

A close-up photograph of a coffee plant branch with green leaves and clusters of coffee cherries in various stages of ripeness, from green to bright red. The background is softly blurred.

Sustainability
at De' Longhi

20

in brief

20

2020

Main Results



The De' Longhi Group's People

Valuing our people,
the Everyday Makers

9,378

employees

52%

of employees are women

221,847

hours of training provided

+37% compared to 2019

2.5

Injury frequency index

-28% compared with 2019



Our products: to improve everyday life

Integrating sustainability
in product design and innovation

0

Cases of non-compliance related to product safety

A+

The energy class of Nespresso platform machines

100%

of the European portable air conditioning migrated to propane gas



Sustainability in all production phases

Running sustainable supply chain and operations

6.2

energy intensity index (kWh/pieces produced)

1 mln kWh

of self-generated electricity from renewable sources

2.8

emission intensity index (kg CO₂/pieces produced)

-6,6% compared to 2019



The De' Longhi Group

Based in Treviso (Italy), where its headquarters are located, the De' Longhi Group is today present worldwide through many direct sales subsidiaries, a network of distributors, five manufacturing plants and some shops.

The first appliance under the De' Longhi brand, an oil-filled radiator launched in 1974, contributed to the success of the first laboratory, which in the meantime was able to constantly expand its range of products and establish itself in the field of electric radiators and portable air conditioners. In the years that came right after, the Group's solutions have become recognisable for their innovation and efficiency, allowing the brand to increase its notoriety and recognisability.

Having acquired four international brands over the years (Kenwood, Ariete, Braun and, at the end of 2020, Nutribullet), the Group now sells small household appliances that offer solutions to improve everyday life in the segments of food preparation and cooking, coffee, comfort (air conditioning and heating) and home care.



GLOBAL PRESENCE

Brand headquarters

Our sustainability strategy

The Group has embarked on a structured path of gradual and significant integration of sustainability into its business model, with the aim of defining specific actions aimed at controlling and mitigating impacts, focusing on the generation of shared value for the company and its stakeholders in the long term. Sustainability Governance is structured as follows:

- **Control and Risk, Corporate Governance and Sustainability Committee**, which oversees the activities and represents Sustainability at Board level;
- The **Sustainability Steering Committee**, the corporate governance body that comprises the top management with the aim of defining the

Group's strategy regarding sustainability issues, reports to this committee;

- Lastly, the **Sustainability Ambassadors**, who directly report to the members of the **Sustainability Steering Committee**, have the task of translating the Sustainability strategy into practice.

3 sustainability pillars were therefore identified on which the Group's sustainability strategy is structured:

- 1. Valuing our people, the everyday makers**
- 2. Integrating sustainability in product design and innovation**
- 3. Running sustainable supply chain and operation.**



The people of De' Longhi Group

Valuing our People,
the Everyday Makers

Our Commitment

To create a stimulating workplace capable of attracting, motivating and promoting the growth of our people; a safe and healthy place, characterized by values such as ambition, courage, passion, competence, tradition, teamwork and respect, open to diversity and based on trust, where every individual can feel valued and develop their potential.



2020 initiatives



The “**WeMake**” managerial development programme has been redesigned in digital format to cope with the obstacles posed by the health emergency, changing its content and adapting it to the new format. The feedback received was strongly positive, showing that the virtual initiative was appreciated ultimately.



In 2020, the Group donated more than EUR 3 million to initiatives to **fight COVID-19**: out of this amount, around EUR 2 million was allocated to the Veneto Region to support all the activities and structures engaged in the front line of the fight against coronavirus, while around EUR 1 million was allocated to the Ca' Foncello hospital in Treviso.



The Group launched the global initiative “**Stay safe, stay active, stay together**”, born from the need to make the Group feel close to its people at a time of isolation and potential loneliness due to lockdown measures and working from home.



The “**Onboard Days**” welcome format continued, an international induction event aimed at all employees hired in Italy during the year, and sales and marketing colleagues hired in foreign branches. The event's success in previous years has encouraged us to repeat the format in 2020, for the first time in a fully digital format, spread over a week to ensure that everyone is welcome even during the pandemic.



As a sign of recognition for the extraordinary responsiveness, commitment, dedication and sense of belonging demonstrated during the challenging months both professionally and personally, the Company has decided to award all the Group's people a **monetary bonus**.

Information and key Figures



-28%
reduction in the injury frequency rate compared to 2019

+37%
of training hours provided compared with 2019

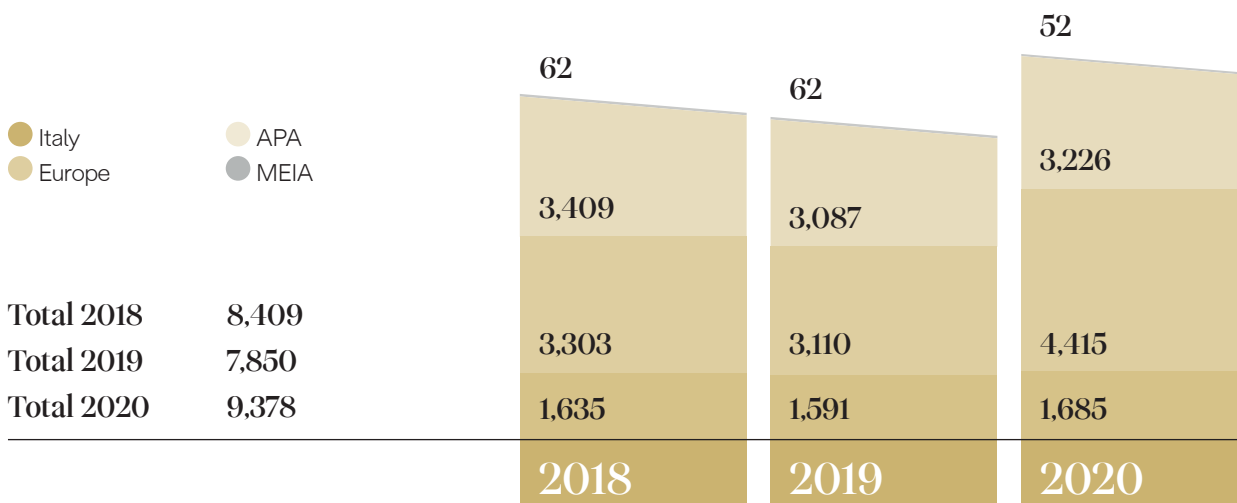
92%
of staff with a permanent contract

4.9 mln €
distributed to the community for sport, regional development, health and well-being

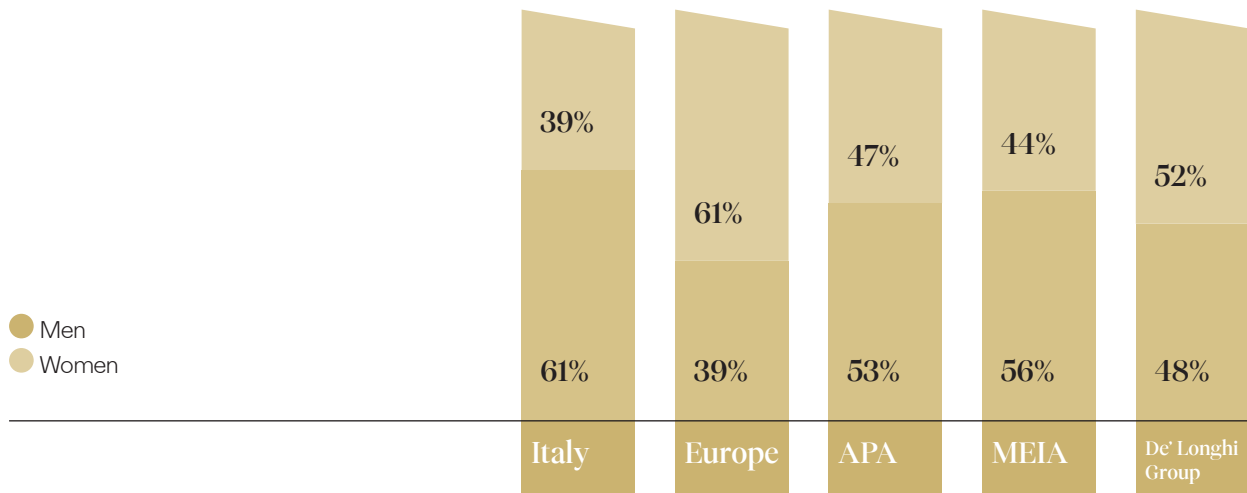
1,841
employees involved in the performance assessment process



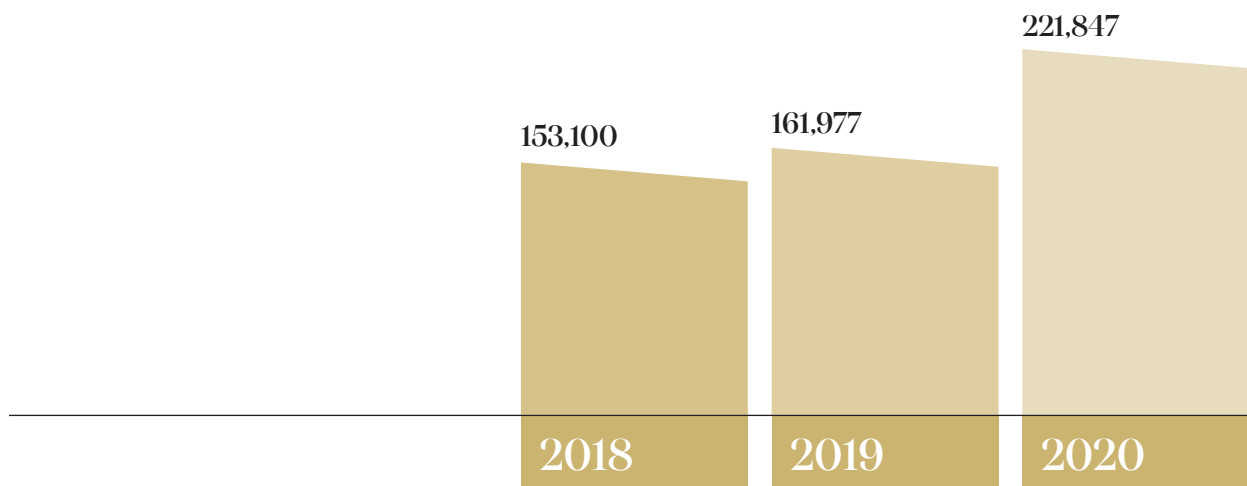
Our people



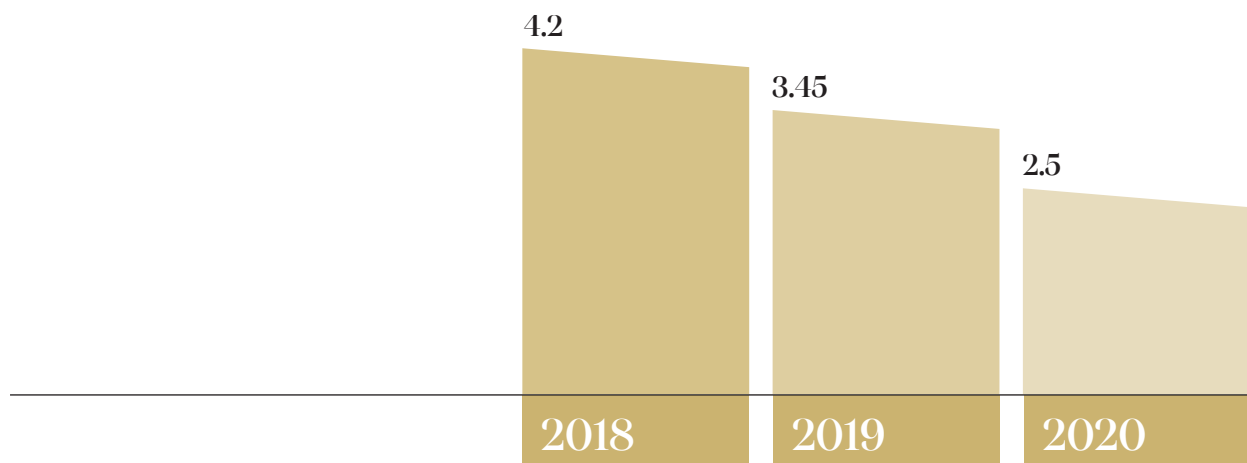
Percentage of employees by gender / 2020



Training for people / hours



Injury rate



Our products, to improve everyday life

Integrating sustainability in
product design and innovation

Our Commitment

Our Group's success is intrinsically linked to our products, which have always stood out for quality and innovation. For us, innovation is intended not only in terms of regulatory compliance, but also in the refinement of materials, product durability and energy efficiency, as well as in the development of a technology capable of enabling and promoting healthy eating habits for our consumers.



2020 initiatives



The Braun brand has conducted numerous studies into **sustainable materials and alternatives to plastic**, including biodegradable materials for making adhesive tapes and alternative energy sources for polystyrene.



In 2020, partnerships were established and promoted with the best Italian and **foreign research centres** and universities, with which the Group develops numerous projects and organises workshops involving students and professors of all nationalities.



Launch of a project to modify the frames of the “La Specialista” machine, to facilitate **reparability** and thus ensure **maximum service life**; for the Kenwood brand kitchen machines a process of standardisation of the internal components is underway, which will reduce the number of components to the benefit of reparability.



The Customer Care Department's mystery visits continued in 2020, rewarding the partners that offer the best service in terms of quality, recognising them with an “**Excellence Award**”, a “Certificate of Excellence” that can be displayed at the service shop.

Information and key Figures



100%

Of products assessed as regards electrical safety and food contact

ISO 9001

All Group plants are ISO 9001:2015 certified



Increasingly more sustainable packaging

Over the years, starting in 2017, initiatives to downsize the secondary packaging of certain products have been implemented in several Group's plants, with benefits in terms of material procurement costs and logistics efficiency.

Since 2018, research has been underway into alternative materials to polystyrene, including recycled cardboard, which can guarantee the same performance; in 2020, 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, the 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. Further replacement and efficiency activities have enabled the sell of more than 15,000 products with 100% plastic-free packaging.



Sustainability during all production phases

Running sustainable supply chain and operations



Our Commitment

We pay specific attention to the environmental and social impacts along our value chain. We are specifically committed to managing energy sources responsibly and efficiently by actively contributing to the fight against climate change. We also want to guarantee respect for human rights and working conditions throughout our production chain and contribute to the growth of the communities in which we operate.



2020 has seen significant acceleration of direct **e-commerce** activities, which allow delivery directly to the customer without going through the retailer's warehouse. This development is part of a drive to streamline further deliveries, similar to the "**Assembly To Order**" or "**Assembly To Truck**" initiatives, which continued in 2020 and involved shipping products directly from the production site to the customer.



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, environmental criteria.

2020 initiatives



Various initiatives to reduce De' Longhi Group's environmental impacts have been implemented or are continuing at the production sites:

- Replacement of traditional factory lighting with LED lamps in all production sites;
- Continuation of the energy-saving plan, in collaboration with the local government, which, thanks to the

installation of consumption metres, makes it possible to map consumption in the various production areas and, based on this, to plan mitigation and energy efficiency actions (Production site: Dongguan);

- Replacing traditional screen-printing processes with laser marking systems which avoided the need for a curing oven and saved both energy and VOC

emissions (Production site: Dongguan);

- Recovery of Nespresso capsules used for testing De' Longhi machines, which makes it possible to recycle their aluminium parts, and to reuse the coffee used to calibrate machines produced for various testing stages (Production sites: Mignagola and Cluj).



Information and key figures



4.1%
of direct energy consumption resulting from on-site generated renewable electricity

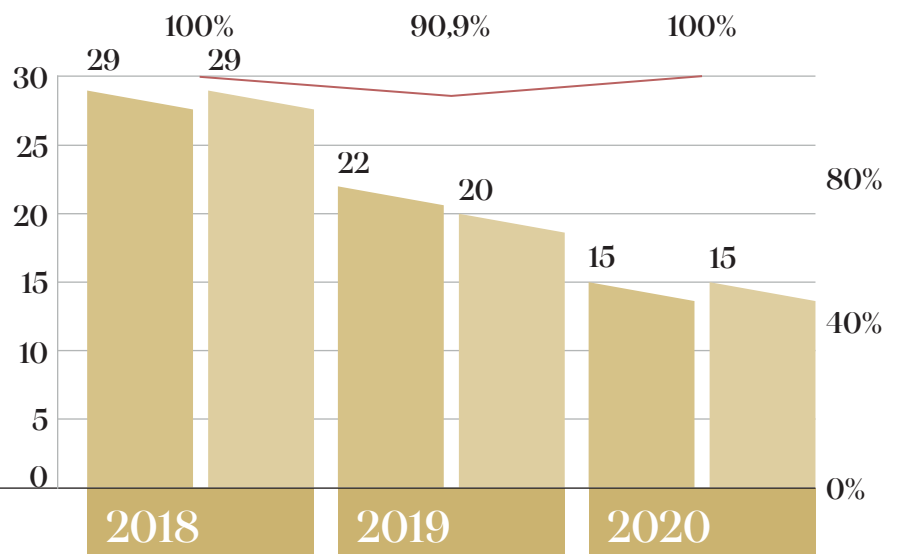
59,6%
of operations subject to work practice audits

100%
new suppliers of finished products assessed according to social and environmental criteria

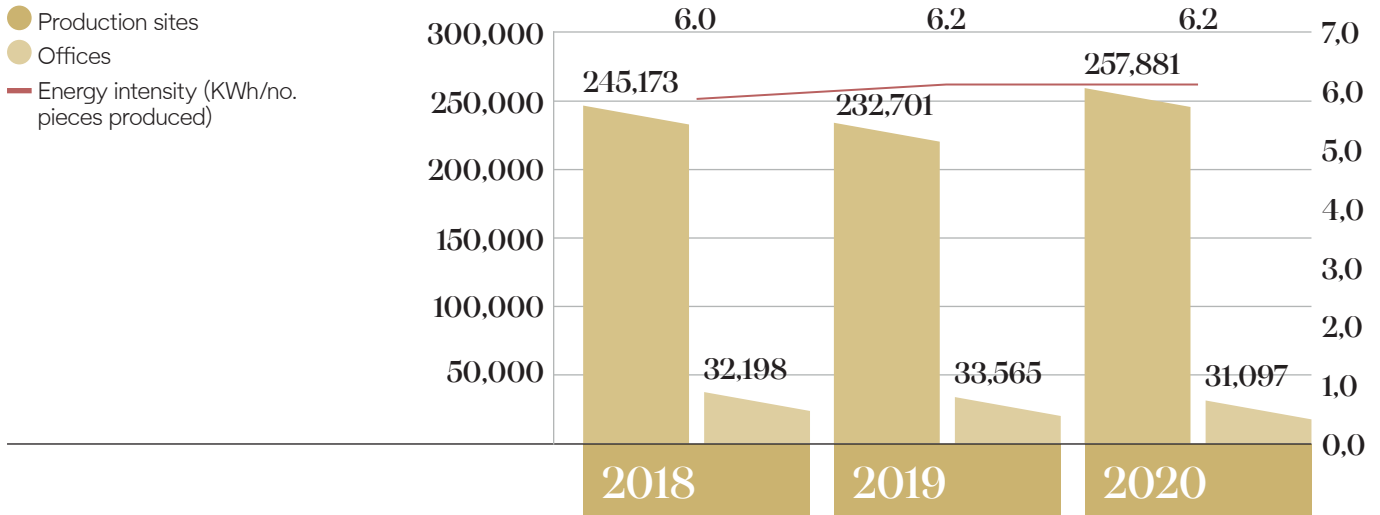
91%
of waste produced at the production sites sent for recovery activities

New suppliers evaluated according to social criteria, number and percentage

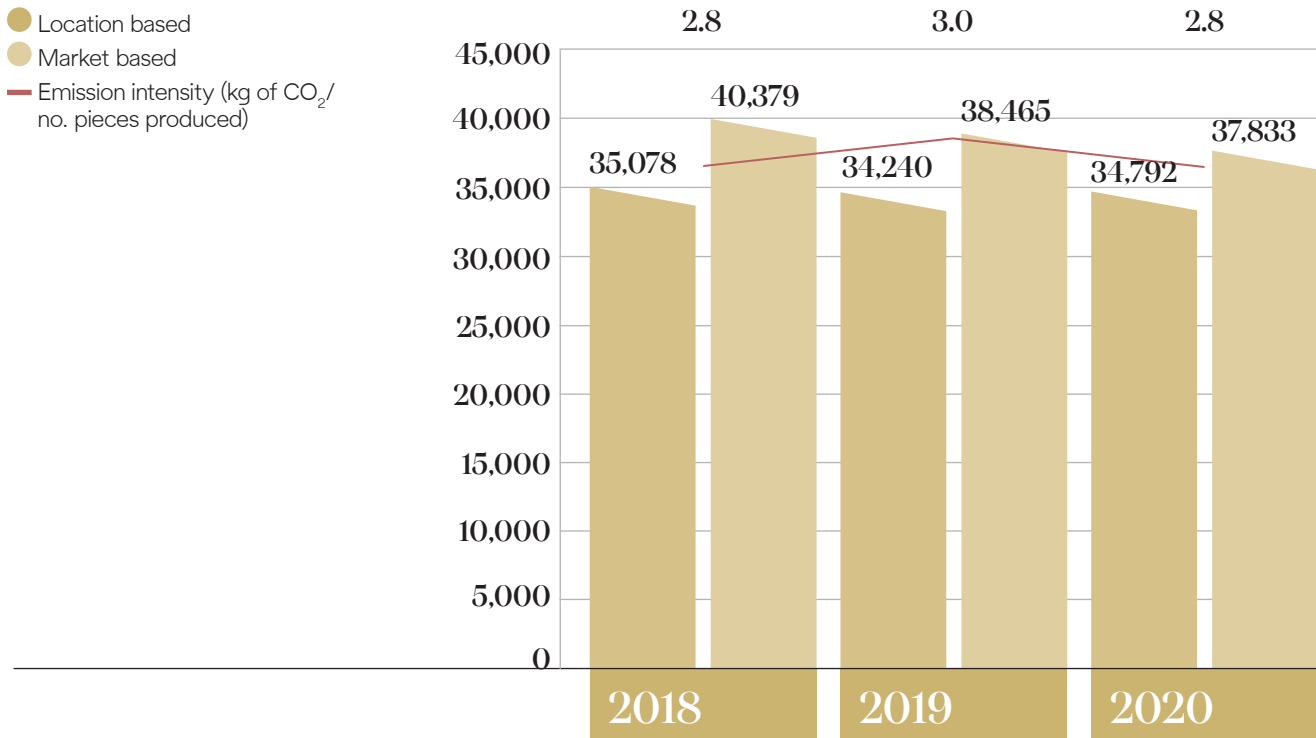
- Number of new suppliers
- Number of suppliers audited
- Percentage of new suppliers audited out of total



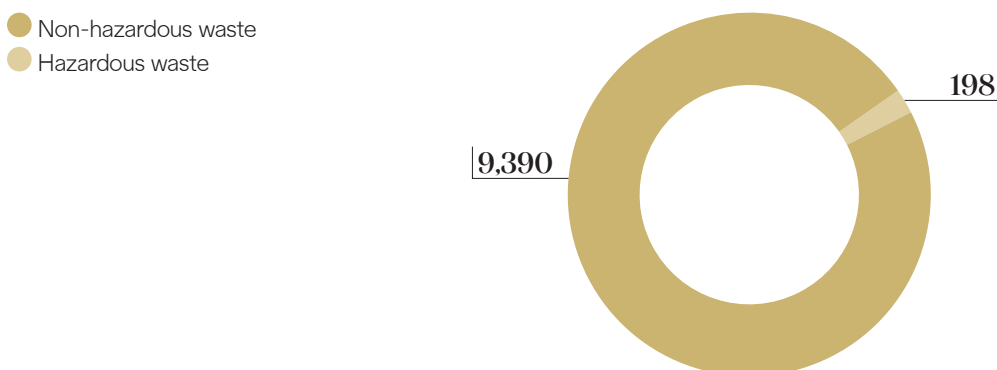
Indirect consumption / GJ



Scope 2 indirect emissions / tonnes of CO₂



Waste produced at production plants / tonnes



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