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 24 October 2024.

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 [1]).

[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):

1. **short term:** one year, corresponding to the Group's reporting period in its financial statements;
2. **medium term:** one to five years;
3. **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 this is the Group's first year of reporting under the European Sustainability Reporting Standards (ESRS), some data for 2023 and earlier is not available. Where data from previous years 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 and to previous years 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, 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.

To support this process, the Board of Directors has set up three internal committees, each with investigative, propositional and advisory functions:

Control and Risks, Corporate Governance and Sustainability Committee (CCR): operational since 2019, this is an internal board committee that, among other things, is responsible for functions related to the internal control system, risk management, and corporate governance. It also supports the Board of Directors with specific preparatory, propositional, and consultative functions in evaluations and decisions regarding sustainability, including the analysis of key issues for long-term value creation for shareholders, while considering the interests of other relevant stakeholders to the Company, with a focus on achieving Sustainable Success for the Company and the Group. This support includes the analysis of the identification, approval and monitoring of the impacts, risks and opportunities identified in the double materiality analysis carried out by the Group. Additionally, the CCR evaluates the accuracy of the process for preparing the periodic, financial, and non-financial information, ensuring that it correctly represents 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 financial reporting officer regarding the suitability 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, taking into account the outcomes of the analysis of key issues for long-term value creation for shareholders, while considering the interests of other relevant stakeholders to the Company, with a focus on achieving Sustainable Success for the Company and the Group. (GOV1-22a);

To date, the commitee consists of three members, all female.

The **Remuneration and Appointments Committee (RAC)** is an internal Board committee which investigates, makes recommendations and advises on matters relating to compensation and appointments. In carrying out its duties relating to compensation the RAC (i) prepares and submits the "Annual Report of the Remuneration Policy and Compensation "to the Board of Directors for approval, in accordance with art. 123-ter del TUF and, more specifically, the compensation policy for the Directors, Managing Director and Managers with Strategic Responsibilities, which also takes into account compensation for statutory auditors pursuant to art. 2042 of the Italian Civil Code (the "Compensation Policy"); the Board then submits the report to the Annual General Meeting convened to approve the separate annual report to be voted on; (ii) periodically assesses the adequacy and application of the Compensation Policy, as well as the overall compliance with the Compensation Policy, based on the information provided by the Chief Executive Officer through the Group's Chief People Officer; (iii) presents proposals or provides opinions to the Board on the remuneration of executive directors, other key directors, as well as the performance targets for the variable compensation; (iv) presents proposals or provides opinions to the Board on the remuneration of members of internal board committees; (v) assists the Board in the preparation of share-based compensation plans and medium/long-term cash incentives; (vi) monitors the implementation of the Board's resolutions and the achievement of performance targets linked to variable compensation; (vii) carries out additional tasks in line with the Compensation Policy approved or the recommendations of the Corporate Governance Code and may engage independent external consultants to support its activities; (viii) carries out the tasks assigned based on the Procedure for Related Party Transactions.

In terms of appointments, the RAC has the following duties: (i) provide opinions to the Board on the size and composition of the Board, as well as the Board committees, and make recommendations about the professional profile of the Board members, also taking into account the "Diversity Policy for Members of Corporate Bodies" adopted by the Company (the "Diversity Policy"); (ii) if deemed opportune, make recommendations about the maximum number of directorships and statutory auditorships to be held in companies listed on regulated markets (including foreign) or large enterprises, deemed compatible with the ability to carry out the role of director in the Company, including taking into account the commitment of the role held; (iii) express recommendations to the Board relating to the Board's authorization of exceptions to any conflicts of interest the directors might have pursuant to art. 2390 of the Italian Civil Code and any problematic situations; (iv) in the event of cooption, proposes candidates to the Board; (v) supports the Board in the monitoring, definition and updating of the Diversity Policy; (vi) on behalf of the Board, monitors and supervises the review of the Board and its committees, supporting the Chair in ensuring an adequate and transparent process (the board review or self-assessment); (vii) supports the Board in drafting, as well as updating and implementing, the Succession Plan for the Chief Executive Officer and any other executive directors, which identifies at least the procedures to be followed in the event of early termination of office, formulating its opinion; (viii) examines and evaluates the procedures adopted for the succession of top management and informs the Board of its opinion about their adequacy.

To date, the Committee comprises three members, all male.

Independent Directors Committee: performs the tasks assigned to it under the Related-Party Transactions Procedure, 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, two female (67%) and one male (33%).

The members of the Board of Directors have thorough knowledge of the sector, products and markets in which the Group operates and possess diverse and complementary skills in industry, finance, and strategy. This allows for 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 employee or worker representation within them; currently, the Board of Directors does not include representatives of employees and other workers (GOV1-21 b). Furthermore, the Group has not adopted an employee stock ownership plan in which voting rights are exercised indirectly.

Concerning the Board of Directors:

- of the 11 members, 3 (three) are executive directors and 8 (eight) are non-executive directors, all of them have the qualifications and skills appropriate to the tasks entrusted to them;
- the number of non-executive directors (8) and their profiles are such to ensure them a significant weight in the assumption of board resolutions and to provide for the effective monitoring of operations; and
- a significant portion of the non-executive Directors (5 out of 8) meet the independence requirements stated by law and in the Articles of Association, as well as those required by the Corporate Governance Code. Additionally, 2 other non-executive directors meet the independence requirements stated by law and in the Articles of Association, but not those required by the Corporate Governance Code, having held directorships at the Company for more than 9 of the past 12 financial years.

The members of the Board of Directors are appointed by the Shareholders' Meeting on the basis of the list voting mechanism. This system, which provides for the use of competing lists of candidates, guarantees the appointment of representatives of the non-controlling shareholders.

The appointment process ensures that gender balance is respected in accordance with current rules.

The Board of Directors has adopted a diversity policy in relation to the composition of the Board of Directors and Board of Statutory Auditors with regard to aspects such as age, gender, disabilities, and educational and professional background, called "Diversity policies for the members of the corporate bodies of De' Longhi S.p.A." (available at www.delonghigroup.com, section "Governance" - "Corporate Documents").

The current composition of the Board is such as to guarantee the diversity of its members in terms of age and educational and professional background, in keeping with the diversity policies. It also complies with applicable legislation on gender quotas, as more than two fifths of the Board is composed of female directors, who are the less represented gender (of the 11 directors in office at the date of this Report, 5 are female and 6 are male) MDR-M 76.77.

(GOV1-21a,d,e) composition and diversity of the administrative, management and control bodies		**2023**	**2024**
	Board of Directors	**11**	**11**
Number of members with and without executive positions	Executive members	3	3
	Non-executive members	8	8
Gender split	Women	45%	45%
	Men	55%	55%
	Undeclared	0%	0%
% of independent board members		63%	63%

Board of Statutory Auditors	**Unit of measurement**	**2024**
Number of members of the Board of Statutory Auditors	Headcount	5 (including two alternates)
Gender split	Women	60%
	Men	40%

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

- **Chief Executive Officer:** submits the main corporate risks to the Board of Directors for examination 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.
- **Sustainability Steering Comittee:** set up in 2019, this committee has representation from corporate management as well as executives from various departments. It endorses and supports the Group's strategy regarding sustainability issues.
- **Group Sustainability Director:** responsible for defining, implementing and supervising sustainability strategies at Group level. This person collaborates synergistically with the heads of the individual company departments to integrate sustainability practices and implement the initiatives envisaged in the sustainability plan.
- **Chief Financial Officer:** responsible for Sustainability Reporting and certification of compliance with the relevant standards and regulations, in his or her role as financial reporting officer.
- **Internal Audit Director:** oversees the Enterprise Risk Management (ERM) system, a management model developed and perfected by the Group over the years which allows for the assessment and monitoring of corporate risks. (GOV1-22a). Internal Audit has no operating responsibilities, and reports directly to the Board of Directors and coordinates the organizational plan with the Chief Executive Officer, ensuring that the Control and Risk Committee, the Board of Directors, the Board of Statutory Auditors, and the Financial Reporting Officer receive all the information they need. The Head of Internal Audit is autonomous and works independent of all the operating areas subject to internal audit's monitoring in order to guarantee maximum independence. At least every six months, the Head of Internal Audit submits periodic reports to the Control and Risk, Corporate Governance and Sustainability committees, as well as to the Board of Directors.

These individuals and bodies play a key role in supervising the impacts, risks and opportunities related to Sustainability within the Group, and promote a structured integration of Sustainability into corporate governance. (GOV1-22b) From a management point of view, the Sustainability Steering Committee operates as a strategic steering body, with the task of monitoring the main sustainability trends and ensuring the alignment of corporate strategies with ESG objectives. The Group Sustainability Director, first appointed in 2023, guides the Group on its sustainability journey, combining strategic vision, management skills and a deep commitment to social and environmental responsibility. This figure reports directly to the Chief Executive Officer, ensuring an effective flow of information between management and the Board of Directors. Internal Audit plays an independent control role, helping to assess the effectiveness of ESG risk management systems - also with the support of external consultants - and monitoring procedures. (GOV1-22c(i),(ii)) The Group manages impacts, risks and opportunities through dedicated controls, based on ESG risk assessment, integrated into the Financial Materiality and ERM system (GOV1-22c(iii)).

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

The persons in charge of monitoring the correct management of sustainability-related issues have been selected on the basis of their skills and personal and professional experience accumulated during their careers. However, considering the continuous regulatory changes in the field of sustainability and the changing context of reference, the Group is committed to enhancing the skills of these key figures. All Directors and Statutory Auditors may participate, after their appointment and during their term of office, in induction initiatives aimed at providing them with an adequate understanding of the business sectors in which the Company operates, business dynamics, and trends, including with a view to the Company's Sustainable Success, the principles of proper risk management, and the regulatory and self-regulatory framework. To this end, training opportunities are offered, allowing them to effectively guide the Company's actions in addressing significant impacts, risks, and opportunities, thereby ensuring strategic management of sustainability-related challenges (GOV1-21 c; GOV1-23a,b).

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

The organizational structure described in the section 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 marks the Company's first experience in performing a double materiality analysis fully aligned with the requirements of the CSRD framework. As a result, the processes for determining the frequency and methodologies for overseeing material Impact and Risk Opportunities (IROs) by the Board and its Committees are still under development. At this early stage, the focus was on creating the basis for effective oversight, and the Board of Directors has already been actively involved.

Prior to the approval of the sustainability report, the Control and Risk, Corporate Governance and Sustainability Committee, as part of its sustainability support functions, and the Board of Directors were involved in the results of the double materiality analysis, including the identification of tangible IROs, and the Board approved them. In particular, the Committee's activities are planned and coordinated by its President, who convenes, chairs and directs its meetings. At least once a semester, at the first possible Board meeting, the Chairman informs the Board of Directors of the topics discussed, the observations and recommendations that have emerged, and the opinions expressed by the Committee during the individual meetings. On the basis of periodic meetings with the Control, Risks, and Sustainability Committee, the Sustainability Steering Committee, in the person of the Group Sustainability Director, provides periodic updates on the company's strategic

sustainability guidelines (GOV2-26a). Through the double materiality analysis, the Group identifies the most relevant issues, allowing the Board of Directors and the designated committees to make informed strategic decisions, integrating the assessment of impacts, risks, and opportunities into the process of monitoring the corporate strategy and managing any trade-offs. For more information on how management bodies consider IROs in relation to the risk management process, see IRO-1 *"Description of the process to identify and assess material impacts, risks, and opportunities"* (GOV2-26b).

For more information on the Corporate Strategy, refer to SBM-1, and for further information on the impacts, risks, and opportunities found to be material for the Group, refer to SBM-3 (GOV2-26c).

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

De' Longhi's 2024 Remuneration Policy, which is publicly available on the company website (MDR-P-65f), has been defined in keeping with its governance model and the Corporate Governance Code. This policy, approved by the Board of Directors on the proposal of the Remuneration and Appointments Committee and then submitted to the binding vote of the Shareholders' Meeting (GOV3-29, e), contributes to the corporate strategy, the pursuit of shareholders' long-term interests, and the sustainability of the Company and the Group, as it makes it possible to:

1. Align the interests of top management with those of shareholders, pursuing the priority objective of creating long-term value for their benefit while taking into account the interests of other stakeholders relevant to the Company, by forging a strong link between remuneration and performance;
2. Focus managerial actions on the pursuit of short-, medium- and long-term objectives, concentrating efforts on the Group's industrial performance;
3. Attract, motivate, develop and retain people with the individual and professional qualities required for the pursuit of the company's business development objectives by offering them competitive remuneration packages that take account of the working conditions of the Company's employees, thereby promoting their loyalty and retention within the Group;
4. Recognize merit in order to adequately reward 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 between the corporate strategy, expressed in the 2024-2026 Business Plan approved by the Board of Directors, the strategy and sustainability targets (identified to give substance to the Company's commitment) set out in the Sustainability Plan, and the performance objectives envisaged by the Company with reference to the short- and medium/long-term incentive systems adopted for the benefit of executive directors and key management personnel.

The remuneration of non-executive directors is determined by the Shareholders' Meeting at the time of their appointment of the Board of Directors, for the duration of office; it is commensurate with the skills, qualifications, and commitment required by the tasks assigned to them, including with respect to their participation in Board committees. For non-executive directors, there is no variable component of remuneration. For directors with delegated powers (including the Chief Executive Officer), the General Manager, and key management personnel, the remuneration structure is appropriately balanced to ensure consistency between strategic objectives, the 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, defined within maximum limits and aimed at rewarding expected performance (MDR-P-65b, GOV3-29, a).

In addition, the overall remuneration is - for each type of role - consistent with market parameters for similar assignments, thanks to specific salary comparison analyses carried out with the support of leading consulting firms. Targets for variable remuneration are predetermined, measurable, and significantly linked to a long-term horizon, including non-financial parameters, comprising ESG performance targets, to promote sustainable success. The modulation between the annual fixed component and short-term variable remuneration varies according to the role and responsibilities, to ensure the sustainability of the company's results and the creation of value for shareholders in the long term.

The 2024 Remuneration Policy provides for an annual variable component (MBO): this represents the annual variable component of remuneration based on the attainment of predefined short-term business performance indicators; its function is to direct management's actions towards achieving the financial and non-financial objectives set for the fiscal year.

The variable portion linked to Sustainability-related performance objectives stands at 15% for 2024% (GOV3-29d). The ESG performance objectives are as follows:

- Reduced environmental impact of products: increase in the percentage of products with polystyrene-free packaging (target: 70%);
- Reduced environmental impact of products: increase in the percentage of products with digital user manuals (target: 25%);
- DE&I Program: define HR guidelines for shared staff recruitment and employer branding activities to ensure balanced shortlists of candidates and review of the job descriptions used for search and recruitment processes;
- Responsible supply chain: finalize at least 30 social audits of component suppliers during the course of 2024.

(GOV3-29b, c)

The 2024 Remuneration Policy also provides for a medium-/long-term variable component in the form of De' Longhi's 2024-2026 Performance Share Plan - intended for the Chief Executive Officer, the General Manager, and a small number of the Group's top managers.

This Plan, approved by the Board of Directors on 12 March 2024 and by the Shareholders' Meeting on 19 April 2024, was introduced to direct its actions and efforts towards the Group's industrial performance - with an additional positive effect anticipated for De' Longhi's stock price - in order to pursue the Company's strategy and long-term interests and the sustainability of the Company and the Group, by aligning top management's remuneration with the interests of shareholders and enhancing the motivation and loyalty of the beneficiaries of the incentive scheme.

The plan's targets include the achievement of specific economic and financial results and the improvement of ESG performance indicators. The latter are summarized in the following targets:

- Safe working environment: ensure high health and safety standards 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: increase the number of women in senior management positions;
- Energy efficiency projects for automatic and pump coffee machines for European markets;
- Percentage increase in products with polystyrene-free packaging;
- Percentage increase in products with digital user manuals.

(GOV3-29b, c)

[GOV-4] Statement on due diligence

The De' Longhi Group does not currently have a structured due diligence process; therefore, it is not possible to map in detail how and where the main aspects and phases of due diligence are addressed in the Sustainability Report. However, the Group plans to implement such a process in 2025, based on the ESRS 2 GOV-4 standard. This process will strengthen the identification, assessment and management of ESG impacts in its activities and along the value chain (GOV-4-32).

[GOV-5] Risk management and internal controls over sustainability reporting

The Group has begun to set up an internal control system on sustainability reporting, with the aim of mitigating the risks of data misstatement and ensuring the accuracy, reliability, and transparency of the information contained in the Sustainability Report. This system, integrated with the provisions for economic and financial reporting, concerns quantitative information with reference to the companies in the Group's scope of consolidation (GOV5-36a).

As for ESRS reporting, starting from the double materiality assessment, the definition of the internal control system involved selecting datapoints that (i) have links with the Sustainability Plan and the Group's incentive plans and (ii) require the involvement of third parties for the collection of the data and/or the presence of estimates in the calculation process (GOV5-36b).

The analysis of the processes underlying the data collection for these datapoints has made it possible to identify specific points, defined at the process level, which aim to detect any errors in reporting activities, ensuring consistency with the methodologies used in previous reporting periods (GOV5-36c).

For further details on the risks and opportunities identified by the Group, see the section "IRO-1, Description of the process to identify and assess material impacts, risks, and opportunities."

Starting in the coming financial years, the internal control system will undergo testing with reference to the annual data to verify the effectiveness of the defined controls. The test results will generate information flows that will provide updates and alerts to the relevant operating functions, allowing the Group to integrate the results of risk assessment and internal controls connected to the sustainability reporting process. This information will be incorporated into the relevant internal functions and processes through gradual adjustments to procedures and control mechanisms, promoting the continuous improvement of the quality and reliability of the data reported (GOV-5-36 d). In addition, these alerts will be reported on a regular basis to the administrative, management and supervisory bodies. This will ensure a structured flow of information, supporting the monitoring and effective management of risks and internal controls relating to sustainability reporting (GOV5-36 e).

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

De' Longhi S.p.A. is the holding company of a group of companies with 10,641 employees, active in the production and distribution of small household appliances in the coffee, food preparation and cooking, air conditioning, heating, and home care sectors. In 2024, the business combination of the subsidiary Eversys and La Marzocco, leader in the production and distribution of semi-automatic coffee machines, gave life to the creation of a pole in the in the premium professional coffee segment. (SBM1-40a(i)). For further information on the breakdown of employees by geographical regions, see section S1-6 of this report (SBM1-40a(iii)). Listed on the Euronext Milan market operated by Borsa Italiana, the De' Longhi Group distributes its products in more than 120 markets around the world and contributes every year to the launch of innovative items in line with consumer needs. Despite having deep roots in Italy, and in particular in Treviso where the headquarters are located, the De' Longhi Group has long established itself as a major international player through numerous direct commercial branches and an extensive network of distributors. At present, the Group supplies its products to international markets through a portfolio of solid brands: De' Longhi, Kenwood, Braun, Ariete, and Nutribullet. These have been joined more recently by professional coffee machine brands, first Eversys and, in 2024, La Marzocco, which have strengthened the Group's presence in strategic markets and further expanded and diversified its product range.

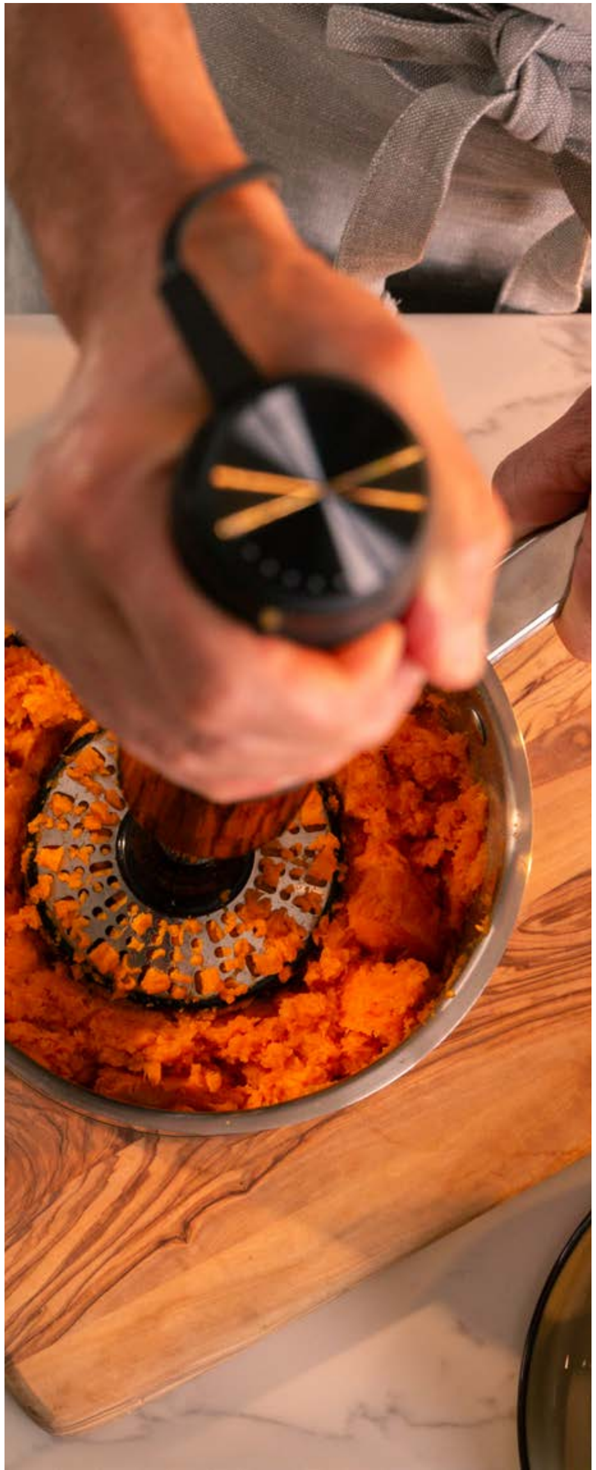
Products are distributed globally through a network of distributors and specialty retailers, including department stores, appliance stores, online stores, and consumer electronics chains. In addition, the Group has its own e-commerce site, for B2C distribution. Headquartered in Italy, the Group is present in over 30 countries; the main geographical areas served include key markets such as Europe, North America, China, Japan, Middle East, and Australia. Since 2024 with the acquisition of La Marzocco, the market has been expanding even further; this transaction has helped strengthen the Group's position in the household appliances and coffee machines sector, with a growing presence in emerging and established markets (SBM1-40a(ii)). None of the products sold by the Company are prohibited in the markets served (SBM1-40a(iv)).

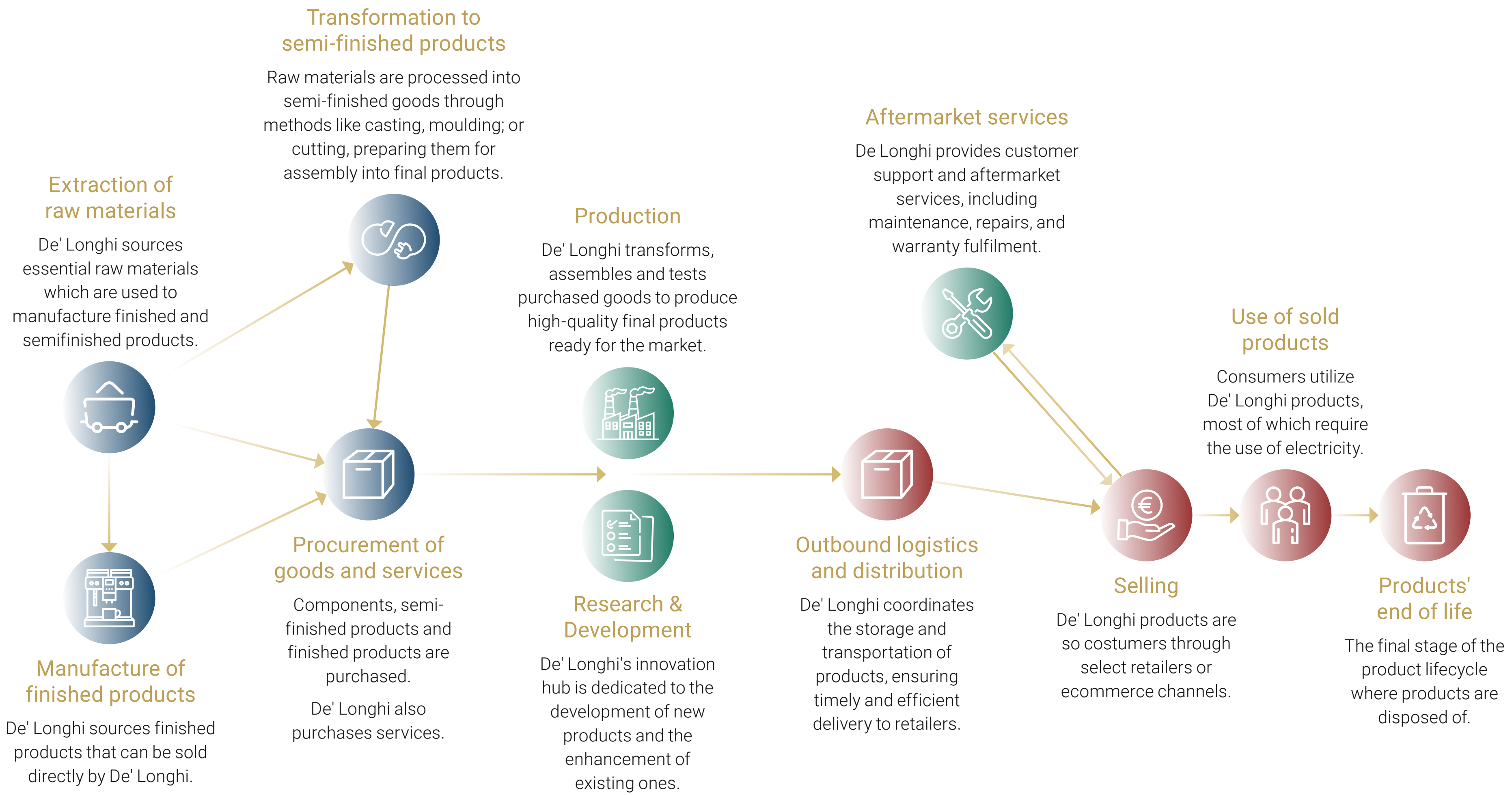
The Group's business model and value chain

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

The Group adopts a structured approach to ensure the security and resilience of its value chain, intervening on both the inputs and outputs of the production process. Through responsible sourcing strategies and solid partnerships, De' Longhi mitigates the risks associated with the purchase of raw materials, ensuring business continuity and optimizing production efficiency. This business model is able to generate significant benefits for stakeholders. In particular, clients can count on products that are reliable, safe, and manufactured in compliance with strict quality and sustainability standards, while investors benefit from effective management of operational and reputational risks. Business partners benefit from a strong, long-term partnership, which promotes innovation and shared growth. Finally, the commitment to a more ethical and responsible value chain contributes to the well-being of society as a whole, reducing environmental impact and strengthening the transparency of production processes (SBM1-42 a,b).

A detailed map of the Group's value chain and the related business actors and outputs is provided below (SBM1-42 c).




Transformation to semi-finished products
Raw materials are processed into semi-finished goods through methods like casting, moulding; or cutting, preparing them for assembly into final products.
Extraction of raw materials
De' Longhi sources essential raw materials which are used to manufacture finished and semifinished products.
Production
De' Longhi transforms, assembles and tests purchased goods to produce high-quality final products ready for the market.
Aftermarket services
De Longhi provides customer support and aftermarket services, including maintenance, repairs, and warranty fulfilment.
Use of sold products
Consumers utilize De' Longhi products, most of which require the use of electricity.
Manufacture of finished products
De' Longhi sources finished products that can be sold directly by De' Longhi.
Procurement of goods and services
Components, semi-finished products and finished products are purchased.
De' Longhi also purchases services.
Research & Development
De' Longhi's innovation hub is dedicated to the development of new products and the enhancement of existing ones.
Outbound logistics and distribution
De' Longhi coordinates the storage and transportation of products, ensuring timely and efficient delivery to retailers.
Selling
De' Longhi products are so costumers through select retailers or ecommerce channels.
Products' end of life
The final stage of the product lifecycle where products are disposed of.

(SBM1-42 a,b)

The Supply Chain Department manages the Group's supply chain in collaboration with the Quality and Purchasing units, in order to ensure high standards of quality, business continuity, and compliance with environmental and social obligations, including human rights.

The Group's Business Model is based on two main elements: production hubs and OEMs (Original Equipment Manufacturers), i.e. qualified partners who are responsible for the specialized portion of manufacturing. The production hubs include plants located in Italy, China, Switzerland, and Romania (where a new plant was inaugurated in Satu Mare in 2024).

Relations between the Group and OEMs are managed by the Purchasing Offices located in Italy and Hong Kong, each responsible for specific product categories. Materials for components and finished goods are managed in Italy, Romania, and Switzerland by the Supply Chain Department or the Local Departments for the Professional Coffee Division, while in China this responsibility is assigned to the managers of the Dongguan and OnShiu plants, with support from the aforementioned Purchasing Departments.

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

To facilitate communication with its suppliers, for several years De' Longhi has created a dedicated portal that includes fundamental documents, such as the company's Code of Ethics and the Responsible Sourcing Guidelines, available in Italian, English and Chinese. These documents define the risk assessment criteria and ensure adequate control over new suppliers. For further details on the tools available for these purposes and the initiatives and actions taken, see section ESRS S2, "Workers in the value chain."

The Group integrates sustainability targets into its corporate strategy through the Sustainability Plan, defining clear objectives in relation to its products and services, markets, customers, and stakeholders. Its efforts translate into the development of solutions aimed at integrating Sustainability into the business model by developing initiatives matched with specific targets in order to monitor their progress overtime. The three areas of commitment listed below will guide the Group's strategy in the medium to long term (2024-2026) (SBM-3 48f):

1. Change how business is conducted by decarbonizing the phases of the value chain;
2. Incorporate sustainability into the products designed and manufactured;
3. Promote awareness and responsible choices by engaging employees, consumers, and external communities.

The three areas of commitment are realized through the implementation of specific initiatives, identified through the involvement of various corporate functions and taking into account the different categories of stakeholders and market segments to which the targets refer (for more information, see the target descriptions within each thematic chapter) (SBM1-40 f,g). As part of its strategy supervision, the Board of Directors considers the material impacts and integrates them into strategic decisions and therefore into the Sustainability Plan. (GOV2 - 26b) The targets are renewed and, if necessary, reformulated every time the Sustainability Plan is updated (GOV2-26a). To wit, in 2024 the Group approved and published a new Sustainability Plan as part of the 2024-26 Three-Year Business Plan, which includes qualitative and quantitative targets that the Group intends to achieve in pursuit of a more responsible business model.

For more information on the targets associated with the Sustainability initiatives in the Plan, see the relevant sections within the reference topics (SBM1-40 e).

[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 each other's needs, is essential for successfully pursuing its business objectives. This interaction fosters a solid bond of trust, cultivated by specific company units through communication consistent with the principles of transparency, integrity, clarity, and completeness of information.

Within this process there are periodic meetings between the company functions in charge and key stakeholders; for example, in relation to consumers, any critical product issues mentioned in consumer reviews are shared with the company functions in charge and with the administrative bodies. This ensures alignment between the Company's strategy and stakeholders' expectations (SBM2 - 45d) (SBM2 - 45a(v)).

The main internal stakeholders, in particular the finance, internal audit and sustainability departments, were involved in the double materiality analysis that was discussed on several occasions during meetings of the Sustainability Steering Committee, in the presence of the Chief Executive Officer and the General Manager. On these occasions, the main impacts, risks, and opportunities found to be material were discussed among key internal functions, making it possible to obtain an in-depth understanding of the magnitude of impacts, risks, and opportunities specific to the Group's situation, especially those related to its own industrial processes and the value chain (SBM 2 45 b).

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

Stakeholders	Role in the value chain	Means of stakeholder engagement (SBM2 - 45a (iii))	Type
Trade associations	Trade associations represent and defend the interests and rights of workers within the corporate and of consumers downstream in the value chain.	Periodic meetings with the associations	Intended user
Shareholders	Shareholders are crucial components for De' Longhi, as they provide capital and empower management through their voting rights and influence. They are individuals, companies or institutions that play a guiding role within the corporate perimeter and can also influence decisions upstream and downstream in the value chain.	Publication of the Sustainability Report Policy for management and dialogue with shareholders Sustainability Plan with targets Other documentation publicly available on the Group's website	Intended user
Communities and NGOs	Local communities and NGOs can support the De' Longhi Group by collaborating throughout the value chain, providing advice and continuous support to improve business practices. In particular, these stakeholders can be a facilitator to improve the Group's transparency and social responsibility.	Meetings with communities for local development.	Affected stakeholder
Consumers	For De' Longhi, consumers are in the downstream phase of the value chain, but they influence the direct and upstream phase by determining demand, providing feedback for innovation, and influencing the Group's reputation. In addition, their environmental and social awareness pushes the Group towards sustainable practices. For these reasons, consumer satisfaction is crucial for loyalty, while their price and value expectations drive business strategies.	Customer care service	Intended User Affected Stakeholder
Employees	Employees are a crucial component of De' Longhi's value chain. They influence productivity, quality, innovation, corporate culture, customer service, risk management, sustainability, and operational efficiency. Their contribution is essential for the long-term success and sustainability of the company, guiding virtuous actions within the corporate perimeter and in the Group's role in the upstream and downstream phases.	Employee training Dialogue with trade union representatives	Affected Stakeholder
Suppliers	Suppliers are crucial to the Group's value chain, influence 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 work closely with the company to optimize production processes and introduce innovations. Downstream, they support distribution and logistics, contributing to business continuity and customer satisfaction.	Supplier audits Regular meetings with suppliers	Affected Stakeholder

Stakeholders	Role in the value chain	Means of stakeholder engagement (SBM2 - 45a (iii))	Type
Future generations	As stakeholders in the value chain, future generations drive the Group to operate sustainably and responsibly, considering the environmental impact of their operations to preserve the environment and communities. This means that De' Longhi's decisions must take into account the well-being of communities, ensuring economic and social opportunities for the future through actions at all stages of the value chain.	Hands-on activities at schools Events with university students and orientation programs	Affected Stakeholder
Financial analysts and media	Financial analysts and the media influence the public perception of the Group and its reputation and strategic decisions at all stages of the value chain. In the upstream phase, they evaluate procurement and sustainability practices, influencing investor confidence and market credibility. In the direct phase, they provide financial performance analysis and transparency, guiding strategic decisions and promoting corporate accountability and governance. Finally, in the downstream phase, they manage reputation through media coverage and highlight sustainability and social responsibility practices, influencing public and investor perception.	Publication of the Sustainability Report and the Sustainability Plan with targets Other documentation publicly available on the Group's website Conferences and meetings	Intended User
Business partners	Business partners are key to the Group's value chain. They affect collaboration and 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. In the downstream phase, 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 the Group's activities through periodic meetings	Intended user Affected stakeholder
Universities/Research centers	Universities and research centers are crucial to the Group's value chain, influencing innovation, training, and technological development at all stages. In the direct phase, they collaborate with De' Longhi to innovate through the application of new technologies, products and processes, improving competitiveness and efficiency, and train future professionals by offering specialized skills and advanced knowledge to solve complex problems and improve business processes. Downstream, they promote open innovation by sharing ideas and technologies to accelerate the development of new solutions.	Collaborations between universities (Politecnico di Milano) and the Group's product development team Presentations to students and orientation programs	Intended User

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

Considering the new developments in the regulatory context, 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 in the present 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 carried out both on industry documents and on competitors' non-financial statements; subsequently, the impacts affecting the Group were identified, and the most relevant ones were singled out. The identification of material topics is based on the analysis of the main economic, environmental, and social impacts (including human rights) that may even potentially be caused by the Group's activities and its business relationships. Also considered are risks, already mapped within the corporate ERM and integrated with those arising from impact and dependency analysis, as well as opportunities.

The section "IRO-1, Description of the process to identify and assess material impacts, risks, and opportunities" provides a list of material impacts, risks, and opportunities, including the phases in which they occur along the value chain and the activities that give rise to them (SBM-3, 48 c i, ii, iv).

The material impacts, risks, and opportunities identified through the materiality analysis formed the basis for the definition of priority issues addressed in the Group's new Sustainability Plan [2]. This assessment made it possible to identify the most relevant areas of intervention and to direct strategic actions towards a more responsible and conscious management (SBM-3, 48 b). The progress of the initiatives listed in the Sustainability Plan is constantly monitored through the relevant KPIs and the results are published annually in the Sustainability Report, ensuring transparency and consistency with the commitments undertaken; the process of defining and monitoring the targets involves all the internal stakeholders described in the previous chapter, in the interests of a shared approach.

For more information on the association between the Sustainability Plan and IROs, see the target descriptions within the relevant topics (SBM-3, 48 c(ii)).

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

In accordance with the Corporate Sustainability Reporting Directive (CSRD), the De' Longhi Group conducted a two-pronged analysis with the support of external consultants.

The double materiality principle is the first step in defining the content of the sustainability report, as it makes it possible to identify the relevant information for stakeholders; through this analysis, in an ESG context, the Group has identified the impacts generated, the risks to which it is exposed, and the opportunities to be seized. The starting point was the assessment of impact materiality, which involves an analysis of the actual and potential, negative and positive impacts generated by the company externally (inside-out approach). Conversely, financial materiality considers the risks and opportunities that influence or could affect the Group's financial position, economic performance, and cash flow, as well as the cost of capital in the short, medium or long term (outside-in approach). The analysis took into account the entire value chain, including not only direct activities but those taking place upstream and downstream of the company perimeter (IRO-1-53a).

Impact materiality

The impact analysis was conducted through an in-depth understanding of the value chain and the operating context,

2 Note that the Sustainability Plan targets refer to all Group companies, with the exception of La Marzocco, as it was acquired after the plan's approval.

accompanied by benchmark analyses with competitors, comparables, and peers, sustainability trends in the sector, and regulations applicable to the Group. The possible impacts on stakeholders, including workers, the community, and consumers, were also considered by engaging and consulting the main internal units (IRO-1-53b (iii)). Three parameters were used to quantify the impacts generated: scale, scope, and irremediable character, in accordance with the ESRS. More specifically:

- The assessment of scale referred to the magnitude of the impact on the environment or on people;
- Scope was assessed with reference to the geographical perimeter, considering the entire value chain (IRO-1-53b (ii));
- Irremediable character was assessed by determining how difficult it would be to remediate any damage in the event that the impact occurs.

In addition, for each potential impact, the likelihood that the event associated with the impact will occur was also evaluated. The likelihood of potential negative impacts was assessed taking a "gross" approach, i.e. without considering the actions taken by the Group to prevent or mitigate them. Finally, for potential impacts, a time horizon was identified within which the effects of the event could materialize. The time horizons adopted by the Group follow the classification described above.

Financial materiality

In assessing financial materiality, De' Longhi identified potential risks (both physical and transitional) and opportunities related to sustainability that could generate a negative or positive financial impact on the company, respectively. Risks and opportunities may be caused by the impacts generated and may also result from the actions taken to address the impacts themselves (IRO1-53c).

In order to identify risks and opportunities, the Group, in accordance with the requirements of the ESRS Standards, has assessed the following factors:

- **Impact:** a risk or opportunity can be generated by an impact of the company on people and the environment and identified during the impact materiality analysis;
- **Dependency:** dependencies represent the close relationship and interconnectedness between an organization and various factors, such as suppliers, customers, resources, regulations, or other external entities, that the organization itself relies on for its operations and the achievement of its goals;
- **Corporate ERM:** the Enterprise Risk Management process is the basis of the analysis; through the study of the impacts generated, the ERM was integrated with the materials risks and opportunities resulting from the materiality analysis.
- **Actions taken to address sustainability issues:** risks and opportunities can be generated by the actions the company takes to mitigate its negative impacts or to maximize its positive impacts on sustainability.

In assessing short-, medium- and long-term risks and opportunities, 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.

As with impact materiality, a time scale has been used for financial materiality to represent the horizon within which a risk or opportunity could occur. The time horizons used for the assessment of financial materiality follow the classification adopted for impact materiality, presented in the previous section (IRO-1-53e,f,g).

Double materiality

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

The Group's internal stakeholders are involved throughout the process of identifying and assessing risks and opportunities. To complete the analysis, consultations were carried out with key internal functions of the Group, specifically identified to ensure coverage of all material financial aspects (IRO-1-53d).

The following is a representation of the material impacts, risks, and opportunities, including the stage at 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 of the ESRS; therefore, no additional entity-specific disclosures are required (SBM-3-48 h).

ESRS topic	ESRS subtopic	ESRS sub-subtopic	IRO description	IRO type	Actual/ Potential	Negative/ Positive	Position in the value chain	Time horizon
E1 - Climate Change	Climate change mitigation		Climate change due to greenhouse gas emissions	Impact	Actual	Negative	Upstream, direct, and downstream	Short term
			Introduction of legislative measures to mitigate climate change	Risk	-	-	-	Short term
			Difficulty attracting investors and higher interest rates due to inadequate sustainability targets	Risk	-	-	-	Short term
			Access to grants and loans for sustainable investments	Opportunity	-	-	-	Short term
			Reputational risks associated with a lack of initiatives to mitigate climate change	Risk	-	-	-	Medium/long term
			Revenue growth through low-carbon product offerings	Opportunity	-	-	-	Short term
	Climate change adaptation		Operational instability and supply chain disruption due to extreme weather	Risk	-	-	-	Short and 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, and downstream	Short term
			Improved reputation and cost savings from the energy transition	Opportunity	-	-	-	Short term
E5 - Resource use and circular economy	Resource inflows, including resource use Outflows of resources related to products and services Waste		Revenue growth through product development based on circular economy principles	Opportunity	-	-	-	Short term
			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
			Damage to the ecosystem caused by incorrect waste disposal	Impact	Potential	Negative	Upstream, direct, and downstream	Medium/long term

ESRS topic	ESRS subtopic	ESRS sub-subtopic	IRO description	IRO type	Actual/ Potential	Negative/ Positive	Position in the value chain	Time horizon
S1 - Own Workforce	Working conditions	Health and safety	Physical harm to workers due to inadequate working conditions - Direct	Impact	Actual	Negative	Direct	Short term
			Reputational and legal risk deriving from the failure to protect the health and safety of workers	Risk	-	-	-	Short term
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value Employment and inclusion of persons with disabilities Measures against violence and harassment in the workplace Diversity	Discrimination against workers - Direct	Impact	Potential	Negative	Direct	Short term
		Training and skills development	Failure to develop employee skills due to inadequate training	Impact	Potential	Negative	Direct	Short term
	Working conditions	Working times Adequate wage Social dialogue Freedom of association, including the existence of work councils Collective bargaining Work-life balance Training and skills development	Difficulty in attracting and retaining talent	Risk	-	-	-	Short term
		Secure employment Working times Adequate wage Social dialogue Freedom of association, including the existence of work councils Collective bargaining Work-life balance Child labor Forced labor Adequate housing Privacy	Violation of workers' human rights due to inadequate labor practices - Direct	Impact	Potential	Negative	Direct	Short term

ESRS topic	ESRS subtopic	ESRS sub-subtopic	IRO description	IRO type	Actual/ Potential	Negative/ Positive	Position in the value chain	Time horizon
	Working conditions Other work-related rights	Secure employment Working times Adequate wage Social dialogue Freedom of association, including the existence of work councils Collective bargaining Work-life balance Child labor Forced labor Adequate housing Water and sanitation Privacy	Reputational and legal risks for human rights violations within the company	Risk	-	-	-	Short term
S2 - Employees in the value chain	Working conditions	Health and safety	Physical harm to workers due to inadequate working conditions - Indirect	Impact	Actual	Negative	Upstream	Short term
	Other work-related rights	Adequate housing Water and sanitation	Violation of workers' human rights due to inadequate labor practices - Indirect	Impact	Potential	Negative	Upstream	Short term
	Working conditions Equal treatment and opportunities for all Other work-related rights Personal safety of consumers and/or end-users	Health and safety Measures against violence and harassment in the workplace Forced labor Child labor	Reputational and legal risks for human rights violations along the value chain	Risk	-	-	-	Short term
S4 - Consumers and end-users	Personal safety of consumers and/or end-users	Health and safety	Harm to consumer health and safety due to product quality	Impact	Potential	Negative	Direct	Short term
	Personal safety of consumers and/or end-users	Health and safety	Harm to consumer health and safety due to misleading labeling	Impact	Potential	Negative	Direct	Short term
	Personal safety of consumers and/or end-users	Health and safety	Promoting a healthy lifestyle for consumers	Impact	Potential	Positive	Direct	Short term
	Personal safety of consumers and/or end-users	Health and safety	Recognition of reputation through the promotion of healthy lifestyles	Opportunity	-	-	-	Short term
	Personal safety of consumers and/or end-users	Health and safety	Consequences of distributing products that do not meet health and safety standards to consumers	Risk	-	-	-	Short term

ESRS topic	ESRS subtopic	ESRS sub-subtopic	IRO description	IRO type	Actual/ Potential	Negative/ Positive	Position in the value chain	Time horizon
	Impact of information for consumers and/or end-users	Privacy	Violation of customer privacy	Impact	Potential	Negative	Direct	Short term
	Social inclusion for consumers and/or end-users	Non-discrimination Access to products and services Responsible marketing practices	Promoting social inclusion through products	Impact	Potential	Positive	Direct	Medium/long term
	Impact of information for consumers and/or end-users	Privacy	Fines and reputational damage from data breaches	Risk	-	-	-	Short term
	Social inclusion for consumers and/or end-users	Non-discrimination Access to products and services Responsible marketing practices	Market expansion through inclusive product development	Opportunity	-	-	-	Short term
G1 - Business Conduct	Corporate culture Corruption and bribery	Prevention and detection, including incidents training	Legal and reputational consequences of corporate corruption	Risk	-	-	-	Short term
	Corporate culture Corruption	Prevention and detection, including incidents training	Reputational consequences of supplier misconduct	Risk	-	-	-	Short term

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

In the previous sections, the Group has described the process of defining the impacts, risks, and opportunities found to be material; for more information, see the sections "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 disclosure requirements that the Group has undertaken to report based on the results of the double materiality analysis (IRO-2-56):

List of disclosure requirements arising from the double materiality analysis

Disclosure requirement	Page
ESRS 2 - General disclosures	
BP-1 - General basis for preparation of sustainability statements	*Pag. 42*
BP-2 - Disclosures in relation to specific circumstances	*Pag. 42-43*
GOV-1 - The role of the administrative, management and supervisory bodies	*Pag. 43-44-45*
GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	*Pag. 45-46*
GOV-3 - Integration of sustainability-related performance in incentive schemes	*Pag. 46-47*
GOV-4 - Statement on due diligence	*Pag. 47*
GOV-5 - Risk management and internal controls over sustainability reporting	*Pag. 47*
SBM-1 - Strategy, business model and value chain	*Pag. 48-49-50*
SBM-2 - Interests and views of stakeholders	*Pag. 50-51-52*
SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	*Pag. 53*
IRO-1 - Description of the process to identify and assess material impacts, risks, and opportunities	*Pag. 53-54-55-56-57-58*
IRO-2 - Disclosure requirements in ESRS covered by the undertaking's sustainability statement	*Pag. 59-60-61-62-63-64-65-66-67-68-69 Taxonomy: Pag. 70-71-72-73-74-75-76-77-78-79-80*

Disclosure requirement	Page
ESRS E1 - Climate change	
EI - GOV-3 - Integration of sustainability-related performance in incentive schemes	*Pag. 81*
E1 - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	*Pag. 81-82*
E1 - IRO-1 - Description of processes to identify and assess climate-related material impacts, risks and opportunities	*Pag. 81-82*
E1-1 - Transition plan for climate change mitigation	*Pag. 82*
E1-2 - Policies related to climate change mitigation and adaptation	*Pag. 82*
E1-3 - Actions and resources in relation to climate change policies	*Pag. 83*
E1-4 - Targets related to Climate change mitigation and adaptation	*Pag. 83-84*
E1-5 - Energy consumption and mix	*Pag. 85-86*
E1-6 - Gross scopes 1, 2 and 3 and total GHG emissions	*Pag. 87-88-89*
E1-7 - GHG removals and GHG mitigation projects financed through carbon credits	*Pag. 90*
E1-9 - Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	*DR subject to transitional provision*
ESRS E5 - Resource use and circular economy	
E5 - IRO-1 - Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	*Pag. 91*
E5-1 - Policies related to resource use and circular economy	*Pag. 91-92*
E5-2 - Actions and resources related to resource use and circular economy	*Pag. 93-94*
E5-3 - Targets related to resource use and circular economy	*Pag. 94-95-96*
E5-4 - Resource inflows	*Pag. 96*
E5-5 - Resource outflows	*Pag. 97*
E5-6 - Anticipated financial effects from resource use and circular economy-related risks and opportunities	*DR subject to transitional provision*

Disclosure requirement	Page
ESRS S1 - Own workforce	
S1 - SBM-2 - Interests and views of stakeholders	*Pag. 98*
S1 - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	*Pag. 99*
S1-1 - Policies related to own workforce	*Pag. 100-101-102*
S1-2 - Processes for engaging with own workers and workers' representatives about impacts	*Pag. 102*
S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns	*Pag. 102-103*
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	*Pag. 103-104-105-106*
S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	*Pag. 106-107*
S1-6 - Characteristics of the undertaking's employees	*Pag. 107-108-109*
S1-7 - Characteristics of non-employee workers in the undertaking's own workforce	*Pag. 110*
S1-8 - Collective bargaining coverage and social dialogue	*Pag. 110*
S1-9 - Diversity metrics	*Pag. 111*
S1-10 - Adequate wage	*Pag. 111*
S1-11 - Social protection	*DR subject to transitional provision*
S1-12 - Persons with disabilities	*DR subject to transitional provision*
S1-13 - Training and skills development metrics	*Pag. 112*
S1-14 - Health and safety metrics	*Pag. 112-113*
S1-15 - Work-life balance metrics	*DR subject to transitional provision*
S1-16 - Compensation metrics (pay gap and total compensation)	*Pag. 113-114*
S1-17 - Incidents, complaints, and severe human rights impacts	*Pag. 114*

Disclosure requirement	Page
ESRS S2 - Workers in the value chain	
S2 - SBM-2 - Interests and views of stakeholders	*Pag. 115*
S2 - SMB-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	*Pag. 115-116*
S2-1 - Policies related to value chain workers	*Pag. 116-117*
S2-2 - Processes for engaging with value chain workers about impacts	*Pag. 117*
S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns	*Pag. 117*
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	*Pag. 118*
S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	*Pag. 118*
ESRS S4 - Consumers and end-users	
S4 - SBM-2 - Interests and views of stakeholders	*Pag. 119-120*
S4 - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	*Pag. 120-121*
S4-1 - Policies related to consumers and end-users	*Pag. 121-122*
S4-2 - Processes for engaging with consumers and end-users about impacts	*Pag. 122-123*
S4-3 - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	*Pag. 123-124*
S4-4 - Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	*Pag. 124-125*
S4-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	*Pag. 125-126*

Disclosure requirement	Page
ESRS G1 - Business conduct	
G1 - GOV-1 - The role of the administrative, supervisory and management bodies	*Pag. 127*
G1-1 - Business conduct policies and corporate culture	*Pag. 127-128-129*
G1-2 - Management of relationships with suppliers	
G1-3 - Prevention and detection of corruption and bribery	*Pag. 130*
G1-4 - Confirmed incidents of corruption or bribery	*Pag. 130*

The following topics were found to be immaterial and/or not applicable to the Group (IRO-2-58):

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
	Impacts and dependencies on ecosystem services
ESRS S2 - Workers in the value chain	Secure employment
	Working time
	Adequate wage
	Social dialogue
	Freedom of association, including the existence of work 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	Subtopic
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
	Access to (quality) information
	Personal safety
	Protection of children
ESRS G1 - Business conduct	Protection of whistleblowers
	Animal welfare
	Political engagement and lobbying
	Management of relationships with suppliers, including payment practices

The following table also discloses the information included in this Report that derives from other European Union legislation, in addition to Delegated Regulation 2023/5303 on the European Sustainability Reporting Standards, with an indication of the pages where this information can be found.

Disclosure requirement and corresponding information	SFDR reference [3]	Pillar 3 reference [4]	Benchmark regulation reference [5]	EU climate regulation reference [6]	Material	Page
ESRS 2 GOV-1 Board's gender diversity ratio, paragraph 21(d)	Annex I, table 1, indicator 13		Commission [7] Delegated Regulation (EU) 2020/1816, Annex II		Yes	
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	
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Annex I, table 3, indicator 10				Yes	
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 [8] 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	
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	

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, amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, Pag. 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 with regard to explaining in the benchmark statement how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, Pag. 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 disclosures on environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).

Disclosure requirement and corresponding information	SFDR reference[3]	Pillar 3 reference[4]	Benchmark regulation reference[5]	EU climate regulation reference[6]	Material	Page
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[9] 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	
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	
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	
ESRS E1-5 Energy consumption and mix, paragraph 37	Annex I, table 1, indicator 5				Yes	
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Annex I, table 1, indicator 6				Yes	

9 Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to 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 [3]	Pillar 3 reference [4]	Benchmark regulation reference [5]	EU climate regulation reference [6]	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) 2022/245 3, 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	
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	
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Article 2(1) of Regulation (EU) 2021/1119	Yes	
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)		rticle 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 [3]	Pillar 3 reference [4]	Benchmark regulation reference [5]	EU climate regulation reference [6]	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	

Disclosure requirement and corresponding information	SFDR reference[3]	Pillar 3 reference[4]	Benchmark regulation reference[5]	EU climate regulation reference[6]	Material	Page
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Annex I, table 1, indicator 9				Yes	
ESRS 2 - SBM3 - S1 Risk of forced labor, paragraph 14(f)	Annex I, table 3, indicator 13				Yes	
ESRS 2 - SBM3 - S1 Risk of child labor, paragraph 14(g)	Annex I, table 3, indicator 12				Yes	
ESRS S1-1 Human rights policy commitments, paragraph 20	Annex I, table 3, indicator 9 and Annex I, table 1, indicator 11				Yes	
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	
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	
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32(c)	Annex I, table 3, indicator 5				Yes	
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88(b) and (c)	Annex I, table 3, indicator 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		Yes	
ESRS S1-14 Number of days lost due to injuries, accidents, fatalities or illnesses, paragraph 88(e)	Annex I, table 3, indicator 3				Yes	
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	
ESRS S1-16 Excessive CEO pay ratio, paragraph 97(b)	Annex I, table 3, indicator 8				Yes	

Disclosure requirement and corresponding information	SFDR reference [3]	Pillar 3 reference [4]	Benchmark regulation reference [5]	EU climate regulation reference [6]	Material	Page
ESRS S1-17 Incidents of discrimination, paragraph 103(a)	Annex I, table 3, indicator 7				Yes	
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) 20201816 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	
ESRS S2-1 Human rights policy commitments, paragraph 17	Annex I, table 3, indicator 9 and Annex I, table 1, indicator 11				Yes	
ESRS S2-1 Policies related to value chain workers, paragraph 18	Annex I, Table 3, indicators 11 and 4				Yes	
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[3]	Pillar 3 reference[4]	Benchmark regulation reference[5]	EU climate regulation reference[6]	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	
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	
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	
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24(b)	Annex I, table 3, indicator 16				Yes	

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The EU 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, 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 [10] 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**. 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 it entered into force in 2020, the Regulation has been gradually expanded to include new sectors and activities.

In 2021, the European Commission approved the Climate Delegated Act [11], which governs the first two climate objectives: **climate change mitigation** and **climate change adaptation**. The Climate Delegated Act has already been supplemented twice. Initially, the Complementary Climate Delegated Act [12] included the gas and nuclear sectors in the scope of the Taxonomy. Subsequently, with the publication of Delegated Regulation (EU) 2023/2485 in 2023, further additions were made to the Climate Delegated Act, in terms of both new economic activities and technical screening criteria.

The latest extension of the Regulation is the Environmental Delegated Act [13] approved in June 2023, which lists the activities that contribute to **environmental objectives other than climate**, namely: sustainable use and protection of water and marine resources, transition to a circular economy, prevention and control of pollution, and protection and restoration of biodiversity and ecosystems.

For the 2024 reporting year, companies required to publish Sustainability Reports, such as the De' Longhi Group, must report the share of eligible and aligned activities in terms of **turnover**, capital expenditure (**CapEx**) and operating expenses (**OpEx**) with regard to **activities related to all six objectives** identified by the Regulation, i.e. the two climate objectives and the four non-climate environmental objectives.

The following paragraphs outline how the Group has assessed compliance with the Regulation and provide a 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 change.

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, i.e. 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

10 Taxonomy-eligible economic activity: an economic activity described in delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 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.

11 Delegated Regulation (EU) 2021/2139

12 Delegated Regulation (EU) 2022/1214

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

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) [14], 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. Although this analysis was carried out by the Group 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), because no physical and non-physical solutions ("adaptation solutions") have yet been identified to reduce the most significant risks affecting this activity, the criterion is 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 Dongguan and Onshiu 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, with the exception of the new plant in Satu Mare, for which certification is expected in 2025. The criterion is therefore considered to have been met for all the Group's plants, except for the Romanian plant in Satu Mare;
  - *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;
  - *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 Romanian plant at Satu Mare, for which certification is expected in 2025.

14 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.

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 motorcycle, passenger car and light commercial vehicle

With regard to the Group's investments in the company fleet in 2024, 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_2/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 [15] 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) 540/2014 [16] 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 2024 reporting year.

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

With regard to the Group's investments in 2024 relating to the installation of photovoltaic panels at the Sierre (Switzerland), Cluj (Romania) and Scarperia (Italy) plants, 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 adaptation to climate change. 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 Cluj and Scarperia sites as per the requirements of Appendix A of the Regulation, the activity is considered to be DNSH-aligned.

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, in 2025 the Group plans to formalize its objectives in this area with a Human Rights Policy, which will outline 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 since 30 September 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 [17] equality, as evidenced by the launch of specific DE&I 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.

Despite the above, the Group considers it essential in this context to formalize its principles within a dedicated Human Rights Policy; 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.

15 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.
16 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.
17 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.

Methodology for calculating KPIs (Accounting Policy)

As defined in the Annexes to the Disclosure Delegated Act [18], 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 2024 consolidated income statement, for a total of €3,446 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 €3,347 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,

18 Delegated Regulation (EU) 2021/2178

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.

Therefore, the denominator was calculated in the amount of €129 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 Regulations. Following a conservative and cautious approach, asset additions recorded during the year for La Marzocco International LLC were excluded. This data was sub-consolidated and includes both manufacturing plants and non-manufacturing entities, making it impossible to allocate investments solely to the manufacturing entities.

The total of these investments is €94 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 €1.6 million.

In addition, CapEx increases relating to the photovoltaic system installed in La Marzocco S.r.l. have been added to activity *7.6 - Installation, maintenance and repair of renewable energy technologies*, in the amount of €55k.

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, cars and light commercial vehicles*. Specifically, the items relating to the use of cars for the Group companies De' Longhi Romania S.r.l. and De' Longhi Appliances S.r.l. were considered for a total of €833k, relating to the item "Investments in leased assets."

In addition, for investments by the Group's non-manufacturing companies, investments attributable to activity *6.5 - Transport by motorcycles, cars and light commercial vehicles* were taken into consideration starting from a detailed excerpt of the motor vehicle asset book, for a total of €3.0 million.

The numerator of the CapEx KPI is therefore composed of:

1. €91.5 million relating to activity *1.2 - Manufacture of electrical and electronic equipment*;
2. €3.8 million relating to activity *6.5 - Transport by motorcycles, cars and light commercial vehicles*;
3. €1.6 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	91,465,000	0	94.42%	0%
Point C	5,402,000	0	5.58%	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)	11,018,000	0	11.37%	0%
Intangible assets	13,212,000	0	13.64%	0%
Property, plant, and equipment	72,637,000	0	74.99%	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 €96.7 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 €1.8 million in Royalties attributed to the item Leasing.

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 €86.9 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	67,929,000	0	78.15%	0%
Day-to-day servicing of assets	0.00	0	0%	0%
Short-term leases	18,995,000	0	21.85%	0%

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

Financial Year 2024	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 2023 (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**
A. ELIGIBLE ACTIVITIES																			
A.1 Eco-sustainable activities (taxonomy-aligned)																			
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
A.2 Eligible but not eco-sustainable activities (activities not aligned with the taxonomy)																			
Manufacture of electrical and electronic equipment	CE 1.2	€3,347,555.00	97.15%					EL									97.18%		
Revenues from eligible but not eco-sustainable activities (activities not aligned with the taxonomy) (A.2)		€3,347,555.00	97.15%					97.15%									97.18%		
Total (A.1 + A.2)		**€3,347,555.00**	97.15%	0.00%	0.00%	0.00%	0.00%	97.15%	0.00%								97.18%		
B. NON-ELIGIBLE ACTIVITIES																			
Turnover of non-eligible activities (B)		€98,080.00	2.85%																
Total (A+B)		**€3,445,635.00**	100.00%																

TURNOVER KPI CALCULATION TABLE

	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%	97.15%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Financial Year 2024		Year		Substantial contribution criteria						"Do No Significant Harm" criteria									
Economic activity (1)	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)	Minimum safeguards (17)	Share of aligned (A1) or eligible (A2) CapEx, Year 2023 (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
A. ELIGIBLE ACTIVITIES																			
A.1 Eco-sustainable activities (taxonomy-aligned)																			
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
A.2 Eligible but not eco-sustainable activities (activities not aligned with the taxonomy)																			
Manufacture of electrical and electronic equipment	CE 1.2	€91,464.96	70.62%					EL									62.80%		
Transport by motorcycle, passenger car and light commercial vehicle	CCM 6.5	3,758.53 €	2.90%	EL													0.48%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1,643.3 €	1.27%	EL													0.00%		
CapEx of eligible but not eco-sustainable activities (activities not aligned with the taxonomy) (A.2)		€96,867.11	74.79%														63.28%		
Total (A.1 + A.2)		**€96,867.11**	74.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								63.28%		
B. NON-ELIGIBLE ACTIVITIES																			
CapEx of non-eligible activities (B)		€32,657.89	25.21%																
Total (A+B)		**€129,525.00**	100.00%																

CAPEX KPI CALCULATION TABLE

	Turnover/Total turnover	
	Alignment by objective	**Eligibility by objective**
CCM	0.00%	4.17%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	70.62%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Financial Year 2024	Year			Substantial contribution criteria						"Do No Significant Harm" criteria									
Economic activity (1)	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)	Share of aligned (A1) or eligible (A2) OpEx, Year 2023 (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
A. ELIGIBLE ACTIVITIES																			
A.1 Eco-sustainable activities (taxonomy-aligned)																			
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
A.2 Eligible but not eco-sustainable activities (activities not aligned with the taxonomy)																			
Manufacture of electrical and electronic equipment	CE 1.2	86,924.00 €	89.91%					EL									94.32%		
OpEx of eligible but not eco-sustainable activities (activities not aligned with the taxonomy) (A.2)		€86,924.00	89.91%														94.32%		
TOTAL (A1+A2)		**€86,924.00**	89.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								94.32%		
B. NON-ELIGIBLE ACTIVITIES																			
OpEx of non-eligible activities (B)		€9,759.00	10.09%																
Total (A+B)		**€96,683.00**	100.00%																

OPEX KPI CALCULATION TABLE

	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%	89.91%
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, refurbish-ment 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, refurbish-ment 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 on climate-related considerations, please refer to the section *"GOV-33 - Integration of sustainability performance into incentive schemes"* in 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 material 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 all of the Group's activities have a negative and current impact on climate change, though this is only material for the production plants. 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 identified the most significant climate-related risks and opportunities for the short, medium and long term. The risks identified can be classified as physical or transitional:

- **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. Similarly, supplier assets can also be directly impacted, with repercussions for De' Longhi in terms of 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-ii);
- **Transitional risks:** these derive from changes in the regulatory, technological and market framework in connection with the transition to a low-carbon economy. The risks that emerged as material for the Group are the introduction of more stringent legislation for climate change mitigation, which could result in compliance costs; difficulty attracting investors and less favorable financial conditions, if sustainability targets fail to meet market expectations; reputational risks from the perception of insufficient commitment to the fight against climate change (IRO-1, 20 c-ii).

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

- **Access to sustainable investment financing:** the Group can benefit from European and Italian energy transition programs, designed to support companies that invest in sustainable technologies and practices with low environmental impact;
- **Revenue growth through low-emission product offerings:** consumers' growing awareness and demand for sustainable solutions is an opportunity to develop and market products with reduced environmental impact;
- **Improved reputation and lower operating costs:** 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).

The physical and transitional climate risks to which the Group is exposed was analyzed on a qualitative basis, and did not take into account any climate scenario available to date (IRO-1, 21). In addition, the resilience of the strategy and business model to the potential impacts of climate change was not investigated, thus limiting the analysis to a preliminary assessment of risks without quantifying their effect on business activities (SBM-3, 19).

However, 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 physical climate risks to which the Group's production assets are exposed were assessed on the basis of three climate scenarios, known as **Representative Concentration Pathways (RCPs)**, selected from those published by the IPCC in the Fifth Assessment Report (AR6) of 2021. The scenarios taken into consideration represent several possible climate trends:

- **RCP2.6:** the most ambitious scenario for emissions reductions, with greenhouse gases (GHG) peaking by 2020 and then decreasing to negative emissions by 2100;
- **RCP4.5:** an intermediate scenario in which emissions peak around 2040 and then gradually decrease. This model assumes moderate climate policies and a gradual reduction in dependence on fossil fuels;
- **RCP8.5:** the highest emissions scenario, used to assess the most extreme climate risks. It entails a steady increase in emissions throughout the 21st century, with significant impacts on the climate and ecosystems.

The analysis was conducted over three time horizons: short term (2030), medium term (2050), and long term (2085).

The analysis of transitional risks also followed a structured approach, divided into several phases:

- **Value chain analysis:** analysis of the impact of climate change on the Group's business model and operations;
- **Climate scenario assessment:** assessment of the main transition trajectories outlined by the International Energy Agency (IEA) and the IPCC, to understand the potential impacts and their significance;
- **Analysis of the regulatory context:** monitoring of current and developing environmental regulations, which could steer the Group towards a low-carbon economy. Changes in the regulatory framework can influence market dynamics, product development, and strategic choices, making a proactive approach essential;
- **Benchmarking and industry analysis:** comparison with the main competitors and industry studies to anticipate future trends and challenges.

In parallel, the Group ran a structured analysis of opportunities related to the climate transition, using the same methodological approach described for transition risks.

[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.

In 2024 the Group continued to establish a transition plan, including the fundamental steps of joining the Science Based Targets initiative (SBTi) and formalizing its commitment to submitting GHG emission reduction targets (E1-1, 17).

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

The Group currently has an Environmental Policy and has planned to develop a policy on climate change mitigation and adaptation, which has yet to be completed.

The De' Longhi Environmental Policy, available internally, embodies the Group's commitment to developing a model for sustainable development, integrating environmental management into operating strategies and decision-making processes; this also calls for the periodic assessment of the stakeholders' needs, along with risk assessments. Thanks to this commitment, the Group is able to promote optimization of energy resources and lower the environmental impact of its products throughout their life cycle. Lastly, the policy promotes the integration of the environmental management model with the company's other organizational models, which ensures a systematic approach to sustainability (MDR-P 65 (a)) (MDR-P 65 (e)) (MDR-P 65 (f)). The policy covers the company's entire perimeter and all businesses (MDR-P 65 (b)) The Chief Executive Officer, Fabio De' Longhi, is responsible for the implementation and supervision of the policy, as well as guaranteeing that all the environmental targets are included in the company strategy and monitors the progress made in achieving these goals. (MDR-P 65 (c)) Consistent with its commitment to global sustainability, the company adheres to the United Nations' 2030 Global Agenda for Sustainable Development, focusing its initiatives on the Sustainable Development Goads (SDGs) viewed as the most pertinent to its business. (MDR-P 65 (d)).

The Group's commitment to protecting the environment across all of its activities, in compliance with current law, is in any case expressed in 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 and care for future generations.

That said, the Group is working on an energy and emissions policy that will formalize its objectives and act as a high-level framework for managing impacts, risks, and opportunities (E1-2, 24).

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

While working towards the formalization and public disclosure of its decarbonization strategy, the De' Longhi Group has implemented various actions over time to reduce its impact on climate change. The main initiatives concern both the corporate scope, such as increasing self-production of electricity from renewable sources and electrifying the fleet, as well as the products it sells.

Regarding the manufacturing process, it has increasingly emphasized the development of energy-efficient products, which is also a top priority for all of the De'Longhi's Group New Product Development (GNPD) professionals. This commitment extends to all the main product lines, with a particular focus on coffee machines. For this category of small household appliances, less energy-intensive heating systems have been introduced over time, such as the Eco mode which reduces consumption during use and in the stand-by phase. All the Group's new super-automatic coffee machines are in energy class A3 or higher, thanks to changes such as lighter thermoblocks, which reduce shutdown times, and the adoption of mono-boiler solutions, which optimize energy efficiency while reducing material consumption. Efforts continued in 2024 to develop an entry-level De' Longhi coffee machine that integrates a heating system typical of higher-end models, ensuring high energy performance at a competitive price. Research into these products is not limited to energy efficiency alone, but extends to the choice of less emission-intensive materials. In this regard, the Group has planned a pilot project to rationalize packaging solutions, with improvements that will reduce kg of CO2 per unit used by as much as 20%. As for the choice of materials, the Group is looking for solutions with a reduced emission impact, 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).

In addition to coffee machines, the Group is investing in the development of more sustainable solutions for household air conditioning. Among the products already available on the market, for example, the Pinguino PACEX105A model stands out for its high energy efficiency, attested by its A+++ certification. A notable achievement in the field of cooling systems in 2024 is the launch of a PhD program at the Politecnico di Milano, aimed at designing advanced home cooling solutions with a lower environmental impact. In this area, the Group also emphasizes its commitment to complying with EU Regulation No. 1188 of 2015, which sets the minimum energy efficiency levels for all comfort-related products (MDR-A, 68 a, b, c).

To further optimize direct energy consumption, the Group has installed advanced energy monitoring systems at its plants in Mignagola, Cluj, Salonta, and Dongguan, 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. In order to improve the Group's energy efficiency, the plan also includes the gradual introduction of LED lighting systems, initially launched at European plants and later extended to Chinese plants starting in 2022-2023. Energy consumption reduction initiatives have also targeted the testing and calibration phases of fully automatic coffee machines, with plans to improve efficiency by 40% and 50%, respectively, by 2025 compared to the previous year. These initiatives, achieved through the adoption of advanced consumption monitoring technologies, predictive maintenance techniques and improved heating system efficiency, will help reduce energy intensity per unit produced across all plants. The goal is to reach energy consumption targets of 0.06 kWh per test and 0.017 kWh for the calibration of each machine by the end of 2027 (see the section "E1-4, Climate change mitigation and adaptation targets") (MDR-A, 68 a, b, c).

To further reduce its impact on climate change, another area of intervention is the self-production of energy from renewable sources: in addition to the existing one in Mignagola and Treviso, in 2024 the Group installed photovoltaic systems at its plants in Cluj (Romania) and Sierre (Switzerland), with the intention of equipping the Romanian plants of Satu Mare and Salonta with similar systems by the end of 2025. In addition, La Marzocco's existing photovoltaic systems in Scarperia and San Piero (Italy) are now included in the scope of reporting. The CapEx allocated for these initiatives amounts to €1,589,000 for the Cluj and Sierre plants and €55,000 for the Italian plant of La Marzocco Srl. (E1-3, 29 c) (MDR-A, 68 a, b, c, 69).

Measures have also been taken on the mobility front to reduce the Group's carbon footprint, by migrating the company fleet to hybrid or electric vehicles, with the aim of completely eliminating diesel or gas-powered cars by 2027 (MDR-A, 68 a, b, c). In Romania, the Group is working with its partners to reduce the use of diesel in vehicles used for employee transportation, with the aim of converting to electric by the end of 2025 (MDR-A, 68 a, b, c).

For the above 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).

[E1-4] Climate change mitigation and adaptation targets

As mentioned in section E1-1 of this chapter, the Group is working on a dedicated transition plan; although it has not yet defined GHG emission reduction targets (E1-4, 34), during the year it joined the SBTi and therefore committed to submitting science-based reduction targets.

That said, the De' Longhi Group has included in its 2024-2026 Sustainability Plan a series of actions and objectives aimed at reducing its impact on climate change, including through energy efficiency initiatives (MDR-T 80 a), as shown in the table below.

TABLE 2 CLIMATE CHANGE MITIGATION TARGETS

Initiative	Target (MDR-T 80 b)	Baseline (MDR-T, 80d)	Target year (MDR-T 80 e)	Scope (MDR-T 80 c)	Reference policy (MDR-T 80a)
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	N/A
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 [19]	53.8% renewable electricity at the Group's plants (2022)	2024	All production plants	N/A
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	N/A
	0.017 kWh for calibration of each machine (50% reduction in energy consumption%)	0.034 kWh for calibration of each machine (2022)			
	Reduction of energy intensity per unit produced [20]	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 CO2 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, systematic basis. The progress of each initiative is evaluated annually and is the responsibility of the Sustainability Department (MDR-T 80 j). As of 31 December 2024, the targets showed the following progress (MDR-T 79 c):

- **Presentation of SBTi targets covering Scope 1, Scope 2 and Scope 3 emissions and definition of an emissions reduction strategy:** to date, the targets have not been submitted.
- **Increase the use of electricity from renewable sources (both self-generated and purchased) at production plants:** in 2024, 100% of consumption at plants was covered by Guarantees of Origin.
- **Energy efficiency interventions aimed at making changes and/or implementing new solutions to reduce the energy consumption of plants/offices:**
  - Compared to the target "0.06 kWh consumed per test (40% reduction in energy consumption)," as of 31 December 2024 the figure was 0.1 KWh consumed per test; this activity is in the research and development phase;
  - Compared to the target "0.017 kWh for calibration of each machine (50% reduction in energy consumption)," as of 31 December 2024, the figure was 0.034 kWh per calibration; this activity is in the research and development phase;
  - Compared to the target "Reduction of energy intensity per unit produced," as of 31 December the figure was 5,35 kWh per unit produced.
- **Migrating the company fleet to electric and hybrid vehicles:** as of 31 December 2024, hybrid and electric vehicles made up 43% of the fleet.
- **Reducing the environmental impact of packaging:** this initiative is planned for 2025.

19 Portion of electricity covered by GO on the total amount purchased by production plants.
20 Calculated as the ratio between electricity consumed and units produced in the Group's factories.

[E1-5] Energy consumption and mix

In 2024, the increase in production volumes and the inclusion of La Marzocco in the reporting scope led to an increase in energy consumption to 133,861 MWh, up 10% compared to 2023. The consolidation of La Marzocco also caused an increase in the consumption of petroleum-derived fuels to meet the needs of the expanded company fleet. About 80% of natural gas consumption is attributable to the use of the Mignagola trigenerator.

As for the purchase of electricity, in 2024, 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 installation of photovoltaic panels at the Cluj site and the inclusion of La Marzocco in the consolidation scope increased self-production from renewable sources to 3,950 MWh, more than triple the amount self-produced in 2023.

TABLE 6 ENERGY CONSUMPTION AND MIX (IN THOUSANDS OF MWH)

Energy consumption and mix (E1-5, AR 34)	**UOM**	**2023**	**2024**
Consumption of fuel from coal and coal products	MWh	-	-
Consumption of fuel from crude oil and petroleum products	MWh	11,181	12,237
Consumption of fuel from natural gas	MWh	32,822	33,006
Consumption of fuels from other non-renewable sources	MWh	-	-
Consumption of electricity, heat, steam, and cooling from fossil sources, purchased or acquired	MWh	8,082	9,377
a. Total energy consumption from fossil sources (E1-5, 37a)	**MWh**	**52,084**	**54,619**
Fossil fuels as percentage of total energy consumption [21]	%	43%	41%
b. Consumption from nuclear sources (E1-5, 37b)	**MWh**	**786**	**1,480**
Nuclear sources as percentage of total energy consumption	%	1%	1%
c.i) Consumption of fuels from renewable sources, including biomass (including industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.)	MWh	-	-
c.ii) Consumption of electricity, heat, steam, and cooling from renewable sources, purchased or acquired	MWh	67,832	73,812
c.iii) Consumption of renewable energy self-produced without the use of fuels (E1-5, 39)	MWh	881	3,950
c. Total energy consumption from renewable sources (E1-5, 37c)	**MWh**	**68,714**	**77,762**
Renewable sources as percentage of total energy consumption	%	57%	58%
Total energy consumption	**MWh**	**121,584**	**133,861**

21 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).

TABLE 7 ENERGY INTENSITY BASED ON NET REVENUES (E1-5, 40)

	UOM	2023	2024	% 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	-3%

TABLE 8 NET REVENUES CONSIDERED FOR THE CALCULATION OF INTENSITY METRICS (E1-5, AR 38 b) (E1-6, AR 55 b) (E1-5, AR 38 b) (E1-6, AR 55 b)

Net revenues from activities in high-climate-impact sectors used to calculate energy intensity (E1-5, 43) (E1-6, 55)	kEuro	3,445,635
Net revenues (other)	kEuro	51,920
Total net revenues (financial statements)	kEuro	3,497,555

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

In 2024, total Scope 1 and Scope 2 emissions, calculated using the "location-based" method, rose 9% on 2023 to 46,550 tons. This increase is consistent with the inclusion of La Marzocco and the consequent change in the reporting scope. 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 2024, De' Longhi included all 11 applicable categories out of the 15 defined by the Greenhouse Gas Protocol Accounting & Reporting Standard in its inventory.

Within Scope 3 emissions, Category 11: "Use of sold products" accounts for approximately 80% 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 16% of total Scope 3 emissions.

TABLE 9 GHG EMISSIONS (IN tCO_2)

		2023	2024	% N / N-1
Scope 1 GHG emissions (E1-6, 44a) (E1-6, 48a)				
Gross Scope 1 GHG emissions (tCO_2eq)		**10,240.1** [22]	**11,255.0**	**10%**
% of Scope 1 GHG emissions covered by regulated emissions trading systems		**-**	**-**	**-**
GHG Scope 2 emissions (E1-6, 44b) (E1-6, 49a,b)				
Gross Scope 2 GHG emissions (location-based) (tCO_2eq)		**32,622.5**	**35,294.9**	**8%**
Gross Scope 2 GHG emissions (market-based) (tCO_2eq)		**4,133.1**	**4,993.6**	**21%**
Significant Scope 3 GHG emissions (E1-6, 44c) (E1-6, 51)				
Total gross indirect Scope 3 GHG emissions (tCO_2eq)			**6,709,227.7**	
1	Goods and services purchased		1,080,408.7	
2	Capital goods		29,781.2	
3	Fuel and energy-related activities (not included in Scope 1 and 2)		2,887.6	
4	Upstream transportation and distribution		82,917.4	
5	Waste generated during operations		1,666.0	
6	Business travel		793.5	
7	Employee commuting		8,433.2	
8	Upstream leased assets			
9	Downstream transportation		49,721.8	
10	Transformation of products sold			
11	Use of products sold		5,403,262.8	
12	End-of-life treatment of products sold		47,464.8	
13	Downstream leased assets			
14	Franchising			
15	Investments		1,890.7	
Total GHG emissions (E1-6, 44d) (E1-6, 52)				
Total GHG emissions (location-based) (tCO_2eq)			**6,755,777.6**	
Total GHG emissions (market-based) (tCO_2eq)			**6,725,476.2**	

TABLE 10 GREENHOUSE GAS EMISSIONS INTENSITY AS A PERCENTAGE OF NET REVENUES

Greenhouse gas intensity based on net revenues (E1-6, 53)	**UOM**	**2023**	**2024**	**% N/N-1**
Total greenhouse gas emissions (location-based) per net revenue (tCO_2eq/monetary unit) (E1-6, 54)	tons of CO_2e/€k	2.23	1.93	-13%
Total greenhouse gas emissions (market-based) per net revenue (tCO_2eq/monetary unit) (E1-6, 54)	tons of CO_2e/€k	2.22	1.92	-13%

22 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

Direct Emissions Scope 1

Direct Scope 1 emissions include emissions generated from the combustion of fossil fuels, including natural gas (also for the use of the trigenerator), gasoline, diesel, and LPG, used for heating and the company fleet. Additionally, these emissions include those resulting from refrigerant leaks. It should be noted that, compared to what was published in the 2023 Non-Financial Statement and the 2023 Sustainability Report, 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, rather than being classified as indirect Scope 2 emissions. Emission calculations were performed using the emission factors reported in the National Standard Parameters Table of the Italian Ministry of the Environment for the year 2024, based on ISPRA tables, along with those included in the complete set of emission factors provided by DEFRA (Department for Environment, Food and Rural Affairs), the UK government ministry responsible for environmental, food, and rural affairs, for the year 2024, or in the IPCC AR6 set.

Indirect Emissions Scope 2

The indirect Scope 2 emissions of the De' Longhi Group are related to the consumption of purchased electricity and heating. The calculation of these emissions is based on two approaches: location-based and market-based. The first, location-based, considers an average emission factor related to the national energy mix of each country. The second, market-based, considers the purchased renewable electricity, applying a zero emission factor for energy with Guarantees of Origin (GO) and international renewable energy certificates (I-REC). For the remaining energy, an emission factor reflecting the residual market mix is used. The emission factors for the location-based approach were extracted from Terna's database 'Confronti internazionali', while for the market-based approach, the Residual Mix factors published in 2024 by the Association of Issuing Bodies (AIB) for European countries and by the Center for Resource Solutions for the United States were used. In cases where residual mix emission factors are not available, reference is made to the energy mix published by Terna 'Confronti internazionali 2019' (source: Enerdata).

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

Emissions in this category are related to the purchase of raw materials, semi-finished products, finished products, packaging, and services by the De' Longhi Group. For calculating emissions related to raw materials and packaging, emission factors derived from Ecoinvent v.3.11 were used based on the kg purchased; for calculating emissions related to other types of goods and purchased services, a spend-based methodology was used, and the factors applied are those provided by DEFRA - SIC Multipliers 2021. It is noted that the weight related to raw materials and packaging purchased by Ariete was provided accurately for 75% of the products purchased, and the remaining share was estimated by re-proportioning based on the total.

Cat. 3.2 - Capital Goods

Emissions associated with capital goods were calculated based on the expenditure on capital goods for each Company in the Group, which were clustered according to their type. For the calculation of emissions, spend-based emission factors provided by the DEFRA - SIC Multipliers 2021 database were applied.

Cat. 3.3 - Fuel- and Energy-Related Activities (not included in Scope 1 and 2)

Emissions associated with this category were calculated using consumption data reported in chapter E1-5. The emission factors applied for foreign electricity Well-to-Tank (WTT) emissions are based on data published by DEFRA in 2021, as no subsequent updates have been released. Scope 3 emissions in this category include emissions related to the production of fuels and the generation, transmission, and distribution of purchased and consumed energy, not included in Scope 1 and Scope 2.

Cat. 3.4 - Upstream Transportation and Distribution

This category considers emissions resulting from inbound and outbound logistics incurred by the De' Longhi Group, as well as intercompany transport. For each route traveled (both inbound from suppliers and outbound to customers), the primary data considered were the distance (km) and the total weight transported along that route during the year (kg). Emission factors published by DEFRA 2024 were applied.

Cat. 3.5 - Waste Generated in Operations

The primary data considered for calculating category 5 corresponds to the waste produced in operations (kg) owned or controlled by the Group's Companies. Depending on the type of waste and its disposal method, emission factors published by Ecoinvent v.3.11 and DEFRA 2024 were applied.

Cat. 3.6 - Business Travel

Emissions related to business trips made by train, plane, ship, and car were calculated for the calendar year 2024 based on primary data (origin and destination cities, mode of transport) obtained from management systems dedicated to booking/tracking business travel, to which emission factors published by DEFRA 2024 were applied.

Cat. 3.7 - Employee Commuting

Emissions were calculated for the calendar year 2024 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. Emission factors published by DEFRA 2024 were applied for the calculation.

Cat. 3.9 - Downstream Transportation and Distribution

This category considers emissions generated from the transportation and distribution activities of sold products that are not controlled or paid for by the Group. For each route traveled (outbound to customers), the primary data considered were the distance (km) and the total weight transported along that route during the year (kg). Emission factors published by DEFRA 2024 were applied.

Cat. 3.11 - Use of Sold Products

This category considers emissions generated from the use of products sold by the Group. The estimate of electricity consumption of products throughout their life cycle is based on the product's rated power, combined with an assumption of daily usage duration, derived from specific surveys, and an average useful life, determined through technical analyses conducted by the research and development team. Alternatively, if applicable, the average annual electricity consumption according to standard EN 60661:2014 is used, multiplied by the estimated average useful life of the product. For Ariete brand products, the data covers about 80% of sales. To ensure a more accurate and complete representation of emissions associated with the sale of the entire product range, the data has been re-proportioned to reflect the total sales of Ariete. The emission factor was chosen based on the country of sale of the products, specifically using the emission factors published by Terna in 2019.

Cat. 3.12 - End-of-Life Treatment of Sold Products

For calculating emissions belonging to category 12, the primary data considered were the material composition of products sold during the year by the entire Group and their respective weight (kg), as well as the sales geographies. As with the calculation of category 5, emission factors published by Ecoinvent v.3.11 and DEFRA 2024 were applied depending on the type of material and disposal method considered. It is important to emphasize that, as with category 11, the data related to the Ariete brand has been re-proportioned to reflect the total sales.

Cat. 3.15 - Investments

This category considers Scope 1 and 2 emissions of the Group De' Longhi's subsidiaries, pro-rated for the percentage of shares owned by De' Longhi. Scope 1 and Scope 2 emissions, both location-based and market-based, were calculated using the same method indicated above related to the calculation of the Group's emissions.

Finally, the following excluded categories are noted:

- Cat. 3.8 rented goods to the company: not reported as the consumption of rented goods is included in the calculation of Scope 1 and 2;
- Cat. 3.10 transformation of sold products: not applicable;
- Cat. 3.13 downstream leasing activities: not applicable;
- Cat. 3.14 franchising: not applicable.

CLIMATE-ALTERING EMISSIONS AND GWP APPLIED

The GHG emissions considered are CO_2, CH_4, N_2O, and refrigerant gases. The Scope 3 GHG emissions reported by the De' Longhi Group are expressed in CO_2e, unless otherwise specified.

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 2024 the Group quantified emissions across the lifecycle of the Rivelia coffee machine, an innovative, fully automatic model developed in compliance with the Sustainability Manifesto and following the Group's guidelines for EcoDesign. The calculation of emissions, in accordance with ISO 14067, was the starting point for developing a reduction and offset plan certified by Bureau Veritas through PAS 2060 testing. As part of this strategy, all emissions generated along Rivelia's value chain in 2023 have been fully offset, making it the first household coffee machine certified as carbon neutral.

To achieve the product's climate neutrality goal, the Group selected an offset program in line with international best practices, aimed not only at neutralizing emissions but at creating social and economic benefits for local communities. In particular, carbon credits were purchased to offset the emissions generated over the course of 2023 from the "Water Purifiers for Rural Households" project, developed in Vietnam and certified by Verra. This project provided drinking water purifiers to low-income households, helping to improve sanitation and reducing the need to boil water using wood or fossil fuels. The carbon credits generated by the project were purchased under the Verified Carbon Standard (VCS) program, which guarantees standardized verification procedures (E1-7, 60c).

The total volume of credits purchased by the Group, corresponding to 5,100 tons of CO_2e (E1-7, 59a), made it possible to offset the emissions related to the Rivelia coffee machines sold in 2023.

Also in 2024, the subsidiary La Marzocco extended its collaboration with Rete Clima, supporting two international Carbon Offset initiatives to offset corporate emissions for the year 2023 (E1-7, 57 a). The first project consists of a run-of-river hydroelectric plant with a capacity of 20 MW, located in Colombia along the left bank of the Barroso River in the municipality of Salgar, Antioquia. The energy generated, approximately 132.9 GWh per year, is fed into the grid of Colombia's National Interconnected System, helping to replace thermal production with a renewable source. The project allows an annual reduction of 48,746 tons of CO_2e and an estimated overall reduction of 341,223 tons of CO_2e over its lifetime (E1-7, 56 b, 57 b). The second project, in Indonesia, involves protecting and restoring 149,800 hectares of peatland ecosystems in the districts of Katingan and Kotawaringin Timur, in the central province of Kalimantan. The aim is to protect biodiversity while developing sustainable sources of income for local communities, and contributing to climate change mitigation by maintaining the carbon absorption capacity of peatlands.

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 systemic 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) (E5-IRO-1, 11a).

A description of the impacts connected to the use of resources and the circular economy waste is provided below:

- **Depletion of natural resources due to the use of virgin raw materials** (potential): the transport and production 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 the ecosystem caused by incorrect waste management** (potential): the choice of materials in the planning phase can have a significant impact on end-of-life product waste management and its environmental impact. The products made using materials that are non-recyclable or hard to dispose of may cause problems in waste management, as well as have a negative impact on the eco-system.

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

- **Increase in procurement costs due to scarcity of 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.

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).

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)
Handbook of guidelines to design sustainable De' Longhi Products	• Provide basic guidelines for design product development: • Reduce energy consumption when used and transported • Optimize the life cycle of product parts • Facilitate recycling of materials • Facilitate product disassembly • Minimize the consumption of materials • Optimize the conservation of materials • Minimize the toxicity of materials and the potential harm that could be caused	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 Policy represents another tool for incentivizing the circular economy and reducing waste. Through this Policy, the Group is committed to reducing the environmental impact of its products across the product life cycle, from design to production, from use to disposal. The policy promotes the reduction of waste in the production processes and optimal resource utilization. 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).

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.

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*.

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 initiatives address the importance of developing durable products which challenge the widespread use of planned obsolescence. The iconic Kenwood Chef, for example, undergoes rigorous testing in order to ensure the preparation of more than 15,600 cake mixes. The design, which has interchangeable parts, allows models built in 1976 to use the more recent accessories. 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, 20f).

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. To extend the life of coffee machines, the Group recommends regular descaling in order to remove the scale deposits that form with use. With a view to continuous improvement, the new *Smart EcoDecalc* was introduced. This descaler is more effective and safe than the prior version, *Ecodecalc*. Thanks to an innovative formulation this version, in fact, guarantees more effective removal of scale, extending the machines' useful life. Compared to traditional products, it is also capable of optimizing performance while maintaining lower consumption of resources.

In 2024 the first line of refurbished 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 website.

Consistent with circular economy principles, De' Longhi promotes the interchangeability of parts 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.

In 2024 the Group planned the Spare Parts Excellent Service (SPES) project to respond to the increased requests for commercial guarantees and optimize planning by including the demand for spare parts in production planning. De' Longhi focuses on maintaining a high level of service, 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.

Prevention of waste production

In order to ensure responsible management of the waste produced by manufacturing, the Operations Division implements solutions designed to reduce waste and maximize the recovery of materials.

At the Mignagola (Italy) and Dongguan (China) plants, for example, plastic scraps are recovered and then reused in manufacturing. 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 in 2024 at the Romanian plants in Cluj and Salonta, where 100% of the plastic waste generated each year by the molds is recycled thanks to recovery processes. The recovery process is applied to other materials, also, including paper, cardboard and nylon. Any scraps are sent to specific outside plants for processing. 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, an experiment is underway at the Mignagola plant, to recalibrate the grinder which will make it possible to save 150 tons of coffee per year and reduce related energy consumption by 80%, without compromising quality (E5-2, 20d).

Lastly, with regard to product end-of-life management, the Group adheres to consortia in the reference country markets in order to guarantee correct disposal and support recovery and regeneration practices.

For example, in Italy De' Longhi Appliances S.r.l. is a member of the Ecoped and Ridomus consortia, along with the most important domestic appliance companies. These consortia are responsible for the management of Waste from Electrical and Electronic Equipment (WEEE), in accordance with Legislative Decree 49/2014. They take care of the recovery of equipment that is no longer in use, the extraction and reuse of parts, as well as the recovery of secondary raw materials. Not only does this process facilitate the reuse of raw materials and semi-finished goods, but is also contributes to a significant reduction in the emission of GHG during the production of new metallic materials and parts.

In addition to the initiatives carried out at the plants, the Group branches are also committed to implementing circular economy initiatives through relationships with the resellers and distributors who manage the customer returns, as well as with the customer service centers, for product repairs or the disposal of products that cannot be repaired. 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 management of packaging. One of the first interventions involved the reducing the number 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 2024, 31% 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 2024 72% of the Group's products were packaged without Styrofoam which resulted in a significant drop in the use of a material which 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 the section E5-2 — Actions and resources related to resource use and circular economy (E5-3 21) (E5 -3 24 a, b, d, e, 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:

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)
Lessen the amount of waste sent to landfills	Lessen the waste generated by all the production plants sent to landfills	97% of waste reused, recycled or recovered by 2025[23]	93% of waste reused, recycled or recovered in 2022.	All the production plants	
Product refurbishment	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)	
Reduce products' environmental impact	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)	• Ecodesign practices (implementation slotted for 2025)
		30% of total plastic used from recycled plastic by 2027	Recycled materials not used in new products	New products launched in 2027	• Guidelines for the development of sustainable products • Ecodesign practices (implementation slotted for 2025)
	Improve the longevity, the water and energy efficiency of products by providing systematic maintenance and repair services[24]	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	
Reduce the environmental impact of packaging	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	

23 This percentage includes incerations from which energy is recovered.

24 Excluding plastic materials in contact with food products.

Monitoring of the KPI and the activities related to the established goals is carried out systematically and consistently; each year the Sustainability Division is responsible for recording the progress made in the activities. (MDR-T 80 j) More specifically, at 31 December 2024, the progress made in achieving the goals listed above is shown below (MDR-T 79 c):

- **Lessen the waste generated by all the production plants sent to landfills:** to date, 97% of the waste produced is reused, recycled or recovered.
- **Refurbishment of returns in Europe:** to date, one product category out of three is part of a pilot project, specifically the Renova refurbished coffee machines. For more information refer to *E5-2Actions and resources related to resource use and circular economy.*
- **Focus on recycled materials in order to increase circularity and the sustainability of new and/or refurbished products:**
  - With respect to the target, 30% of total plastic used from recycled plastic, the Group is developing new projects, which consider the use of recycled plastic for at least 30%;
  - With respect to the target to use recycled materials in new products by 2025, in 2025 the initiative involving aluminum was launched;
- **Improve the longevity, the water and energy efficiency of products by providing systematic maintenance and repair services:** the pilot project relating to the implementation of fully automatic coffee machines in an EU country is slotted for 2025;
- **Include the Eco Design approach in product development and give priority to design strategies through LCA, when relevant:** 23% of the products developed in 2024;
- **Reduce the environmental impact of packaging:** a pilot project will be identified in 2025;
- **Increase the number of products with Styrofoam free packaging:** 72% of products sold with Styrofoam free packaging;
- **Increase the number of products with digital instruction manuals:** 31% of the products sold with digital instruction manuals.

[E5-4] Resource inflows

The Group uses a wide range of materials to produce its appliances, the main ones include:

- **Metals:** steel and aluminum for the frames of the coffee machines and kitchen appliances; copper for heating components, like heating coils.
- **Plastics:**ABS and polypropylene for external and internal parts.
- **Vetro:** borosilicate glass, chosen for its thermal resistance, for pitchers and kettles.
- **Electronic components:** printed circuit boards (PCBs) and sensors, which include rare earth minerals, essential for high performance magnets and temperature control systems.
- **Packaging:** mainly paper and cardboard to guarantee product protection and reduce the environmental impact, with an increasing percentage of FSC certified and recycled materials (E5-4 30).

The Group is aware of the environmental impact of the pollution caused by the materials used in the upstream phases, like the extraction and processing of raw materials. It is, therefore, committed to understanding and monitoring the impact of its suppliers' activities in order to promote more sustainable practices along the entire supply chain.

Based on the data from the plants, the Group calculated the total amount of the resource inflows, which are shown in the following table (E5-4 32).

Resource inflows	UOM	Value
Total weight of the products, technical and biological materials used during the reporting period	ton	173,019
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
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%
Percentage of the biological materials which come from a sustainable supply chain	%	0%

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

[E5-5] Resource outflows

The De' Longhi Group actively supports circular economy practices, integratingi **durability and recyclability** in the design of its products and promoting the **reuse** of excess materials and scraps, which are put back into the production cycle. With regard to the first of the two aspects, new products are also designed with components which facilitates disassembly, maintenance, repairs and the substitution of single parts, reducing the need, therefore, to dispose of the entire product in the event of malfunctions. To incentivize these practices, the Group has defined precise criteria to be used when selecting materials: for example, the use of metal alloys that are resistant to corrosion help extend the useful life of products. The use of high-strength, long-life composite materials also improves overall performance, reducing the need for frequent replacements (E5-5 35,40).

To date, the data relating to the expectations for the durability of marketed products is not yet available, but is being studied by the Group (E5-5 36a). Similarly, the Group has currently not yet implemented an internal system for the assessment of product reparability and official European benchmarks are not yet available, either. However, in this instance also, the company is exploring the possibility of adopting standards in the future in order to improve transparency and facilitate the assessment of reparability (E5-5 36b).

To date, the percentage of products' recyclable content is at 12%. For lack of more accurate data, this figure was calculated based on the volume of metals which are used the most in the Group's products; a 95% rate of recovery was assumed in order to account for potential losses during recycling. The same figure for packaging is not yet available and will be examined further in 2025 (E5-5 36c).

With regard to waste generated, the **12,896 tons** generated in 2024 include mainly materials like plastics, metals and electronic components used in production, along with paper and cardboard used in packaging. The assembly processes also produce complex waste, like industrial dusts which comprise resins, paints and other chemical substances. Non-metallic minerals such as silica and rare earth metals can also be found in electronic components and circuits (E5-5 38 a,b).

In 2024, a total of **9,632 tons** of waste or 74.7% of the total waste produced was recycled; **3,264** tons or **25,3%** of the total waste was not recycled (E5-5 37a,d).

The quantity of waste generated and the disposal methods in the three-year 2022-2024[25] are shown below.

Waste not intended for disposal	UOM	2022			2023			2024		
		H	NH	Total	H	NH	Total	H	NH	Total
Preparation for reuse	ton	1	-	1	-	220	220	-	-	-
Recycling	ton	35	5,989	6,024	18	8,859	8,877	9	9,623	9,632
Other recovery operations[26]	ton	65	2,605	2,670	88	2,353	2,441	106	2,502	2,608
Total waste[27]	**ton**	**101**	**8,594**	**8,695**	**106**	**11,432**	**11,538**	**115**	**12,125**	**12,240**

(E5-5 37b, 39)

Waste not intended for disposal	UOM	2022			2023			2024		
		H	NH	Total	H	NH	Total	H	NH	Total
Incineration	ton	28	18	46	82	-	82	57	-	57
Landfill	ton	11	190	201	2	406	408	0	289	289
Other disposal methods	ton	51	303	354	36	281	317	59	252	310
Total waste	**ton**	**90**	**511**	**601**	**120**	**687**	**807**	**116**	**540**	**656**

(E5-5 37c, 39)

Key: **H** = Hazardous waste **NH** = Non-hazardous waste

25 All the data reported relating to the producton of waste refers solely to production plants. The offices and other operating branches are, therefore, excluded.
26 Other recovery operations" includes incinerated waste with energy recovery, recovered waste and composted.
27 The share of radioactive waste is 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.
- 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 (S1-SBM3-13 a,b,), 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.
- **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 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.

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:

- **Reputational and legal risk due to discrimination of own workforce:** potential risk of legal repercussions and reputational damage in the absence of an adequate DEI system within its organizational structure. This could also result in an increase in employee turnover and compromise the company's ability to attract a diverse and highly qualified workforce.
- **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 the 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 Goals** (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)
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	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	-
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	

One of the main policies adopted, 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 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 expects to formalize a **Policy on Human Rights**, a document based on international rights including the **Universal Declaration of Human Rights** (S1-1 21). This policy will outline the key principles relating to adequate and 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, since 30 September 2024 the Group joined the **United Nations Global Compact**, a voluntary initiative which invites companies to respect the ten universal principles relating to human rights, labor, the environment and the fight against corruption (S1-1 20a) (S1-1 22).

Particular attention was paid to **Diversity, Equity and Inclusion (DEI)**. This topic was addressed in 2024 through the publication 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.

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 protocols have been adopted, including with a view to containing accidents due to a particular focus on the production plants where exposure to risks is higher. The plants in Sierre (Switzerland), Dongguan (China), OnShiu (China), all of La Marzocco S.r.l. production and commercial sites are **ISO 45001:2018, certified**. This is the most highly recognized international health and safety standard (S1-1 21). The structures which have yet to be certified are completing the adjustments called for in order obtain certification for all the production plants by 2027. These initiatives are accompanied by safety training, monitoring of accidents and the adoption of risk reducing management systems (S1-1 23).

Toward this end, cross-functional HR-Operations team was created which analyzes risks relating to production and supply chain activities in order to determine a path for gradual improvement over the long-term and move 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 by engaging and empowering employees in topics related to safety while, at the same time, improving the efficacy and productivity through initiatives focused on "new ways of working", particularly remote working. In the production plants the initiative has accompanied by the "Safety Ambassadors" campaign based on which a few employees were asked to act as spokespeople 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).

Thel **Whistleblowing channel** has a key role. Through the **"Integrity Platform"** anyone - employees, suppliers and other parties - may anonymously 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 on 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).

[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 conditions possible 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 representative. 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).

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 2024, the Group Engagement Survey - Your Voice, conducted for the first time with the support of a new provider, involved more than 8,000 employees with a participation rate of 87%. Thanks to an advanced technology and a solid external benchmark, the platform made it possible to get a better understanding of the results and identify key opportunities for improved involvement and collaboration. The data gathered highlighted the opportunities that stronger internal communication would provide, for the structuring and development of growth opportunities and the strengthening of inclusion through targeted actions.

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 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).

In 2024, the Group launched 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; this initiative demonstrates the Group's commitment to understanding the perspective of vulnerable populations (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 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. In order to protect the identity of those who use it, the Integrity platform is managed by an independent third party (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 the 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 the 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 Processes to remediate negative impacts and channels for own workers to raise concerns* 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 regions 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.

A strategic partnership was begun with the Career Services of Bocconi University and Milan's Politecnico, named the **Corporate Associate Program**, in order to create synergies with the schools and guarantee the best possible professional placements for the new graduates. 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 implemented. The project involves different Group teams in employer branding activities. More in detail, the employees who wanted to get involved 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 2024 the **ICT hackathon** was held at the Treviso headquarters in which a few students from Milan's Politecnico were involved. During the day, 20 members of the Group's IT team and 10 students passed a day brainstorming in order to develop innovative projects relating to topics like Artificial Intelligence, the sharing of knowledge and mobility. At the same time, the **IT Talent Academy**, targeting students and new graduates interested in IT, was launched. This six week course provides specific training in SAP and ends with interviews for positions on the Group's IT team (S1-4-38a, b, c, d).

The **Internship Program**, which continued in 2024, represents an opportunity for university students and graduates to put into practice the knowledge they acquired during their academic careers. The candidates are chosen based on a structured and engaging selection process, optimizing selection time and attracting Italian, as well as international, students. The internships last 6 months and are held at the Treviso headquarters where the interns carry out the tasks required by the team to which the student is assigned. The main goal is to train young workers and provide them with an opportunity to learn about a new job and consider both the possibility of getting hired and pursuing a career path (S1-4-38a, b, c, d).

The Group's **LinkedIn** page gained momentum, reaching more than 77,000 followers at the end of 2024 with an engagement rate of around 15%, higher than in previous months. In order to enhance the Group's presence on this channel, in June 2024 a global advocacy campaign, **LinkedIn Month**, was 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 increased interaction and spreading of corporate content (S1-4-38a, b, c, d).

Work was also started on the Talent Strategy, in order to render the recruiting of candidates and development of our employees more dynamic and inclusive. The project resulted in the launch of two main initiatives: the revision of the recruiting guidelines and company branding, with a specific focus on inclusion and enhancing potential; and, the launch of analysis which, in 2025, will guide the planning of initiatives targeting internal growth and talent development.

Lastly, internal communication was at the center of important changes made to guarantee greater access to and transparency of the company strategy. The 3-Year Plan Unfolded project made it possible to share the content of the Three-Year Business Plan with the entire company, which further strengthened the connection between leadership and employees. The initiative fostered a greater understanding of the strategic priorities, reinforcing organizational engagement and cohesiveness.

Professional development and learning

In 2024 the Group 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 (S1-4-40a, b).

More specifically, De' Longhi mainly uses two platforms to support the professional growth of its workforce globally: **PULSE**, a tool used for training which makes it possible to register for different courses and workshops, both in person and online, offered in different languages, which are very interactive. Employees can access tailor made programs and monitor their progress; **FORWARD**, an ad hoc performance appraisal tool, designed to promote a transparent and constructive dialogue between managers and employees which helps De' Longhi's people to identify their development goals and learning needs (S1-4-38a, b, c, d).

More in detail, the FORWARD performance appraisal cycle can be broken down into three phases; Set Up, Sync and Wrap Up:

- **Set Up:** consists in the identification of individual targets based on which a growth plan is developed which is consistent with both the company strategy and the team's goals;
- **Sync:** calls for a process of continuous and interactive growth which leverages on checkpoints, namely systematic moments of self-reflection and exchange of feedback. Contrary to what was done in the past, the exchange of feedback no longer takes place solely between supervisor and subordinate, colleagues from the different company division may also be involved by both parties;
- **Wrap Up:** this is when the areas of strengths and areas of improvement are looked at which allows the manager to provide subordinates with a more complete, objective and constructive assessment.

In 2024, the performance appraisal process involved 2,845 people and there was a further increase in the plans approved. Forward was confirmed as a pillar of internal growth, supporting individual development and promoting a culture of continuous feedback.

The initiatives connected to training 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 the employee's interest and professional growth path.

The training offered, open to all company personnel, includes a vast selection of courses which can be broken down into five 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:** public speaking training offered in person and online, in both Italian and English;
4. **Organizational skills:** online training, in both Italian and English, on project management, problem solving, time management, finance for novices, demystifying methodologies and lean office;
5. **Company Culture:** introduction of the world of coffee in order to provide an overview of the basic concepts and terminology associated with the world of coffee.

The global courses are held online so that employees from all geographies may attend, while local courses are held at 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 2024 **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.

The **Sustainability Learning Journey** project is, rather, part of a broader sustainability strategy, comprised of training sessions on topics relating to sustainability. De' Longhi's goal is to make its 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).

Particular attention was paid to the training of blue-collar workers. Three days of training were organized at the Mignagola plant in Italy which involved more than 400 employees. The sessions looked at relevant topics, from the digital transformation to posture exercises, to specific content relating to lean manufacturing and quality.

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 (S1-4-40a, 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, including 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. There 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 2024 the global campaign "I am Safety" continued. This initiative, part of the sustainability strategy, has three main objectives: strengthen and spread a safety culture throughout the Group, involve and make employees responsible for issues linked to safety and, at the same time, improve efficacy and productivity through initiatives focused on "new ways of 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, currently implemented in the production plants in China, Romania and Italy and soon at other branches and subsidiaries, can be broken down 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 relative responsibilities.
3. **Identification of any equipment needed:** in this phase any investments needed to improve the health and safety inside the plants are quantified, along with the anticipated benefits.

A global project for injury management was also implemented which began by focusing on the interaction between pedestrians and forklifts, following which an anti-collision system for forklifts has been developed, already tested in the Romanian plants and in Mignagola plant; it is expected to be implemented in all the plants in 2025 (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 improving the level of inclusion and cohesion among employees, consumers, suppliers and the entire local community, with zero tolerance for any form of discrimination against the employees and violations of human rights (S1-4-40a, 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 guarantees 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.

De' Longhi established a **governance** framework built around DE&I initiatives, defining 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 addition to the definition, publication and distribution of the policy, in 2024 the **Global DE&I Training** program was launched which comprises 3-hour interactive online sessions in 13 languages which is offered to the entire white-collar population in order to raise awareness about biases and create a shared understanding of diversity, equity and inclusion. This training path will be offered globally and wrapped up in the first part of 2025. It will be adapted to reflect local realities with a view to creating a shared language on diversity, equity and inclusion, while promoting an inclusive working culture and providing people with the tools they need to recognize and overcome prejudice (S1-4-38a, b, c, d).

[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 wellbeing and the development of employees and, therefore, pursue the objectives of the policy described in section S1-2, the De' Longhi Group included specific initiatives and the relative quantitative and qualitative targets (MDR-T 80 a), in its Sustainability Plan 2024-2026. The targets were developed using a structured method which involves the key stakeholders of the Human Resources division (MDR-T 79 e; MDR-T 80 h, MDR-T 80 f). The targets identified are shown 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	2 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		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	De' Longhi Group	
	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 KPI and the initiatives associated with the targets outlined will be done regularly and systematically. The progress made in each initiative will be recorded each year, for which the Human Resources Division will be responsible (MDR-T 80 j). More in detail, the progress made relative to each target at 31 December 2024, is shown below (MDR-T 79 c):

- **Ensure the highest health and safety standards by implementing a ISO 45001 certified health and safety management system in the Group's plants:** at 31December 2024, 3 out of 7 plants had been certified;
- **Increase in the number of women with senior management positions:** as at 31 December 2024, 26% of the women in senior management positions;
- **Address the training and development of our people through a global Training Program:** 91% of the employees involved in training courses in 2024;
- **Define and implement a global approach and a communication plan based on the new ways of working:** a survey on work/life balance is being finalized and will be conducted in 2025;
- **Sponsor educational programs to high school students with a focus on STEM and women:** educational programs will be launched in 2025.

These results demonstrate De' Longhi's commitment to complying with the targets set. The company is respecting the target to have 30% of women in senior management positions by 2028; having exceeded the 80% target for employees involved in training courses in the two-year period 2024-2026 highlights the importance that the Group attributes to developing the skills of its people.

The Group's Sustainability Report is public and can be found on its website. For more information on the Sustainability Plan refer to the section SBM-1 in the 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 2024 the Group had **10,641** (S1-6-50d): employees: 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 **3,136** [28] employees left the Group which corresponds with a turnover rate of **29.5%** [29] (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 at the production plants.

28 The figure refers to the total number of employees who left the Group between 1 January 2024 and 31 December 2024.
29 To calculate this figure, the total number of employees who left the Group was divided by the total number of employees.

TABLE 3 - NUMBER OF EMPLOYEES WHO LEFT THE COMPANY IN 2024

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

Information on the total number of employees by gender is provided below (S1-6-50a). Between 2022 and 2024, the total number of employees rose considerably, from **8,555 to 10,641**. More specifically, there was an increase in both women and men with a slight rebalancing in the gender mix.

TABLE 4 - NUMBER OF EMPLOYEES BY GENDER 2022-2024

Gender	2022	2023	2024
Men	4,192	4,894	5,499
Women	4,363	4,943	5,125
Other	-	-	-
Not disclosed	-	-	17
Total	**8,555**	**9,837**	**10,641**

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 10% OF DEL TOTAL, AND GENDER IN 2024

Country	2024				
	Men	Women	Other	Not disclosed	Total
Italy	1,369	802	0	0	2,171
China	1,377	1,127	0	0	2,504
Romania	1,495	2,207	0	0	3,702

In terms of regions, in 2024 68% of De' Longhi's employees were in Europe, followed by America & Asia at 30% and lastly, MEIA (Middle East, India and Africa).

TABLE 6 - NUMBER OF EMPLOYEES BY REGION 2024

Region	2024
Europe	7,334
America & Asia	3,246
MEIA	61
Total	**10,641**

The total number of employees by contract type is shown in Table 7. Between 2022 and 2024, De' Longhi's workforce grew by 24.4%, going from 8,555 to 10,641 employees. The breakdown by gender was largely balanced in the three-year period with men at 51.7% and women at 48.2% in 2024. The number of full-time employees rose consistently over the years, while the number of part-time employees fell in 2024 (S1-6-50 b).

TABLE 7 - TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE AND GENDER 2022-2024

	2022				
Category	**Men**	**Women**	**Other**	**Not disclosed**	**Group**
Employees with permanent positions	3,901	4,086	-	-	7,987
Employees with temporary positions	291	277	-	-	568
Employees with flexible hours	-	-	-	-	-
Total number of employees	**4,192**	**4,363**	**-**	**-**	**8,555**
Full-time employees	4,136	4,081	-	-	8,217
Part-time employees	53	285	-	-	338
Total number of employees	**4,192**	**4,363**	**-**	**-**	**8,555**

	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	-	-	-	-	-
Total number of employees	**4,894**	**4,943**	**-**	**-**	**9,837**
Full-time employees	4,809	4,625	-	-	9,434
Part-time employees	85	318	-	-	403
Total number of employees	**4,894**	**4,943**	**-**	**-**	**9,837**

	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	-	-	-	-	-
Total number of employees	**5,499**	**5,125**	**-**	**17**	**10,641**
Full-time employees	5,443	4,924	-	17	10,384
Part-time employees	56	201	-	-	257
Total number of employees	**5,499**	**5,125**	**-**	**17**	**10,641**

[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 2024 (S1-10 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 (S1-10 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 (S1-10 55 a).

TABLE 8 - TOTAL NUMBER OF NON-EMPLOYEE WORKERS 2024

Type	2024
Self-employed workers	16
Workers hired in outsourcing	1,415
Total	**1,431**

[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 2024, 59% of De' Longhi's employees were covered by collective bargaining agreements (S1-8 60); 52% of the employees are covered by workers' representatives (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 2024 is shown below.

TABLE 9 - COVERAGE OF THE COLLECTIVE LABOR AGREEMENTS AND SOCIAL DIALOGUE 2024

Coverage (%)	Coverage - collective bargaining agreements	Coverage - social dialogue
	EEA Employees	**EEA Employees**
0-19%		
20-39%		
40-59%		
60-79%		Itay
80-100%	Italy, Romania	Romania

[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 2022-20244

Age range	2022	2023	2024
Less than 30 years old	1,283	1,695	1,701
Between 30 and 50 years old	5,344	5,863	6,291
More than 50 years old	1,928	2,279	2,649
Totale	**8,555**	**9,837**	**10,641**

TABLE 11 BREAKDOWN OF SENIOR MANAGEMENT BY GENDER (NUMBER AND PERCENTAGE) 2022-2024

Gender	2022	%	2023	%	2024	%
Men	6	75%	7	78%	7	70%
Women	2	25%	2	22%	3	30%
Other / Not disclosed	0	0%	0	0%	0	0%
Total	**8**	**100%**	**9**	**100%**	**10**	**100%**

Between 2022 and 2024, the number of senior managers rose from 8 to 10, consistent with the slight increase in company management. In 2022, men accounted for 75% of the leadership, which rose to 78% in 2023, to then fall to 70% in 2024. At the same time, the number of women rose consistently each year, reaching 30% in 2024, which indicates that significant progress was made with respect to gender equality in senior 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 2022-2024 [30]

Gender	2022	2023	2024
Men	38%	33%	33%
Women	29%	25%	28%
Other	0%	0%	0%
Not disclosed	0%	0%	0%
Average	**33%**	**29%**	**30%**

Employee category	2022	2023	2024
Manager	69%	68%	65%
White-collar worker	78%	78%	80%
Blue-collar worker	3%	2%	2%
Average	**33%**	**29%**	**30%**

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 (S1-13 -83 a, 84).

TABLE 13 - AVERAGE NUMBER OF TRAINING HOURS BROKEN DOWN BY GENDER AND EMPLOYEE CATEGORY 2022-2024 [31]

Gender	2022	2023	2024
Men	24.3	26.4	26.7
Women	21.8	22.1	23.9
Other	0.0	0.0	0.0
Not disclosed	0.0	0.0	0.0
Total	**23.0**	**23.9**	**25.3**

Employee category	2022	2023	2024
Manager	15.5	21.7	18.8
White-collar worker	19.9	22.9	23.7
Blue-collar worker	25.5	25.1	26.6
Total	**23.0**	**24.3**	**25.3**

[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).

Testimony to the Group's commitment, at three plants ISO 45001:2018 certified management systems were implemented, as described in 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).

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 2024

Employee category	2024	
Employees	10,218	96%
Non employees	1,332	93%

30 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.
31 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.

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 ILLNESSES 2022-2024

Employee category	2022	2023	2024
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 2022-2024

Employee category	2022		2023		2024	
	number	rate	number	rate	number	rate
Employees	54	2.9	56	2.7	75	3.5
Non employees	14	6.6	18	5.9	10	2.1

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.

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 2022-2024

Employee category	2022	2023	2024
Employees	2	2	5
Non employees	0	0	0

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 2024

Employee category	2024
Employees	1,401
Non employees	83

[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 *[S1-1] Policies related to own workforce.*

The pay gap in 2024, 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 35%. (S1-16 97a). This indicator, calculated as the average for the entire Group (unadjusted gender pay gap), reflects significant differences in roles and geographic location.

The figure reflects a female workforce comprised of more blue and white-collar workers with respect to managerial roles, amplified by the variable component of compensation, including tied to benefits and notional costs of medium/long-term incentives which are more relevant for senior and top management.

Toward this end, 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*.

The Group pays increasing attention to topics relating to gender equality, confirmed by the publication of a dedicated DE&I (Diversity Equity and Inclusion) policy and the launch of specific programs and initiatives already described in this report. In this context, the Group intends to adopt mapping and monitoring systems which make it possible to make a more precise analysis of the gender pay gap by category and relative to similar roles inside the single countries in which the Group operates.

The ratio of the highest-earning individual's total annual remuneration to the median total annual remuneration of all employees is 245 (S1-16 97b).

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.

The indicators were calculated based on the annual compensation of each employee which includes the base salary, the one-off compensation, benefits in cash (like payment of living quarters, bonuses and commissions), benefits in kind (like company cares, health insurance and wellness programs), employee severance, the current portion of long-term yearly incentives and the fair value recognized in the reporting period of the stock option plans and performance shares.

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

For the purposes of the calculation, employees employed at the end of the year based on a permanent or temporary contract with a duration of more than 12 months. If an employee was hired at a specific moment during the benchmark year, the respective salary is reported on annually (S1-16 97c).

[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 2024.

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. 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 2022-2024

Datapoint	2022	2023	2024
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	0	3
The total number of discrimination episodes, including harassment, reported during the reporting period.	0	2	3
The number of complaints lodged through the channels provided for company workers to raise concerns (including reporting mechanisms)	0	0	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

The De' Longhi Group currently does not have a structured process for actively engaging workers in the value chain. While the Company recognizes that workers' interests and rights may be impacted by its activities, it does not have a formal mechanism in place to capture and integrate these considerations into the business strategy (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 in the workplace.
- **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.

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: **reputational and legal risk due to human rights violations along the value chain**, related to the negative impact of human rights violations. Indeed, the company's reputation and legal compliance could be at risk due to such violations. For example, if suppliers or partners use forced or child labor, the Company could risk the loss of legal compliance and other repercussions, including reputational damage, resulting in a decrease in sales (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 two main policies (the Code of Ethics and the Supplier Code of Conduct) already adopted by the Group (S2-1 16); the Human Rights Policy, currently being formalized, will be introduced by the end of 2025.

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.

In addition to the Group's Code of Ethics, 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, together with the Human Rights Policy, 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, the OECD Guidelines for Multinational Enterprises, 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**, currently being formalized, will define the Group's commitment to respecting the highest ethical standards and promoting human rights at all stages of the business, including the value chain, in line with the main relevant international regulations and conventions. Specifically, the Group participates in the *"Business and Human Rights Accelerator"* program promoted by the United Nations Global Compact (UNGC), which the group joined in 2024.

As in the previous two years, in 2024 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:

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)
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 parties; Diligence in the use of company assets and protection of IT tools.	De' Longhi Group, suppliers, personnel	Chief Executive Officer	-	Corporate website	Reputational and legal risks due to human rights violations within the company
Supplier Code of Conduct	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/ Quality Department	International Labor Organization SA8000 ISO 14001 ISO 45001	Corporate website	Reputational consequences of supplier misconduct

[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. In addition, there are no agreements with global federations to ensure respect for human rights, thus making it more complex to manage labor rights issues (S2-2 24).

[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 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; in China, this task is entrusted to the managers of the Dongguan and OnShiu plants, supported by the two Purchasing units divided by product category.

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, 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 the audit findings. 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 importance 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 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. 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 action. 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 2024, out of 260 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.

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 further 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 begin by mapping and collecting information along the supply chain, 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 SBM 2] 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 latters' 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 2024, more than 14,000 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** is a VoC (Voice of Consumer) tool that analyzes customer sentiment through reviews and feedback from over 70 online sales channels and integrates it with data received directly from the Group. It 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.

In addition, customer support is ensured through **contact centers** and **technical service centers** 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 contact center services, the Group is implementing an AI-powered virtual assistance system that can provide 24/7 responses to customers. This system, designed to manage key customer interactions, will also allow for more accurate information on user preferences, enabling contact centers to develop faster and more effective solutions that better 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, in pursuit of continual service improvement, the Company 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. **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 success is the intensive **training** offered to qualified employees and external partners, through courses delivered in hybrid mode, which combine e-learning and classroom lessons. As in the previous year, in 2024 the Group decided to focus strongly on direct interaction with customers, organizing specific training sessions led by external consultants for service center operators and managers of the care network. Theoretical lessons were combined with field activities, where the participants practiced and perfected 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 ai-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.
- **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.

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

- **Reputational benefit 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 customers' lives.
- **Increased market share through the development of more inclusive products:** the Company can expand its market and strengthen its brand reputation by developing innovative products that promote inclusion and cultural diversity. By addressing a variety of consumer needs, it can appeal to underrepresented market segments, setting itself apart from competitors and increasing customer loyalty through its commitment to representation and accessibility.

The company is also working on the creation of inclusive product guidelines, with the aim of developing solutions that meet 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 considers the following financial risks (SMB-3 10d):

- **Penalties for privacy violations:** The company could risk penalties and reputational damage for failing to protect personal data. In an environment where privacy is highly regulated and valued by consumers, violations can result in regulatory fines such as those provided for by the GDPR, and undermine customer trust and loyalty, damaging brand reputation.

- **Damage compensation to consumers resulting from poor product quality:** the company could risk reputational and economic consequences if its products do not comply with health and safety regulations. Selling unsafe products could result in fines or lawsuits and undermine consumer trust, which would damage the brand's reputation.

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, in particular with regard to how they derive from and guide the corporate strategy and business model, see chapter ESRS 2, section IRO-1-*Description of the process to identify and assess material impacts, risks and opportunities and section 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 guide all internal and external communications. It 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 protecting all information collected from customers. In line with the General Data Protection Regulation (GDPR 2016/679), the Group informs consumers about the data it collects, why and how it does so, how the data is protected, any profiling it carries out, how long data is preserved and whether and how it is disclosed.

To keep its customers' data secure, De' Longhi uses recognized, certified IT and cloud service providers; this means that all customer-related feedback and information is stored securely on Google Cloud. The security of this data is ensured 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, De' Longhi uses cookies to offer personalized access and improve the browsing experience. To ensure maximum transparency, the **Cookie Policy** informs customers about the function and types of cookies used on the Group's website.

The Company not only protects the privacy of its consumers, but is proactively committed to promoting their health and safety by including this category of stakeholders in its Human Rights Policy (for more information on this policy, see chapter S1, section S1-1 "Policies related to own workforce") (S4-1 16 a). This policy, which will be formalized during 2025, is based on international standards including the Universal Declaration of Human Rights; in 2024, there were no cases of human rights violations involving consumers (S4-1 17).

To date, the Group does not have a policy for managing consumer relations (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).

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)
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 assets and protection of IT tools	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

[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 always aimed to involve consumers actively by promoting a healthy, sustainable 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.

Over the years, through 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 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. In 2023, the Group's Research and Development department created the Neo Project, an applied research initiative that led to a prototype of an automatic coffee machine that dispenses coffee with a reduced impact on cholesterol levels.

To strengthen the relationship with its stakeholders, in previous years De' Longhi has developed two important partnerships: one with the **University of Parma** and the other with the **Politecnico di Milano**, both of which continued fruitfully in 2024. 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 was planned for January 2025. In 2024, the three-year agreement with the Politecnico di Milano was confirmed with the allocation of two doctoral scholarships on the topic of sustainable coffee.

Despite De' Longhi's commitment to actively engaging consumers in its positive impacts, to date the Group has not defined 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), including an **online self-service** complaints system. 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's specialists review the answers given 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 that employees are given so they can provide customers with complete, reliable answers. In addition, thanks to simultaneous e-mail and web-chat translation systems, the online self-service channel has recently been extended from Italy and English-speaking countries to Germany, Belgium, France, and the Netherlands.

In the event of product safety issues, the Group receives alerts from trade associations, social media, regulatory bodies, suppliers, and other sources, which it sends to the Product Safety & Liability Department or the Quality Department. The **Safety & Liability Department**, which handles complaints from the market regarding defective products or non-compliance, initiates a procedure during which it collects the necessary information, assesses the extent of the risk, and identifies the cause of the problem. Once the case has been investigated, information is collected about customers and details of the problem, along with a list of products on the market and those that may be affected. If the problem is related to a manufacturing defect, the complaint is redirected to the Quality Department. Based on the assessment, it is determined whether corrective actions are necessary, such as repairs, replacements,

recalls and withdrawals or product disposals. The process is closely monitored, ensuring constantly that the actions being taken are effective (S4-3 25 a).

The Group pays particular attention to the correct use of whistleblowing systems, ensuring that they are used transparently and in accordance with laws and regulations. In this context, the risks of possible retaliation related to the use of such systems are managed with extreme care. The Group has implemented the guidelines of the "Behavioral standards on the job" section of the Code of Ethics, which ensure that complaints are treated fairly and respectfully, without the whistleblower 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 systems or processes and rely on them to express concerns or needs and receive the 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 (HACCP) protocol [32] and the Codex Alimentarius [33] 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, trasformation, preparation, processing, packaging, transport, distribution, sale or supply of food. The **Codex Alimentarius** 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 respect to both in-house manufactured products and those purchased from external suppliers. Others oversee these aspects during the development phases, collecting and analyzing feedback from the market. To prevent malfunctions and further ensure quality, products 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 finished products.

The Quality unit uses specific indicators to monitor the effectiveness of the measures taken. The **First Time Quality Indicator (FTQ)** makes it possible to identify the main malfunction problems and assess the percentage of all products that meet quality standards. Meanwhile, 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 solutions to be adopted to further improve efficiency (S4-4 31 d) (S4-4 33 a).

All De' Longhi manufacturing is subjected to rigorous controls, to ensure good functioning and **protect the health and safety of consumers**. During the design and development phases, all products are reviewed by technical teams, including R&D departments and laboratories, in order to reduce risks to a minimum. In addition, the company follows product safety guidelines inspired by industry best practices and regulatory requirements. As regards food contact safety, the Group has adopted an organizational model based on **Good Hygienic**

32 Hazard analysis and critical control points or HACCP, is a systematic preventive approach to food safety from biological, chemical and physical hazards in production processes.

33 Il Codex Alimentarius, o "Codice alimentare", è una raccolta di standard, linee guida e codici di condotta adottati dalla Commissione del Codex Alimentarius. La Commissione, nota anche come CAC, è la parte centrale del Programma congiunto FAO/OMS sugli standard alimentari ed è stata istituita dalla FAO e dall'OMS per proteggere la salute dei consumatori e promuovere pratiche eque nel commercio alimentare.

34 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.

35 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.

Practices (GHP) and international food safety standards, including UNI EN 1672-2:2021 [34], UNI EN 22005:2008 [35] and UNI EN ISO 22000:2018. The Mignagola (Italy) and Cluj (Romania) plants are ISO 22000 certified, further confirming the Group's commitment to food safety management.

The Group also protects consumers by **reducing safety risks to a minimum** in order to prevent potential incidents. To do so, the Product Safety & Liability team defines internal methods for carrying out strict risk assessments in the development of new products, covering a wide range of potential hazards, in order to guarantee a high level of product safety in multiple areas, such as, for example, those of a mechanical, static, dynamic and toxicological nature. The risk analysis is carried out taking into account the best practices in the sector, such as that adopted within the EU (Commission Implementing Decision (EU) 2023/975 of 15 May 2023).

In the event that these preventive measures are not sufficient and problems arise, the Product Safety & Liability team intervenes promptly to handle reports of defective or non-compliant products, ensuring a quick and effective resolution (S4-4 31 b). For further information on risk intervention and management, see section S4-3 (S4-4 32 a,b,c).

In order to guarantee high-quality products to all customers, internal quality controls are supplemented by **external audits** (S4-4 31 a) (S4-4 33b) conducted directly by business customers and partners. These audits not only assess the characteristics of the products, but also examine the ethical aspects related to workers' rights and hygiene conditions along the production lines. The assessments are based on specific key indicators (S4-4 31d), including:

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

These indices are a valid starting point for taking 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, there was only one case of health and safety non-compliance in a single product: an electric kettle with wiring inside the base that failed to meet insulation requirements. As a result, the Product Certificate of Conformity was revoked, and new insulation for the wiring was implemented, leading to product improvement and the subsequent attainment of new certification (S4-4 31 b).

Product labels: a guarantee for the consumer

Every De' Longhi product, after passing rigorous inspections, is sold with clear and detailed instruction manuals and labels to ensure maximum safety and quality for the consumer. The technical unit and the marketing department constantly supervise labels and user manuals to make sure they comply with the Group's procedures, thus minimizing the risks associated with incorrect or incomplete information.

Thanks to a global distribution network and a strategy oriented towards risk reduction, De' Longhi ensures that 100% of its products strictly comply with company procedures, reducing the possibility of incorrect labeling to a minimum.

In 2024 there was only one case of non-compliance, involving an incorrect safety label on a toaster. Also in 2024, the Guardia di Finanza seized some Ariete products whose packaging depicted an Italian flag. After careful review, these items were returned in April 2024. At the moment, court proceedings in Turin are ongoing.

Safeguarding consumer privacy

The risks the Company faces have to do not only with product quality and safety, but also with the **handling of sensitive 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. In addition, sensitive data, such as consumer feedback and information, is stored on web servers within Google Cloud (S4-4 34). In the last three years, no data breaches have occurred (S4-4 35).

Although the Company is working on ways to reduce impacts on consumers, it has not yet clearly defined the resources to be allocated for the management of material impacts or the methods of communicating this information. Moreover, to date, it has not taken additional actions with the primary objective of making a positive contribution to 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 pays particular attention to innovation, focusing on a sustainable future made possible by the development of actions and strategies which aim to maximize positive impacts. At the same time, the Group carefully manages the risks and opportunities related to its consumers.

The guidelines for inclusive products aim to create solutions for different categories of people. In 2025, the company intends to launch a pilot project with brands like De' Longhi, Kenwood and Braun and subsequently with other brands.

Consistent with the positive impacts that the Group can generate and the new lifestyles focused on well being, the Group is implementing a formal strategy to increase consumer awareness about the responsible use of products and the reduction of food waste. This strategy will be implemented in 2025 with a few Group's brands (S4-5 41 a,b,c).

The details of these initiatives, the key aspects and the goals to be achieved are shown in the table below (S4-5 40).

Initiative	Description	Goal (MDR-T 80 b)	Baseline (MDR-T, 80d)	Target Year (MDR-T 80 e)	Perimeter (MDR-T 80 c)	Policy
Guidelines for inclusive products	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	
Promotion of a healthy and sustainable life style	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	

These targets were based on scientific data and the stakeholders will not be involved directly in the process of defining them (MDR-T 80 g,h).

ESRS G1 - Business conduct

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

De' Longhi's corporate bodies include the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors. The goal of the corporate governance system is to guarantee first the Company's correct functioning, followed by the Group, in general, as well as the global recognition as to the reliability of its products and, consequently, of its name.

For the Group the administrative bodies have a key part in guaranteeing a solid governance, focused on sustainability and the company ethics. The Board of Directors comprises 11 members[36], with legal and financial experience, as well as sustainability, and is charged which identifying company goals and defining the best strategy for achieving them. The Board of Directors instituted three committees, with institutional, proactive and advisory functions:

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

The size and composition of the committees is determined directly by the BoD, taking into account the company strategies and the risk management system, as well as aspects relating to professional experience, gender and seniority of the members. Thanks to their many years of experience, all the members of the Board of Directors have the expertise and experience needed to manage the most important aspects of running an ethical business, including any related impacts and risks. By using the strategic guide and coordinating operations, Mr. Fabio De' Longhi, Vice Chairman and Chief Executive Officer ensures that the principles of business conduct are considered in the decision making processes. For more information on the corporate governance refer to section ESRS 2 GOV-1, *Role of the Administrative Bodies* (G1.GOV-1, 5b) (G1. GOV-1, 5a).

The Board of Statutory Auditors is, rather, the body charged with monitoring the correct application of the law, the company bylaws and the principles of correct administration when carrying out daily activities. For more information refer to the Report on Corporate Governance and Ownership Structure 2024. The Internal Audit team has a key role in guaranteeing the Group's risk management. The latter, which works will all Group divisions, provides independent opinions about how to improve the governance; the ERM currently in place makes it possible to systematically identify and manage company risks. For more information refer to sections ESRS 2 GOV-1 and ESRS2 IRO-1 Description of the processes to identify and assess material impact, risks and opportunities.

The Group adopts a structured, integrated approach to identify and assess material impacts, the risk and the opportunities linked to its activities. After the double materiality analysis described in paragraph ESRS 2 IRO 1 *Description of the process to identify and assess material impacts, risks and opportunities"* the Group identified the topics relating to corporate culture and 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 students, 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

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

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 the confidentiality of information. The document is in line with the global standards recognized worldwide, including the principles of the United Nations' Global Compact, the Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises. 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 Groups'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 is mandatory for each employee at the Group's Italian offices; the Group also 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 change 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 member 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 2024 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 to eight 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. 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; the reporting process through the platform is designed to 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 ci) (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 commiting to adhere to equitable work practices and ethical behavior (G1-1, 7). The policy is aligned with OCSE guidelines for international businesses and with the principles of the United Nations Global Compact on human rights and is 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). Consequently, no specific training programs for divisions at risk have been defined. The entire Italian population does, however, participate in a course of the 231 Model which includes anticorruption 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:

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)
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 parties; Diligence in the use of company assets and protection of IT tools.	De' Longhi Group, suppliers, personnel	Board of Directors	-	Corporate website	Reputational and legal risks for violation of human rights in the company
231 Organization, Management and Control Model)	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
Supplier Code of Conduct	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	Legal and reputational consequences due to company corruption

[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 Marzocco 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 2024 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 2024, therefore, no public instances of corruption involving the Group emerged (G1-4, 25d).