

DēLonghi Group

# 20 23

**Sustainability Report**  
in brief

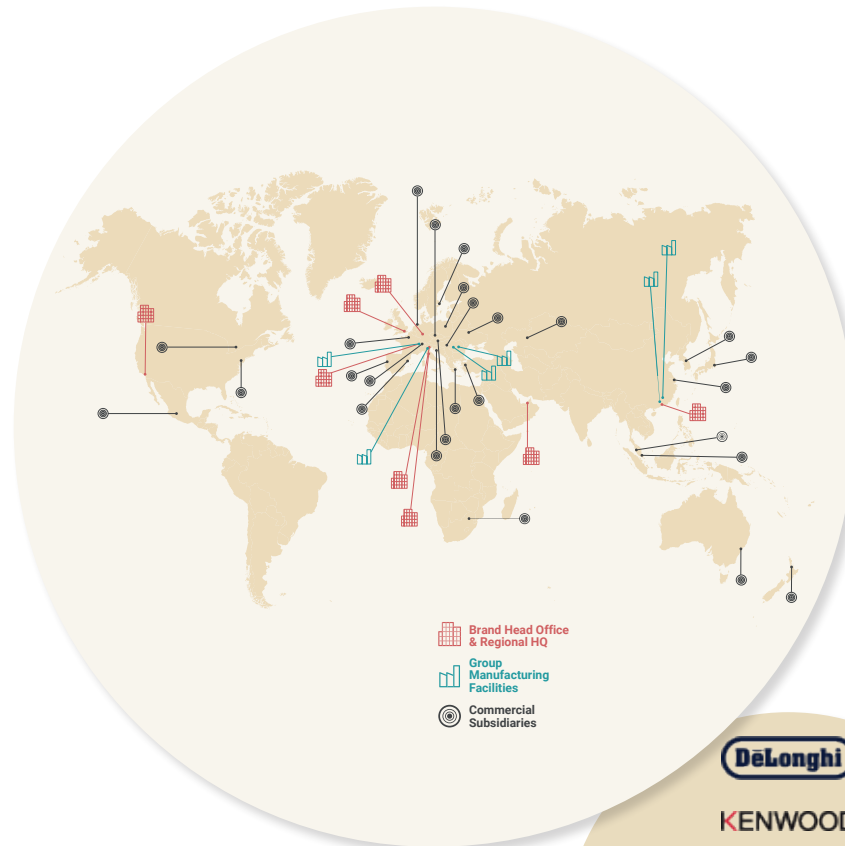


## The history and the sustainability path

While deeply rooted in Italy, particularly in Treviso where its headquarters are located, the De' Longhi Group has been an established international player for some time: in addition to its **six production facilities** (and a seventh about to become operational) in Italy, Romania, Switzerland and China, the Group operates through numerous directly owned commercial branches, a vast network of distributors and a few proprietary stores.

An oil-filled radiator, launched in 1974, was the first De' Longhi brand appliance to contribute significantly to the success of the Group's first laboratory. From that moment, the product range expanded day after day to include the coffee, food preparation, cooking, comfort (air treatment and heaters) and homecare which rendered the De' Longhi Group **synonymous with quality and innovation** in the home appliances sector.

In the last few years, De' Longhi has added the American company Capital Brands, leader worldwide in the personal blender sector and, subsequently, the Eversys Group, active in the professional coffee machine segment, to its portfolio of companies; these allow the Group to currently be active on the international market with **7 brands**: De' Longhi, Kenwood, Braun, Ariete, Nutribullet, Magic Bullet and Eversys.



 Brand Head Office & Regional HQ  
 Group Manufacturing Facilities  
 Commercial Subsidiaries

## Our Sustainability Path

The publication of the first Sustainability Report in 2017 represented the beginning of a sustainability reporting path. Over time, the Group increased its understanding of how important it was to undertake a structured path in order to ensure that sustainability would become an integral part of its strategy and business model. Toward this end, the Group developed a management system focused on non-financial topics, defining concrete steps to take in order to lessen its impact, generating value for the company and its stakeholders.

2023 represented another phase in the De' Longhi Group's sustainability path. The Company, in fact, began work on updating the previous the Sustainability Plan (approved by the Board of Directors in July 2022) in order to update its sustainability needs and comply with new regulations and laws.

## People are our power

### Our commitment

The people working in our Group are our strength and energy. We are committed to supporting and nurturing them in a stimulating work environment, capable of attracting, motivating and retaining talent, as well as promoting growth and development. We ensure a safe and healthy workplace, 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.



## Initiatives and results 2023



**I am Safety** is a global campaign which has three main objectives: strengthen and spread a safety culture throughout the Group, involve and make employees responsible for issues linked to workplace safety and, at the same time, improve efficacy and productivity through initiatives focused on **"new ways of working"**, with a particular focus on smart working. In the production plants the initiative was realized through the "Safety Ambassadors" campaign, based on which a few employees were appointed safety ambassadors. The project, which for now has only been implemented in the Company's production facilities, includes the following phases: selection and training of the ambassadors and identification of equipment needed.



The Group worked on finalizing its own **DE&I Policy** in order to recognize and celebrate the contributions individuals make to the company. This initiative is emblematic of the significant progress that has been made in achieving the ideals of De' Longhi, which is committed to **promoting equitable growth** and improving the level of **inclusion and cohesion** among employees, consumers, suppliers and the entire local community. The document defines DE&I targets and strategies and is available on the Group's website.



Through the program **Grow with us**, which aims to create a veritable global community for employee training, the Group offered more than 23 webinars and workshops, which were focused, above all, **on four areas: Digital mindset** (data analysis, excel and critical thinking), **Managerial skills** (managing effectively), **Communication skills** (public speaking, influence and impact, as well as growing with feedback) and **Organizational skills** (project management, time management and finance for not finance).

# Information and key figures

People are our power



Of the employees have permanent contracts

90%



Training hours provided by the Group

238,656

(equal to an average of 24.3 hours per employee)



Women in the Group

50%

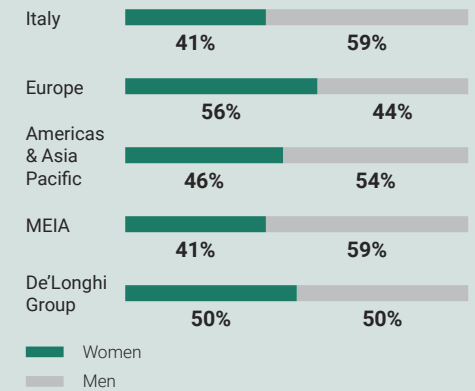
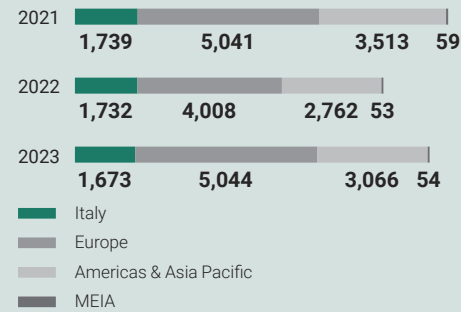


Accident rate

2.7

(-4% compared to 2022)

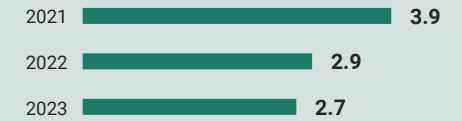
## Our people



## Average hours of training per employee



## Accident rate



# Sustainability Plan Initiatives

## People are our power

### Our targets

#### Fight against climate change



Involve and raise the awareness of our people and the local communities about good, environmentally friendly habits

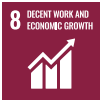
2024

Reduce the environmental impact of our travel policy, analyzing the travel costs of employees between offices or headquarters, promoting car sharing and organizing remote meetings

2027

Corporate car fleet comprised 100% of electric and/or hybrid vehicles

#### Safe environment



Shape individual behavior through training, communication and initiatives focused on health and safety



Adopt a diversity and inclusion policy



Recognize, understand and celebrate the uniqueness of each individual, creating and supporting a culture in which differences are valued and respected

2023\*

Adoption of specific guidelines for giving



Increase the average training hours per employee each year

2024

Increase work-life balance using assessment tools like surveys to be carried out each year

2025

Increase the percentage of women in managerial positions

\* This target is currently being completed and the related guidelines will be published in 2024.

## Our products, to improve everyday life

### Products with a purpose

#### Our commitment...

For us, innovation means research to improve materials, product durability and energy efficiency, as well as the development of technologies which enable and promote a healthy lifestyle for our consumers: each De' Longhi Group product is conceived, designed and manufactured to improve the lives of those who choose it. Improvement means making daily life easier and more comfortable; it means that neither the environment nor future generations should bear the weight of our improvements.



### Initiatives and results 2023



In 2023, all of the Group's fully automatic coffee machines were **certified Class A energy or above**. This result had already been achieved for other iconic products including, for example, the **Pinguino PACEX105** (classified **A+++**). In the same year, furthermore, a new entry level De' Longhi coffee machine was developed which, thanks to a heating system typical of a higher end machine, is extremely energy efficient.



Each year the percentage of recycled plastic in the products made at all the main production sites increases: in the coffee segment standouts include the De' Longhi Dedica (40%); in comfort the amount of recycled plastic in the the black version of the Capsule Desk reached 50%; looking at food preparation, the NutribulletUltra – a competitive product, including in terms of price point – contains high quality recycled plastic (26% made of resistant Tritan™ Renew).



As for durability, an impressive **12 De' Longhi coffee machine models** obtained **LONGTIME** certification, which makes it possible to spotlight companies which offer sustainable products. In 2023 two communication campaigns focused on product durability were also launched: Kenwood's *Build to last generations*, and Braun's *Sustainable design that lasts*. Through these initiatives the two brands were able to focus on the importance of developing durable products which challenge the widespread use of planned obsolescence.



In 2023 significant progress was made in **reducing the packaging used**, above all with respect to digitalized product instruction manuals and reducing the use of styrofoam. More specifically, with regard to the first aspect, in 2023 20% of the products distributed did not have a paper instruction manual; with regard to the second, in 2023 69% of the Group's products were distributed in Styrofoam-free packaging which has a positive impact not only on the amount of packaging waste, but also, and more importantly, helps to limit the use a material that is hard to recycle.

## Information and key figures

### Products with a purpose



LCAs (life cycle assessments) carried out during the year

3



The technical assistance centers worldwide

1,800

(300 of which in Italy alone)



The number of pilot projects developed using the De' Longhi Eco-Design Guidelines

10



### Eco-Design Guidelines for low-environmental impact products

The De' Longhi Group uses eco-friendly solutions in the manufacture and packaging of its goods, paying attention to the environment and the impact along the entire value chain, starting from the design phase to the sourcing of raw materials. These choices are based on Life Cycle Assessments (LCA) which make it possible to understand the environmental impact of a product throughout its life cycle and identify the elements that have the biggest impact and establish optimization priorities.

In 2022 the partnership with the Design Department of Milan's Politecnico led to the publication of the "Handbook of guidelines to design sustainable De' Longhi products". This handbook comprises a series of guidelines which aim to provide the NPD (New Product Development) team with new understanding and tools to be used

across all phases of the creative process, in order to develop cutting edge, performing and low environmental impact products.

This year several LCAs were completed and the results were used to support the development of **ten Eco-Designed prototypes** (5 coffee machines, 2 food preparation machines, 2 irons and one domestic comfort product), based on the **Eco-Design Guidelines**. These new products were compared to the prior generation using an index developed for this purpose which measured the products' environmental performance based on parameters like, for example, energy efficiency and sustainability of the materials. The results of this project exceeded expectations with **improvement in the environmental parameters used of up to more than 20%**.

# The Sustainability Plan initiatives

## Products with a purpose

### Our targets

#### Circular economy



2025 Include recycled materials in all the new products

2027 30% of the plastic used in new products will be recycled plastic

#### Sustainable products



✓ Adoption of Eco-Design Guidelines

✓ Carry out LCAs (life cycle assessments) of one product from each of the main categories

#### Fight against climate change



2025 Continue to develop products focused on energy efficiency

2025 Develop Eco functions for high use products

#### Sustainable packaging



2024 Reduce the environmental impact of our packaging

2024 70% of the products without styrofoam packaging

2025 50% of the products with digital instruction manuals

### Products - Best Performance

In 2023, the Group completed the Life Cycle Assessments (LCAs) ahead of schedule. Carrying out this type of analysis is, in fact, key to establishing eco-design priorities and producing a new generation of eco-efficient products.



## Sustainability during all production phases

### 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 we operate to prosper.

### Initiatives and results 2023



In order to monitor its supply chain, in 2023 100% of the De' Longhi Group's new suppliers of finished products were subject to social and environmental audits. 49 audits were also carried out to verify the respect for human rights. There were no zero tolerance findings which would have resulted in the termination of the supplier relationship.



With respect to the **circular economy**, the Group is committed to planning initiatives to **reduce, reuse and recycle** materials, including along the supply chain. For example, at the Chinese plant in Dongguan, work was done with the main suppliers who, beginning in 2024, must use specific reusable plastic boxes which, once loaded and unloaded, will be given back to be reused. The goal is to avoid generating packaging waste as the priority when managing waste is to limit the production of waste as much as possible.



At the production sites different **initiatives to reduce energy consumption** were implemented or continued and, consequently, the De' Longhi Group's emissions, which resulted in:

- the production of more than **880,000 kWh** of electricity by the Group's proprietary **solar panels**;
- savings of more than **5,500,000 MJ\*** thanks to relamping and the installation of efficient equipment at the Dongguan plant;
- the purchase of green **energy certificates** at all the production sites which covered **100% of the electricity consumed**;
- reducing the indirect electricity consumption per unit by **13.4%** with respect to 2022 (from 6.7 kWh/per unit manufactured to 5.8 kWh/per unit manufactured).



\* The estimated reduction in consumption was calculated using 2021 as the comparison base.

# Information and key figures

## Processes are value in progress



Of the electricity purchased at production plants covered by Certificates of Origin (CO)

**100%**



The waste sent to be reused, repurposed, recycled or composted

**90%\***



the reduction in Scope 2 CO<sub>2</sub> emissions

**-55%**

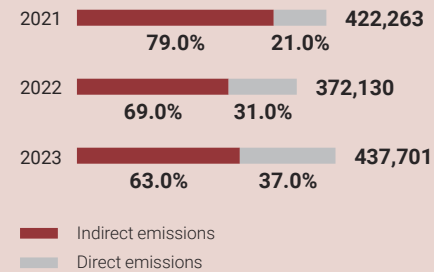
(calculated using the market-based method)



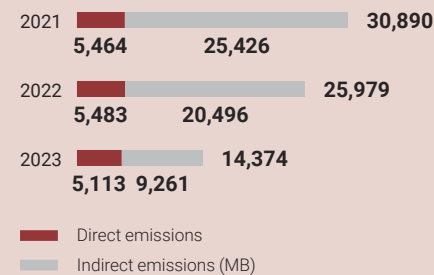
The total energy consumed by the Group compared to 2021

**-12%**

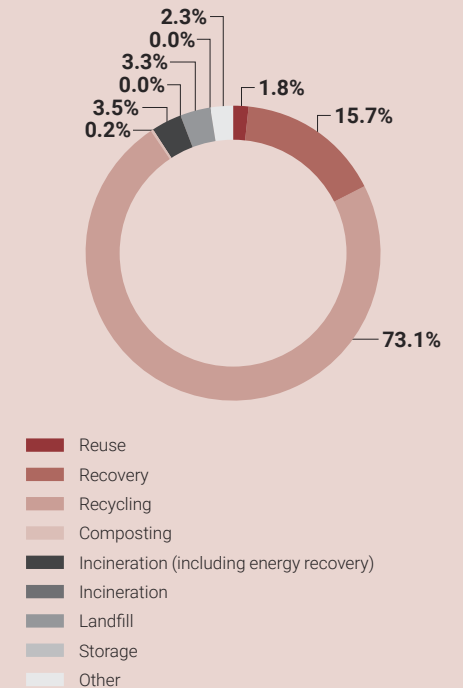
Direct and indirect consumption [GJ]



Total CO<sub>2</sub> emissions [tCO<sub>2</sub>]



Non-hazardous waste produced in 2023 broken down by disposal method [%]



\* This percentage does not include waste incineration with energy recovery.

# The Sustainability Plan initiatives

## Processes are value in progress

### Our targets

#### Fight against climate change



#### Safe environment



#### Responsible supply chain



- ✓ Inclusion of the Scope 3 emissions in the GHG inventory
- 2024 Reduction of the indirect energy consumption per unit produced
- 2025 100% of the electricity purchased by the Group's plants from renewable sources
- 2030 43% reduction in GHG emissions (Scope 1&2), in line with the SBT method
- ✓ 100% of the Group's plants ISO 14001 certified
- 2027 100% of the Group's plants ISO 45001 certified
- ✓ Adoption of the Code of Conduct for Suppliers and the Responsible Sourcing Guidelines
- ✓ Audits of suppliers' social, environmental, safety and wellbeing standards

### Processes - Best Performance

In 2023, the De' Longhi Group achieved excellent results including with respect to two other targets of the Manifesto:

- the Scope 1 and Scope 2 Market Based GHG emissions were 70% lower than in 2021, the year in which the target was set;
- 100% of the electricity purchased by the production facilities was from renewable sources.

DēLonghi Group



KENWOOD

BRAUN

nutribullet.

*Ariete*