



DēLonghi Group

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# S

Sustainability  
Report

2022



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# The De' Longhi Group



## 1.1 Who we are and where we operate



De' Longhi S.p.A., listed on Borsa Italiana's Euronext Milan market, is the holding company of a group of companies active in the manufacture and distribution of small appliances which strive to improve day-to-day living with solutions for segments that include food preparation and cooking, coffee, comfort (air conditioners and heaters) and home care.

While strongly rooted in Italy, particularly in Treviso where its headquarters are located [GRI 2-1], the De' Longhi Group has been an established international player for some time: thanks to its six production facilities in Italy, Romania, Switzerland and China, its numerous directly owned commercial branches, a vast network of distributors and a few proprietary stores, the Group is, in fact, found and recognized globally.

The oil-filled radiator launched in 1974 was the first appliance distributed under the De' Longhi brand to have a significant impact on the success of the Group's first production site. From that moment, the product range grew constantly and the De' Longhi Group became a go-to name in the Home Appliances sector. Always known for its innovative, quality products, De' Longhi awareness

and recognition increased consistently over time and the brand became synonymous with a few niche products which, in a few instances, became veritable icons.

Thanks to the recent acquisitions of the American company Capital Brands (in 2020), leader worldwide in the personal blenders segment, and the Swiss Group Eversys (in 2021), active in the professional espresso coffee machine segment, today the Group works globally through 7 brands: De' Longhi, Kenwood, Braun, Ariete, Nutribullet, Magic Bullet and Eversys. This M&A strategy allowed the Group to strengthen its presence in the strategic US market, as well as further expand and diversify its product range.

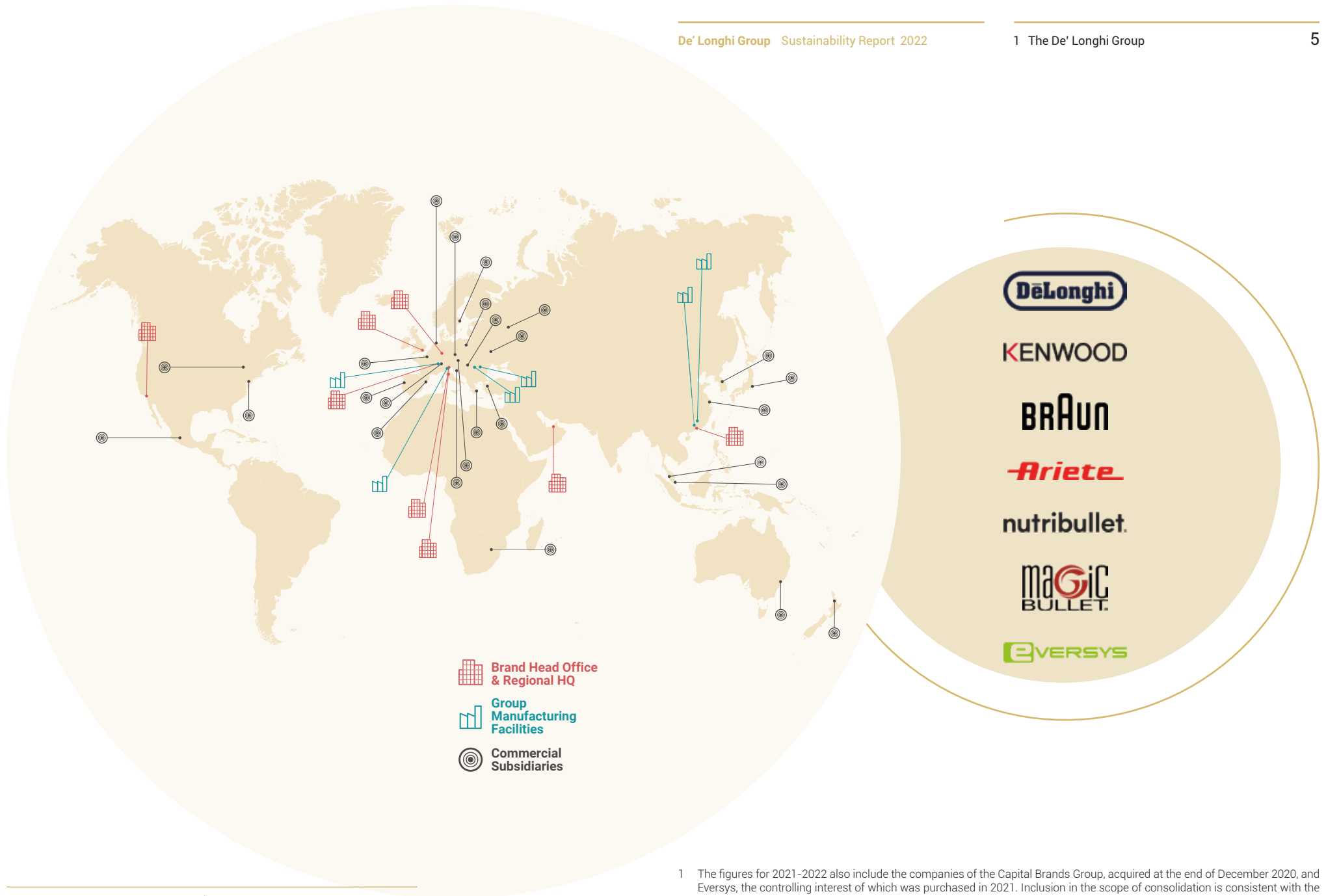


Fig. 1 - Our Brands and the Group's presence around the world<sup>1</sup>

<sup>1</sup> The figures for 2021-2022 also include the companies of the Capital Brands Group, acquired at the end of December 2020, and Eversys, the controlling interest of which was purchased in 2021. Inclusion in the scope of consolidation is consistent with the financial effects of the acquisitions. The 2021-2022 figures for these acquisitions may not be entirely comparable with FY 2020.



### **The Impact of the Russian-Ukrainian Conflict: how it was handled by the Group**

From the very beginning of the year, 2022 was witness to an event which impacted geopolitical and socio-economic balances worldwide, as well as the lives of many individuals: the conflict in Ukraine. This event affected, directly or indirectly, the Group's activities as it had to, on the one hand, face a tighter economic situation in Europe and, on the other, guarantee that the human and labor rights of all employees in these areas were not violated.

From an economic standpoint, the consequences of the war were particularly dire in Europe where consumption fell as of the second quarter and costs, above all relative to energy, rose significantly.

As will be described in greater detail in this report, the Group was also always very close to its Ukrainian employees and offered help with relocation, guaranteed their salaries and provided economic support by gathering funds specifically for this purpose.



## 1.2 Creating company value

In order for the De' Longhi Group to successfully pursue its business objectives, it is essential to maintain a constant, constructive dialogue with its stakeholders, shaped by listening to each other's needs and expectations. This type of relationship with stakeholders helps to build a lasting relationship based on trust. Specific company functions are responsible for overseeing and nurturing the dialogue with stakeholders, in accordance with principles of transparency and fairness, as well as clear and complete information, in order to foster the ability to make informed decisions.

In 2021, the De' Longhi Group, with the direct involvement of company management, updated the mapping of its stakeholders based on an analysis of the company structure, the supply chain, activities related to the core business and those activities not strictly related to the latter, but which are an integral part of the Group's reality. This mapping, updated in 2022, led to the identification of 10 categories of stakeholders, grouped together by type of stakeholder, expectations, needs and existing relationships with the Group.

The Group interfaces with each group of stakeholders constantly using different methods of engagement and listening in accordance with the principles outlined in the Group's Code of Ethics.

The main stakeholders, along with the different listening and communication channels used, are reported below:

Fig. 2 - The De' Longhi Group's Stakeholders [GRI 2-29]

Stakeholders	Communication channel	Main topics that emerged
Trade associations	Shareholders' meetings, periodic meetings	Consumer rights, workers' rights, environmental performance
Shareholders	Corporate documents/Shareholders' meetings/ Events	Economic performance, business strategies
Communities and NGOs	Periodic meetings, sponsorship of specific initiatives	Sponsorships, social impact, contribution to the community, greater awareness of specific issues
Consumers	Satisfaction questionnaires, test panels, Contact Centers (voice, e-mail, chat and social media channels), advertising campaigns, culinary events, Youtube "How to" channel	Customer assistance, product safety and quality, product availability, feedback about ease of use and product satisfaction, privacy
Employees	Employee Engagement Survey, annual performance reviews, periodic meetings to share results, corporate intranet used to access Group information, Group house organ, new HRMS	Organizational clarity, improved management of resources by managers, appreciation of individual contributions to the company, improvement in internal communications and access to information
Suppliers	Contracts, qualifications and assessment, periodic meetings	Way in which supplier relationships are managed
Future generations	-	Reduce emissions and fight climate change
Financial analysts, media	Interviews, meetings, road shows, press conferences	Economic performance, new products/ services/organizational models, specific social initiatives
Business partners	Sales meetings, audits	Product safety and quality, flexibility and ability to adapt to demands
Universities/research centers	Specific meetings, collaboration on different research projects	Recruiting and retaining talents, support for research

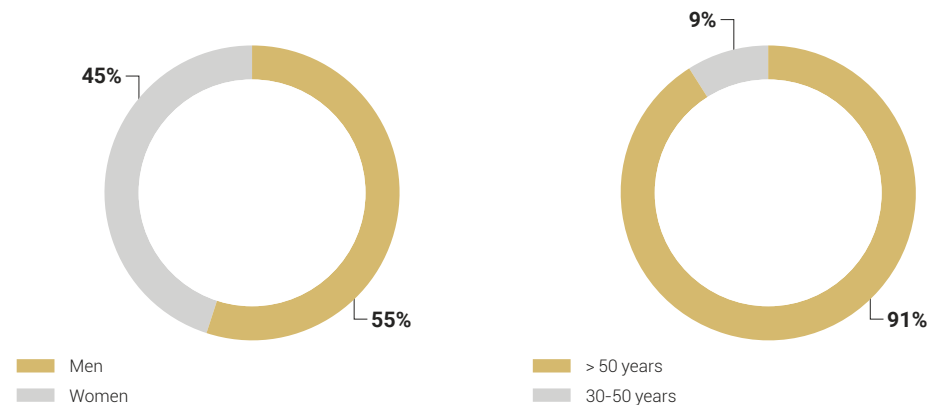
With regard specifically to trade associations, the De' Longhi Group is a member of Confindustria, APPLIA Italia, APPLIA Europe and the Association of Home Appliance Manufacturers - USA (AHAM), namely the most important associations for the professional and domestic appliance sector in Italy, Europe and the US, respectively. The Group is also a member of Assoclisma, the association of manufacturers of climate control systems, the Comitato Termotecnico Italiano (CTI), the European Committee for Electrotechnical Standardization (CENELEC) and the International Electrotechnical Commission (IEC). [\[GRI 2-28\]](#)

### Corporate structure and value generation

The De' Longhi Group adheres to the Corporate Governance Code for Listed Companies, based on which the corporate governance system was adopted. The corporate bodies of the Parent Company De' Longhi S.p.A. include: the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors. The Board of Directors has also instituted three Board committees: the Appointments and Remuneration Committee, the Independent Committee and the Control, Risk, Corporate Governance and Sustainability Committee; in addition to providing guidance with respect to non-financial assessments and decisions, the latter also monitors and implements compliance with corporate governance regulations, together with the Board of Directors and the Corporate and Legal Affairs Division. [\[GRI 2-9a\]](#)



Fig. 3 - Breakdown of De' Longhi S.p.A.'s Board of Directors by gender and age in 2022 [\[GRI 405-1\]](#)



The directors are elected on the basis of preference lists submitted by shareholders holding an interest equal to at least the minimum threshold determined by Consob in accordance with the law and regulations, with the limitation that at least two candidates on each list must qualify as independent. The current composition of the Board of Directors and the Board of Statutory Auditors, renewed during the Annual General Meeting held on 20 April 2022 for the three-year period 2022-2024, also reflects the Group's commitment to ensuring that the least represented gender (women) accounts for (rounded up) at least one third of the Board of Directors and the standing auditors of the Board of Statutory Auditors which is also referred to in the 2022 Report on Corporate Governance and Ownership Structure. In 2022, the De' Longhi Group's BoD comprised 11 members,<sup>2</sup> 6 men and 5 women with a 12% increase in the number of women with

respect to the prior year [\[GRI 2-10\]](#); all the members of the BoD guarantee sufficient competencies relevant to the Group's impacts. [\[GRI 2-9c\]](#)

With a view to correct functioning and organization, the Board of Directors reviews the size and composition of the Board, as well as of the Board committees, at least prior to the renewal of the Board; this review takes into account the role that the Board has in defining company strategies, as well as the adequacy of the internal control and risk management system. For the purposes of the review, the Board also takes into account other elements including the professional qualifications, experience and gender of its members, as well as seniority. For more information about the role of the Board of Directors and the self-assessment process, refer to the "Report on Corporate Governance and Ownership Structure" which can be found online. [\[GRI 2-18\]](#)

<sup>2</sup> The eleven members comprise three executive and five independent directors. The Chairman of the BoD, Giuseppe De' Longhi, currently also acts as Chairman of the Board of Directors of other Group companies. [\[GRI 2-11\]](#)



## The value generated and distributed by the De' Longhi Group

In 2022 the Group generated value of roughly €3,174 million, 92% of which (or around €2,914 million) was distributed as follows: payments made to suppliers of goods and services (€2,164 million), compensation paid to employees (€357 million), interest paid to lenders (€277 million), taxes paid (€40 million) and donations made to local communities (€3 million), as well as the €72 million in dividends paid to shareholders in 2022. Lastly, in 2022 €259 million in earnings were retained.

Fig. 4 - Value generated in thousands of euros [GRI 201-1]

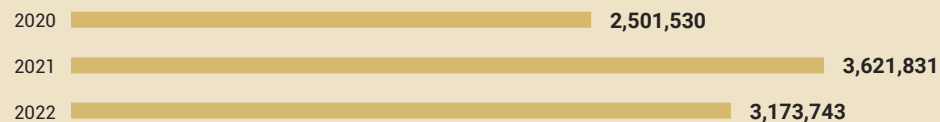
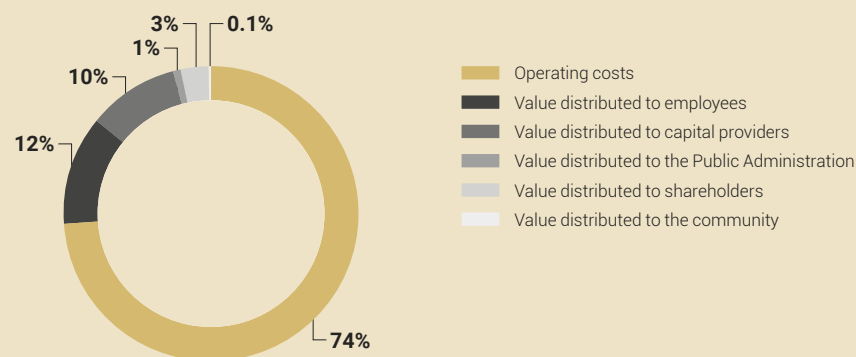


Fig. 5 - The value distributed in 2022 [GRI 201-1]



### Remuneration Policy

Based on the De' Longhi Group's Remuneration Policy, defined in accordance with the law and the Articles of Association, the compensation for each member of the Board of Directors, the executive committee (if instituted) and the Statutory Auditors will be determined by the shareholders who will resolve on, among other items, the remuneration to be paid to the directors, employees and staff members, including the key managers with strategic responsibilities.

The Board of Directors is, however, charged with determining the remuneration of the executive directors and other directors holding special offices, as well as examining the proposals of the Remuneration and Appointments Committee relative to the determination of the performance targets linked to the executives' variable compensation. More specifically, the bonus of the General Manager and the Chief Executive Officer is linked to achieving non-financial targets, including specific ESG KPIs related to the Company's and the Group's sustainability strategy. For further information on the remuneration policies refer to the "Annual Report on the 2023 remuneration policy and compensation paid in 2022", which is available online. [GRI 2-19, 2-20]

### Ethics and Governance system

The Group's **Code of Ethics** governs the conduct of De' Longhi's people and strives to govern all the relationships the Group undertakes with third parties including customers, public administrations and suppliers which, by their very nature, must be

informed by transparency, fairness, honesty, integrity, equality, professionalism and loyalty. [GRI 2-23] In accordance with Legislative Decree 231/2001 the De' Longhi Group's Italian companies also adopted an "**Organizational, Management and Control Model**" which was recently updated by both De' Longhi S.p.A. and De' Longhi Appliances; in addition to communicating any problem areas to the Board of Directors<sup>3</sup> [GRI 2-16], the Supervisory Board monitors the correct functioning of and compliance with the Model which also calls for a whistleblowing system known as the **Whistleblowing: De' Longhi Group Integrity Platform**, a tool used to report illicit conduct pursuant to ISO Standard 37001:2016 (for more information see the Whistleblowing" section of the Group's website). This platform, which has been operational for several years, allows not only employees, but also suppliers and customers to file a report. In order to protect the identity of the whistleblower, the source of all the information provided remains anonymous. This is done through a domain located outside the company systems which sends the encrypted information directly to the Whistleblowing Committee, a body comprising four Group members charged with analyzing and carrying out any further investigations of the reports received (to date no reports of note have been received). [GRI 2-26] The Group pays particular attention to any transactions involving possible conflicts of interest which the Chairman and the directors refer to the Board of Directors and the Board of Statutory Auditors in accordance with Art. 2391 of the Italian Civil Code: these communications are made in a timely manner and, at any rate, each quarter during the Board of Directors' meetings and via written notices addressed to each director and the Chairman

<sup>3</sup> No significant problem areas were identified in 2022.

of the Board of Statutory Auditors. There is a specific section on the handling of potential conflicts of interest in the Group's Code of Ethics. [GRI 2-15]

In order to promote understanding of the Code of Ethics and the 231 Model, induction sessions are organized for new hires in order to provide new employees with an overview of the main concepts addressed in the two documents. Furthermore, as of 2021 a targeted information and awareness campaign was launched based on which the Code of Ethics was sent to all managers and employees worldwide who, then, acknowledged that they had read and received it.

In accordance with the principles established by the supervisory authorities in CONSOB Regulation no. 17221 of 12 March 2010, the Parent Company also uses a procedure to identify transactions with related parties subject to specific rules of approval, thanks to which it is possible to govern the Group's relationships with related parties and monitor the relative risks.

The Group monitors the management of risks connected to illicit and punishable behavior carefully, including through the adoption of behavioral models developed specifically to reduce these risks.

Toward this end, as of 2018 the Group and all Group companies are subject to the **Corporate Governance Guidelines** which call for adhesion to the Group's Code of Ethics and define a system for the delegation of spending authority. The implementation of these guidelines is entrusted to the local heads of administration based on an internal

document which can easily be accessed by all employees.

The Group's compliance with current laws, norms and regulations is managed and overseen by the Legal Division and Internal Audit, assisted by the Officer Responsible for Preparing the Company's Financial Report (to the extent of his responsibilities). Quality Control monitors product compliance, as well as the suppliers' qualifications and assessments.

In addition to complying with the law and the standards calling for transparency, the Group intends to ensure that **models of conduct** are defined and implemented with a view to minimizing the risks connected to potential illicit acts which could be subject to legal sanctions.

In addition to the above, Internal Audit and the Officer Responsible for Preparing the Company's Financial Report also supervise the Enterprise Risk Management (**ERM**) system which has been updated regularly over the years and allows the Group to assess and monitor the company's risks. More specifically, over the years different activities involving both headquarters and a number of international branches were undertaken in order to integrate the ERM matrix with the risks perceived in the individual areas by local and international management. Recently a dynamic Risk Management platform was developed. The roll-out of the platform began at the beginning of 2021, and involved headquarters, as well as the Group's key subsidiaries. As planned, the roll-out continued in 2022 and today has been completed at all Group companies with

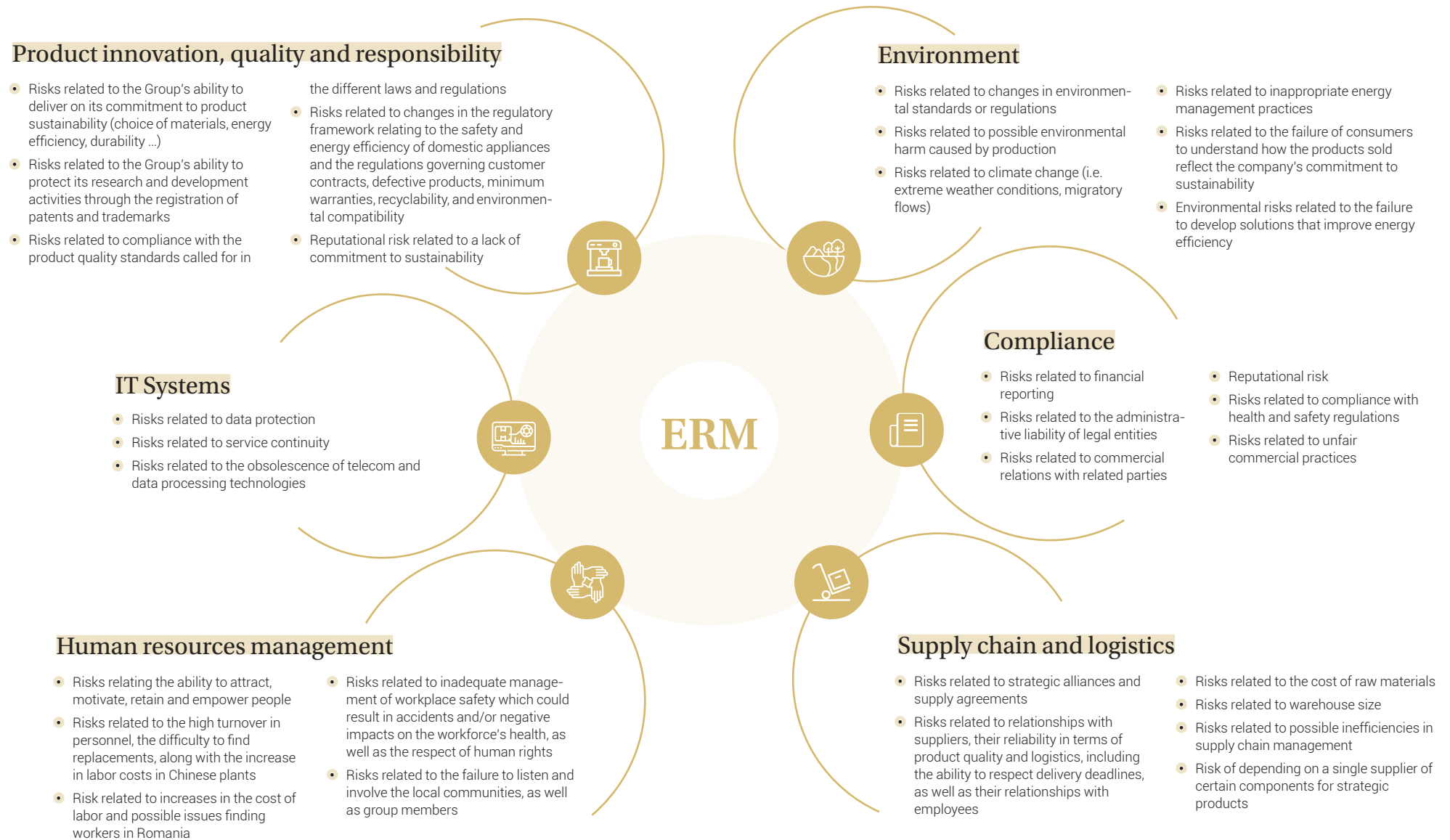
the exception of Capital Brands and Eversys, which should be fully integrated in 2023. In 2022 important new risks tied to sustainability were identified which will be added to those connected to climate change already identified in 2021.

The main sustainability risks mapped relate to:

- Circular products and sustainability;
- Compliance with health and safety measures;
- Environmental damage caused by operations;
- Risks affecting human safety and rights;
- Climate change;
- Energy management;
- Impact on stakeholders' interests;
- Local communities;
- Involvement of the communities in initiatives focused on sustainability;
- Fair trade.

The dynamic nature of the platform makes it possible for the personnel involved, under the strict supervision of Internal Audit and the Officer Responsible for Preparing the Company's Financial Report, to update the risks identified in a timely and independent manner, as well as make changes to the risk map based on the user profile in order to guarantee the utmost control and separation of roles. For organizational purposes, the ERM platform was also integrated with the SAP Success Factor which makes it possible for all individuals subject to assessments receive adequate training, including through a specific e-learning module.

The main risks identified and associated with the material topics reported on in this document are shown hereafter.



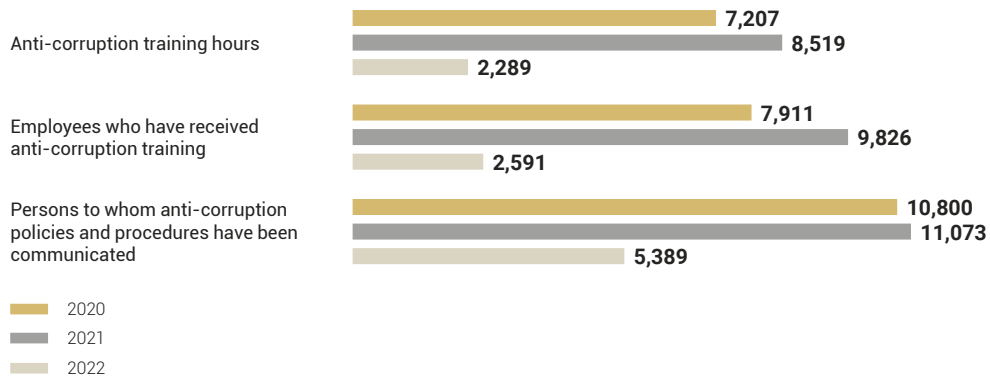


Over the last few years the Group has also introduced different initiatives aimed at reducing the risk of fraud, the most important of which is the **Anti-fraud Program** (defined based on the guidelines issued by ACFE - Association of Certified Fraud Examiners) and the launch of a project to verify any potential instances of abuse of office and corruption, in order to increase monitoring of compliance with internal regulations and the laws in place in the various countries in which the Group operates (even though the Group does not have business relationships with public administrations).

Each year Internal Audit, supported by the Officer Responsible for Preparing the Company's Financial

Report, also carries out a series of audits of the processes, accounting procedures and compliance with Law 262 (relating to the financial reporting process) in order to guarantee that all the corporate documentation is reliable, complete, accurate and timely, as well as consistent with the Group's administrative and accounting procedures. The purpose of the Audit Plan, which follows the plan developed by the Officer Responsible for Preparing the Company's Financial Report and the Control, Risk and Corporate Governance Committee, is to gradually cover all the Group's companies, with a particular focus on the most important ones (determined using economic criteria).

Fig. 7 - Anti-Corruption Training [GRI 205-2]





In 2022, 2,591 employees received anti-corruption training, for a total of 2,289 training hours, lower than in 2021 which reflects mainly the decrease in the number of employees (for more information refer to the chapter *The De' Longhi Group's People*). 42% of the Group's blue collars, 14% of the white collars and 14% of the managers received training in this area.

Fig. 8 - Employees trained on anti-corruption in 2022 by category [GRI 205-2]

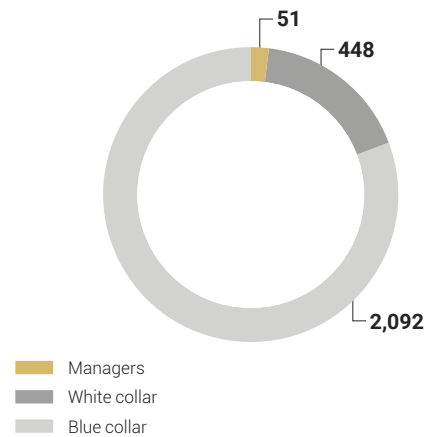
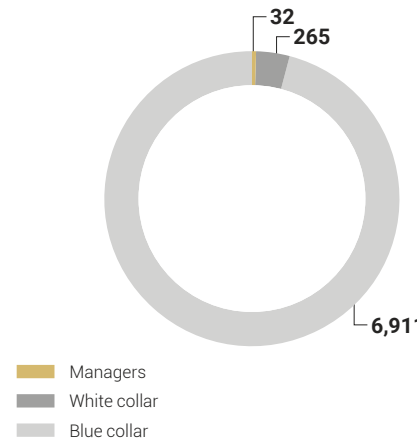


Fig. 9 - Hours of anti-corruption training provided in 2022 by category [GRI 205-2]



No violations of anti-corruption laws were recorded in the three-year reporting period (2020-22), [GRI 205-3], nor was any legal action taken involving anti-competitive, antitrust or monopolistic practices. [GRI 206-1]

Looking at the instances of noncompliance in marketing and communications, in 2022 there was only one instance of non-compliance, which at the date of this Sustainability Report had yet to be confirmed, relating to the lack of labeling on a Braun product.

In 2021 two instances of non-compliance were confirmed; the first, which resulted in a fine, involved the complaint filed by the Italian Minister of Health relative to an Ariete product as the chemical substance used by the product was registered as a detergent and not as a disinfectant. The Ministry asked that all the informational and marketing material relative to this product be changed, eliminating any and all references to the product's disinfecting actions. The second instance involved the noncompliance of Capital Brands which was resolved by paying a small fine, agreed upon by the parties. In 2020 there were no instances of non-compliance. [GRI 417-3]

Lastly, the Group does not make contributions of any kind (directly or indirectly) to political parties or movements, labor unions, nor to their representatives or candidates, in Italy or abroad. [GRI 415-1]

## 1.3 Our sustainability path

A number of years ago the De' Longhi Group began following a sustainability path which is not limited to just reporting. In 2017 the Group issued its first consolidated Non-Financial Statement (NFS) and the first Sustainability Report; in addition to providing the Group with a way to measure and understand its performances, these reports helped to shape a management model for non-financial topics and define Sustainability goals for the future which increased the Group's understanding of how important it was to undertake a structured path in order to ensure that sustainability would become an integral part of its strategy and business model. Consistent with the company's strategy, the Group defined concrete steps to take in order to lessen its impact and, at the same time, create long-term value for the company and its stakeholders.

Since the publication of the first sustainability report, these topics have increasingly become part of the Group's everyday operation and involve a number of company divisions in what has, at this point, become standard practice thanks to the hard work done to implement an effective and efficient model, capable of addressing the non-financial issues and creating a sustainability strategy focused on achieving specific targets. Toward this end, in 2021 the sustainability governance was re-configured with a new structure geared more to achieving sustainable success. It now comprises the following bodies: [GRI 2-9b](#)

- the **Control, Risk, Corporate Governance and Sustainability Committee**, operational since 2019, is a Board committee with proactive guidance and advisory functions;
- the **Sustainability Steering Committee**, also operational since 2019, comprised of different department managers, responsible for defining the sustainability strategy, as well as the relative Sustainability Plan;
- three **Focus Groups** - one for each of the Group's sustainability pillars (People, Products and Processes). Each Focus Group has a Team Leader who is responsible for the supervision/implementation of projects included in the plan relative to his/her own area of expertise;
- the **Group's Sustainability Manager**, appointed in 2021.



### Control, Risk, Corporate Governance and Sustainability Committee

Board committee responsible for Control and Risks, Corporate Governance and the topic of sustainability



### Sustainability Steering Committee

Comprised of the top management, it defines the Group's strategy when it comes to sustainability



### Group Sustainability Manager

Manages the Group Sustainability



### Three Focus Groups

There are groups representing each of the Pillars identified by the Group; each one is assigned a Team Leader who supervises and implements the projects included in the relative Plan



The bodies described above are responsible for managing the Group's impact on sustainability issues; more in detail, the activities of the Control, Risk, Corporate Governance and Sustainability Committee, which meets as needed, are planned and coordinated by its Chair, who convenes, oversees and runs the meetings, informs the Board of Directors of the topics discussed, any observations, recommendations and opinions of the Committee drafted during the single meetings. [GRI 2-13] The Sustainability Steering Committee, a body comprised also of directors, provides the Board of Directors with periodic updates on the Group's sustainability strategy with a view to increasing the expertise in this area. [GRI 2-17]

In order to define which areas should be the focus of its sustainability efforts, the Group recently conducted an analysis of ESG best practices, the main issues, as well as the needs and expectations of clients and partners. This resulted in the publication of a **Manifesto** targeting all Group personnel in which the renewed commitment to sustainability is summarized with a view to solidifying a commitment across the entire internal community.

As a result of the hard work done over the years, in 2022 another milestone in the De' Longhi Group's sustainability path was achieved. The first Sustainability Plan, included in the Manifesto, was published. The Plan represents the end result of a long process which involved a number of corporate divisions not only in the identification of the areas of commitment, but also in the definition of the relative initiatives and goals. The round table discussions, work groups and meetings held made it possible to create a real Plan which formalizes the Group's near-, medium-, and long-term goals with a view to being an active participant in the work done globally to create a sustainable future. Approved in July 2022 by the Board of Directors, the Plan matrix reflects both the eight areas of commitment and the three sustainability pillars. [GRI 2-12]

The latter, which are the foundation of the Group's sustainability strategy, comprise the macro-areas which it will focus on, while developing specific initiatives which will allow the Group to improve its sustainability performance every year. [GRI 2-22] They include:

- **People:** people provide the Group with strength and energy. The Group is committed to supporting and nurturing its people by creating a stimulating work environment, capable of attracting, motivating and retaining talent, as well as promoting growth and development. The workplace should, in fact, be a safe and healthy place, fueled by ambition, but also by passion, know-how and the desire to work as part of a team which respects diversity and the potential of every individual;
- **Products:** each De' Longhi Group product conceived, designed and made aims to improve the life of who selects it; product innovation is key to the Group's ability to continue being the leader of the segment in which it operates which fuels the search to improve materials, product durability and energy efficiency, along with the development of technologies that facilitate and promote a healthy lifestyle for all its end consumers;
- **Processes:** the Group is committed to using its energy resources responsibly and efficiently in order to make an active contribution to the fight against climate change. At the same time, the shared priority is to guarantee unconditional respect for human rights and working conditions in every phase of production, while helping the communities in which the Group operates to prosper. The focus on the environment and social impact is continuous, as is the attention to the value chain which for the De' Longhi Group is part of a virtuous cycle that includes the entire production process.



## Brand Manifesto

Along with the global Sustainability Manifesto *Switch on a responsible day*, as of this year all of the Group's brands will develop a *Brand Manifesto* which will describe the sustainability initiatives and commitments undertaken based on the unique qualities of each brand.

De' Longhi was the first brand to publish this strategic document and in 2022 structured its own manifesto around the concept *Transforming with integrity* which was broken down into three pillars upon which to build a long-term commitment. In addition to providing consumers with the possibility of making more informed decisions, through collaboration and continuous learning the brand intends to help build a more sustainable coffee sector, addressing both environmental challenges, like climate change and biodiversity, and social ones, relating to all workers along the supply chain. As part of this path the Group began working with the *Slow Food Coffee Coalition*, an international network which brings all the parts of the coffee supply chain together, from farmers to consumers, as well as *World Coffee Research*, a global organization which promotes innovative agricultural solutions for coffee.

The eight areas of commitment are incorporated in each pillar and each area is connected to the Sustainable Development Goals (SDGs), defined in 2015 by the United Nations, which the Group believes it can contribute to through its daily activities.

	Commitment to	 People	 Products	 Processes
	Sustainable packaging	✓		✓
	Innovative and sustainable products		✓	
	Circular economy		✓	✓
 	Fight against climate change	✓	✓	✓
	Responsible supply chain	✓	✓	✓
 	Workplace safety	✓	✓	✓
 	Sustainable lifestyles and education	✓	✓	
	Wellbeing and inclusion	✓	✓	✓

### The process used to determine the material topics

In accordance with the requirements under the new GRI Standards 2021, in 2022 the De' Longhi Group's materiality analysis was updated in order to provide a full, clear picture as to the economic, environmental and social impact of the Group's activities.

The identification of the Group's material topics, as required by the Standard, was based on the identification of the main economic, environmental and social (including human rights) impacts caused or likely to be caused by the Group's activities and trade relations; these impacts may be negative or positive, short- or long-term, intentional or involuntary, reversible or irreversible.

More specifically, the **materiality analysis** was broken down into four main phases:

1. Understanding of the context in which the Group operates;
2. Identification of the actual and potential impact;
3. Assessment as to the significance and scope of the impact;
4. Prioritizing of the most significant impacts for the purposes of reporting.

At the end of this process a list of thirteen material topics, three of which environmental, two relative to governance and eight relative to social impact were identified and approved by the Control, Risk, Corporate Governance and Sustainability Committee [GRI 2-14]; each of which was matched with the relative GRI indicator, to be reported on in this report.







### Business integrity and ethics

Complying with the laws and regulations of the markets in which it operates lies at the foundation of what the Group does; maintaining and strengthening the reputation of its brands in the eyes of its main stakeholders sustains the Group's sector leadership.

### Use of consumer data

Processing consumer and customer data is key to protecting the rights of the parties involved and maintaining a relationship with the Group based on trust.



## People are our power

### Health and safety of workers

Safeguarding the health and safety of the workforce is an essential part of the Group's responsibility to its employees.

### Inclusion and equal opportunity

In order to guarantee an inclusive workplace, it is essential to promote a systemic and transparent approach which guarantees respect for the principles of equal opportunity when selecting personnel, on the job and in professional advancement.

### Talent acquisition and retention

Attracting and retaining talent within the Group, as well as fostering a high degree of personal satisfaction, is strategic to reaching business objectives.



## Products with a purpose

### Product safety and labeling

Product safety, including food products, is essential to guaranteeing the consumers loyalty to the Group's products and brands.

### Innovation and eco-design

Investments in new technology are key to continuous product innovation; in the development of new products, the focus on environmental issues is reflected in the design of solutions with a lower environmental impact, including when used by the consumer.

### Consumer satisfaction

In order to maintain a trusting, long-term relationship with consumers, it is crucial to provide clear, accurate product information. This is combined with customer service capable of listening to and satisfying consumers' needs, as well as providing quick and thorough answers to their queries.

### Promotion of sustainable lifestyles

As a global leader in many of the markets in which it operates, the Group intends to leverage on its products to promote sustainable and healthy lifestyles.



## Processes are value in progress

### Responsible supply chain management

Preventing and managing supply chain risk is key to ensuring the continuity of the Group's business.

### Respect of human rights

Ensuring that work conditions respect fundamental human rights is part of the Group's responsibility to its employees and suppliers.

### Waste management and circular economy

With a view to a circular economy the use of recycled materials and the recovery of manufacturing byproducts is crucial as it makes it possible to save on the cost of the raw materials used and reduce waste; responsible waste management also entails incentivizing recycling as much as possible.

### Management of GHG emissions and the fight against climate change

As a result of climate change and its consequences businesses must manage the emission of green house gases carefully and responsibly.

For further information on the material issues and their identification, please refer to the Methodological Note.



# 2

The people of  
the De' Longhi  
Group



# P

People are  
our power

People  
are our power

*The people working in our Group are our strength and energy. We are committed to supporting and nurturing them in a stimulating work environment, capable of attracting, motivating and retaining talent, as well as promoting growth and development. We ensure a safe and healthy workplace, fueled by ambition, but also by passion, know-how and the desire to work as part of a team which respects diversity and the potential of every individual. We also invest actively in projects and initiatives which support the local communities in which we operate in order to promote growth and prosperity. We keep our humanity alive, which is a renewable and unstoppable resource.*

## Our 2022...



The number of  
Group employees

**8,555**



Total **training**  
**hours** provided by  
the Group in 2022

**196,908**

(23 hours for each employee)



**Women** in the  
De' Longhi Group,  
the majority of the  
company's  
workforce

**51%**



**Accident rate**

**2.9**

(-26% compared to 2021)

## ... and our targets

### Fight against climate change



Organize activities/training to promote healthier behavior and a zero waste approach inside and outside the Group

- 2023 Involve and sensitize our people and the local communities with respect to eco-friendly habits
- 2024 Reduce the environmental impact of our travel policy, analyzing the cost of moving employees between offices and headquarters, promoting car sharing and holding meetings using online platforms
- 2027 Corporate car fleet comprised 100% of electric and/or hybrid vehicles

### Workplace safety



Strengthen a corporate health and safety culture shared by the entire Group

- 2023 Guide individual behavior through training, communication, as well as health and safety initiatives

Design a new approach to diversity, equity and inclusion in order to enhance the unique value of our people globally

- 2023 Adoption of a diversity and inclusion policy
- 2023 Recognize, understand and celebrate the uniqueness of each individual, creating and supporting a culture in which differences are valued and respected
- 2025 Increase the number of women in managerial positions

### Wellbeing and inclusion



Define and implement a global approach and communication plan for a new way of working

- 2024 Increase work-life balance using assessment tools like annual surveys

Plan a new approach to volunteering and charitable initiatives in order to strengthen the impact on our communities globally

- 2023 Adopt specific guidelines for corporate giving

Take care of the development of our people, with a global training program

- 2023 Increase the average number of hours provided per employee each year

## 2.1 The Everyday Makers

People are one of the three pillars upon which the De' Longhi Group's sustainability strategy is founded. Their personal and professional growth is particularly dear to the Group, along with the desire to constantly attract new talents. Thanks to its international profile, the Group is privileged to work with different cultures and traditions everyday; enriched

by this experience, the Group works to nurture relationships, strives to foster passion, collaboration and mutual respect, encourage all employees to be fair and loyal to their colleagues, while also increasing its people's sense of belonging, satisfaction and safety in the workplace.

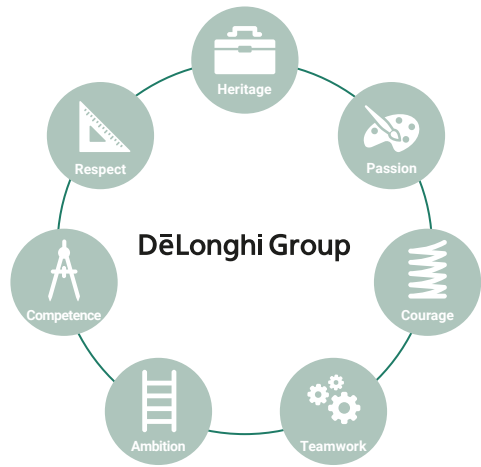
The Chief Corporate Services Officer coordinates the Human Resources and Organization Division which manages human resources at a Group level. The division's management roles are organized in macro-clusters which work to strengthen Talent Acquisition, Training and Development, and internal communication.

The HR division, which operates at a corporate, regional and local level with dedicated structures, is responsible for all aspects of the Group's human resources, from recruiting, selection and induction to human resources management and development, with a growing focus on engagement initiatives and motivation, along with important aspects like administrative management of the employment relationship, labor union relations and the monitoring of workplace health and safety.

Introduced in 2020 as part of a strategy to increase the Group's global standing and recognition, today the global **Talent Acquisition and Employer Branding** function has a crucial role in the Group's activities thanks also to the development of different initiatives designed to improve the recruiting process which is now more structured and effective than in the past. The *People* and *Careers* sections of the corporate website were also updated and today are more informative and appealing, and a new global corporate LinkedIn page was introduced which replaced the local ones. This had a significant impact on engagement and led to a sizeable increase in

the number of followers which was, in 2022, considerably higher than in 2021; these results are also attributable to the successful social media strategy used based on which the posts made during the year were focused on one of five different topics: CSR, Training, Careers, Business and Innovation, with a view to promoting and spreading the De' Longhi Group philosophy.

If the Group works constantly to the attract new talent, it also pays close attention to the activities designed to improve internal engagement. Toward this end, in 2022 the **Staying Together - New Ways of Working**, initiative was promoted. The purpose of this initiative is to establish a global policy relative to the new ways of working and relates to different, key aspects of work-life balance. The project was divided into three phases: in the first phase a video illustrating the most important features of this new policy was viewed internally; in the second phase the "Smartiquette" was presented. It is a sort of protocol which contains different indications about how to work remotely effectively. Lastly, with a view to improved listening and facilitate ongoing feedback, a survey was conducted in which the Group's people could identify what the most important aspects of remote working are for them. The next step involves the definition of a new plan of action dedicated to remote working for all the Group companies.








### **Our vision**


*In the world, Each day, by your side  
An object, an emotion, an authentic experience  
To be lived, to be shared.*

### **Our values - Everyday Makers**

*The Group's values reflect who we are, our character,  
our way of being, our way of working.  
They are the ideals that shape the Group through the  
work done every day by its people and their projects.*



In 2022 implementation of the **Diversity and Inclusion** project, launched in 2021, continued. The purpose of this initiative is to promote a systemic and transparent approach to complying fully with the principles included in the Group's Code of Ethics like diversity, equal opportunity, equity and the elimination of all forms of discrimination. During the year the priority of the working group dedicated to this project was to focus on gender diversity: initially the number of women across all the company's organizational levels was assessed, with a focus on any gender pay gaps and the steps that needed to be taken to eliminate those gaps; subsequently, the working experience of women in the company was examined in order to identify needs and specific priorities. Toward this end quantitative and qualitative analyses were carried out based on questionnaires, interviews and group meetings and upon conclusion specific KPIs were defined in order to monitor the achievement of certain targets. Lastly, work was done to define a Group-wide roadmap and plan of action which will be revealed in 2023. It is broken down into 4 phases: *diagnosis*, during which the data collected in 2022 will be processed; *engage*, during which top management will participate in a workshop in order to determine the priorities for the plan implementation process. During the last two phases, *take action* and *accountability*, the policies and practices for plan implementation will be defined, as well as the ways to gauge and disclose the results achieved.



## De' Longhi's response to the conflict in Ukraine

One of the challenges that the Group faced in 2022 was linked to the problems and risks associated with the outbreak of the conflict in Ukraine which overwhelmed Europe and had a direct impact on the entire Group and, above all, the employees in Ukraine. The Group's main goal was to guarantee the safety of its employees and their families as much as possible. A task force was set up in Poland which provided support to the Ukrainian colleagues, providing them with the possibility to leave the country and find a safer place. Lastly, funds were raised. Any contributions made by employees were matched by the Group. The funds gathered were then given to the Ukrainian employees which represented a moment of great union and solidarity for the Group fueled by a strong emotional connection.

In addition to ensuring the safety of its employees, the Group also provided economic support. The working relationship for all the employees, promoters and independent contractors was, in

fact, maintained and a year's salary from the beginning of the conflict was guaranteed. At the same time, priority was given to hiring the Ukrainian colleagues when filling open positions at commercial branches, plants and the Group's headquarters. Those who decided to leave the Group were provided with severance equal to three months' pay, in addition to a one-off bonus to be used for relocation to other countries.

The outbreak of the war had a profound impact on the branch in Russia. The local economic difficulties and the limitations on trade imposed by the international sanctions resulted in the need to restructure the branch in order to maintain its economic viability.

In the face of the humanitarian tragedy, the Group also decided to make donations directly to the Ukrainian population through charitable organizations which amounted to around one million euros.

### The De' Longhi Group's People

The Group had 8,555 employees at 31 December 2022, a decrease of 17% compared to the prior year. The direct and indirect effects of the global macroeconomic backdrop impacted employment, above all, at the Chinese plants where generally turnover is higher compared to the other geographic regions where the Group operates.

The majority of the workforce was female (51%, in line with 2021). The number of employees with permanent contracts (93%) was higher than in the prior year (88%).

Fig. 11 - The number of employees by geographical area [GRI 2-7]

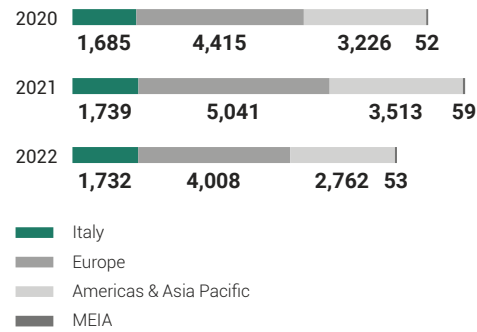


Fig. 12 - Breakdown of employees by gender, 2022 [GRI 2-7]

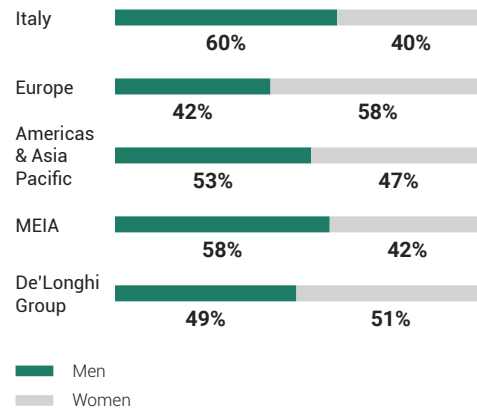


Fig. 13 - Breakdown of employees by type of contract [GRI 2-7]

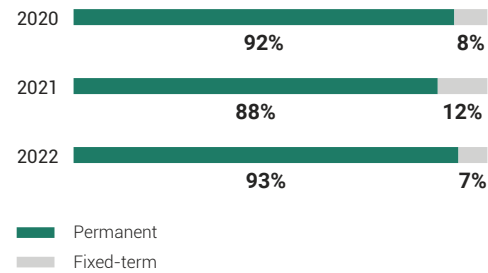
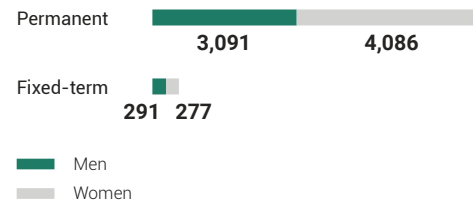


Fig. 14 - Breakdown of employees by type of contract and gender, 2022 [GRI 2-7]





## Enhance the talents of today and attract the ones of tomorrow: “OnboardDays” and relations with universities

*OnboardDays* is an online event dedicated to all the new hires that join the Group during the year: in 2022 two sessions were organized, one in March and one in September with a total of roughly 400 participants connected from Italy and the international branches. The events that are part of the *OnboardDays* take place over one week, beginning with the CEO's presentation and greetings, followed by various activities organized by Human Resources - including team building and networking initiatives - and ends with a grand finale held in-person at the Italian headquarters. The purpose of these initiatives is mainly to make the new hires feel welcome, to get to know both each other and the Group's corporate culture.

Talent attraction is an important asset for De' Longhi, which has long standing relationships with top Italian universities including **Politecnico di Milano** and **Università Bocconi, Università**

**degli Studi di Padova, Ca' Foscari di Venezia, Università degli Studi di Udine and Università degli Studi di Trento**: the goal of these partnerships is not only to recruit the best talents, but also to increase the research and development carried out in partnership with the universities. As part of the partnership with Politecnico, for example, the Group participated in a number of events and training courses connected to topics like innovation, research and development which helped to promote a reciprocal exchange of expertise and allowed the Group to take advantage of Politecnico's training knowhow. The **Graduate Program**, which was launched in 2021 and continued in 2022, made it possible for ten graduates from universities across Italy to complete 6 to 12-month internships abroad after having spent six months at the Treviso headquarters. The goal of the program is to offer the young talent a position within the Group which can be at

headquarters, the international branch where she already spent six months or in one of the other Countries in which the Group is present. These talent attraction initiatives, along with the Group's involvement in different *Career Days* and *Roundtable*, provide the Group with an opportunity to meet and interact with students from other Italian universities.

Lastly, the **Corporate Associate Program** is the fruit of an important collaboration with Milan's Politecnico and Bocconi University focused on career services. Through the use of interactive activities like *Digital Mock Interviews*, as well as training and dedicated events (like *Career Days*), the De' Longhi Group provides students with a platform through which the potential employees can meet possible employers. In 2022 this program also provided opportunities to meet students with different academic backgrounds, as well as interviews and internships.

Fig. 15 - De' Longhi Group people by qualification and gender in 2022 expressed as a percentage

[GRI 405-1]

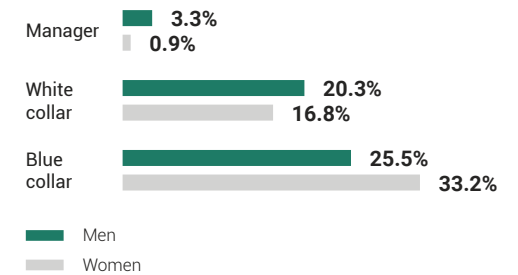
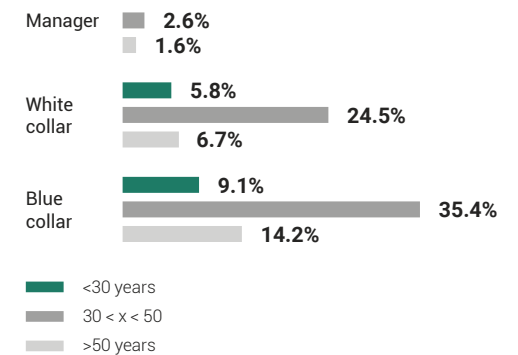


Fig. 16 - De' Longhi Group people by qualification and age in 2022 expressed as a percentage

[GRI 405-1]



In 2022, the Group's workforce comprised blue-collar for 58.7%, white-collar for 37.1% and managers for the remaining 4.2%. The majority of the Group's workforce is between 30 and 50 years old (62.5%), while the share of people over the age of 50 is around 22.5% of the Group's total workforce. Additional figures are shown in the report annexes.

All the employees in Italy, Romania, France, Portugal, Spain, Austria, Ukraine and Croatia are covered by **collective bargaining agreements**. These agreements cover employees from the following countries to different degrees: Benelux (99%), Germany (for De' Longhi Braun Household, 82%) and Australia (13%). There are no mandatory collective bargaining agreements in place for the remaining countries and, consequently, no employees are covered under this type of agreement. Around 78% of the De' Longhi Group employees are, therefore, covered by collective bargaining agreements.

[GRI 2-30]

In 2022, the De' Longhi Group recorded 1,712 new hires with permanent contracts and 2,797 terminations of employees with similar contracts.<sup>4</sup> The APA (Asia, Pacific, Americas) region is characterized typically by particularly high hiring and termination rates, due mainly to the high rate of turnover caused by certain characteristics specific to the Asian job market.

Fig. 17 - Total number and rate of new employees hired permanently

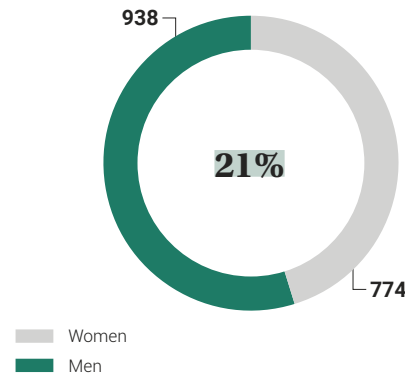
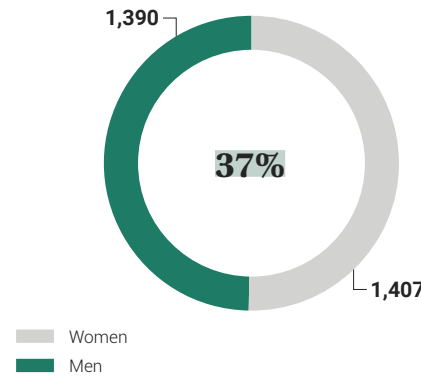
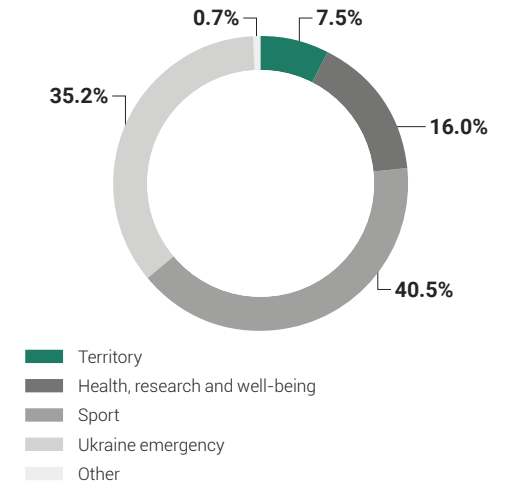


Fig. 18 - Total number and rate of permanent employees terminated



Protecting human rights has always been particularly important for the De' Longhi Group. The Group's labor practices (relating to child labor and overtime) are also verified during the audits carried out by clients. In the three-year reporting period, there were no cases of human rights non-compliance within the Group, nor were any reports of discrimination received. [GRI 406-1]

Fig. 19 - The value distributed to the community expressed as a percentage\*



\* The value distributed was calculated based on the donations and sponsorships recognized in the income statement.

<sup>4</sup> The total employees recorded in 2022 is not consistent with the turnover recorded in 2021-22, due to a different way of calculating "permanent employees at international branches" based on the De' Longhi Group's new management system.



## 2.2 Supporting the growth of our people

The Group has always supported the professional development of its employees, including by providing specific training courses which enrich know-how and enhance careers. In 2022, due also to the easing of the Covid-19 restrictions, the Group was able to provide a total of 196,908 hours of training or 23 hours of training per employee, 6% higher than in the prior year.

These results were possible thanks also to the growing use of digital platforms like PULSE which, thanks to a catalogue of online courses, make it possible for employees to access personalized training. In 2022 the new platforms **Speex** and **Of Course Me** were launched: if the first provides language courses globally, the second makes it possible to develop personalized training programs by accessing a vast array of available information and materials which allows employees to pursue vertical specialization in topics that are more consistent with their interests and professional development.

Through the program **Grow with us**, which aims to create a veritable global community for employee training, in 2022 the Group offered more than 20 webinars and workshops, focused above all on two topics: soft skills (like, for example, *Public Speaking Basics*, *Confront Uncertainty* and *Self-empowerment*) and managerial skills (through courses like *Manager as Coach* and *Being Responsible*). The roughly 450 participants expressed a very high level of satisfaction with the courses they took, giving an average score of 4.2 on a scale of 1 to 5; more in detail, the more interactive courses were the most popular ones.

In 2022 implementation of **Digital Lab**, a global training program, continued. The goal of the lab is to develop employees' digital expertise and support the growth of the Group's e-commerce channel. The second phase of the program was rolled out this year and all employees had access to ten webinars, broken down in two levels: basic and intermediate. The courses were grouped based on three different topics, namely the development of a digital mindset, the use of new digital methodologies and the use of information technologies. A project for those working in digital was also finalized in 2023 with an external partner in order to implement a tool for the development of specific technical competencies which, after an initial assessment, develops and provides a personalized training program in order to meet the needs of each individual user.

The array of training opportunities was completed with the **Cybersecurity Lab** which provides mandatory training for all employees and several newsletters aiming to increase knowledge relative to cyber security, and the **Six Sigma Green Belt**. The latter involved a few members of the Supply Chain and provided an introduction to the tools and methods needed to improve the data-driven approach used to optimize business processes. The course, carried out in partnership with Politecnico's *Graduate School of Business* in Milan, lasted for a total of 100 hours and involved four final projects. Certificates of attendance were also given to all the participants.

Fig. 20 - The training hours provided [GRI 404-1]



Fig. 21 - The average training hours provided per person in 2022, by gender [GRI 404-1]



Fig. 22 - The average training hours provided per person in 2022, by category [GRI 404-1]



### Switch on a responsible day - The internal communications plan

In September 2022 the Group launched its internal website, which aims to highlight the Group's commitment to sustainability and promote an effective flow of information within the company so that employees can always be up to date on the progress made with respect to the initiatives and the targets.

This portal made it possible to share the *Sustainability Manifesto* and its three strategic pillars (each of which has a dedicated section of the website). Each employee can find useful information about the specific sustainability initiatives the Group has developed and undertaken globally.

An interactive section of the website is dedicated to training: each employee can browse through the different pages which contain *Educational Pills*, namely brief articles which provide insights on a number of topics including the UN 2030 Agenda, renewable resources, sustainable finance and social inequality. The goal is to periodically add new "pills" in order to cover an increasingly broad range of topics and provide employees with an opportunity to increase their understanding and learn more about the topics that interest them the most.

## Valuing our people, an integrated system

The Human Resources Division organizes assessment and coaching activities targeting key figures at the Italian headquarters and branches worldwide, in order to map and develop the skills and potential of the people involved. A new Group MBO Policy was also adopted, as of 2019, which manages the variable remuneration paid to employees of Group companies with a deep sense of Group Identity.



In 2022 the process FORWARD, already experimented with in 2021 and focused on promoting employees' professional development, was added to the **performance appraisal** system. In addition to providing a new system for appraising performances, it also makes it possible to set priorities and objectives for each employee, including new joiners, with a focus on their knowhow, strengths and goals. The new program will also facilitate internal mobility and job rotation, and will allow employees to identify possible areas of development with a view to defining a veritable improvement plan. The new process comprises three phases, throughout which each employee is guided by a dedicated app. The first phase - *Set Up* - consists in the identification of individual goals and the development of a growth plan which is consistent with the business strategy and the team objectives. The second phase, *Sync*, calls for an ongoing and interactive growth process based on checkpoints, namely systematic self-reflection and the sharing of any feedback. Contrary to the program used in the past, the exchange of feedback is not only between supervisor and subordinate, but is carried out year-round and may involve colleagues from other company divisions as requested by both of the parties involved. Lastly, the *wrap-up* phase during which the strong points and any areas in need of improvement are discussed with the managers who are able to provide a more complete, objective and constructive appraisal.

Even though this was the first phase in which the program was used, participation of the almost 3,000 employees involved was very high: almost 80% of the appraisals submitted were approved, with a total of more than 2,500 feedback exchanges. Participation was highest in the Asia Pacific region, where more than 90% of the appraisals were approved; looking at participation by division, the best results were recorded by Research and Development and Operations. [GRI 404-3]

Fig. 23 - People who received performance appraisal by gender, 2022 [GRI 404-3]

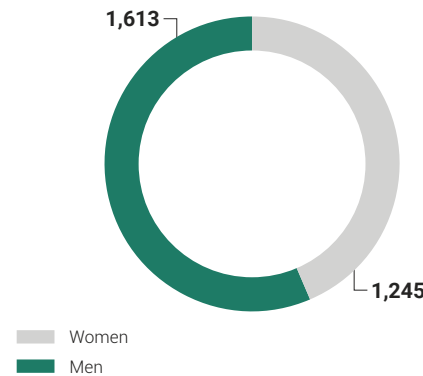
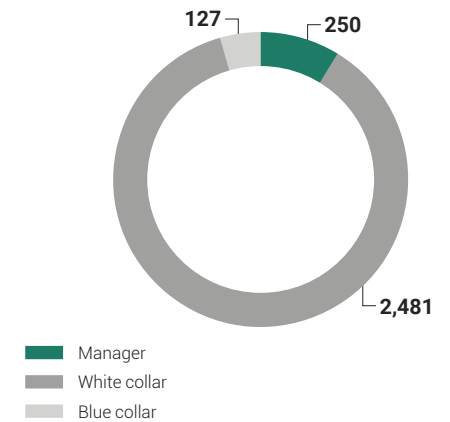


Fig. 24 - People who received performance appraisal by qualification, 2022 [GRI 404-3]



## 2.3 Health and safety in the workplace

The duties of the Human Resources division include safeguarding the health and safety of people in the workplace, fundamentally important for the De' Longhi Group, which is monitored through the ongoing protection and improvement of employees' wellbeing. For example, despite lower infection rates, in 2022 the Group did not dismiss the risks related to the Covid-19 pandemic and maintained the anti-contagion measures already adopted previously for a good part of the year; the restrictions were then eased, consistent with the easing of national restrictions.

The HR division is supported by individuals with specific duties, like the Head of the Prevention and Protection Department (*Responsabile del Servizio di Prevenzione e Protezione - RSPP*) in Italy, and the plant managers in China, Romania, Switzerland and US who are responsible for complying with local health and safety obligations. More in detail, at the Mignagola (Treviso), Cluj and Salonta (Romania) plants a formal workplace health and safety policy is in place as a result of the adoption of an international standard ISO 45001 management system. At the Sierre plant (Switzerland) an ISO 45001:2018 compliant policy is in place. In these plants the supervisors are charged with assessing the risks related to the activities carried out by the Group employees and implementing any improvements needed, while the responsibilities and workplace health and safety procedures are defined in the organizational model in accordance with the ISO 45001 standard.

Consistent with this model, almost all the Group's plants are gradually adhering to a safety plan which, while global, takes the peculiarities of different laws and local regulations into account, as well as the levels of risk which may vary based on the actual production process. The Group's goal is to define and implement a risk mitigation plan and further improve workplace safety. HR and Operations are responsible for the implementation of this initiative and, after analyzing the characteristics and risks relating to production organization and the supply chain, defined a multi-year, step-by-step path which reinforces a *Zero accident mindset*. Eliminating on the job accidents must be part of an ongoing process which requires the continuous commitment and dedication of both company management and all employees. In order to achieve this goal, the Group must build and foster a Group safety culture, including through the training of all those involved.

Looking at comfort in the workplace, consistent with past years, in 2022 further investments were made in ergonomic work stations and in machinery which automates a few processes along the production lines. This reduces the employees' use of force when moving goods considerably.

Lastly, in 2022 the security system at Mignagola was audited and any complaints were mainly managed locally, by Human Resources and the Legal division which called upon the Supervisory Board for assistance only in a few instances. In 2022 the

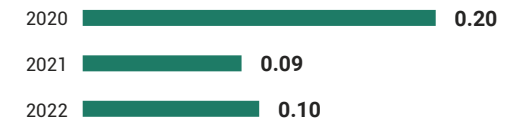
Group recorded a total of 54 injuries, over a total of almost 19 million hours worked in the year. At 2.9, the rate of injury was lower than in 2021. The number of confirmed occupational illnesses (2) was unchanged in the year, as was the frequency index (0.1).

For further information on how the injury rates are calculated, please refer to the Methodological Note: [\[GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7\]](#)

Fig. 25 - Injury rate [\[GRI 403-9\]](#)



Fig. 26 - Occupational disease rate [\[GRI 403-9\]](#)







Our products,  
to improve  
everyday life



# P

Products  
with a purpose

## Products with a purpose

*For us, innovation means research to improve materials, product durability and energy efficiency, as well as the development of technology that enables and promotes a healthy lifestyle for our consumers. Every De' Longhi Group product is conceived, designed and manufactured to improve the lives of those who choose it because responsible production must, first of all, keep people at the centre. Improvement means more than making daily life easier and more comfortable; it means that neither the environment nor future generations should bear the weight of those improvements. Because today is already tomorrow.*

## Our 2022...



The Group **brands**  
known worldwide

7



All of the Group's  
plants are  
**ISO9001 certified**

100%



**Technical assistance**  
centers worldwide

1,800

(of which **roughly 300**  
in Italy alone)



Numerous  
**partnerships and**  
**research activities**  
with the **best**  
**universities** in the  
world focus on  
innovative ideas and  
product development



## ... and our targets

### Circular economy



Focus on recycled materials in order to increase the circularity and sustainability of new and/or re-generated products

2025 Include recycled materials in all the new products

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

### Sustainable products



Guidelines for the implementation of Eco-Designs to apply to all product phases, from the concept and drafting, to the approval and sale

2023 Adopt Eco-Design guidelines

Carry out Life Cycle Assessments in order to obtain detailed information about the total environmental impact of our most iconic products

2024 Carry out assessments of one product from each of the main categories

### Fight against climate change



Focus on product energy efficiency projects in order to provide consumers with real tools to tackle climate change

2025 Continue to develop products focused on energy efficiency

2025 Develop Eco functions for high demand products

### Sustainable packaging



Increase the circularity and sustainability of the packaging, developing solutions which guarantee a lower impact, including through the replacement of paper instruction manuals with digital ones

2024 Decrease the environmental impact of our packaging

2024 70% of the products with EPS-free packaging

2025 50% of the products with digital instruction manuals

---

## 3.1 Design, quality and functionality in the DNA of every product

The De' Longhi Group has always paid careful attention to anticipating and satisfying the needs of its customers and end consumers, while always working in compliance with laws and regulations. The Group's innovation translates into products that are **multifunctional, easy to use** and **quiet**, made out of **cutting-edge materials, carefully designed** and **ergonomic**. The technological developments strive to encourage **healthy eating habits** and **maximize home comfort**.

Product **durability** is also key and helps to facilitate a circular economy in a sector which is characterized by planned obsolescence. For this reason, the Group works to create products made of components that are easy to disassemble and clean, consistent with **eco-design** principles and able to guarantee a longer product life cycle (refer to the section *Design and innovation for product sustainability*). The most important innovative solutions include digital technologies - like the "Internet of Things" and connectivity - which today make it possible to reduce the products' energy consumption and can be controlled remotely by customers (refer to the information box *The Major launches and award-winning products 2022*).

As a global operation, the Group is subject to a complex, varied and ever-changing **regulatory environment** and, therefore, works constantly to guarantee compliance with the standards of each

jurisdiction. It is also for this reason that the development of new products - protected by specific corporate patents - is carried out based on specific guidelines, summarized in the NPD (New Product Development) procedures which involve a number of company divisions: the Marketing and Design division, together with the Regulatory Affairs team of the Quality Division, monitor sector regulations, while in Italy, Germany, the United Kingdom and China there are technical offices where roughly 450 people work every day to design new solutions. These offices, which adopt the Group's standard *local for global* approach, work to ensure that all the products developed comply with the most stringent standards applicable in the countries where they will be distributed. These include EU Regulation n. 1907/2007 or REACH (Registration, Evaluation, Authorization and Restrictions of Chemicals) and the RoHS (Restrictions of Hazardous Substances) directive 2002/95/EC, both of which the Group's companies comply with even though the scope of application is strictly European. The products launched are also assessed directly by consumers through specific surveys which allow the Group to gauge how successful the new products might be. The surveys are conducted both once the product is distributed and in a preliminary phase in order to obtain direct feedback even before the product's market launch.

The Group's commitment to guaranteeing the highest qualitative standards is expressly stated in the Code of Ethics: an essential part of this are the steps taken by the Group to not only improve product durability and quality, but also to focus on environmental and social issues. For a number of years, the Group has been working to promote sustainability along the entire production chain of which research and development are only the initial part. The desire to ensure unique, quality designs, as well as ergonomic and reliable products, in fact, cannot compromise the commitment to the environmental and social issues that are linked to both their production and their use. For the De' Longhi Group **sustainability** has, in fact, not only become an integral part of the manufacturing process, and the conceptual and design phases, but also of the post-sale phase: as part of the responsibility and commitment to fighting climate change, each year the Group works to protect the environment and reduce the environmental impact of its products by making sustainability a part of product design (see the information box *Energy-efficient products: maximum performance and minimum impact*).



## De' Longhi and young designers: partnerships with top universities in Italy

Over the years the De' Longhi Group has developed solid and lasting relationships with top Italian and international research centers and universities and has completed a number of projects and workshops with a view to finding innovative and functional ideas for a specific range of products. These initiatives, which involve students and professors of all nationalities, provide opportunities to share experiences and knowledge.

In 2022 the partnership with the Design Department of Milan's Politecnico led to the publication of the **Handbook of guidelines to design sustainable De' Longhi products**, a document which was key to designing for sustainability and improving the user experience. More in detail, the handbook comprises a series of guidelines which aim to provide the Group's NPD (New Product Development) division with new understanding and tools to be used across all phases of product development with a view to greater innovation and efficiency, as well as reduced environmental impact. The initial phase of the project involved an exchange of information between the Group's and the university's technicians; subsequently, seven strategic guidelines were defined which were associated with the same number of goals, including optimization of the product's life cycle and

component durability, minimize the amount of energy consumed during utilization, facilitate recycling of materials and product disassembly. In the wake of these ideas, fueled by a continuous exchange of information between the teams involved, they defined specific guidelines for developing Eco compatible products including, for example:

- use the minimum energy consumption or Eco mode as the product's default mode;
- design components that are easy to substitute;
- increase the energy and water efficiency during product utilization;
- reuse the left-over production materials;
- avoid the use of toxic or damaging finishes and surface treatments.

The almost 200 guidelines described in great detail in a document shared internally by the Group were used, as of 2023, by the various divisions for different purposes. For example, it can be utilized as a quick, easy-to-use guide and checklist during the development of new products, from the conception and planning of the project through the approval and sale of the end

product. The long-term goal is to have 70% of the new products developed and completed in accordance with these guidelines.

During the year the De' Longhi Group was also invited to sponsor a thesis project of the Industrial Design Department of Milan's **Politecnico**. Referred to as **LESS and BETTER**, the project was launched during a master lecture given to by the Design Directors of the Group's main brands (De' Longhi, Kenwood, Braun). Students were called upon to use the concepts of minimalism and functionality to design new small appliances. In 2022 a scholarship for a PhD in Design at Milan's Politecnico, which involves the study of new paradigms in the design of sustainable products with a focus on *Colour, Finish and Materials*, was financed. Lastly, in June 2022, **Domus Academy**, a university of design, also became part of De' Longhi's network: similar to what happened with Milan's Politecnico, the Group sponsored a project for 3-year degree students in Product Design and a masters in Interior & Living Design. Consistent with current trends and new consumer behavior, students were asked to design new **Comfort Ecosystem** products for domestic use which were characterized by a high degree of comfort.



**POLITECNICO**  
MILANO 1863



**DOMUS ACADEMY MILANO**

Coffee

DeLonghi



Magnifica Start

DeLonghi



La Specialista Maestro

DeLonghi



Eletta Explore

Comfort and home care

BRAUN



New CareStyle 7 Pro

BRAUN



CareStyle Compact Pro

DeLonghi



Pinguino Care4Me

DeLonghi



Capsule Fit

DeLonghi



Capsule Desk Loop

## Cooking and food preparation

**BRAUN**



PurShine Collection

**BRAUN**



PowerBlend 1

**DeLonghi**



Luminosa

**BRAUN**



MultiPractic 3

**KENWOOD**



Titanium Chef Baker

**KENWOOD**



Titanium Chef Patisserie XL

**olive**



**BRAUN**



MultiQuick 1

**KENWOOD**



kMix Stand Mixer

**KENWOOD**



MultiPro Express Weigh+

**KENWOOD**



Kenwood Chef (Chef and XL)

**KENWOOD**



Mesmerine Collection

**KENWOOD**



EasyChop - CHP61



## Main awards received



### Altroconsumo

**Braun** Stick Blender MQ3005 Cream  
**Braun** MQ300 Soup  
**Braun** Steam Iron IS3155VI  
**Braun** Steam Iron IS1012BL  
**Braun** Steam Station IS3155VI  
**Ariete** Aries 2718/1  
**Ariete** Aries 2762 Vertical Force  
**Ariete** 168 Slow Juicer Metal  
**De' Longhi** Infinissima  
**De' Longhi** Dolce GustoGenio



### Best Buy

**Braun** Stick Blender MQ3025/MQ9087X  
**Kenwood** Titanium Chef Pattissier XL  
**Kenwood** Mesmerine Collection  
**De' Longhi** La Specialista  
**De' Longhi** Magnifica  
**De' Longhi** PAC AN98 ECO Real feel  
**De' Longhi** Dedicata



### Consumenten Bond - Miglior Test

**Braun** Steam Iron SI3030 PU/ SI3031 PU  
**Braun** Drip/Filter Coffee Machines KF7120/ KF5120.WH/ KF5120.BK  
**Kenwood** Chef (Chef and XL)



### Consumenten Bond - Miglior Acquisto

**Braun** Stick Blender MQ3025 Spaghetti  
**Braun** Steam Iron SI3030 PU



### iF Design Award 2022

**Kenwood** Titanium Chef Baker  
**Kenwood** QuickMix+ / Chefette  
**Braun** PowerBlend 9  
**Braun** MultiQuick MQ 7 WH hand blender series  
**De' Longhi** Multigrill 1100 Series  
**De' Longhi** Eletta Explore



### Cook's Test - Winner/ USA

**Braun** Stick Blenders MQ5



### German Design Award 2022

**Braun** New CareStyle Compact



### "Best Espresso Machine" award

**De' Longhi** Eletta Explore



### Plus X Award 2022

**Braun** CareStyle Compact Pro, New CareStyle Compact, Breakfast PurShine Collection



### Reddot Winner 2022

**Braun** PowerBlend 9  
**Braun** New TexStyle 7 Pro (2021)  
**Braun** MultiQuick MQ 7 WH hand blender series  
**De' Longhi** Multigrill 1100 Series D  
**De' Longhi** Eletta Explore  
**De' Longhi** Magnifica Evo  
**De' Longhi** La Specialista Arte  
**Kenwood** QuickMix+  
**Kenwood** Multipro Express Weigh+  
**Kenwood** Quickmix+ Chefette



### USA Editors Recommended - Best Value

**Braun** Stick Blenders MQ505



### German Design Award 2023

**Braun** New CareStyle 7 Pro



### Altroconsumo - Migliore del Test

**Braun** Stick Blender MQ700X  
**Braun** Steam Station IS3155VI  
**Braun** Steam Iron SI3030/ SI1009  
**Kenwood** Kenwood Chef (Chef and XL)



### Red & Ron

**De' Longhi** Magnifica EVO ECAM



### Eco Buy

**Kenwood** Mesmerine Collection



#### ETM Testmagazin

**Braun** Hand Mixer HM3105

**Braun** Steam Station IS  
7286BK/IS7282BL

**De' Longhi** La Specialista  
Prestigio EC9355



#### Stiftung Warenfest - Migliore del Test

**De' Longhi** Eletta Explore

**Braun** Hand Mixer HM3105

**olive**

#### Olive

**Kenwood** Titanium Chef  
Bake

**Kenwood** Titanium Chef  
Pattissier XL



#### Taenk Bedst test

**Kenwood** Kenwood Chef  
(Chef and XL)

**De' Longhi** La Specialista



#### Which? Best Small Kitchen Appliance Brand of the Year 2022

**Kenwood**



#### Good Design Awards

**Kenwood** QuickMix+ /  
Chefette

**Kenwood** Titanium Chef  
Baker



#### Which? Best Buy

**Braun** Stick Blender  
MQ3025/MQ9087X

**Kenwood** MultiPro Express  
Weigh+

**Kenwood** kMix Stand Mixer

**Kenwood** Titanium Chef  
Baker

**Kenwood** Titanium Chef  
Pattissier XL

**Kenwood** Mesmerine  
Collection

**De' Longhi** Gran Lattissima

**De' Longhi** Dolce Gusto  
Genio S Touch



#### Choice

**Kenwood** MultiPro Express  
Weigh+

**Kenwood** Kenwood Chef  
(Chef and XL)

**De' Longhi** PAC AN 112  
Silent



### Support, transparency and data protection: this is how we take care of our consumers

Offering additional **services** is an integral part of the Group's strategy to foster a better consumer journey; different tools are used to monitor overall consumer satisfaction which include a few KPI, like the **Net Promoter Score (NPS)**, which measures consumer loyalty and the probability that the latter will recommend the product or service to other people. Marketing also conducts regular surveys at a Corporate level and of individual brands in order to learn more about the level of satisfaction with what the Group offers, test the potential of new products and monitor the brand reputation constantly.

A few of the surveys carried out in 2022 are listed hereafter:



## KENWOOD

**Market:** UK

**Target sample size:** 1,000 people

**Main results:** the purpose of the survey was to gather information about the consumers' level of awareness and understanding relative to a few factors to take into account for an optimal use of the tea kettles, water quality and the presence of scale and irritants.

**Markets:** France, Germany, Italy, Poland and Sweden

**Target sample size:** 346 customers

**Main results:** the goal was to gather data from the consumers who purchased a chopper, with a particular focus on the ingredients used, the favorite features and the possibilities for future product development.



## BRAUN

**Markets:** Germany and Sweden

**Target sample size:** 3,000 people

**Main results:** the survey was conducted online and made it possible to understand what motivates consumers choice and purchase of a coffee filter in order to identify the best features for a potential new product.

**Markets:** USA, Australia, UK, Italy, Germany, France, Spain, Poland, China, Japan, Korea, Saudi Arabia

**Target sample size:** 12,000 people

**Main results:** the goal of the survey was to understand the connection between the opinions and behavior of consumers in the grill market (such as, for example, indoor or outdoor barbeques), in order to better meet the needs connected to the use of these products.



## DeLonghi

**Goal of the survey:** the study was conducted in order to assess De'Longhi's repositioning in the Comfort category and test the appeal of a few potential new products. More specifically, the importance for consumers of different comfort factors like temperature, humidity, air quality and light quality was looked at.

**Markets:** France and Japan

**Target sample size:** 1,200 customers (600 for each market), professionals between the age of 25 and 65 years who work in an office or at home

**Main results:** the survey was conducted in two phases, qualitative and quantitative, respectively. During the first phase, in order to validate the value proposition, the opinions of 30 participants relative to the description of the concepts used for the quantitative tests in the subsequent phase were gathered, during which a survey was taken: the purpose was to have the participants rate the importance of four different concepts of comfort (temperature, humidity, air quality and light quality) while also investigating the favorite new product using an Excitement Score approach.



The extensive network of contact centers and the technical assistance centers are essential to cultivating and maintaining the relationships the Group has with its customers. The contact centers are outsourced and cover almost all of the Group's branches. They address all requests for assistance providing product information and the continuous support needed to guarantee the best customer journey possible. **Technical assistance** comprises around 1,800 centers worldwide (of which approximately 300 are in Italy) which are largely managed in outsourcing. These structures are managed by the Customer Care Division which is responsible for supporting the end consumer in the pre- and post-sale phases. The division, which also defines the standards to be used by the whole group, uses different **customer support channels**, including the traditional (like e-mail, telephone and chats) and more recent ones (social networks).

In recent years, including due to Covid-19, the volume of direct contacts between the consumers and the Group has increased. The network of contact centers, in particular, was subject to increasing pressure, due mainly to the new sales channels.

Albeit for different reasons, over the last three years technical assistance has been under great pressure, but the average repair times were not affected and were actually reduced. The system, despite the problems accessing parts due to supply chain disruptions during the pandemic, proved to be very resilient, thanks also to the investments made by the Group each year in the direct repair facilities.

The use of Customer Relation Management is

another solution used by customer care, as well as to promote customer simplicity (see the information box *Technology, a way to hear the consumer*), which provides the customer with a cloud communication platform. The functions of the new information system include the ability to collect data from different nations and process them as indicators which helps to monitor the performance of the Customer Care division. As all the information gathered is saved in a single system, the best practices and most innovative solutions are shared by the different technical assistance centers which guarantees an overall improvement in the quality of the repair service provided. Testimony to the efficiency of this information exchange, in 2022 the Group's average repair time was 10% lower than in the prior year. During the year a new repair center was also opened in Germany, thanks to which the Group was able to increase its capacity for the repair of defective and damaged products by 50%. Thanks to the high level of specialization and automation, up to 60 thousand pieces may be worked on each year which makes it the **largest and most innovative repair center** of fully automatic machines in Europe.

The Customer Care Division also monitors the quality of the service provided by the technical assistance teams and contact centers through on-site visits, by providing training and measuring specific indicators. The partners that provide the service activities are also subject to an annual **mystery visit** by Group representatives: in the event that the score assigned after the inspection is higher than 85%, the structure receives the *Excellence*

*Award*, a "Certificate of Excellence", from Italy as a reward for providing the best quality services; if obtained, this certificate may be exhibited at the De' Longhi technical assistance shop. In addition to the average repair times, the indicators used to monitor repair services include the **First Time Fix (FTF)**, which measures the number of repaired products that did not need further repairs in the six months following completion of the initial repair as a percentage of total product. Once again, in 2022 the FTF was maintained at around 95%, consistent with the results seen in 2020-2021. The results show that almost all product repairs were adequate and of high quality. Lastly, all the Group's employees, as well as external partners, specialized in technical assistance are involved in **training courses** during the year in order to further improve the services provided. As in 2021, in 2022 the courses were carried out using a hybrid method thanks to the synergies between in-person and online training.



## Technology, a way to hear the consumer

2022 was a particularly important year for Customer Care: during the year a project to redefine the Group's Customer Care strategy was, in fact, launched. Different stakeholders were involved and analyses of benchmarks, as well as best practices, were carried out which made it possible for Customer Care to become even more in tune with the customers' expectations, increasingly demanding as a result of the communication opportunities that the digital transformation provides.

The SAP **Customer Relation Management (CRM)** system was used in 2022, also. This system allows for the integrated, efficient management of consumer data and makes it possible to track the interactions between the Group and a consumer base that accounts for roughly 80% of the Group's turnover. The system, which is also capable of generating feedback and analyzing the information gathered, provides an integrated system of pre-sales service and a new cloud-based customer communication system. The use of the software *Wonderflow*, a VoC (Voice of Consumer) management tool, also continued in 2022. This tool makes it possible to gather and systematically analyze the reviews of the Group's products found on the websites of the main resellers. More in detail, this software makes it possible to combine reviews from more than 65 retail channels in 15

countries worldwide, spread out over 3 continents (Europe, Oceania and America), and integrate them with the direct customer feedback gathered through the internal CRM. By leveraging on big data analysis, the use of this tool also helps to improve the Group's ability to listen and make the most of the "actionable feedback" gathered for different product categories based on hundreds of thousands of interactions. This also makes it possible to create geographic clusters, monitor the performances and identify areas in need of improvement in order to optimize organizational efficiency, increase the quality of the products and the services, which boosts customer satisfaction.

Looking at self-service, an important AI-powered pilot project was also launched in the English-speaking countries which uses artificial intelligence to provide customers with simple, quick answers to their questions. This tool is able to identify questions for which an answer has yet to be developed and propose solutions which, after being validated by a team of specialists, are made available to users. This increases the company's knowledge base.

To date the service is active in the United Kingdom, Australia, New Zealand and the United States, and, thanks to the use of advanced translation systems, will be extended to Italy and Germany.





## The protection of consumer data

The Group's commitment to protecting the privacy of the information and data in its possession relating to clients and consumers is stated in the Code of Ethics. This information, which is shared solely in compliance with laws, rules and practices of professional conduct, is collected and stored at two data centers located in Italy and China. The security of the data centers is guaranteed by both manual and IT systems with the support of the corporate IT division. Consumer privacy is ensured through the use of a third-party application which encrypts the data handled when any breaches are suspected.

The information provided by consumers which is considered sensitive, is stored on the web-server located on the Google Cloud Platform, the security of which is guaranteed by Google

services technologies, as well as the commitment to compliance with the current legislation on **data protection** and in relation to the main international standards on information security (ISO 27001) and cloud services (ISO 27017, ISO 27018), as well as the regulatory requirements resulting from the recent General Data Protection Regulation (GDPR 2016/679), that Google also complies with. Lastly, with respect to data management and protection, in 2022 there were no instances of a data breach, while in the prior year the Group received a report of data breach from the control authorities and the competent bodies were informed of the matter. The company has yet to be advised of any further developments. In 2020 no breaches were reported, which shows that any breaches are an exception. [\[GRI 418-1\]](#)

## Highest quality products, our daily commitment

The teams of the Quality Division, comprised of more than 500 people Groupwide, supervise compliance with all the current laws and regulations relating to **product safety**, as well as **food contact safety**. The Regulatory Affairs team monitors the regulatory and legislative scenario relative to product and, in close collaboration with the technical areas, works to guarantee compliance on an international level. What the Quality Department arranges at the central level is implemented locally by dedicated teams, which operate at two levels: those operating in the plants are responsible for quality control of products, whether they are produced internally or come from suppliers of finished products; the teams operating at the brand level monitor quality during product development and when there are any downstream reports. In both cases, supervision is guaranteed right from the design stage to prevent possible anomalies or malfunctions and to guarantee the best quality standards. Among the tools used to guarantee product quality, De' Longhi can count on a certified organizational model according to **ISO 9001**, adopted both in the Group's European plants and in its foreign production sites: introduced in the late 1990s and progressively extended and developed as the Group evolved, this management model has allowed to introduce an integrated and more sustainability-oriented approach.

The indicators that Quality relies on to guarantee qualitative efficiency include the **First Time Quality Indicator (FTQ)**, which makes it possible to verify the type of defects linked to the single products and expresses the number of perfect products as a percentage of total production. In the three-year period 2020-2022, the overall FTQ was stable and confirmed the Group's excellent performance. A second indicator, used to monitor product quality is the **Service Call Rate (SCR)** which measures the machines repaired in the first two years under warranty as a percentage of total yearly sales. The overall SCR in 2022 was slightly higher than in 2021.

In addition to the quality control, external audits are also carried out by both a few customers and retail partners who assess not only the quality of the products, but also monitor aspects related to ethics and employees' working conditions, training and the hygienic conditions of the production lines. These activities are carried out through the use of a few specific indicators which help to verify the quality of the Group's products:

- **Technical Factory Audit (TFA)**: measures the effectiveness of processes and evaluates the results of life tests on products. This type of audit is carried out annually, for both the initial qualification and for the subsequent periodic surveillance of suppliers. The checklist used for this type of audit includes a section dedicated to environmental aspects, in addition to those already present.
- **Quality Evaluation (QE)**: measures the quality of the product, through a sampling on a statistical basis of each single lot before the shipment of OEM finished product suppliers based in China (*Pre-Shipment Inspection*).
- **On Time Delivery (OTD)**: measures the shipping time used by the supplier and, in particular, the difference between the established delivery date and the actual delivery date.
- **Order Fill Rate (OFR)**: measures the supplier's ability to supply the entire quantity of goods requested by the Group.

Looking at quality, the Group tested innovative technologies in order to explore possible new applications. In 2022, for example, the quality control of finished product assembly was revised: the visual inspection of an employee will, in fact, be followed by an *AI Visual Inspection*. This innovation will guarantee an improvement in productivity and objectivity by limiting human errors and increased controls.

### Protecting consumer safety, compliance with the highest standards

In order to guarantee health and safety of consumers, the De' Longhi Group pays great attention to design, manufacture and distributes safe products which naturally comply with the requirements of applicable international standards and legislation, in whose development it actively participates. A scrupulous internal procedure guides the development of new products, in which the technical departments (R&D and Laboratories) design and test solutions which ensure the **safety of the product** in its intended and reasonably foreseeable use, while the Quality Division supervises the quality control of both the components and finished products, whether these are produced internally or by third parties. Specific milestones set out in the procedure ensure the accuracy of the development process and its consistency across all the Group's brands.

Other Group teams and divisions are part of this process based on the common guidelines defined for specific aspects, like the assessment of product risks such as, for example, food contact suitability requirements. The guidelines are defined in accordance with sector best practices, including those defined by the EU RAPEX System. For some time now the Group has voluntarily adopted an organizational mode which guarantees **food contact safety** as per the Good Hygienic Practices (GHP)

and the ISO 22000 and ISO 1672-2 food safety standards that are based on the HACCP standards and the Codex Alimentarius. The adoption of the latter allows the Group to monitor and manage any risks, prevent incidents along the production chain and assess compliance of its products with current laws and regulations. The organizational model was also developed in accordance with the ISO 22005 product traceability standards and requirements in order to provide, for each component and finished product, information relating to the supplier and the client recipient of the product.

Looking at food safety, in 2022 an **ISO 22000** certified management model, which helps to ensure hygienic and sanitary conditions for food and the products that it has contact with, was implemented at the Mignagola and Cluj plants. The standard focuses on identifying and managing possible risks, preventing accidents along the entire production chain, as well as assessing the compliance of products with laws and regulations.





## HACCP and the Codex Alimentarius

**HACCP (Hazard-Analysis and Control of Critical Points)** is a protocol aimed at preventing possible food contamination with which all companies that operate in the primary production of food and in the processing, preparation, transformation, packaging, transportation, distribution, sale and supply of food must comply.

The system is based on 7 basic principles:

1. Identification and analysis of hazards.
2. Identification of critical control points (CCP), i.e., procedures or phases in which it is essential to implement a control in order to eliminate, prevent or minimize a food safety hazard.
3. Definition of critical limits, i.e., the reference

values within which food safety is guaranteed.

4. Definition of monitoring procedures.
5. Definition and planning of corrective measures.
6. Definition of verification procedures.
7. Definition of registration procedures.

The **Codex Alimentarius** is a set of rules and regulations developed by the Codex Alimentarius Commission established by the FAO and WHO with the aim of protecting the health of consumers, ensuring the fairness of international food trade and preserving the correct production and storage of food.

Food safety is not the only area in which the Group is committed to ensuring the highest safety standards. The Group's activities, in fact, include routine controls relating to other types and aspects of **mechanical, static, dynamic and toxicological** safety. Internal guidelines have been defined based on regulations in different countries in order to develop a shared approach which guarantees the highest safety standards. The Group also, in fact, assumes the manufacturers' responsibilities for damages caused by defective products. In these instances, the laws and regulations can be particularly severe in some jurisdictions, like the United States, UK and Australia.

The adequacy and effectiveness of the above practices are ensured by the Group's Product Safety & Liability team which works with the technical divisions and the subsidiaries to resolve any reports of market or internal issues, as well as to prevent any issues by assessing and addressing any risks during the planning phase. [\[GRI 416-1\]](#)

All the Group's products are also subject to third-party audits during the pre-production phase in order to verify that all the Group's products comply with applicable safety laws, regulations and standards.

In the three-year reporting period, there were two instances of non-compliance related to product safety, one of which in 2022. The first instance relates to a voluntary market recall of two models of Kenwood brand food processors in light of the risk that parts of a component (the "Julienne Disc") might detach. This action was carried out in agreement with the competent authorities in the 21 countries involved. The second instance took place in 2021 when a few Comfort products, manufactured by a third-party supplier and distributed by the Group in the USA, Canada and Mexico, were taken off the market to avoid any damages that could be caused by possible excessive overheating. The recall was carried out and managed directly by the third-party supplier in agreement with the local authorities.

The work done together by the technical departments and the Marketing Division on **product disclosure** is also important as it varies based on local laws and regulations: for example, in the United States the Group is subject to a law - Proposition 65 - based on which the presence of any hazardous substances must be indicated on the packaging and warning labels used. These functions are also responsible for creating and checking the instruction manuals and labels to ensure that comply with the regulatory framework in the country where the finished product is distributed. Product disclosure and labeling are important for the Group, as specific requirements must be met in order to comply

correctly with regulatory obligations; including the requirement that certain information about the country of origin must be provided and the presence of any refrigerants in the appliances marketed by the Group must be indicated. It is also essential that the manual includes information on how to use the product and how to dispose of it at the end of its life cycle. [\[GRI 417-1\]](#)

Toward this end, in 2022 there was one instance of noncompliance relating to an Ariete brand product with incomplete documentation. Even though the lack of information did not create a consumer health risk, as a result of the report submitted by the Italian Chamber of Commerce, the Group was fined. [\[GRI 416-2\]](#) Two instances of noncompliance involving Capital Brands were recorded in 2021 which were, however, resolved by paying a fine agreed upon by the parties involved. In 2020 there was one instance of noncompliance involving Ariete brand labels which did not show the name and address of the manufacturer. [\[GRI 417-2, 2-27\]](#)

## 3.2 Design and innovation for product sustainability

One of the De' Longhi Group's goals is to use an eco-friendly approach in the manufacture of its goods which is why it pays attention to the environment and the communities in which it operates along the entire value chain, starting from the design phase to the sourcing of raw materials.

The Group also works constantly to render its business more sustainable in many different respects by promoting a number of actions like the use of **recycled** or **regenerated** materials. For example, in order to reduce plastic waste, the Group has set a goal that by 2027 30% of the total amount of plastic used in its new appliances will be **recycled plastic**. In 2022 this commitment already produced great results; the Lattissima One Evo and Gran Lattissima 2.0 coffee machine are made out of recycled plastic for 18% and 17%, respectively, and the recycled plastic accounts for 20% and 35% of the plastic used in the PAC Pinguino and Capsule Desk, respectively.<sup>5</sup>

At the same time, work on using **packaging materials with a lower environmental impact**, on improving the products' **energy efficiency** and promoting **more sustainable and healthier lifestyles** is ongoing.

### Increasingly more sustainable packaging

Over the years the Group has dedicated a lot of time to packaging and has developed a number of initiatives focused on reducing procurement costs and limiting the environmental impact. The main activities carried out in this regard over the last few years are described hereafter:

2019

Braun expands its **Life Cycle Assessment (LCA)** studies to include the search for different packaging types that are less carbon dioxide intensive.

#### Key figures:

- **18:** the models marketed online with recycled and compostable cardboard packaging;
- **> 15,000:** the products marketed in the year with **100% plastic free packaging**

2020

Braun continues its research into sustainable materials that can substitute plastic, including **biodegradable** materials in adhesive tapes and the use of **alternative energy** to make polystyrene.

2021

At the Dongguan plant warehouse crates are built on-site using a plastic material that is **50% recycled**. Braun and Kenwood also continue their research on materials that can **substitute** plastic and EPS.

2022

More than half the Braun and De' Longhi products were distributed in **Styrofoam-free packaging**. At the Dongguan plant in China the new plastic bags were made 30% out of recycled plastic.

<sup>5</sup> The percentages of recycled plastic is calculated as a percentage of the total weight of the appliance's plastic.

The greatest part of the work done by the Group has, on the one hand, been on reducing plastic (*plastic bags* and EPS) and, on the other, reducing the volume of packaging overall. Despite the difficulties of this process, noticeable progress was made in 2022: for example, there was no EPS (Synthesized Expanded Polystyrene) in the packaging of 56% of the Braun products sold (+6% compared to 2021) and 58% of the Kenwood kitchen machines distributed had paper packaging. The work done to optimize packaging with a view to sustainability was also extended to the other Group brands: for example, in 2022 the De' Longhi brand distributed 70% of its products with Styrofoam-free packaging and at the Dongguan plant in China plastic bags made 30% out of PCR recycled plastic were introduced and packaging made primarily out of cardboard (and not EPS) was used. With regard to the latter, packaging for all the Home care products made in the Dongguan plant were Styrofoam-free while a minimal amount was used in the packaging for coffee and food preparation products and the amount of cardboard used out of the total packaging amounted to 89% and 74%, respectively.

The LCA (Life Cycle Assessment) had a key role in the path undertaken by the Group to render the packaging more sustainable. In addition to achieving excellent results in terms of reducing the amount of plastic used in handblender packaging, in 2020 Braun had already completed a LCA in order to map possible alternative packaging solutions and understand which had a lower CO<sub>2</sub> footprint. This work continued in 2021 and a software capable of completing LCAs across the Group was adopted: in light of the successful results, in 2022 the LCA of three strategic De' Longhi products (fully automatic and pump coffee machines, kitchen machines) was also carried out.

In order to reduce the use of paper and cardboard, both Braun and De' Longhi digitalized the user manuals of a few products with a view to ultimately transferring the manuals of the Group's simplest products online and to provide a hybrid version, namely with a printout of the basic information and the more detailed information available strictly online, for the more complex products like the fully automatic coffee machines. The use of cardboard for the coffee products was increased and reached an average of 30% of the total materials used for the final packaging.

The Group's efficiency initiatives also involved logistics and operations. More in detail, the Group worked to reuse the plastic and cardboard packaging used for incoming components which are typically thrown away upon delivery: for example, at the Dongguan plant warehouse crates are built on-site using a plastic material that is 50% recycled.

Lastly, at the Chinese plants great attention was paid to the sustainable use of pallets: in order to reduce the use of virgin wood, the traditional wooden pallets used to transport and move goods were replaced with pallets made of plastic recovered from production waste. Pallets made out of recycled plastic are also used at the Mignagola and Cluj plants. These initiatives have helped to reduce not only the amount of wood used, but also the number of trucks needed for transport, and, consequently, CO<sub>2</sub> emissions.

### Connected products for maximum comfort

As in the prior year, in 2022 the De' Longhi Group continued to invest in the development of sophisticated technological solutions, in order to guarantee greater connectivity and ease-of-use through systems like Wi-Fi, Bluetooth and touch screens. On the one hand these systems allow for a great degree of product personalization and, on the other, effective remote customer assistance which makes it possible to resolve any product related issues quickly.



Primadonna Soul is the fully automatic machine with Wi-Fi that can be managed through an application installed on the user's smartphone and, thanks to **Bean Adapt** technology, the user can adjust the machine's settings, including relative to coffee preparation (grind level, dosage and temperature).



The **Cooling Surround Technology**, together with a **Realfeel** algorithm, characterizes the new line of portable air conditioners, which can be monitored remotely thanks to **Bluetooth** technology. Humidity and temperature sensors are mounted directly on smart remotes, in order to monitor environmental conditions more accurately.



The concept of **Geofencing** is behind the project to develop a series of air conditioners for the European market which, in addition to being connected to specific apps, incorporate innovative technologies capable of locating the user and optimizing consumption.



Various food preparation and comfort product lines featuring innovative user interfaces and connectivity have become standard: these include a series of Apple HomeKit products for heaters distributed in Japan, as well as a dehumidifier which can be connected via Wi-Fi that is sold in Europe.





### Energy efficient products for maximum performance and minimum impact

The research and development of increasingly energy efficient products is a must for the De'Longhi Group which has worked for years to be on the cutting edge with respect to a topic that is widely discussed by the general public and subject to changing regulations.

The many regulatory obligations explained, above all, by the Group's global presence require that great attention be paid to **energy efficiency**. In recent years the European Union has, for example, enacted several regulations on energy efficiency, including EU Regulation No. 1188/2015, which sets the minimum efficiency level that all comfort products must comply with. In order to comply with EU regulation n. 517/2014 on fluorinated greenhouse gases, in 2018 De' Longhi had already begun substituting the refrigerant circuits of products for the European market with **propane gas**, a natural refrigerant with a lower GWP (Global Warming Potential). In the US market, however, the use of this gas is illegal: for this reason, in 2021 the Group

completed the migration of all the air conditioners to refrigerant synthetic R32 gas, which has a lower GWP impact compared to the gases used previously; while it is not as efficient as propane, R32 represents the best possible solution allowed under US law.

The Group has pursued its commitment to making more energy efficient products for many years, introducing new solutions which optimize energy consumption. Most of these relate to coffee machines, for which much has been done to make more efficient heating systems by introducing energy saving "Ecomodes" and minimizing consumption when in stand-by mode.

The major innovations in 2022 in the area of product **energy efficiency** include:



The energy efficiency of different De' Longhi brand items was improved: the Pinguino PAC EX105, launched in July 2022, was classified in energy class A+++ and is the only model on the market classified in this category. Furthermore, almost all of the fully automatic coffee machines, the Lattissima machines and the manual machines with electronic controls were classified in energy class A or higher. The shutdown time on the latter, specifically the new Dedicata Maestro mode, was lowered from 9 to 5 minutes with an estimated energy savings for each device sold of 2.1 kWh; thanks to this improvement, the product was classified in energy class A+. This result is attributable to **lighter thermoblocks** which are typically part of heating system and made of aluminum: in addition to reducing the number of raw materials needed, the lighter thermoblocks make it possible to decrease the energy needed to warm the machine up when it is turned on.

Thanks to a study of ways to reduce the time needed for automatic shutdowns and optimize

consumption during the stand-by phase, an innovative heating system for the filter cup was developed in partnership with Milan's Politecnico. This resulted in the production of a prototype of a coffee machine which consumed 50% less energy than the regulatory minimum during the stand-by phase thanks to a pump with a magnetic induction system. **Induction heating**, in fact, makes it possible to heat metal with certain magnetic features without the need to be in direct contact with the heating element. This technique is, therefore, ideal for the filter cup which is heated in considerably less time with respect to other techniques used in the past.

The use of the **mono boiler** was also applied to the entire range of De' Longhi fully automatic machines, including the low voltage machines marketed in Japan and the US. Through 2019 these products, in fact, had two boilers used to warm water for coffee and steam: thanks to this solution the amount of raw materials used was also reduced.

### Durable products that are easy to repair and disassemble

**Durability** is also key to product sustainability which is why De' Longhi's products are designed to last over time, while also guaranteeing the maximum quality and functionality. The Group is also committed to facilitating product **reparability** and pays great attention to making products that are easy to disassemble and increasing the interchangeability of parts across products from the same family.

With a view to increasing product durability and reparability, in 2022 solutions already used for a few models like La Maestosa and La Specialista were applied to all the Nespresso brand coffee machines. These improvements include the practice of determining how repairs are to be carried out already in the design phase, in order to optimize repairs and maintain product functionality for a longer period of time. In 2022 a project to modify the frames of the La Specialista and Maestro machines in order to improve reparability and reduce the time needed to substitute parts was also concluded: the definitive solution called for the substitution of a part of the frame which is subject to the

most use with a part that is easily separated from the piece in order to simplify substitution. In 2022 the study of a few reparability indexes for the Dedicarte model was begun in anticipation of a new law relative to a reparability index, already in place in France for a few product categories (like smartphones, laptops, televisions, washing machines and lawn mowers), which regulates the obligation to provide clear information on the reparability of electric and electronic devices.

Similar projects involved the Kenwood brand kitchen machines, for which work was done on standardizing and reducing the number of internal components: thanks to the introduction of these solutions, it was possible to guarantee simpler and, therefore, faster repairs. The hard work done over the years to develop products with these features was reflected in the *Red Dot* awards received by a number of Braun products, like the New TexStyle 7 Pro, the PowerBlend 9 and the MultiQuick MQ 7, which testifies to the quality of different criteria, including product durability.



#### Durability

During the development phase, products are subject to **numerous tests** which simulate the use of the single components as well as the finished product. Thousands of drinks are made under standard conditions in order to verify product reliability and durability.



#### Reparability

- The project to modify the frames of the **La Specialista** machine, in order to simplify repairs and reduce the time needed to substitute parts, was completed in 2022;
- More work was done on standardizing the internal parts of the **Kenwood** brand **kitchen machines** in order to make repairs simpler and faster.

The new fully automatic coffee machines are, moreover, equipped with patented systems which make maintenance easier and reduce the amount of detergent and water needed to wash the machines. Thanks to these systems several components can be taken apart easily and washed with just water. The milk system is cleaned using steam and hot water at the end of each use so that any remaining milk can be stored in the refrigerator and used again.

The De' Longhi machines do not, in general, require a lot of routine maintenance, except for the traditional descaling which involves removing the scale that forms inside the machine, which is key to guaranteeing greater durability. In order to facilitate the removal of scale, over the years the Group has developed a specific product, *Ecodecalc*, which is a natural, effective, safe and eco-friendly solution.

## Daily wellbeing thanks to healthier eating habits

The desire to have **healthier eating habits** has become an important consumer trend that is changing constantly. In this field, also, the De' Longhi Group uses strategies to develop new products which facilitate healthier lifestyles by maintaining foods' **nutritional value**. All the De'Longhi brand coffee machines, fully automatic and manual, meet these needs perfectly; thanks to the electronically controlled boiler temperature these machines make it possible to maintain optimal conditions for grinded coffee, without altering its organoleptic properties and enhancing its aroma, in line with the strict limits recommended in international sector standards. Thanks to *scrolling technology*, the line of Kenwood brand *Pure Juice extractors* is able to reduce the overheating and oxidation of ingredients making it possible to extract juice from fruits and vegetables without compromising the nutritional properties. At the beginning of the three-year reporting period the Group had also already begun to promote healthy eating habits through a number of initiatives: including the line of *Multifry* air fryers which make it possible to minimize the amount of fat used in cooking and reduce the environmental impact of waste cooking oil disposal.

In order to reach the goals set in this regard, over the years the Group has sponsored several initiatives, the most significant of which include:



The partnership with the University of Padua thanks to which work continued on the projects to develop a coffee machine designed specifically to **optimize the making of plant-based drinks**, as well as a structured **"vibro-chemical"** system which not only allows for an even flow of liquids, but also optimal organoleptic qualities.



A project with the University of Reading which contributed to a better and deeper understanding of the **impact** that heat, oxygen, blade speed and, the blending actions, in general, have on **the nutritional properties** of food.



The partnership with Turin's Politecnico which led to the production of a **"3 in 1"** device, namely a fan heater and air purifier capable of purifying, heating and cooling thanks to an aerodynamic and innovative technology, *3D ComfortAir*.



The tender of the Ministero dell'Università e della Ricerca (MUR), part of the *Piano Nazionale di Ripresa e Resilienza* (PNRR), that the De' Longhi Group participated in and became an integral part of **Onfoods**, a foundation coordinated by the **University of Parma** which brings public and private organizations together to work on the search for new **sustainable, safe and healthy food models**. The foundation has six strategic goals, consistent with those of the **PNRR** (*Piano Nazionale di Ripresa e Resilienza*), which it will pursue by focusing on seven thematic directives, each of which addresses a specific and essential aspect of the food system.







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# 4

Sustainability  
during all  
production  
phases



# P

Processes are  
value in progress

Processes  
are value  
in progress

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

## Our 2022...



Electricity acquired from the grid by the whole Group covered by **Guarantees of Origin (GO)**

**52%**



Waste **sent to be recovered**, including reuse, recycled and composted

**87%**



Reduction of **total CO<sub>2</sub> emissions**

**-16%**

(calculated using the market-based method)



The new suppliers of finished products subject to **social accountability and environmental audits**

**100%**



## ... and our targets

### Fight against climate change



Develop a GHG inventory in line with the main international principles in order to identify areas where GHG emissions can be reduced

Acquire energy with Guarantees of Origin (GO), which certifies that the energy consumed came from renewable sources

Reduction of GHG emissions (Scope 1&2)

Work on energy efficiency in order to make changes and/or implement new solutions in order to reduce the energy consumption of the plants and offices

Promote environmental protection and management through ISO 14001 certified environmental management systems in all the Group's plants

Ensure the highest safety and health standards implementing an ISO 45001 certified H&SMS system in all the Group's plants

Drafting of:

- i. Code of Conduct for Suppliers which describes the Group's ethical, social and environmental requirements for suppliers;
- ii. Responsible Sourcing Guidelines, which contains the Group's ethical, social and environmental requirements used by Purchasing to screen suppliers



Extension of the GHG inventory to the Scope 3 emissions



100% of the electricity used by the Group's systems taken from renewable sources



43% reduction in GHG emissions (Scope 1&2), in line with the SBT methodology



Reduce energy intensity per unit manufactured



100% of the Group's plants ISO 14001 certified



100% of the Group's plants ISO 45001 certified

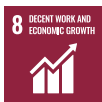


Adoption of a Code of Conduct for Suppliers and Responsible Sourcing Guidelines



Monitoring the suppliers' commitment to social and environmental issues, as well as health and safety

### Safe environment



### Responsible supply chain



## 4.1 Our production facilities

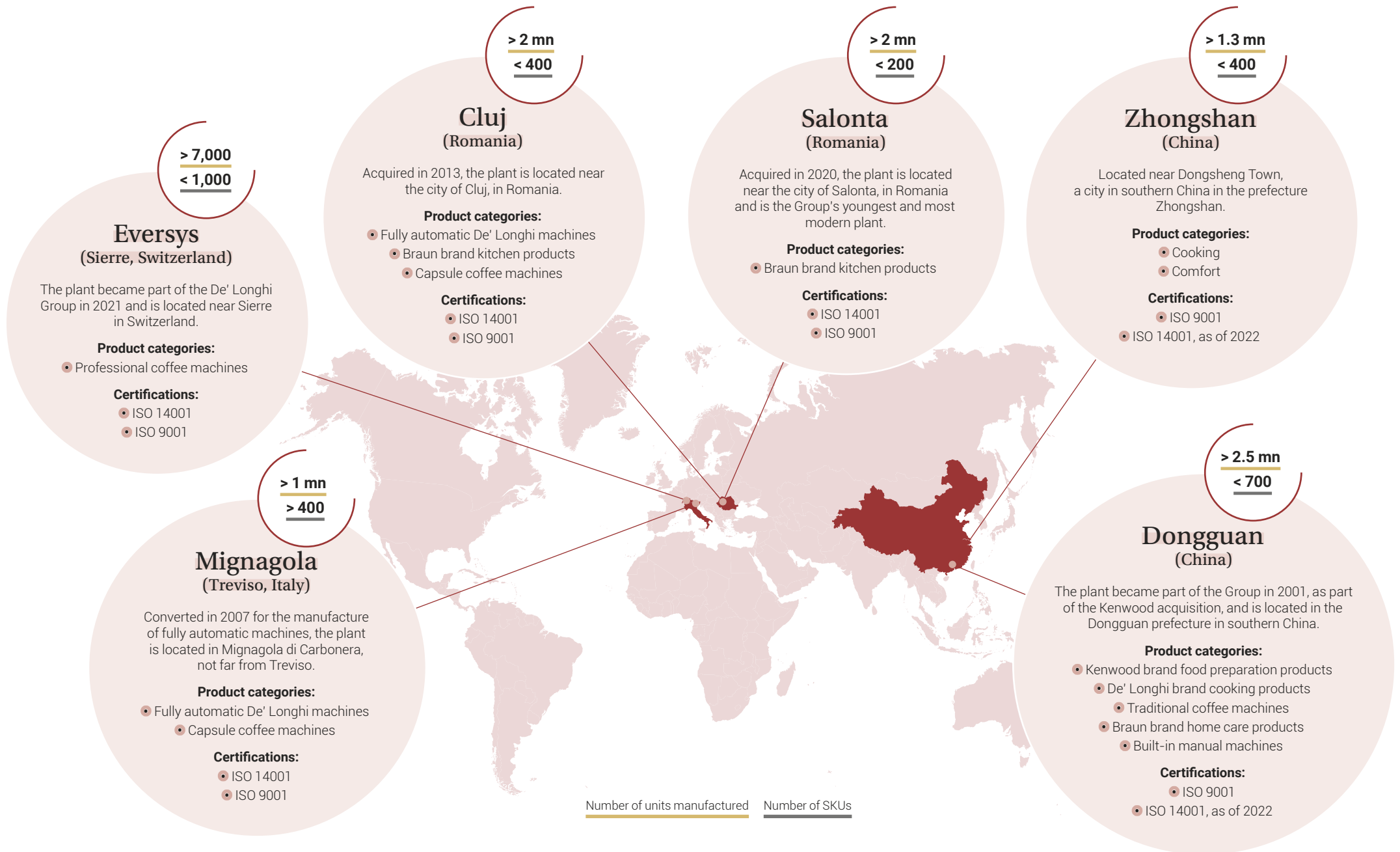
Two pillars sustain De' Longhi Group's production model: the six **production facilities** located in Italy, Romania, China and Switzerland, where the assembly and manufacture of the end products takes place (which covers 60% of the products sold) and the qualified partners referred to as **Original Equipment Manufacturers** (OEM), qualified partners who are responsible for manufacture of a few products. For years the Group has also adopted a *local for global* approach based on which dedicated centers have been created based on geography with a view to ensuring that the manufacture of a product is plant specific.

Post-production the products are **tested** by plant specific teams which are charged with checking product **safety**; the Quality Division carries out

specific audits to verify the products' compliance with the **qualitative elements**. Once the controls have been completed, the new products are stored inside sourcing centers and logistics hubs, ready to be distributed through the Group's commercial network.

As described in the previous chapter, customer service and technical assistance are managed by the Customer Care Division (for more information, refer to the section *Support, transparency and data protection*: this is how we take care of our consumers in the previous chapter).





In order to guarantee business continuity, high quality standards and compliance with the environmental and social requirements relating to labor practices, the **supply chain** is managed synergically by the Supply Chain, Quality and Purchasing divisions.

The **evaluation of finished products**, as well as their purchase and the monitoring of suppliers, is carried out by three dedicated structures in Italy and abroad in order to meet the needs of the different markets in which the Group operates quickly and effectively. These structures are assigned

responsibilities that vary based on product category and the geographic proximity of production: the offices dedicated to Coffee and Irons are, for example, in Italy, while the *motor driven* products are managed in the UK and Hong Kong focuses on Comfort.

Lastly, the **materials** used for components in manufacturing are managed in Europe by Supply Chain Department teams (located in Italy and Romania) and by local plant managers in China, who are supported by three Purchasing offices broken down by product category.



### Increasingly efficient logistics

For the De' Longhi Group, which operates in a market characterized by extremely volatile demand, it's essential to have an efficient logistics system. The warehouses, which make up the most important part of the system, are spread out all over the world in order to guarantee business **continuity**. In the last few years, the latter has been extremely important and was put to the test during the Covid-19 pandemic and the outbreak of the Russian-Ukrainian conflict. The two events impacted - to varying degrees and at different times - the availability of raw materials and parts, as well as the circulation of merchandise. Despite these difficulties, distribution was never interrupted thanks also to the constant search for alternative sources for materials and components in order to address the emergencies more effectively. With

regard to outbound logistics, in 2022 - and already in 2021 - there was a further, noticeable acceleration direct **e-commerce**, which made it possible to deliver the goods directly and bypass the retailer warehouse. This shift allowed for more efficient deliveries and lower environmental impact.

Looking again at efficiency and lowering the impact of logistics, a cross-functional initiative called **Assembly to order** or **Assembly to Truck** has been in place for some time: similar to e-commerce, based on this initiative products are sent to customers directly from the production facilities, without going through the regional logistics hub. This practice was possible thanks to the fact that labeling takes place inside the production facility, while before it was done inside the logistics hubs.

## 4.2 Responsible supply chain management



For the De' Longhi Group, responsible supply chain management means promoting the best practices in terms of product **quality**, respect for **human rights** and **environmental responsibility**. Toward this end the role of the Quality Division, which for years has been conducting periodic audits of all product suppliers and their respect of human rights, as well as compliance with the Group's Code of Ethics and the most important current laws, regulations and environmental standards (like REACH, RoHS, etc.), is key.

In 2022 two new steps were taken to ensure greater control of the supply chain: firstly, application of the Group's Code of Ethics was expanded to include all suppliers - not only the suppliers of finished goods - who can access the Code, translated in three languages (Italian, English and Chinese) on the dedicated vendor portal. The **Responsible sourcing guidelines** which define the criteria to be used when assessing the risk associated with existing suppliers and ensure adequate control of new suppliers, were also published on the vendor portal.

### Responsible Sourcing Guidelines

The purpose of these guidelines is to define the criteria to be used when assessing the risk associated with existing suppliers and ensure adequate control of new ones. The level of risk associated with each supplier is calculated based on three factors:

- the type of supplier: first or second tier, third-party manufacturer, sub-contractor and service providers;
- the geo-political area of origin: each country is associated with a level of risk (high, medium, low) based on KPIs which take in to account factors like respect of human rights, workplace health and safety and environmental protection;
- importance for the business: reflects how important the supplier is to the Group, beginning with the sales volumes relative to each supplier and De' Longhi's business.

The three factors are then grouped in order to

understand the total level of risk (high, medium, low) for each supplier.

The Group's audits of suppliers will then follow one of three different procedures - light, medium or reinforced - depending on the level of risk determined (for a new supplier) or based on the assessment made during prior audits (in the case of existing suppliers).

Based on the overall risk assessment, each year the Central Quality Assurance Department prepares an audit plan which will be implemented by internal personnel, using a checklist which is updated regularly. If any instances of non-compliance are found during the audit, the Group works with the suppliers and supports them take any corrective actions needed; if, even after the latter, the supplier is unable to comply with minimum mandatory requirements included in the Suppliers' Code of Conduct, the Group reserves the right to terminate the commercial relationship.





In accordance with the international standard **SA 8000** (Social Accountability), the social and environmental audits are done primarily of the suppliers of finished products servicing the Chinese plants. The aspects taken into account during the audits include respect for work hours and proper working conditions, freedom of association and collective bargaining and potential discriminatory behavior, as well as aspects connected to health, safety and training. With a view to extensive supervision and control of its supply chain, the Group requires that all suppliers in China sign the De' Longhi Group's **Code of Conduct**. The signing of this document makes it possible to stress the importance of crucial topics like condemning **child labor** and **forced labor**, pay that does not respect the minimum wage requirements and, in any case, workers' **dignity**. All the first- tier suppliers are also required to share the Group's Code of Ethics with any sub-contractors working with them.

There were no violations of the Group's **Code of Conduct** in 2022, and, therefore, no corrective action needed to be taken.

The use of environmental audits began in 2020 and the **environmental criteria** were added to the checklist used during the Social Accountability audits which look at, in addition to supplier compliance, verification that an ISO 14001 environmental management system is in place which confirms that the supplier adheres to best practices with regard, particularly, to issues like emissions and waste management. In this way, every time a

supplier is subject to a social accountability audit, an environmental audit is also carried out by the Group. Any corrective measures that need to be taken based on the information gathered are recorded, while the relative follow-up is subsequently logged into a specific system which makes it possible to monitor any updates or commitments made by the suppliers in this regard. This assessment process is formalized and monitored based on a specific process which, beginning in 2019, established officially that all new suppliers are subject to compliance with the SCOC (*Social Accountability Code of Conduct*).

In 2022, more than 90% of the supplier audits were carried out in-person and not remotely, as was the case in the previous two years due to the Covid-19 pandemic. Six new suppliers, added during the year, were subject to these audits.

In 2022, all (100%) of the new suppliers of finished products were subject to evaluation based on **social criteria**, in accordance with standard SA 8000, as was the case in the prior two years. To date, no SCOC audits have resulted in a finding of *zero tolerance*, which would mean that the supplier relationship had to be terminated. **GRI 414-1**



## Social Accountability

Developed in 1997 by an American entity SAI (*Social Accountability International*), the Standard *Social Accountability* (SAI) 8000 is an international standard based on the ILO (*International Labor Organization*) conventions, Universal Declaration of Human Rights, and the UN Convention on the Rights of the Child (UNCRC). This is the first international standard to provide a way to gauge a company's ethics and the degree of responsibility with respect to social issues, including:

1. Child labor
2. Forced labor
3. Worker health and safety
4. Freedom of association and collective bargaining
5. Discrimination
6. Disciplinary practices
7. Working hours
8. Remuneration
9. Management system

In 2022 all the new suppliers of finished products (6 in total) were also subject to **environmental audits**, consistent with 2021 (100%). [GRI 308-1] In 2022 60 audits were also carried out to verify the respect for **human rights** of 58 suppliers of finished products and at the Group's plants (for the remainder). These audits covered around 63% of the Group's operations, an increase of 21% compared to 2021. The Social Accountability audits of each supplier are carried out every two years, which means the results may not be directly comparable and may depend on when the new suppliers arrived.

Once the audits are completed, the results of the product quality assessments are used to create a **vendor rating** which is used to classify partners in four categories (*preferred, approved, probation* and *exit plan*), as well as monitor the relationships with a view to continuous improvement over the long-term.

Fig. 28 - New suppliers evaluated based on social criteria, number and percentage [GRI 414-1]

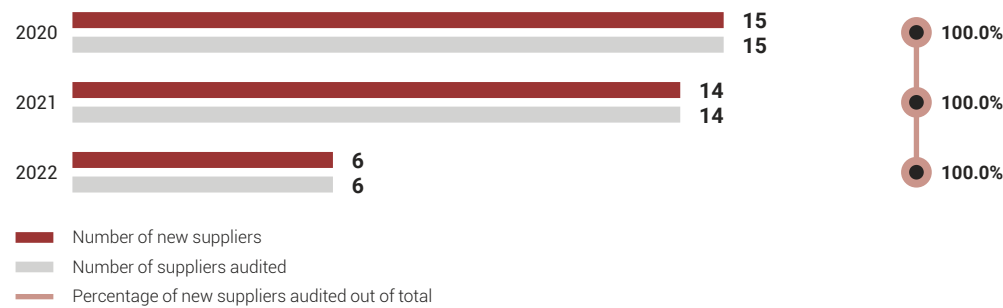
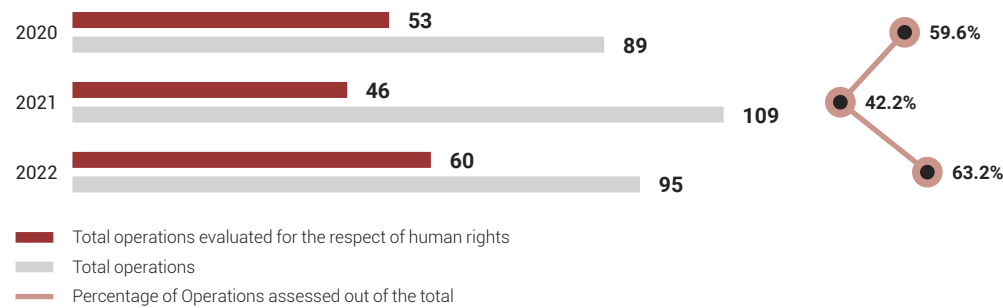


Fig. 29 - Operations subject to the human rights assessments, number and percentage



## 4.3 Reducing our environmental footprint

The Group is constantly looking for and studying solutions that would make it possible to reduce the environmental impact of its daily operations. Given the complex and multi-faceted reality in which the company operates, it must keep abreast with various and ever-changing **regulatory environments**: for this reason, the Operations & Technology and the Quality Divisions are responsible for managing the environmental aspects and compliance with the relative laws, which is essential to ensuring that the activities are managed correctly.

Over the years the Group has worked to ensure that each of its plants had an **ISO 14001** certified environmental management system. This goal was achieved in 2022 when the Chinese plants were also certified. This ensures that it is now possible to carry out environmental assessments across the value chain which is key to planning the improvements that need to be made in order to mitigate the environmental impact of the Group's activities.

A few practical examples of the Group's commitment to reducing its environmental footprint include the use of **solar panels** at the Mignagola plant and the activation of metering systems at both the Treviso headquarters and the plants in Italy and Romania. If these systems made it possible to calculate energy efficiency and consumption at each location precisely, in 2022 the 927,116 kWh of energy produced by the solar panels at the Italian plants (8% of the energy consumed by the plant during the year) made it possible to noticeably reduce the environmental impact of producing energy.

### The De' Longhi Group's main energy saving initiatives

- Installation of solar panels (Mignagola)
- Installation of a trigeneration system (Mignagola), nearing completion
- Substitution of traditional lighting systems with led lighting (Cluj, Mignagola)
- Movement sensors which activate lighting system only when necessary (Mignagola)
- Installation of charging stations for electric cars (Treviso HQ)
- Substitution of molding and welding machines (Dongguan, Onshiu)
- Installation of meters to measure energy consumption (Dongguan, Onshiu)

As in prior years, in 2022 work continued on relamping the Italian, Chinese and Romanian plants where today, the new lighting systems, make it possible to reduce energy consumption significantly. More in detail, the installation of **led lighting** in the exterior areas was completed and continued inside the plant in Mignagola. The substitution of the traditional lighting systems at the Cluj and Salonta plants reduced consumption by 161,697 kWh and 73,509 kWh, respectively, in 2022 alone. **Movement sensors** that activate the lighting system only as needed were also installed at the three plants.

As part of the Group's energy saving plan, in 2022 the installation of the **trigeneration system** at Mignagola was completed and became functional in

September. The system provides the plant with electricity, heating and air conditioning. **Charging stations** for electric cars were also installed at the Treviso headquarters in order to service the corporate fleet of cars which now comprises a large number of hybrid or fully electric vehicles.

With a view again to energy savings, the substitution of hydraulic oil with a latest generation oil in the injection mold machinery at the Cluj plant resulted in energy savings of around 7% compared to 2021. Lastly, different improvements of machinery - including plastic molding machinery, degreasing and drain lines, laser welders - at the Chinese plants made it possible to increase the energy efficiency of productive assets. **Meters to measure energy**

**consumption** were also installed which allow for constant and accurate monitoring of energy consumption. Based on the data obtained from the meters it is then possible to identify the most energy-intensive areas and tasks, as well as plan actions to mitigate and improve the efficiency of the plants.

Lowering environmental impact by reducing emissions and improving **air quality** is also key. Toward this end, in addition to monitoring the chimney emissions constantly, in 2022 the substitution of the solvent-based resin with a water-based resin made it possible to reduce the Cluj plant's emissions by 18% and Salonta's by 33%.

With respect to the **circular economy** and responsible waste management, each year the Group plans and implements different initiatives at its plants. At the Mignagola and Dongguan plants, for example, the waste generated when injection molds are made is recovered and reused in the manufacturing cycle which helps to save on the cost of raw materials and reduce the amount of waste to dispose of. Other materials are also repurposed. The metal scraps are resold as raw materials, while paper, cardboard and nylon scraps are sent to be regenerated.

In 2022 new initiatives to reduce and recover coffee dust, as well as plastic scraps, were also implemented at the Cluj and Salonta plants: more in detail, during the year 88% of the coffee dust was sold to an outside company which uses it to produce bricks, while 100% of the plastic scraps stemming from the injection mold process was recycled in the second half of 2022 alone. At the Mignagola plant, where for years the Nespresso capsules used in tests have been recovered, further work was done on the recovery of coffee dust. In 2022 the grinder was recalibrated which reduced energy consumption by 80% and the consumption of coffee by 100% (for a total around 150 tons in one year).

For more information about initiatives consistent with the Group's approach to sustainability and focused on increasing energy efficiency, durability and repairability refer to the chapter *Design and innovation for product sustainability*.



### Energy consumption

In 2022, the Group's **total energy consumption** decreased by roughly 12% with respect to the prior year (372,130 GJ in 2022 compared to 422,263 GJ in 2021) explained mainly by lower production volumes (units produced were down by 41%) due to the general performance of the European market in the year. The ratio of direct consumption (for heating and transport) to indirect (electricity through district heating and cooling) came to 45% in 2022, decidedly higher than in the prior two-year period (26.7% in 2021 and 30.1% in 2020) due mainly to the installation of the tri-generation system at Mignagola. The system, completed in 2022, contributed around 37% to the Group's overall natural gas consumption.

The electricity purchased from the national grid, which amounted to 253,778 GJ in 2022, represents approximately 79% of the Group's total energy consumption and accounts for almost all of the indirect consumption recorded in the year.

Fig. 30 - Direct and indirect consumption, percentage and GJ [GRI 302-1]

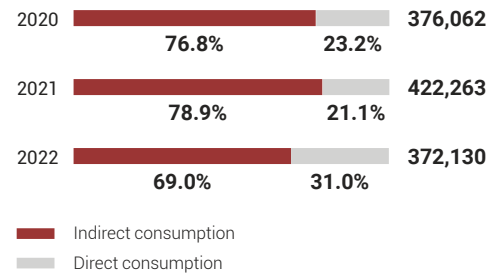
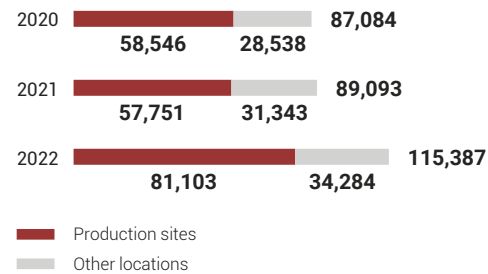


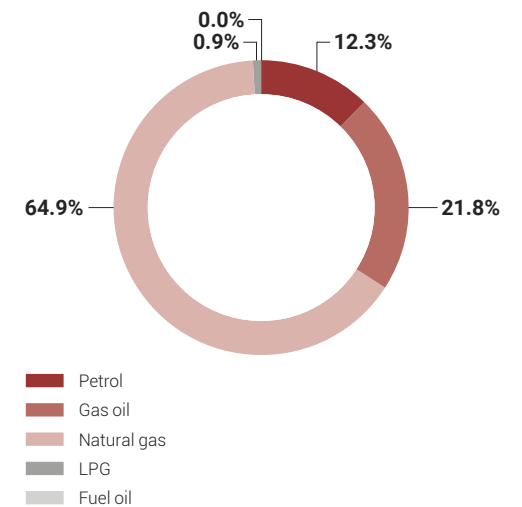
Fig. 31 - Direct consumption, GJ [GRI 302-1]



The **direct energy consumption** amounted to 115,387 GJ in 2022, roughly 30% higher than in the previous year; approximately 80% of this is attributable to production plants.

The breakdown of direct energy consumption (from fuel) by component is shown in the chart below: 64.9% is related to the use of natural gas, 21.8% and 12.3% to the consumption of diesel and gasoline for the corporate fleet. LPG and fuel oil were used less (namely 0.9% and 0.1% of the total, respectively).

Fig. 32 - Breakdown of fuel consumption in 2022, by percentage [GRI 302-1]





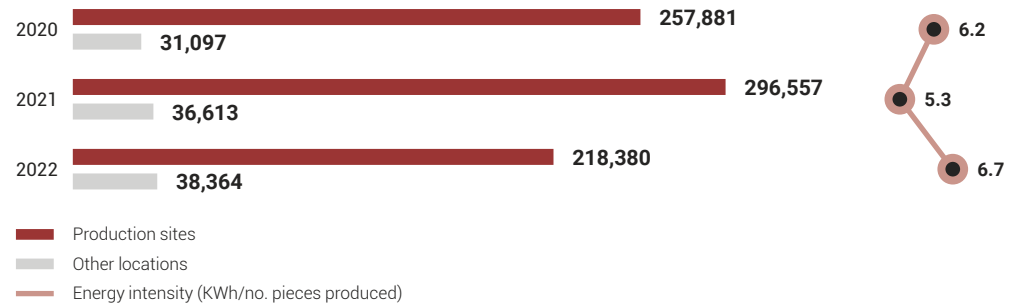
The indirect electricity consumption per unit of production was also higher, going from 6.2kWh/per unit produced (2020) and 5.3 kWh/per unit produced (2021) to 6.7 kWh/per unit produced in 2022. This trend reflects the lower production volumes which also explains why the energy intensity index increased even though the indirect consumption of electricity decreased during the year. [GRI 302-3]

The portion of electricity consumed that was produced from **renewable sources** came to 3,338 GJ, slightly lower than in 2021 (3,423 GJ). In 2022, 52% of the electricity acquired by the Group's plants during the year was covered by Guarantees of Origin (GOs) which certify that the energy came from renewable sources.

In addition to those already described, other energy saving initiatives were implemented in 2022 at the

Dongguan and OnShiu plants in China. At the first one, specifically, investments continued to be made in electric injection molding machines rather than in the traditional hydraulic injection machines, which has resulted in total savings of approximately 2,345,000 kWh since 2020. The installation of new led lighting systems also continued in the year with energy savings of 239,933 kWh compared to traditional lighting. [GRI 302-4]

Fig. 33 - Electricity consumption, GJ [GRI 302-1]



### Climate changing emissions

In 2022 the Group's **CO<sub>2</sub> emissions**, calculated using the *Market-Based* method, amounted to 25,979 tons, 16% lower than the 30,890 tons recorded in 2021. Consistent with energy consumption, the CO<sub>2</sub> emissions are attributable mainly to the use of electricity, which accounts for around 79% of the Group's total CO<sub>2</sub> emissions.

In 2022 **direct CO<sub>2</sub> emissions** amounted to 5,483 tons, explained mainly by the energy consumption at production plants (around 56% versus 44% at other types of sites) which is consistent with the prior year.

In 2022 **indirect CO<sub>2</sub> emissions** (calculated using the *Location-Based* method) amounted to 29,152 tons, approximately 88% of which is attributable to production plants.

Fig. 34 - Total CO<sub>2</sub> emissions, by tons of CO<sub>2</sub> [GRI 305-1 and 305-2]

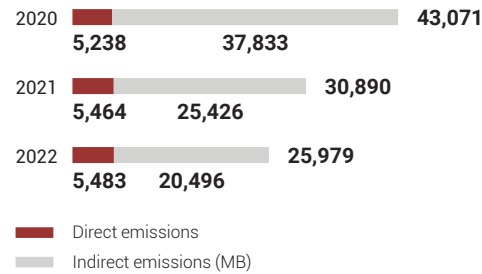


Fig. 35 - Scope 1 direct emissions, tons of CO<sub>2</sub> [GRI 305-1]

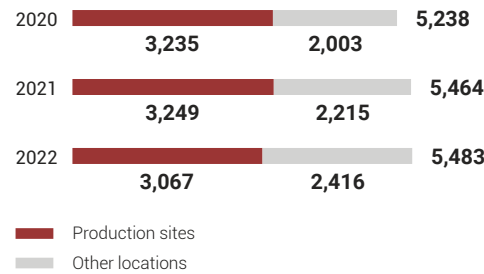


Fig. 36 - Scope 2 indirect emissions, tons of CO<sub>2</sub> [GRI 305-2]

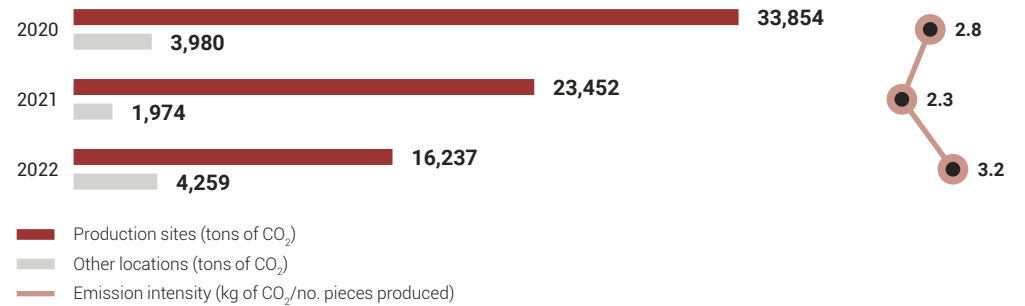
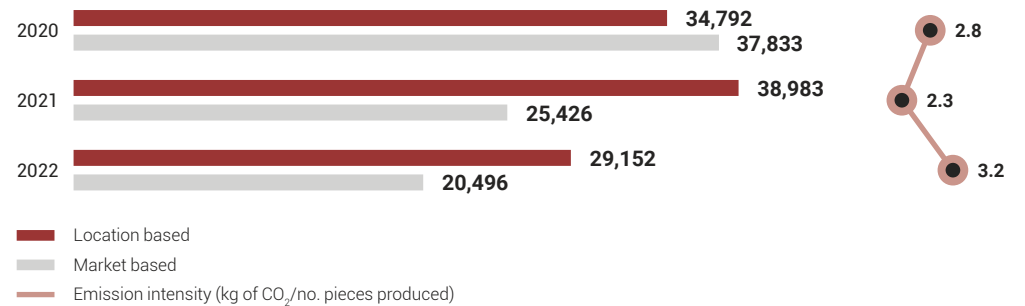


Fig. 37 - Scope 2 indirect emissions, tons of CO<sub>2</sub> [GRI 305-2]





In 2022, the Scope 2 CO<sub>2</sub> emissions calculated using the **market-based** method were approximately 8,650 tons lower than the emissions calculated using the **location-based** method and were down considerably compared to 2021 (-19%): this is explained by the Group's purchase of guarantees of origin to cover the electricity consumed in 2022 by the plants in Mignagola (Italy), Cluj and Salonta (Romania), Eversys (Switzerland) and the UK commercial branches.

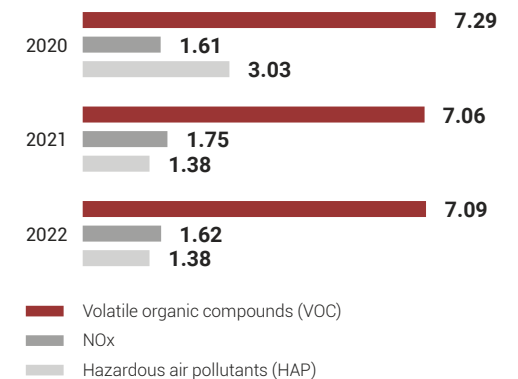
The CO<sub>2</sub> Scope 2 *location-based* emissions per unit produced were around 39% higher compared to the prior year (going from 2.3 kg of CO<sub>2</sub> per unit produced in 2021 to 3.2 kg CO<sub>2</sub> per unit produced in 2022), explained above all by the decrease in the number of units manufactured by the Group in 2022. In the Group's production plants there is structural energy consumption which remains constant regardless of the production volumes. GRI 305-4

### Pollutants

The pollutants, comprising mainly elements like **NOx, SOx, particulate matter and organic volatile compounds (VOC)**, are harmful to health and the environment. For the De' Longhi Group, the most significant pollutants emitted at the production facilities are the volatile organic compounds (VOCs), of which slightly more than 7 tons were emitted in 2022, in line with the two previous years, 2020-2021. Other types of pollutants emitted include the HAPs (*Hazardous Air Pollutants*), which, at slightly less than 1.4 tons, were in line with 2021 and

decidedly lower than in 2020 (-54%). The NOx emitted in 2022 were slightly lower than in 2021 (-7%). Negligible or no amounts of POPs (*Persistent Organic Pollutants*), SOx and particulate matter (PM) were emitted. GRI 305-7

Fig. 38 - Other pollutants emitted, in tons GRI 305-7



### Waste management

The De' Longhi Group's commitment to environmental sustainability also includes dedicating attention to responsible waste management. The Group, in fact, works to incentivize recycling at both the offices and the production facilities, in order to minimize the quantities disposed of. All employees are made aware of these issues and encouraged to both reduce waste as much as possible, as well as to constantly recycle any waste correctly. The use of digital solutions has also been incentivized with a view to reducing the use of paper and single-use plastic.

In the production facilities special attention is paid to the separation of hazardous from non-hazardous waste through initiatives designed to raise the awareness of employees. Toward this end, the Group uses different recycling methods to dispose of its electronic waste.

There are different initiatives focused on packaging which include reducing volume, the use of recycled materials and recycling of the packaging in-house. Part of this work resulted in the pilot project **REBOX**, implemented in the last quarter of 2022: in order to reduce the volume of boxes used and disposed of, a specific box in ribbed polypropylene was utilized which made it possible to reduce the number of boxes used each day by 40% compared to 2021. The innovative design of the box, which has a snap-lock lid, a leveled bottom which allows for easier opening and closing, as well as an exterior label holder, in fact, facilitate the re-use of the box and more efficient management of the recycling flows.

Particularly noteworthy are the recycling initiatives implemented at the OnShiu plant in China, where the crates used to move material internally are made out of recycled metal, finished products are warehoused using recycled pallets and all internal movements are made without using paper and cardboard packaging. With regard to waste management, at the same plant, the warehouse used to store hazardous waste was also remodeled in order to make waste collection more efficient and safer.

In 2022, the Group's production plants produced 9,294 tons of **waste**, of which 98% was non-hazardous, while the remaining 2% was hazardous. This was considerably lower than in 2021. Of the total waste produced, approximately 87% (89% of the non-hazardous waste and 29% of the hazardous waste) was recovered through activities like reuse, recycling and composting. 100% of the waste produced by the De' Longhi Group in 2022 was treated offsite. [GRI 306-1](#), [GRI 306-2](#)

Fig. 39 - The waste produced by the production facilities, expressed in tons



In 2022 the **non-hazardous** waste was sent to be recycled (65.8%) and recovered (22.6%), which included energy recovery. The majority of the **hazardous** waste was burned (24.5%) or treated chemically (23%).

Fig. 40 - Hazardous waste produced in 2022 broken down by disposal method, expressed as a percentage

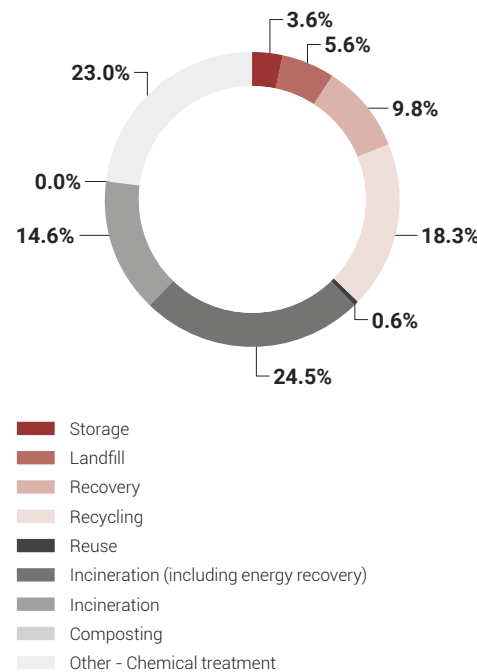
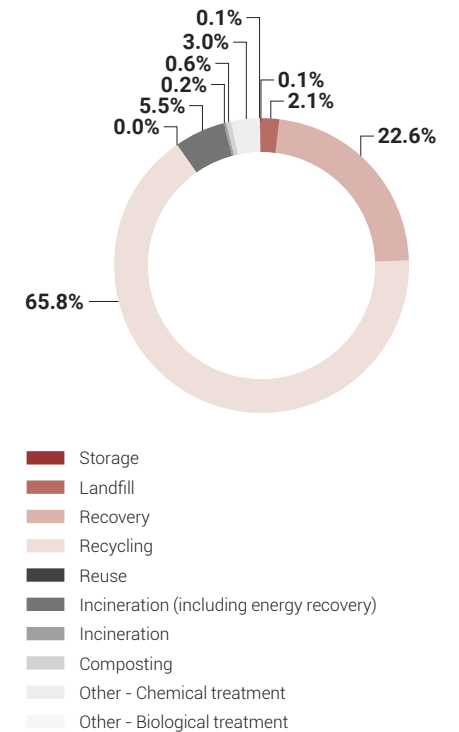


Fig. 41 - Non-hazardous waste produced in 2022 broken down by disposal method, expressed as a percentage



### Management of water resources

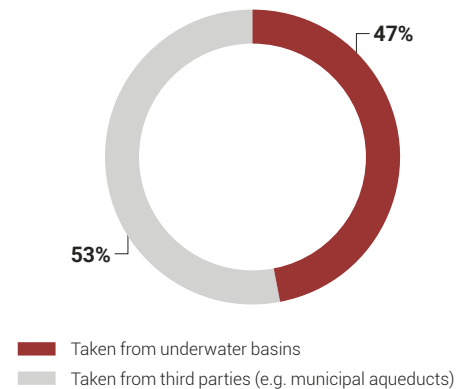
The De' Longhi Group is committed to ensuring that its water resources are managed in a responsible and sustainable manner; these resources are used for sanitary purposes in the corporate cafeteria and services, as well as in the production facilities for testing, cooling of machinery, molds and air conditioning. In 2022, a new type of testing was introduced at the Mignagola plant based on which the use of water is substituted with air. This new process resulted in a 90% saving in total water consumption and also helps to reduce the residual water remaining in the circuits, as well as the time needed for testing and energy consumption by around 70%.

No water is consumed during production as any amount used is then returned to the water supply. Before this happens, the Group carries out the quality tests, which may be followed by a further check, needed to ensure that current local laws are being complied with.

In 2022 501,536 m<sup>3</sup> of water was used at the production plants; 53% of which was taken from third parties, like, for example, the municipal aqueducts, while the remaining 47% was taken from wells.

In 2022 the consumption and withdrawal of water was considerably lower than in 2021: more in detail, at the Dongguan plant 21,208 m<sup>3</sup> of water was consumed, a noticeable decrease compared to the 146,382 m<sup>3</sup> recorded in the prior year.

Fig. 42 - Total water sourced expressed as a percentage







# 5

Methodological  
note



# T

## The principles for defining the content and quality of the report

The purpose of the De' Longhi Group's Sustainability Report is to provide a report on the topics that are relevant for the Group and its main stakeholders. It is prepared in accordance with the *GRI Sustainability Reporting Standards 2021* (hereinafter also referred to as the *GRI Standards*), published by the *Global Reporting Initiative* (GRI), based on the *In Accordance* option. More specifically, when preparing the report reference was made to Standard *GRI 1: Foundation*, the *reporting principles* and disclosures indicated in the *GRI content index*.

This report was prepared in accordance with the standards for content recommended by the GRI:

- **Accuracy:** the level of detail in the Report is adequate and makes it possible to understand and assess the De' Longhi Group's sustainability performance in the reporting period.
- **Balance:** the information provided in this report strives to provide an objective and equitable representation of both the positive and negative aspects of the Group's environmental impact.

- **Clarity:** the choice of a clear and accessible language and the use of graphs and tables to represent the performance of the Group make this Report available and easy to understand for stakeholders.
- **Comparability:** the indicators in the Report are shown for the three-year period 2020-2021-2022 and are accompanied by comments on the performance in order to allow for the comparison of the Group's performance over time.
- **Completeness:** in the Sustainability Report De' Longhi provides extensive information and a detailed assessment of its impacts during the reporting period.
- **Sustainability context:** when preparing the Report, the impacts analyzed were looked at as part of the vaster scope of sustainable development, analyzing sector, legal and regulatory sources, as well as international conventions, including the Paris Agreements.

- **Timeliness:** the Report takes into account events that occurred after 31 December 2022 that may be significant for the stakeholders when assessing the Group's performance.
- **Verifiability:** the figures included in the Report were gathered and processed in a way which ensures that the quality of the information can easily be verified.

When preparing the report, the quality standards recommended in the GRI were followed in order to ensure the quality of the information provided.

**GRI 3-1**



## Relevant topics: materiality analysis

The materiality analysis guides the De' Longhi Group in the choice of the topics to report on in order to provide a complete and clear picture as to the economic, environmental and social impact of the Group's activities. The materiality analysis included in the report for the year ended on 31 December 2022 was updated in order to comply with the new *GRI Standards 2021*.

The Group's material topics are identified, in accordance with the Standard, based on the impacts, current and potential, that the organization's business and commercial relationships could have on the economy, the environment and people, including on human rights. This includes negative and positive impacts, short-term and long-term, intentional and voluntary, reversible and irreversible.

The Group's material analysis was carried out in four different phases:

**1. Understanding of the Group's operating environment:** an analysis of different documents was carried out using different sources, both internal and external, including documents published by a panel of companies active in similar sectors, sector trends identified by consulting the publications of the main international trade associations and organizations, and newspaper

articles relating to important events that affected the Group during the year.

**2. Identification of De' Longhi's current and potential impacts:** during this phase the organization identified the current and potential impacts that its activities and business relationships could have on the economy, the environment and people, including the human rights of the latter. The current impacts are those happening now or have materialized over time while potential impacts are those that could materialize in the future.

**3. Assessment of the significance and relevance of the impacts:** all the impacts were assessed by evaluating the degree of significance determined based on the Standard's criteria.

**4. Prioritization of the most significant impacts for reporting purposes:** the Group's most significant impacts were prioritized and the most relevant impacts informed the identification of the material topics included in this Sustainability Report.

The Group also assessed and classified its impacts based on two parameters, severity and probability. The severity of a real or potential impact is determined by its scale (how serious is the impact), the scope (the breadth of the impact) and the

irremediable characteristics (how difficult it is to mitigate or remedy the damage caused). The probability can be defined as the likelihood that the impact will materialize, taking into account the preventive actions adopted by Group. The impacts that the De' Longhi Group might have caused were classified based on their severity, probability and significance. As a result of the analyses, the Group approved a list of 13 material topics: 3 relating to the environment, 2 to governance and 8 to social aspects. Lastly, after having identified the significant impacts and defined the material topics, the GRI indicators associated with the impact to be reported on were identified.

The list of the material topics determined after the identification and grouping of the relevant impacts is provided hereafter. The *Topic-Specific GRI Disclosures* for each material topic are also provided.



Fig. 43 - The De' Longhi Group's material topics [GRI 3-2]

Material topics	Impacts	GRI Topic-Specific Disclosure
<b>Management of the GHG emissions and fight against climate change</b>	The use of fossil fuels and electricity generates direct and indirect Green House gases which contribute to climate change. In order to mitigate and offset any impacts, the Group works to implement solutions which will help to save energy and encourage the use of energy from renewable sources.	GRI 302-1, 302,2 GRI 305-1, 305-2, 305-4
<b>Inclusion and equal opportunities</b>	Inadequate management of aspects relating to inclusion and equal opportunities could lead to episodes of discrimination. Through policy, procedures and initiatives coordinated by HR, the Group works to reduce the risk that these episodes might materialize.	GRI 405-1 GRI 406-1
<b>Waste management and the circular economy</b>	The use of non-recyclable materials and inadequate management of manufacturing waste could have a negative impact on the eco-system. In order to mitigate the impact, the Group adopts avantgarde waste management practices, fully compliant with the laws in effect.	GRI 306-1, 306-2, 306-3, 306-4, 306-5
<b>Health and safety of the workforce</b>	The health and safety of the workforce is a top priority for the Group. In order to avoid any potential risks stemming from production, the Group adopts specific management practices to manage health and safety on the job and is committed to ongoing monitoring and improvements.	GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9
<b>Respect of human rights</b>	The Group is committed to protecting human rights. In order to lessen the likelihood of a violation, relative to both operations and along the value chain, De' Longhi has implemented specific initiatives aimed at monitoring the practices of its suppliers. The Group also provides training courses in topics and procedures relating to the respect of human rights.	Non-GRI KPI: transactions evaluated in light of human rights
<b>Promotion of sustainable lifestyles</b>	Aware of its role as an influencer with its customers and stakeholders, the Group promotes the adoption of healthy lifestyles, the use of sustainable food products and good practices for a healthy and balanced diet.	-

<b>Responsible management of the supply chain</b>	Irresponsible management of the supply chain could contribute to negative environmental and social impacts. The Group, therefore, has adopted tools and mechanisms which help to mitigate this risk.	GRI 414-1 GRI 308-1
<b>Innovation and eco-design</b>	The irresponsible use of materials, including the during the procurement phase, could damage the eco-system. For this reason, the Group has defined guidelines in order to promote innovative and sustainable solutions in the choice of materials.	-
<b>Product safety and labeling</b>	Labeling which is not transparent and complete could cause products to be used incorrectly and compromise consumer safety. At the same time, failure to monitor quality during procurement and production could have repercussions. The Group, therefore, works to guarantee constant quality and product safety controls, as well as transparency in labeling.	GRI 416-1, 416-2 GRI 417-1, 417-2, 417-3
<b>Consumer satisfaction</b>	For De' Longhi consumer satisfaction is of the utmost importance. For this reason, it promotes surveys relating to consumer needs and preferences in order to establish loyalty and a lasting relationship.	-
<b>Ethics and business integrity</b>	De' Longhi is committed to conducting its business in accordance with principles of integrity, transparency, legality, fairness, prudence and in compliance with the law.	GRI 205-2 (b, c, e), 205-3
<b>Talent acquisition and retention</b>	In addition to the employee satisfaction, a key aspect for the Group is promoting talent development by investing constantly in human resources which guarantees stability, appeal and the creation of jobs.	GRI 404-1, 404-3
<b>Use of consumer data</b>	By promoting campaigns to heighten awareness as to the risks stemming from the use of personal data, the Group works to guarantee the protection of consumer privacy.	GRI 418-1





### The reporting scope

This is the sixth edition of the De' Longhi Group's Sustainability Report. It contains the description of the initiatives and activities carried out in 2022, as well as the performance trends recorded in the three-year period 2020-2022. The performance indicators are recorded in the report that is prepared once a year.

The reporting scope corresponds with the scope of consolidation used in the consolidated financial statements, namely the continuing operations fully consolidated using the line-by-line method in the financial reports, unless provided for otherwise. In 2022:

- the companies De'Longhi Brasil - Comércio and Importação Ltda and Tasfiye Halinde De'Longhi Bosphorus Ev Aletleri Ticaret Anonim Sirketi were excluded insofar as they are currently being liquidated or are inactive and had no employees at 31.12;
- the figures shown include the companies belonging to the Capital Brands Group, acquired at the end of December 2020 and Eversys, the control of which was acquired in 2021. Inclusion in the scope of consolidation coincides with the financial effects of the transactions. As a result of the above-mentioned acquisitions, the figures for 2021 may not be entirely consistent with the prior three-year reporting period.

The information and data included in this section refer to 2022, the reporting period. Any exceptions are indicated below, in this methodological note.

**[GRI 2-2, GRI 2-3]**

Consistent with the consolidated financial statements, the figures are grouped into the following regions:

- Europe
- APA (Asia, Pacific, Americas)
- MEIA (Middle East, India and Africa).

### The calculation methodology

The methodological indications for certain indicators reported in this Sustainability Report are shown below.

### The De' Longhi Group's people

The calculation of the Group personnel by geographical area, gender and contract type was carried out with respect to the data received from the various offices and sales branches.

### Anti-corruption training

With respect to the APA area, the hours associated with training courses for new hires that also include aspects of business ethics or anticorruption were considered.

### Health and safety indices

Accident rates are calculated as shown below:

- **injury rate** is the ratio between the total number of accidents and the total number of hours worked, multiplied by 1,000,000; accidents in progress are excluded from the calculation of the accident rate;
- **the occupational disease rate** is the ratio between the total number of confirmed occupational diseases and the total number of working hours, multiplied by 1,000,000;
- **severity rate** is the total number of serious accidents expressed as a percentage of the total number of labor hours multiplied by 1,000;
- **lost days** are the calendar days lost due to accident as of the day following that of the accident;

- **the absentee rate** is the percentage ratio between the days of absence (due to inability to work) during the reporting period and the total number of workable days during the same period.

Only employees are included in the calculation of these three-years period rates, while interns or temporary employees are excluded.

### Energy consumption

The conversion factors used to uniform energy consumption derive from the table *UK Government GHG Conversion Factors for Company Reporting - Fuel properties* of DEFRA, in the most recent latest version available.

During the three-year period 2020 - 2022, 57.6 2.5 and 2.6 GJ of electricity generated from renewable sources were produced at the Group's plants, which were subsequently transferred to the national grid. It should be noted that, in relation to the electricity consumption of the Campi Bisenzio offices during 2018, a change in measurement methodology took place.

### Greenhouse gas emissions

Greenhouse gas emissions were calculated according to the principles set out in the ISO 14064-1 international standards. Specifically, it should be noted that the only greenhouse gas taken into consideration was carbon dioxide (CO<sub>2</sub>). Self-generated energy from renewable sources is not included in the calculation of greenhouse gas emissions, as it is considered to have zero greenhouse gas emissions.

The emission factors used to calculate CO<sub>2</sub> emissions were determined as follows:

- **Direct emissions (Scope 1):** the emissions linked to the consumption of natural gas, diesel heating fuel, gas, diesel fuel and LPG for the company cars was determined based on the emission factors reported in the *table of national standards* published by the Italian Ministry of the Environment, for the years 2020, 2021 and 2022.
- **Indirect emissions (Scope 2):** indirect emissions are linked to the consumption of electricity and district heating; the emissions linked to electricity were calculated using a *location* and *market-based* approach:
  - For the calculation of *location-based* emissions, the factors used, for each country in which the Group operates, were those presented in *Table 49 - Main socio-economic and energy indicators* published by Terna in the *International Comparisons* sections, which have Enerdata as their source. These emission factors are updated periodically; therefore, they were used in their most recent version (2019) to calculate indirect emissions in 2022 and 2021, in the 2018 version for those relating to 2020. In the event a country was not listed in the above table, we used the emission factor for the continent. When there were several branches in several countries, the highest of the emissions factors among these countries was used.
  - For the calculation of *market-based* emissions, when available, the *residual mixes* found in the *European Residual Mixes*, published by ABI for the years 2019- 2021, were used. An average *residual mix* per *eGrid Subregion*, calculated based on the *residual mixes* shown in the document *2020 Green-e Energy Residual Mix Emissions Rates* for the years 2020, were used for the United State. An average *residual mix* per *NERC Region*, calculated based on the *residual mixes* shown in the document *Green-e*

*Energy Residual Mix Emissions Rates* for the year 2018, was used for Canada. *Location based* emissions factors found in the above mentioned Terna table were used for the countries for which no *residual mix* figures were available.

Emissions associated with district heating were calculated using the emission factors reported in the tables of the *UK Government GHG Conversion Factors for Company Reporting* document published by the *Department for Environment Food & Rural Affairs (DEFRA)* available for the three-year period 2019-2020-2021.

### Quality indicators

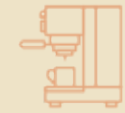
The **first-time quality (FTQ) indicator** is the percentage ratio between products that have not shown functional or aesthetic defects on the total production of the year;

The **service call rate (SCR)** is the percentage ratio between the machines repaired in the first year of warranty and the total number of products sold during the year. This indicator is calculated quarterly on a 12-month mobile base;

The **first-time fix (FTF) indicator** is the percentage ratio between repaired products that did not need new assistance in the following six months and the total of repaired products



# 6 Appendices



# A

## Appendices

Below are the detailed tables relating to the indicators, in accordance with the GRI standards.

### The De' Longhi Group's People

GRI 2-7: Employees															
Employees, by contract type	Italy			Europe			America & Asia-Pacific			MEIA			De' Longhi Group		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
<b>Number of employees by contract type</b>															
Permanent	1,651	1,708	1,710	4,284	4,624	3,837	2,621	2,710	2,388	51	58	52	8,607	9,100	7,987
<i>of which women</i>	646	676	684	2,617	2,776	2,271	1,250	1,273	1,110	22	23	21	4,535	4,748	4,086
<i>of which men</i>	1,005	1,032	1,026	1,667	1,848	1,566	1,371	1,437	1,278	29	35	31	4,072	4,352	3,901
Fixed-term	34	31	22	131	417	171	605	803	374	1	1	1	771	1,252	568
<i>of which women</i>	17	17	15	76	211	61	273	358	200	1	-	1	367	586	277
<i>of which men</i>	17	14	7	55	206	110	332	445	174	-	1	-	404	666	291
<b>Total</b>	<b>1,685</b>	<b>1,739</b>	<b>1,732</b>	<b>4,415</b>	<b>5,041</b>	<b>4,008</b>	<b>3,226</b>	<b>3,513</b>	<b>2,762</b>	<b>52</b>	<b>59</b>	<b>53</b>	<b>9,378</b>	<b>10,352</b>	<b>8,555</b>
<b>Number of employees by contract type</b>															
Full-time	1,567	1,637	1,635	4,302	4,784	3,778	3,214	3,484	2,752	51	58	52	9,134	9,963	8,217
<i>of which women</i>	549	594	604	2,601	2,789	2,155	1,512	1,613	1,301	22	23	21	4,684	5,019	4,081
<i>of which men</i>	1,018	1,043	1,031	1,701	1,995	1,623	1,702	1,871	1,451	29	35	31	4,450	4,944	4,136
Part-time	118	102	97	113	257	230	12	29	10	1	1	1	244	389	338
<i>of which women</i>	114	99	95	92	197	180	11	18	9	1	-	1	218	314	285
<i>of which men</i>	4	3	2	21	60	50	1	11	1	-	1	-	26	75	53
<b>Total</b>	<b>1,685</b>	<b>1,739</b>	<b>1,732</b>	<b>4,415</b>	<b>5,041</b>	<b>4,008</b>	<b>3,226</b>	<b>3,513</b>	<b>2,762</b>	<b>52</b>	<b>59</b>	<b>53</b>	<b>9,378</b>	<b>10,352</b>	<b>8,555</b>
<b>Number of employees by gender</b>															
<b>Total women</b>	<b>663</b>	<b>693</b>	<b>699</b>	<b>2,693</b>	<b>2,987</b>	<b>2,332</b>	<b>1,523</b>	<b>1,631</b>	<b>1,310</b>	<b>23</b>	<b>23</b>	<b>22</b>	<b>4,902</b>	<b>5,334</b>	<b>4,363</b>
<b>Total men</b>	<b>1,022</b>	<b>1,046</b>	<b>1,033</b>	<b>1,722</b>	<b>2,054</b>	<b>1,676</b>	<b>1,703</b>	<b>1,882</b>	<b>1,452</b>	<b>29</b>	<b>36</b>	<b>31</b>	<b>4,476</b>	<b>5,018</b>	<b>4,192</b>

During the year, about 376 contractors operated at the production plants.

**GRI 401-1 (a): Total number and rate of new permanent employees hired by gender and geographical area, 2022**

Geographical area	Women		Men		Total	
	Tot. (n.)	Tot. (%)	Tot. (n.)	Tot. (%)	Tot. (n.)	Tot. (%)
Italy	43	6.4%	47	4.6%	<b>90</b>	<b>5.3%</b>
Europe	404	14.6%	361	19.5%	<b>765</b>	<b>16.5%</b>
America & Asia-Pacific	321	25.2%	527	36.7%	<b>848</b>	<b>31.3%</b>
MEIA	6	26.1%	3	8.6%	<b>9</b>	<b>15.5%</b>
<b>Group</b>	<b>774</b>	<b>16.3%</b>	<b>938</b>	<b>21.6%</b>	<b>1,712</b>	<b>18.8%</b>

**GRI 401-1 (b): Total number and rate of permanent employees terminated by gender and geographical area, 2022**

Geographical area	Women		Men		Total	
	Tot. (n.)	Tot. (%)	Tot. (n.)	Tot. (%)	Tot. (n.)	Tot. (%)
Italy	39	5.8%	73	7.1%	<b>112</b>	<b>6.6%</b>
Europe	938	33.4%	672	36.4%	<b>1,610</b>	<b>34.8%</b>
America & Asia-Pacific	424	33.3%	638	44.4%	<b>1,062</b>	<b>39.2%</b>
MEIA	6	26.1%	7	20.0%	<b>13</b>	<b>22.4%</b>
<b>Group</b>	<b>1,407</b>	<b>29.6%</b>	<b>1,390</b>	<b>31.9%</b>	<b>2,797</b>	<b>30.7%</b>

**GRI 405-1: Composition of governing bodies by age and gender**

Composition of De' Longhi Group S.p.A. Board of Directors		Unit of measure	Italy		
			2020	2021	2022
Men	Less than 30 years	n	-	-	-
	From 30 to 50 years	n	1	-	-
	Over 50 years	n	7	8	6
<b>Total men</b>		<b>n</b>	<b>8</b>	<b>8</b>	<b>6</b>
Women	Less than 30 years	n	-	-	-
	From 30 to 50 years	n	1	1	1
	Over 50 years	n	3	3	4
<b>Total women</b>		<b>n</b>	<b>4</b>	<b>4</b>	<b>5</b>
<b>Total</b>		<b>n</b>	<b>12</b>	<b>12</b>	<b>11</b>



GRI 405-1: Composition by age and gender of employees			
Personnel composition - Detail to 2022		Unit of measure	De' Longhi Group
<b>Managers</b>			
Men	Less than 30 years	%	-
	From 30 to 50 years	%	1.9%
	Over 50 years	%	1.4%
<b>Total men</b>		<b>%</b>	<b>3.3%</b>
Women	Less than 30 years	%	-
	From 30 to 50 years	%	0.7%
	Over 50 years	%	0.2%
<b>Total women</b>		<b>%</b>	<b>0.9%</b>
<b>Total</b>		<b>%</b>	<b>4.2%</b>
<b>White-collar workers</b>			
Men	Less than 30 years	%	2.8%
	From 30 to 50 years	%	13.3%
	Over 50 years	%	4.2%
<b>Total men</b>		<b>%</b>	<b>20.3%</b>
Women	Less than 30 years	%	3.0%
	From 30 to 50 years	%	11.2%
	Over 50 years	%	2.5%
<b>Total women</b>		<b>%</b>	<b>16.8%</b>
<b>Total</b>		<b>%</b>	<b>37%</b>
<b>Blue-collar workers</b>			
Men	Less than 30 years	%	4.5%
	From 30 to 50 years	%	14.6%
	Over 50 years	%	6.4%
<b>Total men</b>		<b>%</b>	<b>25.5%</b>
Women	Less than 30 years	%	4.6%
	From 30 to 50 years	%	20.8%
	Over 50 years	%	7.8%
<b>Total women</b>		<b>%</b>	<b>33.2%</b>
<b>Total</b>		<b>%</b>	<b>58.7%</b>

GRI 403-9 - Work-related injuries				
Group Aggregate		2020	2021	2022
Total hours worked	h.000	20,017	21,227	18,873
Accidents	n.	50	82	54
<i>Of which in progress for transport organised by the Group</i>	<i>n.</i>	<i>4</i>	<i>4</i>	<i>-</i>
Accidents with serious consequences	n.	-	-	-
Fatal accidents	n.	-	-	-
Occupational illnesses	n.	4	2	2
<b>Frequency index</b>		<b>2.5</b>	<b>3.9</b>	<b>2.9</b>
<b>Frequency index of accidents with serious consequences</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Mortality index</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Occupational disease rate</b>		<b>0.2</b>	<b>0.1</b>	<b>0.1</b>

GRI 403-9 - Work-related injuries (contractors)				
Group Aggregate		2020	2021	2022
Total hours worked	h.000	2,644	5,343	2,120
Accidents	n.	4	12	14
<i>Of which in progress for transport organised by the Group</i>	<i>n.</i>	<i>-</i>	<i>7</i>	<i>5</i>
Accidents with serious consequences	n.	-	-	-
Fatal accidents	n.	-	-	-
<b>Frequency index</b>		<b>1.5</b>	<b>2.2</b>	<b>6.6</b>
<b>Frequency index of accidents with serious consequences</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Mortality index</b>		<b>-</b>	<b>-</b>	<b>-</b>

## Reducing our environmental footprint

GRI 302-1: Energy consumption										
Energy consumption	um	Production sites			Other types of branches <sup>6</sup>			De' Longhi Group		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
<b>Direct consumption from non-renewable sources</b>										
Petrol	GJ	2,824	3,948	4,945	6,646	7,181	8,883	9,470	11,129	13,828
Diesel	GJ	5,180	6,991	5,696	16,010	18,274	18,759	21,189	25,265	24,455
Natural gas	GJ	46,388	42,869	66,777	5,034	5,115	5,934	51,422	47,984	72,711
LPG	GJ	587	518	347	667	712	707	1,254	1,231 <sup>7</sup>	1,054
Fuel oil	GJ	-	-	-	142	61	1	142	61	1
<b>Total</b>	<b>GJ</b>	<b>54,979</b>	<b>54,327</b>	<b>77,765</b>	<b>28,498</b>	<b>31,343</b>	<b>34,284</b>	<b>83,477</b>	<b>85,670</b>	<b>112,049</b>
<b>Direct consumption from renewable sources</b>										
Electricity produced from renewable sources and consumed	GJ	3,567	3,423	3,338	40	-	-	3,607	3,423	3,338
<b>Total direct consumption</b>	<b>GJ</b>	<b>58,546</b>	<b>57,750</b>	<b>81,103</b>	<b>28,538</b>	<b>31,343</b>	<b>34,284</b>	<b>87,084</b>	<b>89,093</b>	<b>115,387</b>
<b>Indirect consumption</b>										
Electricity	GJ	257,881	296,557	218,380	28,984	34,291	35,398	286,865	330,848	253,778
District heating	GJ	-	-	-	2,113	2,322	2,599	2,113	2,322	2,599
Cooling	GJ	-	-	-	-	-	367	-	-	367
<b>Total indirect consumption</b>	<b>GJ</b>	<b>257,881</b>	<b>296,557</b>	<b>218,380</b>	<b>31,097</b>	<b>36,613</b>	<b>38,364</b>	<b>288,978</b>	<b>333,170</b>	<b>256,744</b>
<b>Total consumption</b>	<b>GJ</b>	<b>316,427</b>	<b>354,307</b>	<b>299,483</b>	<b>59,635</b>	<b>67,956</b>	<b>72,648</b>	<b>376,062</b>	<b>422,263</b>	<b>372,130</b>

6 "Other types of branches" includes offices, distribution branches, warehouses, and any of the De' Longhi Group's units not involved in production.

7 The GPL utilization recorded for 2021 includes that consumption of a De' Longhi Group asset which could not be quantified in 2020.

**GRI 305-1 and GRI 305-2: Direct and indirect emissions of greenhouse gases (GHG) Scope 1 and Scope 2**

Emissions [tonnes of CO <sub>2</sub> ]	Production sites			Other types of branches <sup>8</sup>			De' Longhi Group		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Direct	3,235	3,249	3,067	2,003	2,215	2,416	5,238	5,464	5,483
Indirect - Location Based	31,567	35,523	25,544	3,225	3,460	3,608	34,792	38,983	29,152
Indirect - Market Based	33,854	23,452	16,417	3,980	1,974	4,259	37,833	25,426	20,496
<b>TOT (Direct + Indirect - Location Based)</b>	<b>34,802</b>	<b>38,772</b>	<b>28,611</b>	<b>5,228</b>	<b>5,675</b>	<b>6,024</b>	<b>40,030</b>	<b>44,447</b>	<b>34,635</b>
<b>TOT (Direct + Indirect - Market Based)</b>	<b>37,089</b>	<b>26,701</b>	<b>19,484</b>	<b>5,983</b>	<b>4,189</b>	<b>6,675</b>	<b>43,072</b>	<b>30,890</b>	<b>25,979</b>

**GRI 306-3, 306-4 and 306-5 (2020): Waste produced broken down by type and disposal method**

Disposal method	Hazardous waste [tonne]						Non-hazardous waste [tonne]					
	2020	%	2021	%	2022	%	2020	%	2021	%	2022	%
Reuse	2	0.9%	1	0.3%	1	0.6%	0	0.0%	0	0.0%	0	0.0%
Recovery	58	29.2%	21	7.3%	19	9.8%	1,907	20.3%	2,396	19.4%	2,055	22.6%
Incineration (including energy recovery)	16	8.2%	33	11.4%	46	24.5%	550	5.9%	904	7.3%	500	5.5%
Incineration	38	19.4%	48	16.4%	28	14.6%	0	0.0%	0	0.0%	18	0.2%
Recycling	34	17.1%	10	3.4%	35	18.3%	6,658	70.9%	8,572	69.2%	5,989	65.8%
Composting	0	0.0%	0	0.0%	0	0.0%	98	1.0%	198	1.6%	50	0.6%
Storage	34	17.1%	51	17.6%	7	3.6%	21	0.2%	23	0.2%	14	0.1%
Landfill	16	8.1%	67	23.0%	11	5.6%	91	1.0%	215	1.7%	190	2.1%
Other - Chemical treatment	0,2	0.1%	59	20.4%	44	23%	0	0.0%	5	0.0%	277	3.0%
Other - Biological treatment	0	0.0%	0	0.0%	0	0.0%	64	0.7%	67	0.5%	12	0.1%
<b>Total waste produced</b>	<b>198</b>	<b>100%</b>	<b>290</b>	<b>100%</b>	<b>190</b>	<b>100%</b>	<b>9,390</b>	<b>100%</b>	<b>12,379</b>	<b>100%</b>	<b>9,104</b>	<b>100%</b>

8 "Other types of branches" includes offices, distribution branches, warehouses, and any of the De' Longhi Group's units not involved in production.



# GRI Content Index



## GRI 1: STATEMENT OF USE

<b>Statement of use</b>	The De' Longhi S.p.A. Group reported the following disclosures in the GRI Content Index for the reporting period 01/01/2022 - 31/01/2022, using the GRI Standard method <i>in accordance with</i>
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Sector standard - relevant GRI</b>	[N/A]

GRI Standard	Disclosure	Location	Note	Omissions
<b>GRI 2: GENERAL DISCLOSURES 2021</b>				
<b>The organization and reporting practices</b>				
2-1	Organizational details	1.1 Who we are and where we operate		
2-2	Entities included in the organization's sustainability reporting	5. Methodological note		
2-3	Reporting period, frequency and contact point	5. Methodological note		
2-4	Restatements of information		No relevant changes in reporting period	
2-5	External assurance	This document has not been subject to any assurance activity		
<b>Activities and workforce</b>				
2-6	Activities, value chain and other business relationships	1.1 Who we are and where we operate 1.2 Creating company value		
2-7	Employees	6. Appendices 2.1 The Everyday Makers		
2-8	Workers who are not employees	6. Appendices		



GRI Standard	Disclosure	Location	Note	Omissions
<b>Governance</b>				
2-9	Structure and composition of the governance	1.2 Creating company value 1.3 Our sustainability path		
2-10	Nomination and selection of the highest governance body	1.2 Creating company value		
2-11	Chair of the highest governance body	1.2 Creating company value		
2-12	Role of the highest governance body in overseeing the management of impacts	1.3 Our sustainability path		
2-13	Delegation of responsibility for managing impacts	1.3 Our sustainability path		
2-14	Role of the highest governance body in sustainability reporting	1.3 Our sustainability path		
2-15	Conflicts of interest	1.2 Creating company value		
2-16	Communication of critical concerns	1.2 Creating company value		
2-17	Collective knowledge of the highest governance body	1.3 Our sustainability path		
2-18	Evaluation of the performance of the highest governance body	1.2 Creating company value		
2-19	Remuneration policies	1.2 Creating company value		
2-20	Process to determine remuneration	1.2 Creating company value		
2-21	Annual total compensation ratio		Information not reported on for confidentiality reasons	
<b>Strategy, policies and practices</b>				
2-22	Statement on sustainable development strategy	1.3 Our sustainability path		
2-23	Policy commitments	1.2 Creating company value 1.3 Our sustainability path		
2-24	Embedding policy commitments	1.2 Creating company value 1.3 Our sustainability path		
2-25	Processes to remediate negative impacts	1.3 Our sustainability path		

GRI Standard	Disclosure	Location	Note	Omissions
2-26	Mechanisms for seeking advice and raising concerns	1.2 Creating company value		
2-27	Compliance with laws and regulations	3.1 Design, quality and functionality in the DNA of every product		
2-28	Membership in associations	1.2 Creating company value		
<b>Stakeholder engagement</b>				
2-29	Approach to stakeholder engagement	1.2 Creating company value		
2-30	Collective bargaining agreements	2.1 The Everyday Makers		
<b>GRI 3 MATERIAL TOPICS 2021</b>				
3-1	Process to determine material topics	5. Methodological note		
3-2	List of material topics	5. Methodological note		

GRI Standard	Disclosure	Location	Notes	Omissions
<b>MATERIAL TOPICS</b>				
<b>ECONOMIC PERFORMANCE INDICATORS</b>				
<b>ECONOMIC PERFORMANCE</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	5. Methodological note 1.2 Creating company value		
<b>GRI 201 Economic: Performance 2016</b>				
201-1	Direct economic value generated and distributed	1.2 Creating company value		
<b>ANTI-CORRUPTION</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	5. Methodological note 1.2 Creating company value		
<b>GRI 205: Anti-corruption 2016</b>				
205-2	Communication and training about anti-corruption policies and procedures	1.2 Creating company value		Reporting does not include communication and training to members of governing bodies
205-3	Confirmed incidents of corruption and actions	1.2 Creating company value		
<b>ANTI-COMPETITIVE BEHAVIOR</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	5. Methodological note 1.2 Creating company value		
<b>GRI 206: Anti - competitive behavior 2016</b>				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.2 Creating company value		
<b>ENVIRONMENTAL PERFORMANCE INDICATORS</b>				
<b>ENERGY</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	5. Methodological note 4.3 Reducing our environmental footprint		
<b>GRI 302: Energy 2016</b>				
302-1	Energy consumption within the organization	4.3 Reducing our environmental footprint		
302-3	Energy intensity	4.3 Reducing our environmental footprint		
302-4	Reduction of energy consumption	4.3 Reducing our environmental footprint		

GRI Standard	Disclosure	Location	Notes	Omissions
<b>EMISSIONS</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	4.3 Reducing our environmental footprint 5. Methodological note		
<b>GRI 305: Emissions 2016</b>				
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	4.3 Reducing our environmental footprint		
305-2	Indirect greenhouse gas (GHG) emissions (Scope 2)	4.3 Reducing our environmental footprint		
305-4	GHG emissions intensity	4.3 Reducing our environmental footprint		
<b>WASTE</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	4.3 Reducing our environmental footprint 5. Methodological note		
<b>GRI 306: Waste 2020</b>				
306-1	Waste generation and significant waste-related impacts	4.3 Reducing our environmental footprint		
306-2	Management of significant waste-related impacts	4.3 Reducing our environmental footprint		
306-3	Waste generated.	6. Appendices		
306-4	Waste diverted from disposal	6. Appendices		
306-5	Waste directed to disposal	6. Appendices		
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	5. Methodological note 4.2 Responsible supply chain management		
<b>GRI 308: Supplier Environmental Assessment</b>				
308-1	New suppliers that were screened using environmental criteria	4.2 Responsible supply chain management		

GRI Standard	Disclosure	Location	Notes	Omissions
<b>SOCIAL PERFORMANCE INDICATORS</b>				
<b>EMPLOYMENT</b>				
<b>GRI 3: Material topics 2021</b>				
<b>3-3</b>	Management of material topics	5. Methodological note		
<b>GRI 401: Employment 2016</b>				
<b>401-1</b>	New hires and turnover	6. Appendices		
<b>OCCUPATIONAL HEALTH AND SAFETY</b>				
<b>GRI 3: Material topics 2021</b>				
<b>3-3</b>	Management of material topics	5. Methodological note 2.3 Health and safety in the workplace		
<b>GRI 403: Occupational Health and Safety 2018</b>				
<b>403-1</b>	Occupational health and safety management system	2.3 Health and safety in the workplace		
<b>403-2</b>	Hazard identification, risk assessment, and incident investigations	2.3 Health and safety in the workplace		
<b>403-3</b>	Occupational health services	2.3 Health and safety in the workplace		
<b>403-4</b>	Worker participation, consultation, and communication on occupational health and safety	2.3 Health and safety in the workplace		
<b>403-5</b>	Worker training on occupational health and safety	2.3 Health and safety in the workplace		
<b>403-6</b>	Promotion of worker health	2.3 Health and safety in the workplace		
<b>403-7</b>	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	2.3 Health and safety in the workplace		
<b>403-9</b>	Work-related injuries	2.3 Health and safety in the workplace 6. Appendices		



GRI Standard	Disclosure	Location	Notes	Omissions
<b>TRAINING AND EDUCATION</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	5. Methodological note 2.2 Supporting the growth of our people		
<b>GRI 404: Training and education 2016</b>				
404-1	Average hours of training per year per employee, broken down by type of worker and gender	2.2 Supporting the growth of our people		
404-3	Percentage of employees receiving regular performance and career development reviews	2.2 Supporting the growth of our people		
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	5. Methodological note 2.1 The Everyday Makers		
<b>GRI 405: Diversity and equal opportunity 2016</b>				
405-1	Diversity of governance bodies and employees	2.1 The Everyday Makers 6. Appendices		
<b>NON-DISCRIMINATION</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	5. Methodological note 2.1 The Everyday Makers		
<b>GRI 406: Non-discrimination 2016</b>				
406-1	Incidents of discrimination and corrective actions taken	2.1 The Everyday Makers		

GRI Standard	Disclosure	Location	Notes	Omissions
<b>SUPPLIER SOCIAL ASSESSMENT</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	5. Methodological note 4.2 Responsible supply chain management		
<b>GRI 414: Supplier Social Assessment 2016</b>				
414 -1	New suppliers that were screened using social criteria	4.2 Responsible supply chain management		
<b>CUSTOMER HEALTH AND SAFETY</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	5. Methodological note 3.1 Design, quality and functionality in the DNA of every product		
<b>GRI 416: Customer health and safety 2016</b>				
416-1	Assessment of the health and safety impacts of product	3.1 Design, quality and functionality in the DNA of every product		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services during their life cycle	3.1 Design, quality and functionality in the DNA of every product		
<b>MARKETING AND LABELING</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	5. Methodological note 1.2 Creating company value 3.1 Design, quality and functionality in the DNA of every product		
<b>GRI 417: Marketing and labeling 2016</b>				
417-1	Requirements for product and service information and labeling	1.2 Creating company value 3.1 Design, quality and functionality in the DNA of every product		
417-2	Total number (broken down by type) of Incidents of non-compliance concerning product and service information and labeling	1.2 Creating company value 3.1 Design, quality and functionality in the DNA of every product		
417-3	Total number (broken down by type) of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship	1.2 Creating company value		

GRI Standard	Disclosure	Location	Notes	Omissions
<b>CUSTOMER PRIVACY</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	5. Methodological note 3.1 Design, quality and functionality in the DNA of every product		
<b>GRI 418: Customer privacy 2016</b>				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.1 Design, quality and functionality in the DNA of every product		
<b>NON GRI INDICATORS</b>				
<b>INNOVATION AND ECO-DESIGN</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	5. Methodological note 3.1 Design, quality and functionality in the DNA of every product		
	First time fix (FTF) indicator	3.1 Design, quality and functionality in the DNA of every product		
	First time quality (FTQ) indicator	3.1 Design, quality and functionality in the DNA of every product		
<b>CUSTOMER SATISFACTION</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	5. Methodological note 3.1 Design, quality and functionality in the DNA of every product		
	Service call rate (SCR) indicator	3.1 Design, quality and functionality in the DNA of every product		
<b>PROMOTION OF SUSTAINABLE LIFESTYLES</b>				
<b>GRI 3: Material topics 2021</b>				
3-3	Management of material topics	5. Methodological note 1.3 Our sustainability path		
<b>NOT MATERIAL INDICATORS</b>				
<b>GRI 305: Emissions 2016</b>				
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	4.3 Reducing our environmental footprint		
<b>GRI 415: Public policy 2016</b>				
415-1	Political contributions	1.2 Creating company value		

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