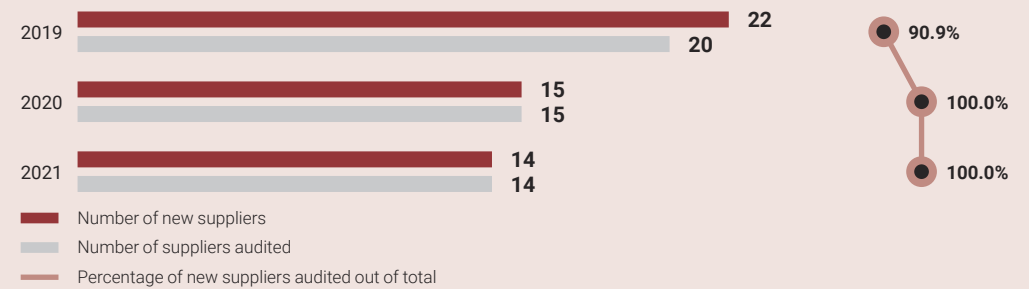
of new suppliers of finished products to be assessed according to social and environmental criteria

88%

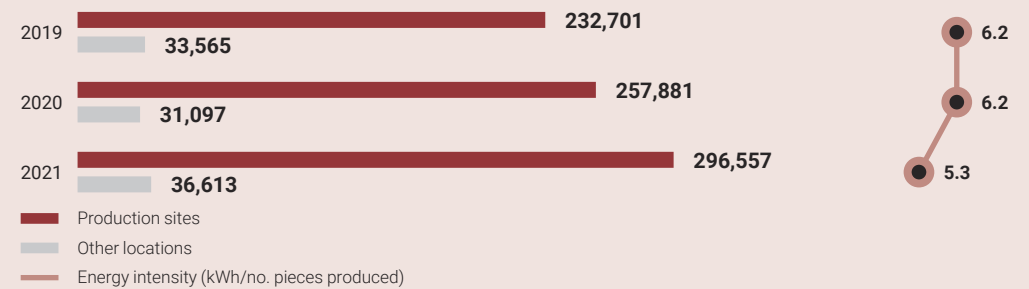
of waste produced at the production sites sent for recovery activities



New suppliers evaluated according to social criteria, number and percentage

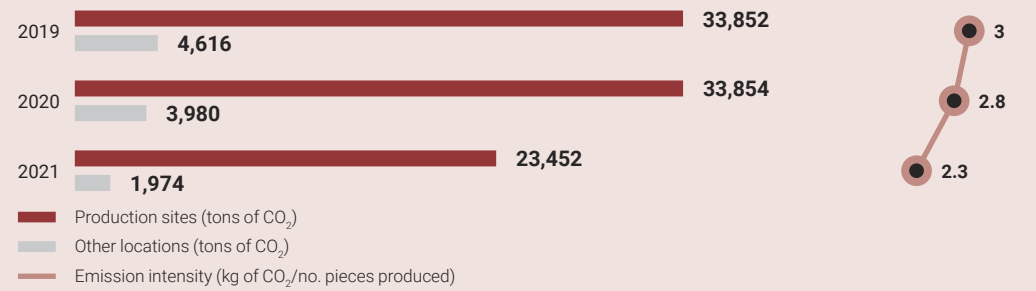


Indirect consumption / GJ

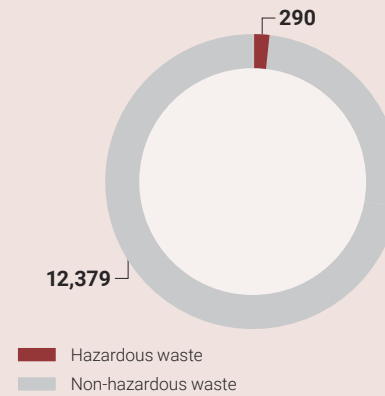




Scope 2 Indirect emissions [tCO₂]



Waste produced at production plants [t]



DēLonghi Group



KENWOOD

BRAUN

nutribullet

Ariete