

SIMONELLI | GROUP

2024 SUSTAINABILITY REPORT





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**2024
SUSTAINABILITY
REPORT**



Dear Stakeholders,
It is with great pleasure that I present the Simonelli Group **2024 Sustainability Report**. This year, we renew our commitment to transparently sharing the progress made, the challenges faced, and the prospects that await us, knowing that sustainability is the essential condition for generating lasting value for the people, communities, and markets in which we operate.

2024 confirmed the complexity of the global scenario: geopolitical instability, market volatility, new international competitors, and the increasingly tangible effects of climate change on the coffee supply chain. In this challenging context, we have chosen to resolutely continue on the path we have undertaken: **innovate, invest, grow, and generate a positive impact**.

From the hills of the Marche region to coffee shops in over 130 countries, we combine **solid roots with an international vocation**. Production remains entirely Italian, with our factories in the Marche region ensuring quality and control of the

supply chain, while our network of branches and offices around the world allows us to remain close to our partners and customers. It's a model that integrates tradition and innovation, local identity and global openness.

Over the course of the year, we made significant strategic decisions: the acquisition of **3TEMP**, a Swedish company specializing in energy-efficient filter coffee machines, enriched our portfolio and allowed us to respond to a rapidly growing segment. At the same time, we accelerated investments in research and development, preparing for the launch of new **fully automatic machines** scheduled for 2026. These achievements demonstrate our ability to anticipate trends and compete with sustainable, high-quality solutions.

Even in a period of transformation and significant investment, signs of revenue recovery and strong branch performance confirm the solidity of our growth model. At the heart of this model remains a clear principle: **economic growth is only lasting if integrated with sustainability.**

For Simonelli Group, sustainability is not a separate issue, but a guiding principle reflected in concrete actions:

- reducing our environmental footprint through LCA analyses, recycled materials, energy efficiency, and process digitalization;
- empowering our people through growing training programs, the Youth Academy, and the Campus, places of encounter and development for new generations and communities;
- supporting social and cultural initiatives in the communities where we operate.

We recognize that this is a challenging journey, but the results achieved in recent years tell us that we are on the right path: growing while maintaining strong roots, innovating without ever losing sight of people and the environment, competing on global markets with the quality and ethics that have always distinguished us.

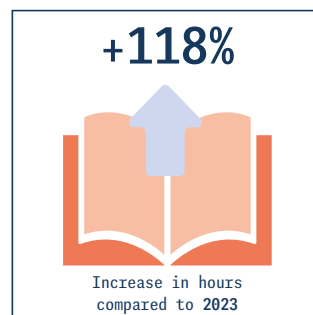
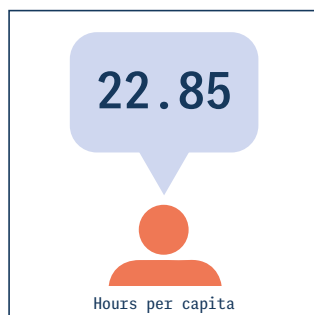
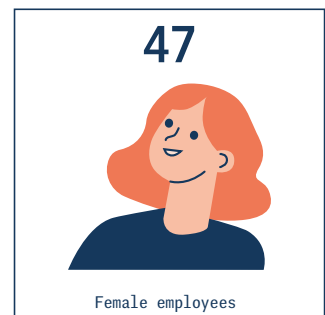
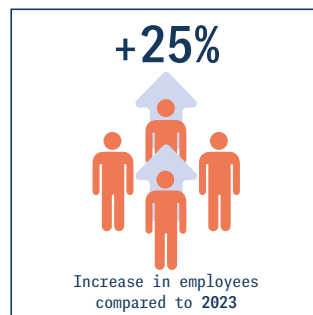
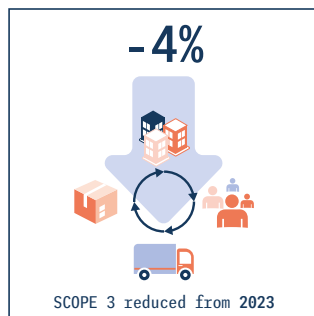
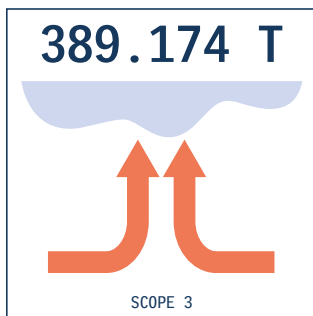
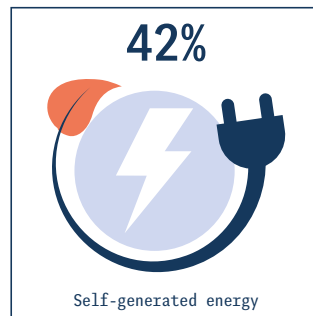
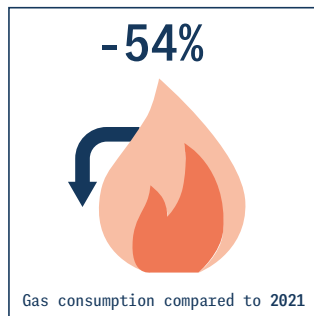
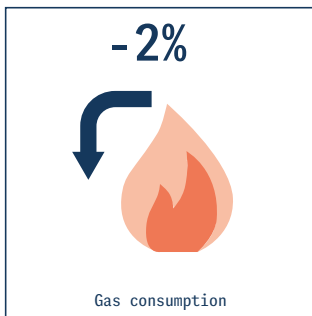
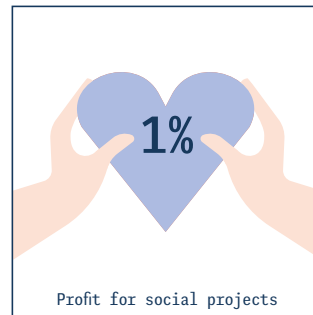
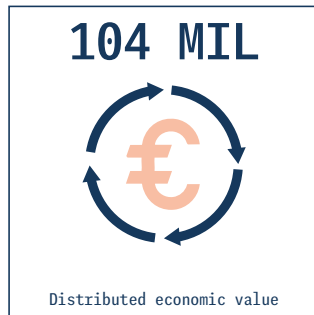
The **2024 Sustainability Report** demonstrates this commitment. I invite you to read it as a document open to dialogue: only together can we build a more equitable, innovative, and sustainable future..

Marco Feliziani

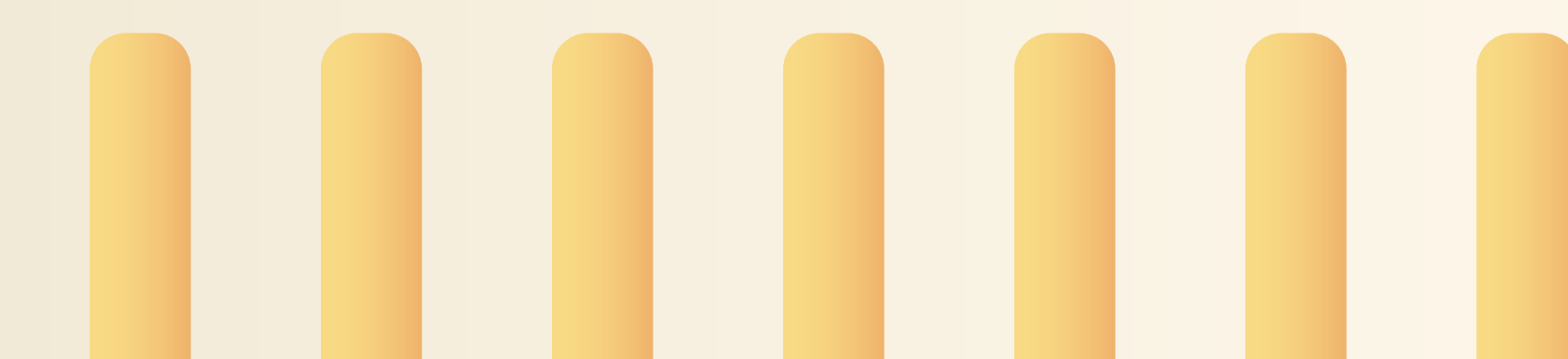
CEO Simonelli Group



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GENERAL INFORMATION



1.1 ESRS 2 - GENERAL INFORMATION

ESRS standard	Position	Notes
Drafting criteria		
BP-1 - General criteria for drafting sustainability statements	Methodological Note	
BP-2 - Information related to specific circumstances	Methodological Note	
Strategy		
SBM-1 - Strategy, business model and value chain	Strategy, business model and value chain	
SBM-2 - Interests and opinions of the stakeholders	Double Materiality analysis	
SBM-3 - Significant impacts, risks and opportunities and their interaction with strategy and business model	Double Materiality analysis	The information is presented in conjunction with the information provided under the corresponding thematic ESRSs, in accordance with this chapter of ESRS 2, as required by paragraph 49.
Governance		
GOV-1 - Role of the administrative, management and control bodies	Governance	
GOV-2 - Information provided to the company's administrative, management and control bodies and sustainability issues addressed by them	Governance	
GOV-3 - Integrating sustainability performance into incentive systems	Governance	
GOV-4 - Due Diligence Statement	Governance	
GOV-5 - Risk management and internal controls on sustainability reporting	Governance	
Management of impacts, risks and opportunities		
IRO-1 - Description of the process for identifying and assessing relevant impacts, risks and opportunities	Double Materiality analysis	
IRO-2 - ESRS disclosure obligations for the purpose of the company's Consolidated Sustainability Reporting	Information requirements	

1.1.1 METHODOLOGICAL NOTE

Drafting criteria

This document represents the **Simonelli Group's consolidated Sustainability Report** for the financial year ended December 31, 2024. The report was prepared on a voluntary basis, in accordance with the reporting principles adopted by the European Commission pursuant to Directive 2013/34/EU (*European Sustainability Reporting Standards*, hereinafter also "ESRS").

Although the Group is not yet subject to the obligations set forth in Legislative Decree no. 125/2024 for the 2024 financial year, implementing EU Directive 2022/2464 (*Corporate Sustainability Reporting Directive - CSRD*), it has chosen to voluntarily apply the new **ESRS Standards**, demonstrating a concrete commitment to greater transparency and accountability on ESG (*Environmental, Social & Governance*) issues.

This choice reflects Simonelli Group's strategic orientation toward increasingly robust and transparent sustainability reporting.



Reporting scope

The scope of information included in the consolidated sustainability reporting includes **Simonelli Group S.p.A., Nuova Distribution USA LLC, Simonelli Group Asia Pacific PTE Ltd, Nuova Distribution France Sarl, and Nuova Distribution UK Ltd**, consistent with the financial statements. Regarding **Scope 3 emissions** data, in addition to the companies listed above, **SG North Europe GmbH, Simonelli Group Australia PTY Ltd, and Simonelli Middle East Trading LCC** were also considered.

The following companies are not included in the reporting scope:

- **Nuova Distribution China Co. Ltd**, as it is only 40% owned;
- **3TEMP**, acquired in December 2024.

Any deviations from this scope are promptly reported in this document.



Value chain coverage

In line with the results of the Double Materiality analysis, this consolidated sustainability report includes information relating to the Simonelli Group's value chain regarding:

- **IRO:** The Double Materiality analysis and identification of impacts, risks, and opportunities (IRO) covers the upstream and downstream value chain. The Group conducted this analysis for the stakeholders with which it has a direct relationship, identifying potentially significant impacts both upstream and downstream.
- **Policy:** Company policies cover the value chain where necessary, as specifically indicated in the dedicated sections of the document.
- **Metrics:** The quantitative metrics reported in this report primarily refer to the Group's direct activities. Regarding the value chain, the Group has availed itself of the transitional provisions. Specifically, the provisions of Appendix C of ESRS 1, "*List of gradually introduced disclosure requirements*," have been applied. The only value chain metrics reported in this document are those related to indirect greenhouse gases (GHG) emissions. These emissions are defined as Scope 3 according to the GHG Protocol and are reported under information requirement E1-6.

Value chain estimates

In this consolidated sustainability reporting, metrics that include value chain data may be based on indirect sources, such as industry averages or proxies. These metrics are clearly identified and accompanied by a description of the methodology used to compile them. An indication of the accuracy of the resulting data is also provided and, where appropriate, planned actions to improve accuracy in the future are outlined.

Causes of uncertainty in estimates and results

In line with ESRS 1, Section 7.2 identifies, where applicable, quantitative metrics and monetary amounts with a high level of measurement uncertainty. For each of these metrics, the Simonelli Group provides information on the sources of uncertainty, such as dependence on future events, the measurement techniques used, or the availability and quality of data from the value chain. The assumptions, approximations, and judgments made to evaluate these metrics are clearly indicated, ensuring transparency and clarity in the reporting process.

Changes in the drafting and presentation of sustainability information compared to previous reporting periods

Any changes to the drafting and presentation of sustainability information compared to the 2023 Sustainability Report are disclosed and explained. Disclosure is made from time to time when this information cannot be provided. Any material errors in previous reporting periods are disclosed, specifying the nature of the error, any corrections, and the potential impact of the correction on the previously presented contextual data. If such correction is not possible, the circumstances that caused the error are highlighted.

Use of provisional positions

In accordance with paragraph 136 of ESRS 1 and in line with the provisions of Appendix C of the same Standard, Simonelli Group will provide, where possible, comparative information in the first year of preparation of the consolidated sustainability report.

In accordance with paragraph 136 of ESRS 1 and in line with the provisions of Appendix C of the same Standard, Simonelli will not provide the following information deemed material following the Double materiality analysis:

- ESRS E1-9 Expected financial impacts from significant physical and transition risks and potential climate-related opportunities;
- ESRS E5-6 Expected financial impacts resulting from impacts, risks, and opportunities related to resource use and the circular economy.

Context information

This document was developed under the guidance of the Simonelli Group Sustainability Team and involved the entire organization.

The Double Materiality Analysis forms the basis of the sustainability reporting process. The Double Materiality Analysis process will be reviewed annually to ensure continuous updates regarding regulatory changes, market developments, and stakeholder priorities.



This commitment allows the Group to maintain a proactive and dynamic approach to sustainability management, continuously improving the effectiveness and transparency of its reporting system.

The Sustainability Report is published on Simonelli Group's institutional website:

www.simonelligroup.com.

For any information you can contact the company at: **info@simonelligroup.it**.

1.1.2 STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Company Profile and Structure

Simonelli Group S.p.A., headquartered in Belforte del Chienti (MC), it is the parent company of a complex network of global companies specializing in the design, production, and distribution of professional espresso and filter coffee machines, coffee grinders, and related equipment. The Group stands out for its ability to combine technological innovation, attention to design, and a strong global presence, with a direct presence in key strategic markets.

Holding and control

Simonelli Group S.p.A. was established in June 2017, upon the initiative of Nuova Simonelli S.p.A., through the transfer of its espresso coffee machine manufacturing business. The new entity began operations in August of the same year.

In 2018, Nuova Simonelli S.p.A. was merged with **OMT Belforte S.r.l.**, which now holds 100% of Simonelli Group S.p.A.'s share capital. The stake consists of 20,000 ordinary shares, with a total value of €20 million.

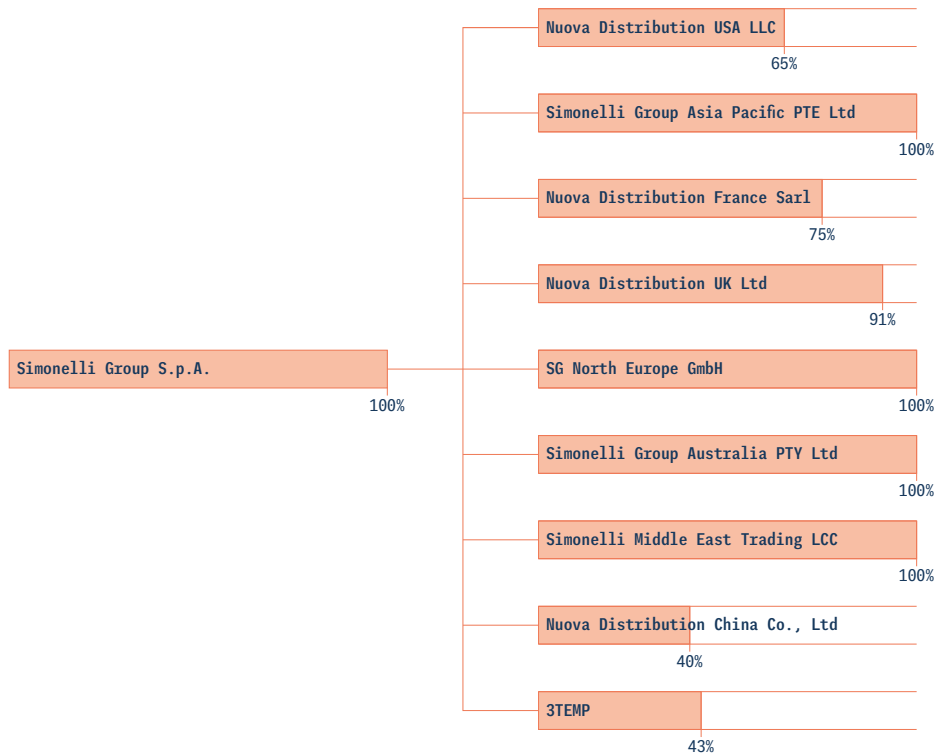
In turn, **Simonelli Group S.p.A.** holds direct stakes in several foreign commercial and operating companies, supporting its strategy of dominating key global markets.



Controlled and associated companies

Simonelli Group S.p.A. is at the head of a complex system of subsidiaries, aimed at strengthening distribution capacity, after-sales service, and commercial presence in major global markets.

Company	Country	Shareholding
Nuova Distribution USA LLC	U.S.A.	65%
Simonelli Group Asia Pacific PTE Ltd	Singapore	100%
Nuova Distribution France Sarl	France	75%
Nuova Distribution UK Ltd	United Kingdom	91%
SG North Europe GmbH	Germany	100%
Simonelli Group Australia PTY Ltd	Australia	100%
Simonelli Middle East Trading LCC	United Arab Emirates	100%
Nuova Distribution China Co., Ltd	China	40%
3TEMP	Sweden	43%



Role of the Group companies

The **foreign offices** primarily serve as sales, distribution, and technical support hubs in their respective markets. They offer direct assistance to local customers, develop relationships with distributors, roasters, and Ho.Re.Ca. chains, and participate in events and trade shows.

The **headquarters in Italy** remains the heart of design, innovation, production, and strategic governance.

Main activities

Simonelli Group bases its business model on an integrated value chain that covers the entire product life cycle and focuses on innovation, quality, and customer proximity. The Group's main activities include:

→ **Research and development of innovative technologies**

The core of the Group's business is R&D, which focuses on developing advanced solutions to improve extraction quality, precise temperature control, reduce energy consumption, and integrate intuitive digital interfaces. Innovation is geared toward both technical performance and environmental sustainability and user experience.

→ **Highly specialized production**

Professional coffee machines and grinders are manufactured using a cutting-edge production process that combines mechanical craftsmanship, automated technologies, and rigorous quality controls. The entire process is geared toward reliability, component durability, and reduced environmental impact.

→ **Technical support and professional training**

The Group invests heavily in the ongoing training of technicians, baristas, and commercial partners, offering specialized programs in collaboration with centres of excellence and coffee institutions. Through on-site training, workshops, and digital platforms, Simonelli Group actively contributes to the growth of industry expertise.

→ **After-sales services and global support**

An extensive technical support network guarantees timely and qualified assistance worldwide. After-sales services include maintenance, technology updates, operational consulting, and spare parts management, confirming the Group's commitment to customer satisfaction and loyalty.

Distribution channels

Simonelli Group adopts a multi-channel distribution strategy, combining a widespread presence in international markets with direct relationships with key players in the professional coffee industry. The Group's main channels include:

→ **Global network of specialized distributors and retailers**

The Group relies on a robust international distribution network, active in 130 countries, comprised of qualified professionals who ensure maximum product distribution, reliable technical support, and in-depth knowledge of local needs.

→ **Strategic partnerships with industry players**

Simonelli Group develops consolidated partnerships with roasters, coffee shop chains, hotels, restaurants, and Ho.Re.Ca. operators, helping to create customized and lasting solutions that enhance the entire coffee supply chain.



Customer segments

Simonelli Group's clientele includes a wide variety of professional coffee operators, united by high technical requirements and a growing focus on quality, functionality, and innovation. The main segments served are:

- **Independent cafés and specialty coffee shops**
- **International chains and large food service groups**
- **Ho.Re.Ca. operators (hotels, restaurants, pastry shops)**
- **Roasters and B2B operators**
- **Professional baristas and champions of international competitions**

Significant groups of products and services offered

The significant groups of products and services offered by Simonelli Group can be divided into five main areas, which reflect the structure of the Group's offering and respond to the diverse needs of the professional coffee sector:



1. Professional Espresso Machines

→ Traditional Lever and Automatic Machines

Designed for professional baristas, specialty coffee shops, and Ho.Re.Ca. establishments seeking maximum control over extraction.

→ Fully Automatic Machines

Ideal for high-volume environments or those with unskilled staff (hotels, catering, chains), they combine quality and ease of use.

→ Top-of-the-Line and Competition Models

Some machines, like the **Black Eagle Maverick** (Victoria Arduino), are chosen by world coffee champions for their advanced performance.



2. Brewers and Filter Machines

→ Filter Machines

Easy to use yet technologically advanced, filter machines are capable of producing the best filtered coffees, whether cold or hot.



3. Professional Coffee Grinders

→ **On-demand, high-performance grinders**, used to ensure consistent, rapid, and precisely adjustable grinding. Integrated into intelligent systems that communicate with the coffee machine (e.g., Gravimetric technology, Clima Pro, Grind-by-weight), these grinders are suitable for both specialty and high-production environments.

→ **Dosing grinders**, both automatic and manual, for more traditional use, where grinding and dosing occur at different times. They are made with flat and conical burrs to meet different needs.



4. After-sales services, training, digital tools, and professional support

→ **Global technical assistance**, with a network of authorized centres and trained distributors.

→ **Technical and training courses** for technicians, baristas, and roasters, delivered through our own training centres or certified partners.

→ **Digital tools and online platforms** for managing and monitoring machine performance, remote training, and remote device management (telemetry, IoT, dedicated apps).

→ Online **education** activities (e-learning, webinars, video tutorials).

→ **Supply of original spare parts**, software updates, and scheduled maintenance.

Focus on products launched in 2024



**PureBrew+
Victoria Arduino**

Pure Brew+ is Victoria Arduino's single-unit brewer that offers a unique coffee experience, perfectly combining premium quality with innovative brewing technology. PureBrew+ allows you to prepare PureBrewCoffee, a premium-quality filter coffee, in large quantities, faster, more consistent, and more versatile.

PureBrew+ is an extremely versatile single-unit solution: it can be added to coffee stations in coffee shops or positioned individually to produce ingredients for cocktails and mixology.

**NUOVA Aurelia
Nuova Simonelli**

NUOVA Aurelia is the professional espresso machine that offers chains, roasters, and restaurants a seamless workflow, thanks to responsive technology, high productivity, and consistent results.

NUOVA Aurelia has introduced two new technologies to automate the preparation of high-quality coffee (C-Automation) and milk (E-Milk) beverages, thus reducing waste and staff training costs.



Focus on technologies launched in 2024**C-Automation
Nuova Simonelli**

C-Automation technology, introduced with the **NUOVA Aurelia** in combination with the **GX 85W** grinder, allows you to connect the machine and grinder in a single system, speeding up workflows, ensuring excellent beverage consistency, and reducing waste and staff training time.

The machine and grinder share recipes via the filter holder. The system controls the flow of coffee and automatically adjusts the grind, ensuring consistently consistent results. With C-Automation, you can increase workflow speed by up to 20% while maintaining and improving quality.

**E-Milk
Nuova Simonelli**

E-Milk technology allows for the automatic frothing of milk and plant-based drinks, with the option of up to 9 customizable recipes. The operator simply presses a button to obtain a perfect froth (for cappuccinos, flat whites, lattes, etc.), with no need for specific training. The innovative aspect of this new technology lies in its ease of use, which translates into greater operational fluidity and reduced waste.

SIMONELLI GROUP

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Victoria Arduino

1905



Group brands

Simonelli Group operates through three distinctive brands, each with its own identity and well-defined positioning, designed to meet the different needs of the professional coffee market:



Nuova Simonelli

With 88 years of history, it is the brand that embodies tradition, reliability, and operational functionality. Nuova Simonelli machines are designed to be ergonomic, intuitive, and sustainable, ensuring high performance and low energy consumption. Ideal for high-traffic environments and for operators of all experience levels, they make coffee preparation accessible, efficient, and of consistent quality.



Victoria Arduino

A historic brand founded in 1905, it targets the premium segment, where attention to design, technological innovation, and advanced performance are key. Victoria Arduino machines, often used in international competitions, embody elegance and precision, designed for expert baristas who want to fully express their professionalism and personalize the in-cup experience.



3TEMP

3TEMP is the soul of filter coffee. Modular and connected systems combine Scandinavian design, sustainable engineering, and precise control to offer a wide range of extractions with consistent quality. It's not just preparation. It's the culture of preparation.

Presence on the market

Simonelli Group is a global leader in its sector, exporting its products to **130 countries**, accounting for **95% of its total exports**.



Simonelli Group products are distributed to exclusive café and club chains, bars, restaurants, and hotels on every continent through an extensive and select sales network of distributors, dealers, importers, and specialized retailers.

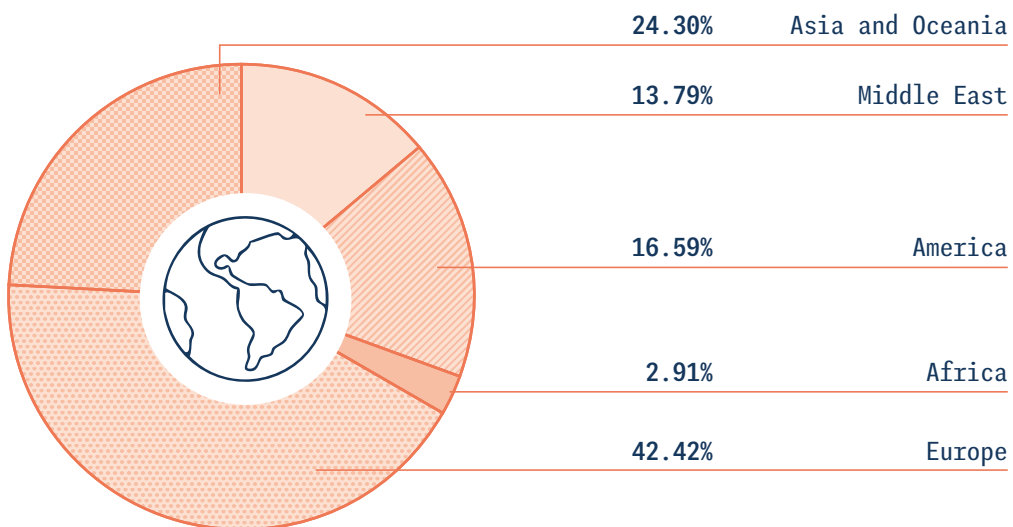
The 2024 fiscal year shows improved revenue performance despite market instability and international crises.

The company continues to strengthen and evolve its organization, adopting a flexible and adaptable model capable of responding promptly and effectively to the growing complexities of the competitive landscape.

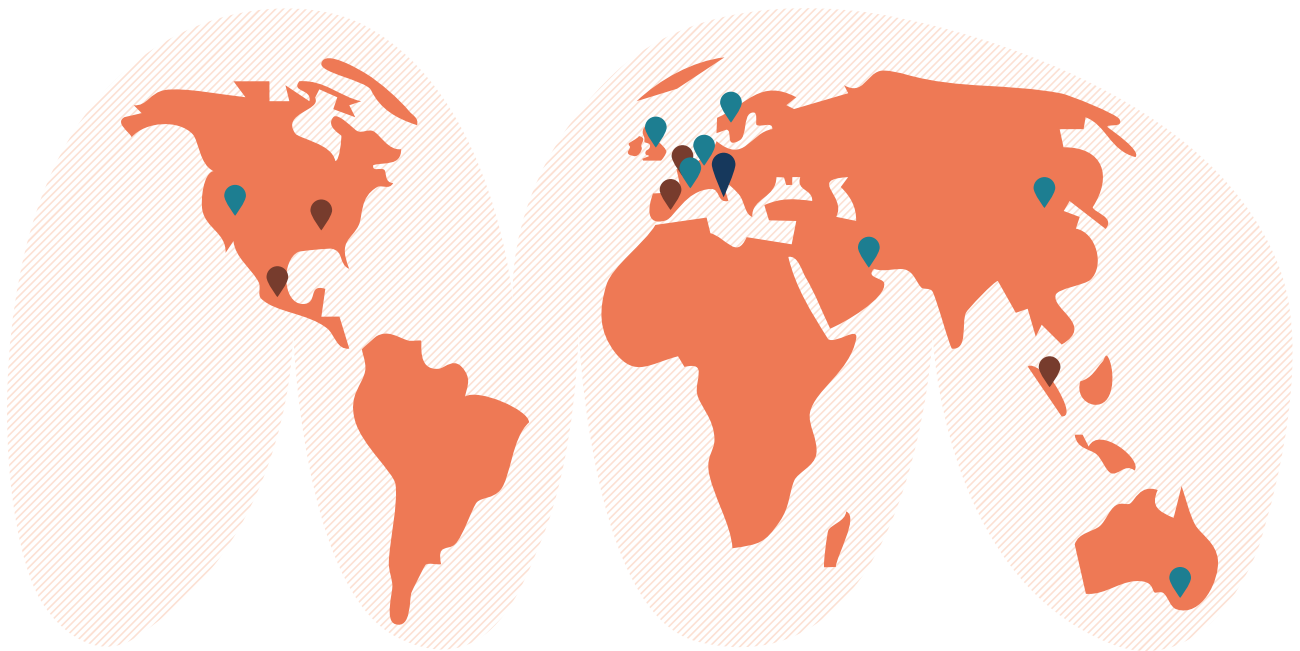
Presence in key markets and the adaptability of the production chain continue to represent the strategic levers to address ongoing market transformations and ever-evolving competitive dynamics.

The chart below shows 2024 sales by geographic area:

Sales by geographical area



Simonelli around the world



Headquarter



9 Branch Office and Subsidiary



5 Experience lab



130 Countries



History of the Group

88 YEARS OF HISTORY



1936

Birth of Simonelli

In a still predominantly rural society, Orlando Simonelli created, in a small laboratory under his home, the first espresso coffee machine he designed himself: the “1936” was born. The machine was subsequently chosen by Treccani among the symbolic objects of design and of Italian culture.

1972

From Simonelli to Nuova Simonelli

On May 9, 1971 Orlando Simonelli passed away in his home in Tolentino. The following year some employees decided to transform themselves into entrepreneurs by acquiring the firm, which became a company and changed its name: from Simonelli to Nuova Simonelli.

1975

First steps towards internationalization

Internationalization began in 1975, with the first sales in the US market. The new partners decided to move the business to a new location, with adequate space for the construction of a larger factory: in 1976, the company moved to Belforte del Chienti.

1993

First branch in USA

In the 1980s and 1990s, production expanded with the development of models with increasingly advanced technology. The presence on international markets was consolidated with the opening, in 1993, of the first branch in the USA, “Nuova Distribution”, based in Ferndale (Washington).

2001

Acquisition of Victoria Arduino

Nuova Simonelli becomes a multi-brand company and also establishes itself in the “luxury cars” sector, thanks to the acquisition of the prestigious Victoria Arduino brand, synonymous with Italian quality since 1905.



2005

New production center

A new, 10,000-sqm large, entirely covered production centre is inaugurated, created to offer a comfortable, safe and energy-sustainable working environment.

2008

Official partner of the WBC

The “Aurelia” machine is selected as the official machine of the World Barista Championship for the three-year period 2009-2011 and reconfirmed in the following three-year periods until 2022.



2023

Campus inauguration

The Campus, a 1,000-sqm multidisciplinary space dedicated to research, training and open innovation, is officially presented and opened to the public audience.



2016

Establishment of the Scientific Research Center on Coffee (RICH)

The collaboration with the University of Camerino leads to the creation of the International Hub for Coffee Research and Innovation (later to become RICH - Research and Innovation Coffee Hub), a one-of-a-kind coffee research centre that involves both the corporate and the university one world.

2017

From Nuova Simonelli to Simonelli Group

The company changes its name to Simonelli Group. Inauguration of the new, 3,000-sqm large management centre which, in addition to offices, showrooms and meeting rooms, is also equipped with an 80-seat auditorium.

2020

New logistics center

Opening of the new, 6,000-sqm large logistics centre.

2024

3TEMP acquisition

The Swedish company specializing in the design and production of filter coffee machines is acquired.



Vision, mission and values

Vision

Simonelli Group believes in a world where innovation comes from creativity and brings wisdom, for a growth that strengthens ethics, enhances work and territories, and respects the environment.

Mission

Simonelli Group combines passion and dedication, creativity and ingenuity, to allow our customers to distil their best potential into a cup. We do it with a laboratory and workshop approach, applying research to design, creating innovative and sustainable, ergonomic and highly performing machines, solid but with a sophisticated design. From the Marche region to the rest of the world, to bring the culture of coffee everywhere.

Corporate values

- **Continuous and transversal innovation:** We believe in the intuitions that arise from systematic thinking, challenging traditional logic and procedures.
- **Integrated sustainability:** We believe in shared growth, respecting people and the environment. We believe in generating sustainable value over time, that involves all of us and our stakeholders.
- **Knowledge and culture of coffee:** We believe in spreading conscious knowledge of coffee: we encourage customers, collaborators and coffee communities to express their full potential.



Infrastructure and assets

Simonelli Group operates in an advanced 10,000-sqm production plant, structured into six assembly lines, each with its own testing and inspection area. The same factory houses the warehouse of raw materials and components useful for production. It is associated with a 6,000-sqm logistics centre, where finished products ready for delivery are stored.

The 3,000-sqm business centre, inaugurated in 2017, is equipped with the most modern home automation technologies, in order to guarantee a welcoming atmosphere, with a low environmental impact and featuring all the infrastructures useful for company activities. In addition to the offices and meeting rooms, it includes two large showrooms for the two brands, a spacious and modern 80-seat auditorium and a digital area for shooting films and having video conferences with customers.



The Campus

An area of 1,000 sqm dedicated to training, research, open innovation and business culture, with the aim of promoting knowledge and growth of the territory and its community. The Campus, inaugurated in January 2023, is the expression of the Simonelli Group's vocation for the relationship and direct involvement of collaborators, communities and markets.

The space is divided into specialized areas:

- **Research and Innovation Area:** hosts the RICH (Research and Innovation Coffee Hub), a centre dedicated to studies and research on coffee (for further details, see the Scientific Research section).
- **Training Area:** houses classrooms equipped to host courses on coffee (Roasting, Sensory, Brewing, Barista, etc.) and specific courses on the operation and maintenance of coffee machines.
- **Networking Area:** a space dedicated to meetings and events, in which 'doing business' and 'creating culture' become a continuously evolving whole.
- **Area Open Innovation:** It is a space designed to encourage cross-pollination and the exchange of ideas between different entities united by a spirit of continuous innovation, such as companies, start-ups, schools and research centres.

Research and innovation

Research

Research is part of the Simonelli Group's DNA. From the introduction of the first continuous-dispensing machine with an electric pump system in the late 1950s to the application of the first electronic microprocessors in the mid-1970s, the focus on research and innovation continues today and represents one of the main drivers of growth.

Efforts are concentrated along four main lines:



Eco-Sustainability

From production to operational and end-of-life phases, the company is committed to reducing the environmental impact of its products through research into new technologies aimed at saving energy, using recycled materials, and designing products that can be disassembled and easily recycled at the end of their life.

In 2023, Simonelli Group took a further step forward in technological innovation, introducing the **Vacuum Insulated Panel** on the Victoria Arduino Black Eagle Maverick model: a new **thermal insulation** technology that reduces heat loss by 69% compared to standard technology and by 33% compared to the previous system.

Ergonomics and work flow

The search for technical solutions that protect the well-being of the barista and increase the speed of service, while ensuring constant quality of drinks, responds to the request from cafes and chains to constantly improve the consumer experience. The projects that Simonelli Group is carrying out are in fact aimed at facilitating the bartender's work by increasing the automation of low added value activities and at the same time simplifying all those that determine the quality of the service.

In this sense, the new **C-Automation technology** allows the activities carried out by the barista to be automated, while the **e-milk technology** automates the milk frothing activities and improves its hygiene..

Extractive performance

Simonelli Group has always stood out for the high extraction quality of its coffee machines. The company identifies the optimization of the extraction process as a priority to guarantee drinks of the highest level, balancing taste, aroma and creaminess. Furthermore, optimized coffee extraction allows you to obtain high quality drinks using lower coffee weights compared to traditional standards.

VIS (Virtual Scale) technology, introduced during 2023, allows accurate monitoring of the extraction flow and therefore greater precision of the result.

**Reliability**

Simonelli Group is committed to the design and production of increasingly reliable and durable machines, to contain the environmental footprint of each product and at the same time reduce the TCO (Total Cost of Ownership).

Predictive Maintenance is an innovative project aimed at detecting and reporting potential anomalies before they appear: ad hoc sensors allow remote monitoring and allow technicians to intervene remotely or schedule a timely inspection. The system uses a specially developed AI (artificial intelligence) that recognizes anomalies by tracing the causes.

The **TECX (Telemetry Coffee Experience) platform** allows technicians to intervene remotely on the machines and resolve most anomalies without the need for an inspection, with significant advantages both in terms of timeliness and economic savings and greenhouse gases emissions due to travel.

Technological evolution



2003

SIS Soft Infusion System

System projected to improve the extraction performance of coffee machines.

2009

T3
Technology aimed at optimizing the quality of cup coffee, through rigorous control of the extraction and grinding temperatures.

2011

Clima Pro
Technology that has revolutionized coffee grinding through temperature stabilization.

2013

Gravitech
Gravimetric technology applied to both the coffee machine and the coffee grinders (2017), to provide absolute precision of extractions.

2015

Lance Cooltouch
Thermal insulation system of the steam wands, through a double internal chamber to improve cleaning and avoid burns to the barista.

2017

Smart Water System
System for monitoring water quality.

Pulse Jet
Pulsed extraction technology that allows for a greater balance of the flavour of the coffee in the cup.

2019

**NEO
New Engine Optimization**
Innovative supply water heating system, which reduces energy consumption and allows savings of 35%, compared to other machines in the same category.

**TERS
Thermal Energy Recovery System)**
Thermal energy recovery system from waste water, to preheat the incoming water. Allows energy savings of 8%.



2021

Pure Brew

Technology that revolutionizes coffee extraction and infusion systems.

T3 Genius

Water heating technology that reduces energy consumption by 5% compared to T3.

2022

Filter Holder Recognition

Technology that allows the coffee grinder and coffee machine to recognize the filter holder and automatically adjust the extraction parameters of the associated drink.

VIS

VIS technology extrapolates the weight of coffee in the cup through an algorithm based on the energy flow and guarantees greater precision of the extraction parameters, compared to the traditional volumetric system.



2023

Vacuum Insulated Panel

Vacuum panel technology to insulate the steam boiler, which reduces heat dispersion by 69%, compared to standard technology.

E-Milk

Technology through which the steam wand detects the presence of milk in the jug, automatically starts frothing the milk based on the set recipe and automatically purges at the end of the cycle.



2024

E-Milk Pro

Technology that allows you to take milk from the refrigerator and dispense it already heated and foamed with air. It allows you to select various foam textures and also dispense cold foam, choosing between two different types of milk.

C-Automation Timer

Evolution of the C-Automation algorithm which, in addition to automatically regulating the dispensing parameters, monitors the weight ground by the coffee grinder and automatically corrects the grinding time, guaranteeing a constant dose as the distance between the grinders varies without the need for scales.

Innovation

The organizational model for innovation adopted by Simonelli Group is that of the **network enterprise**. This approach involves the constant collaboration of operators inside and outside the company, in order to achieve increasingly ambitious goals through the sharing of complementary skills and expertise.

Simonelli Group collaborates with various university centres, including the Polytechnic of Milan, the Polytechnic of Marche, the University of Camerino, the University of Parma and the University of Perugia. Furthermore, it is active on Open Innovation platforms to develop new technologies, in collaboration with other organizations. Below are the main projects:

→ AIEM - project financed through the Sustainable Growth Fund

The aim of the project that Simonelli Group is carrying out together with Sigma SpA is to study and develop algorithms, technologies and advanced artificial intelligence and machine learning systems, in order to improve the efficiency of both production and assistance processes. The project also aims to develop a new generation of products with advanced AI and high environmental sustainability: new human-machine and machine-machine interaction functions are being studied, to facilitate the user's task and self-regulation functions, aimed at reducing energy consumption and waste.

During 2023, both the first simulacra of the filter holder recognition system by the grinder machine and the grinding self-regulation algorithm were tested.

A working prototype was built in 2024 that meets the goal of reducing calibration coffee waste by 10%. This project allowed the development of **C-Automation technology**.

→ SMAU project and Start-up Intelligence (Observatory of Polytechnic of Milan)

Participation in the SMAU network, as well as that of Milan's Polytechnic, is part of a strategy of continuous observation and scouting of the world of start-ups, in order to seize innovation opportunities applicable to the processes, products and organization of Simonelli Group.

→ **SSHOCK Project: Integrated Total Sustainable and Smart Hob-Oven-ventilation and Coffee-station System for Kitchen prosumer application**

The objective of the proposed R&D project is the Study and Development of an innovative, totally sustainable and intelligent Integrated System consisting of a station for hot and cold drinks and a cooking area - hob, hood, oven -, entirely functioning with induction technology for the heating part, integrating second life materials and with antibacterial functions and connected to an Energy Management platform with collection, monitoring and management functions intelligent energy consumption.

- The proposed system, intended for the prosumer sector, will be characterized by numerous original and innovative elements, which will be further developed by R&D with a view to combining sustainability, safety and new functions, aimed at responding to the growing and increasingly stringent demands of users.



→ **INSILICOFFEE - Digital Twin for customizing espresso coffee**

Project funded by the European Union - NextGenerationEU - Cascata Spoke 9 call.

The objective of the proposed R&D project is “to develop a software application for the personalization of espresso coffee based on two Digital Twins DT1 and DT2”.

In particular:

- DT1 is aimed at the percolation of espresso coffee for the calculation of the substances present in the cup of coffee, with the aim of evaluating the nutrients acquired by the user and characterizing the taste of the drink.
- DT2 is aimed at coffee roasting to calculate the chemical profile of roasted coffee, with the aim of estimating the chemical substances present in the coffee powder before extraction.

Acknowledgements



Sustainability Award
Simonelli Group is among the
Top 100 ESG Integrated Finance companies.



Best Performance Award
Simonelli Group has been among the
finalists of the 2024/2025 Award.



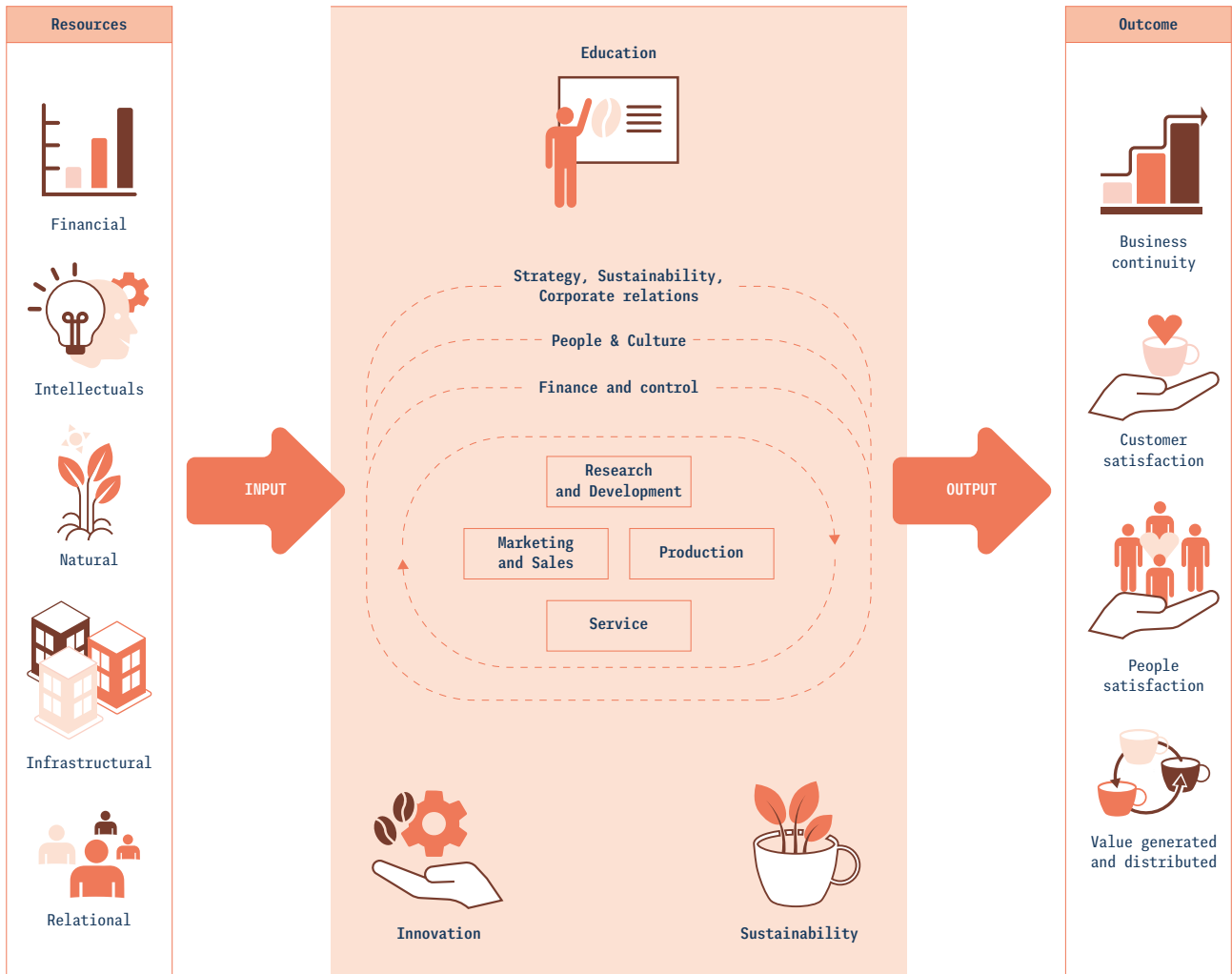
italypost | 

**“Best Performer Companies of the Marche”
Award - Italy Post and Corriere delle Sera**
Simonelli Group won the award for the 2024
edition.



Business model and value chain

Business model



Simonelli Group adopts a vertically integrated industrial model, encompassing all phases of its business, from design to production and marketing of professional coffee solutions. The company positions itself as a full-service, global solution provider, offering not only machines and equipment, but also training, support, and personalized consulting services. This approach ensures quality, reliability, and innovation throughout the entire value chain.

This objective is pursued through robust and transparent governance, fully integrating ESG (environmental, social, and governance) principles into strategic decisions, with the goal of creating shared value for all stakeholders.

Simonelli Group's approach is structured around five strategic pillars, which form the basis for strengthening competitiveness, sustainable development, and customer loyalty:

→ **Continuous innovation**

Strong investment in research and development, with a focus on proprietary technologies, energy efficiency, digitalization, and high performance. Scientific and academic collaborations strengthen the company's ability to anticipate market developments.

→ **Specialized and controlled production**

Direct management of the production chain, through vertical integration, ensures quality, traceability, and timeliness. The Belforte del Chienti plant is a technological centre of excellence.

→ **Commercial internationalization**

A widespread network of distributors, foreign branches, and strategic partners enables an active presence in over 130 countries, fostering proximity to markets and end customers.

→ **Customer centricity**

A customer-centric approach translates into close collaboration with customers and industry professionals to design customized solutions. The goal is to build lasting relationships based on mutual trust, with an offering that also includes training and advanced technical support.

→ **Integrated sustainability (ESG)**

Commitment to sustainability is expressed through responsible environmental and social practices, respect for human rights, the promotion of diversity, and the adoption of transparent and accountable governance models.

In addition to its strategic pillars, Simonelli Group's business model leverages several cross-functional levers that enhance its effectiveness:

→ **Digitization**

The adoption of digital technologies supports the evolution of internal processes, improves interaction with customers and partners, and enables the offering of more effective and user-friendly services, such as remote monitoring, online assistance, and digital training.

→ **Operational Efficiency**

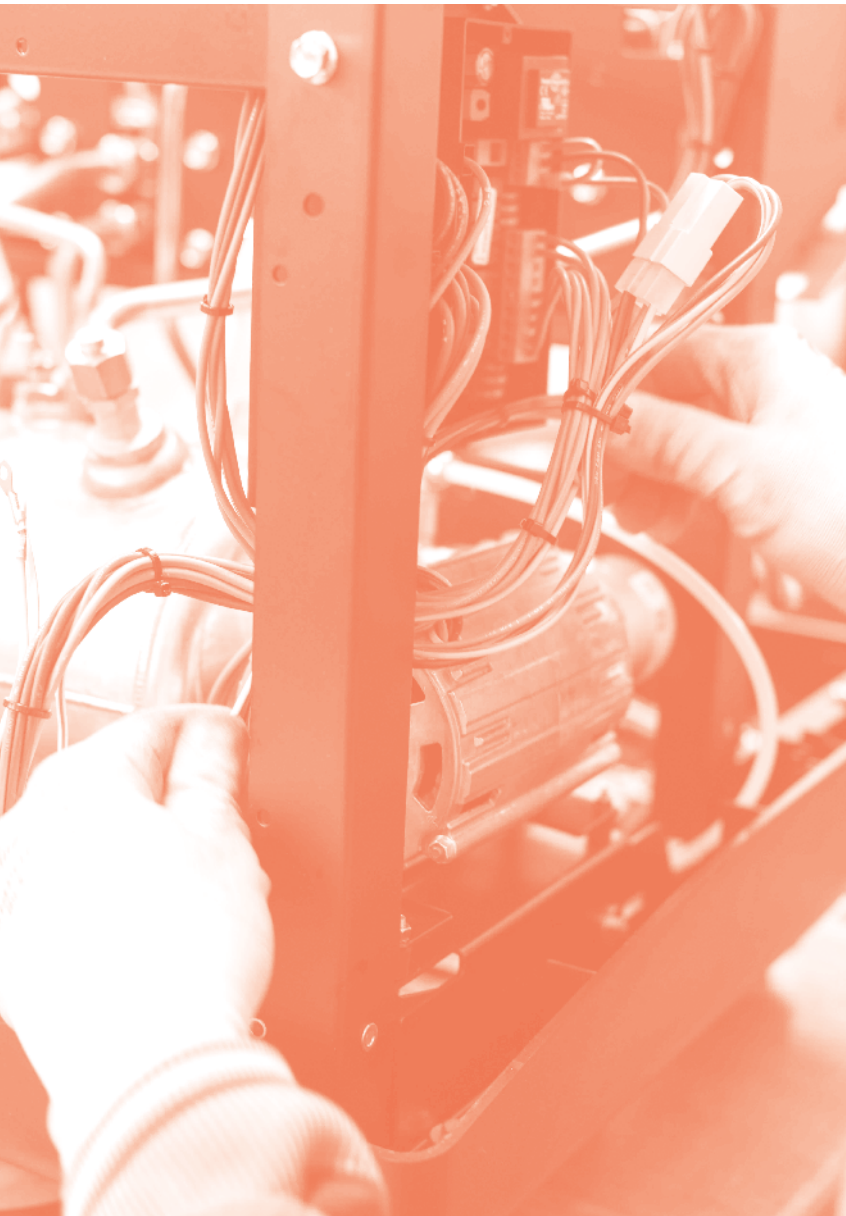
The optimization of production and management processes is geared toward reducing waste, containing costs, and achieving continuous improvement. Efficiency is seen as an enabler of long-term competitiveness.

→ **Risk Management**

The Group adopts a structured system for identifying, assessing, and mitigating risks to safeguard operational resilience and business continuity. This proactive approach allows the company to protect its value even in highly uncertain environments.

Value chain

Simonelli Group's value chain reflects an integrated, quality-oriented industrial model, in which each phase—from pre-sales to post-sales—is designed to generate added value, ensure operational excellence, and consolidate the company's global competitive position.



Upstream Activities

Upstream activities include all processes prior to actual production, such as those related to material procurement, scientific collaborations, and design. In this phase, Simonelli Group emphasizes an approach based on quality, shared innovation, and supply chain sustainability.

→ Procurement and Supplier Relationships

The company carefully selects strategic suppliers for critical materials such as steel, electronic components, and technical plastics. It also fosters stable, long-term collaborations, including with Italian partners, to ensure the traceability, reliability, and sustainability of the materials used.

→ Collaboration with Research

The Group maintains strong relationships with universities, research institutions, and technology partners, such as the University of Camerino and the Polytechnic University of Marche, with the aim of developing proprietary solutions that anticipate technological developments in the sector. These collaborations foster the technical and scientific expertise that underpins continuous innovation.

→ Design and co-development

Part of the concept design and product development activities are carried out in collaboration with external stakeholders, such as roasters, professional baristas, and coffee industry stakeholders. Despite external involvement, Simonelli Group maintains internal project management, ensuring consistency with the Group's quality and strategic standards.

Core Activities

Core activities represent the operational and distinctive heart of the Simonelli Group's industrial model. They are performed internally and under direct control, ensuring consistency between strategy, execution, and final product quality.

→ Internal Research and Development

The R&D team constantly works on solutions that combine energy efficiency, ergonomics, reliability, and digitalization. These innovations are often protected by patents, reflecting the strategic importance of intellectual property in the Group's competitive positioning.

→ In-house and specialized production

Production is centralized at the Belforte del Chienti plant. The manufacturing processes are highly automated, flexible, and certified, ensuring high quality standards and direct control over every production phase.

→ Quality control and individual testing

Each machine undergoes individual testing before shipping, with particular attention to durability, safety, and performance. This phase is crucial to ensuring the reputation for reliability that distinguishes Simonelli products.

→ Brand management and strategic marketing

The Group places particular emphasis on promoting its three main brands—Nuova Simonelli, Victoria Arduino, and 3TEMP—through communications, branding, and events that strengthen its positioning in its key markets.

Downstream Activities

Downstream activities include the post-production phase, focusing on distribution, customer interaction, training, and after-sales support. These activities are essential for building lasting relationships and strengthening brand value over time.

→ Strategic partnerships and long-term relationships

The Group collaborates with roasters, international coffee chains, Ho.Re.Ca. operators, and industry ambassadors, building relationships focused on shared value and mutual growth.

→ After-sales services and technical assistance

The offering includes global technical assistance, the supply of original spare parts, and preventative maintenance programs, designed to ensure operational continuity and maximize the lifespan of the equipment.

→ Professional training

Through internal training centres, partner academies, and digital tools, Simonelli supports the development of its customers' skills—baristas, technicians, and operators—contributing to the dissemination of a culture of quality and excellence.

→ Digital services and connected solutions

The offering is rounded out with advanced digital tools such as telemetry, remote control, and smart apps that allow you to monitor machine performance, improve the user experience, and anticipate any service needs.



Geographical distribution of the workforce

The Group operates globally, with a significant presence in several regions. The following table shows the distribution of its workforce by geographical area:

Geographical area	Number of employees
Italy	163
Europe (excluding Italy)	18
Middle East and Africa (MEA)	4
Asian Pacific (APAC)	8
North America	24
Total	217

Revenue by operating segment

The Group has identified a single operating segment: the design, production, and marketing of professional coffee machines and related accessories.

The management reporting prepared is made available to the CEO for the purposes mentioned above and considers the Group's operations as a single, integrated entity. Consequently, the financial statements do not include information broken down by operating segment.

Operative segment	Revenue (€/000)
Simonelli Group	111,705,946.00

1.1.3 GOVERNANCE

Administrative, management and control bodies

Simonelli Group's corporate governance system is based on an organizational model compliant with current regulations applicable to the relevant sector. The administrative, management, and control bodies that form the governance system of the parent company Simonelli Group S.p.A. are **the Board of Directors, the Board of Statutory Auditors, and the internal committees.**



Board of Directors

The Board of Directors (BoD) of Simonelli Group S.p.A., appointed by the Shareholders' Meeting on April 15, 2023, will remain in office until the approval of the financial statements for the year ending December 31, 2025. Board members are appointed for a term of no more than three consecutive financial years, with the possibility of renewal. The Board is composed of five directors:

Name and Surname	Age	Gender	Role	Executive / Non-executive	Independence	Start of assignment	End of assignment	Responsibility in the field of sustainability
Nando Ottavi	79	M	Chairman Chief Executive Officer	Executive	-	15/04/2023	31/12/2025	Legal Representative
Marco Feliziani	48	M	Vice Chairman Chief Executive Officer	Executive	-	15/04/2023	31/12/2025	Legal Representative
Sonia Boldrini	55	F	Director	Non-executive	-	15/04/2023	31/12/2025	-
Nicola Ottavi	48	M	Director	Non-executive	-	15/04/2023	31/12/2025	-
Giorgio Ziemacki	70	M	Director	Non-executive	Independent	15/04/2023	31/12/2025	-

In 2024, the Board of Directors consists of four men and one woman, two of whom are between 30 and 50 years old (40%) and three are over 50 (60%). Board members have diverse skills, with experience in areas such as economics, business management, corporate law, workplace safety, and the environment, which support the company in addressing sustainability challenges. Furthermore, the company promotes access to specific expertise through training and ongoing development programs. The Board of Directors, as the company's highest governance body, holds all powers relating to ordinary and extraordinary management, exercising strategic direction and oversight functions over company activities. Through its members, it has the power to convene shareholders' meetings and set the agenda in accordance with the Bylaw. The Chairman and Vice Chairman legally represent the company towards third parties and in court, with the power to initiate legal action and file claims. Some directors are also vested with specific operational powers. The Board of Directors is also responsible for managing any critical issues reported by the CEO. Finally, the Chairman is responsible for overseeing and approving corporate decisions, including those related to the identification of material IROs.

Board of Statutory Auditors

The Board of Statutory Auditors, appointed by the Shareholders' Meeting on April 15, 2023, will remain in office until the approval of the financial statements for the year ended December 31, 2025. The body is composed of three members and two alternate members, appointed for a term of three consecutive financial years, with the possibility of renewal upon expiration of their term.

Name and Surname	Age	Gender	Role	Start of assignment	End of assignment
Francesco Sperandini	63	M	President	15/04/2023	31/12/2025
Bruno Olivieri	59	M	Standing statutory auditor	15/04/2023	31/12/2025
Marina Rocco	60	F	Standing statutory auditor	15/04/2023	31/12/2025
Nazzareno Minnozzi	73	M	Substitute statutory auditor	15/04/2023	31/12/2025
Graziano Feliziani	60	M	Substitute statutory auditor	15/04/2023	31/12/2025

In 2024, the Board of Statutory Auditors consisted of four men and one woman, all over the age of 50.

The Board of Statutory Auditors is the corporate body responsible for overseeing compliance with the law and the Articles of Association, adherence to the principles of sound management, and the adequacy of the organizational and administrative structure adopted by the company, including verifying its effective functioning.

The members of the Board of Statutory Auditors hold professional qualifications in economics and law, with particular experience in auditing and corporate law, thus ensuring adequate expertise to address sustainability issues. The company encourages ongoing professional development to maintain high levels of expertise in this area.

Supervisory Body

The Supervisory Body (SB) performs control and supervision functions regarding compliance with applicable regulations and the effective functioning of internal compliance mechanisms. The Supervisory Body role is currently entrusted to **BLI AUDIT S.r.l.**, an independent external entity.

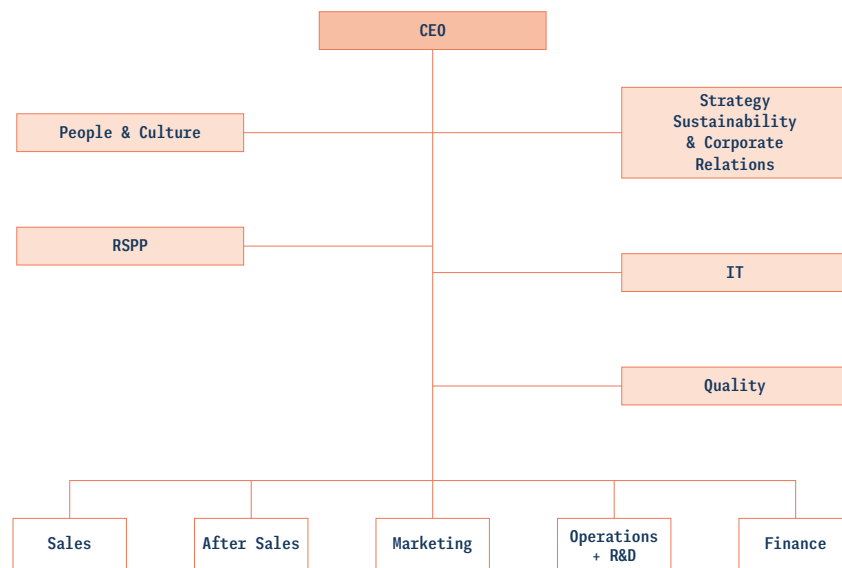
Accounts statutory auditor

The statutory audit of the accounts is carried out by the auditor Dr. Giovanni Marco Borroni.

Management Bodies

Simonelli Group's accountability management strategy is structured into specific departments with independent management and control, and with management and coordination responsibilities aimed at ensuring the highest quality standards through monitoring objectives and overseeing the most sensitive areas. The departments work closely together to ensure organizational efficiency.

The company organizational chart is shown below:



Sustainability Governance

To oversee the sustainability strategy and its concrete implementation, the Group has established two dedicated internal bodies, tasked with defining, monitoring, and implementing sustainability initiatives in line with the Group's strategic objectives.

Sustainability Committee

It is a cross-functional body that brings together the key department heads, each of whom contributes, within their respective areas of expertise, to the operational implementation of the strategic objectives outlined by the Sustainability Team. The Committee ensures cross-functional coordination of ESG initiatives and promotes the integration of sustainability into corporate decision-making processes.

Name and Surname	Function	Role
Claudio Cingolani	R&D and Technical Dept.	Contribution to analysis and reporting for R&D and Technical Department
Marco Feliziani	CEO	Contribution to analysis and reporting for the Commercial area
Lauro Fioretti	Knowledge and Education	Contribution to analysis and reporting for the Coffee Science and Academy area
Simona Giampieri	Marketing	Contribution to analysis and reporting for the Marketing area
Stefano Mogliani	After Sales	Contribution to analysis and reporting for the COTS area
Mauro Parrini	Operations	Contribution to analysis and reporting for the Operations area
Luca Mari	People&Culture	Contribution to analysis and reporting for the Human Relations area

In 2024, the Sustainability Committee is composed of 6 men and 1 woman.

Sustainability team

This is the cross-functional governance body responsible for implementing sustainability principles within the organization. It works closely with the rest of the organization, with the task of developing, implementing, and monitoring the Group's sustainability strategies. In synergy with the Sustainability Committee, the Sustainability Team also oversees analysis, data collection, and reporting activities, ensuring consistency between strategic objectives and ESG reporting. It is composed of:

Name and Surname	Function	Role
Marco Feliziani	Amministratore Delegato	Strategic address
Maurizio Giuli	Chief Strategy Officer	Coordination of sustainability strategies
Manuela Feliziani	Social Sustainability	Coordination of social activities
Paola Benedetti	Sustainability Accounting	Coordination of the analysis of period results and future planning
Matteo Sgolastra	Sustainability Accounting	Coordination of the analysis of period results and future planning
Emanuela Migliorelli	Corporate Communication	Coordination of communication activities

Sustainability information provided to administrative, management and control bodies

Throughout the reporting period, sustainability issues were regularly brought to the attention of the administrative, management, and control bodies through periodic updates, particularly to the Board of Directors and the Control and Risk Committee. These bodies were informed about key

performance indicators (KPIs), the results of adopted policies, and the main environmental and social impacts. The reporting frequency was at least quarterly, with additional in-depth analyses following strategic transactions or significant regulatory updates. The bodies integrated ESG aspects into the strategy definition process and the risk and opportunity assessment, taking into account the related trade-offs and long-term impacts in business decisions.

Incentive systems

The Group does not currently have incentive systems and remuneration policies linked to sustainability issues for members of the company's administrative, management, and control bodies.

Due diligence statement

The company has not yet prepared a due diligence statement, as it is not subject to such an obligation. However, the development of such a document could be considered as a possible objective for the coming years, with a view to gradually aligning with international best practices.



Risk management and internal controls on sustainability reporting

The company currently does not have a formalized sustainability reporting process; however, it has developed a consolidated operational approach that enables the effective management of ESG reporting activities, in line with ESRS standards.

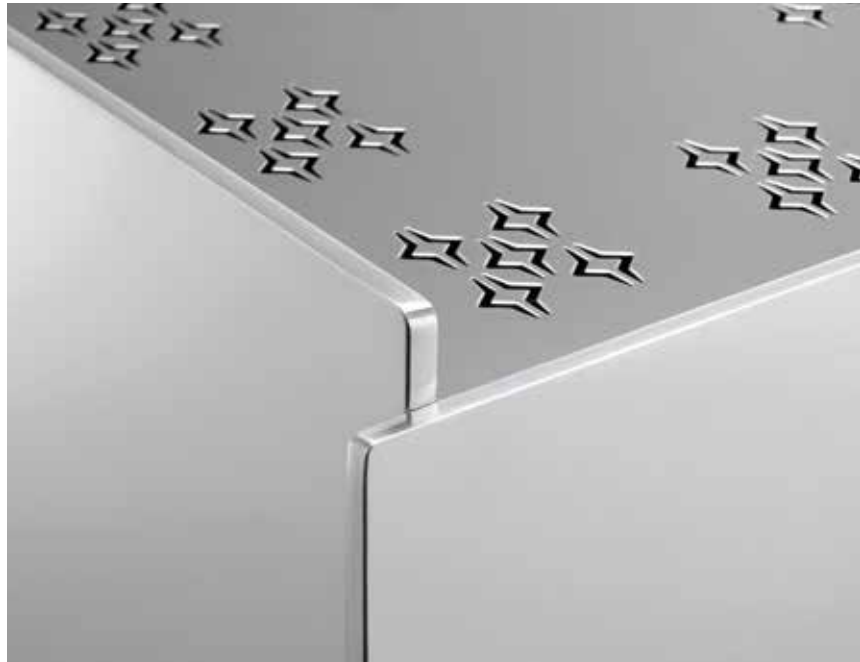
The Double Materiality analysis is conducted with the support of specialized external consultants, who assist the company in identifying and assessing significant ESG impacts, risks, and opportunities. Based on the analysis results, the internal sustainability team manages the data collection required to prepare the report, actively involving representatives from various corporate areas.

The data is collected through shared tools (e.g., factsheets) and validated directly by the heads of individual departments to ensure the accuracy and consistency of the information reported. Although the organization does not have a structured system of internal ESG controls, a prudential approach is adopted that considers the availability and reliability of sources, the traceability of data along the value chain, and the timing of updates.

The collection and validation process is coordinated by the sustainability team, which also acts as a liaison between the external consultants and company management. The main risks associated with the reporting process concern the fragmentation of sources, the timeliness of data availability, and the information coverage of indirect activities.

Even in the absence of a formal system for integrating ESG risks into corporate processes, the company promotes discussions among the relevant functions, where progress, critical issues, and opportunities related to sustainability issues are discussed. These meetings contribute to strengthening internal awareness and improving the quality of reporting over time.

Adopting a more structured and formalized system represents a possible future goal, with a view to progressively strengthening sustainability governance and aligning with industry best practices.



1.1.4 DOUBLE MATERIALITY ANALYSIS

The **Double Materiality analysis** is a fundamental pillar of **Simonelli Group's** sustainability reporting process, aligning with the requirements of EU Directive 2022/2464 (*Corporate Sustainability Reporting Directive - CSRD*). This approach aims to ensure that the information reported is accurate, complete, and meaningful, reflecting in an integrated manner the impacts, risks, and opportunities arising from the Group's activities.

The Double Materiality approach is based on the integration of two complementary and interdependent perspectives:

- **Impact Materiality:** assesses how the organization's activities, including those along the value chain, affect society and the environment, considering both negative and positive impacts, current or potential.
- **Financial Materiality:** considers how environmental, social and governance (ESG) issues can impact the organization's financial position, generating risks or opportunities that impact performance and strategy in the medium to long term.

Through this analysis, Simonelli Group was able to identify and prioritize the most significant sustainability topics, adopting an integrated approach that considers both external impacts and the implications for the Group's resilience and value creation over time. The analysis considered both the Group's direct operating activities and the entire value chain, both upstream and downstream.

The following details the **methodological process** adopted to identify, assess, and determine the materiality of the **Impacts, Risks, and Opportunities (IROs)**, which form the basis for defining the material topics in this document. Each phase is supported by a methodological framework compliant with the ERSR Standards and inspired by the EFRAG IG 1 Materiality Assessment Implementation Guidance.



1) Preparation of the IRO Long List

In the context of the CSRD, the “**long list**” represents a preliminary and broad list of sustainability topics that an organization identifies as potentially relevant to its operations, value chain, and stakeholders. Its purpose is to ensure a comprehensive and inclusive collection of environmental, social, and governance (ESG) issues, without performing a priority or materiality assessment at this initial stage. It is therefore a fundamental starting point for the double materiality analysis, which initiates the process of selecting and analysing material topics.

For each sustainability topic listed in ESRS 1, the related impacts, risks, and opportunities were identified, attributing them to the Group’s own operations or to the various stages of its value chain, distinguishing between upstream and downstream activities.

The Simonelli Group long list was constructed through a structured and multidimensional process, which included:

- a critical review of the results of the materiality analysis conducted in previous years;
- an in-depth analysis of the group’s internal operations, with particular attention to production processes, logistics, and commercial activities;
- an analysis of the group’s value chain, considering both upstream and downstream phases;
- an analysis of the European and international regulatory context, accompanied by a detailed mapping of the disclosure requirements set forth in the ESRS (Annex A - *Application Requirements* 16, ESRS 1);
- a benchmarking analysis of the sustainability reporting of key competitors and industry leaders, in order to identify additional emerging topics and relevant ESG trends;
- reference to the main internationally recognized sustainability frameworks..

2) Internal evaluation of identified IROs

The second phase involved the **direct involvement of the Sustainability Team and Simonelli Group Management**, with the aim of **assessing** in a structured and rigorous manner each **impact, risk, and opportunity (IRO)** identified in the *long list*.

→ Internal evaluation of identified impacts (Impact Materiality)

The significance of each impact was determined based on the criteria defined by the ESRS1 standards.

For **negative impacts**, significance is determined by considering:

- the **severity of the impact**, in turn given by the combination of:
 - **magnitude** (how severe is the impact),
 - **scope** (how widespread is it),
 - **irremediable nature** (whether and to what extent the impact can be remedied),
- the **probability of occurrence** (only in the case of potential impacts) in the short, medium, and long term.

For **positive impacts**, significance is determined by considering:

- **the expected benefit** obtained from the combination of:
 - **magnitude** (how significant is the benefit),
 - **scope** (how widespread is it),
- **probability** (only for potential impacts) in the short, medium, and long term.

→ Internal assessment of identified risks and opportunities (Financial Materiality)

From this perspective, the materiality of risks and opportunities is defined based on the **potential financial impact** these elements can have on the organization, taking into account the possible economic, financial, operational, and reputational implications, and integrating this analysis with an assessment of the **probability of occurrence** in the short, medium, and long term..

3) Determining the relevance of IROs and materiality thresholds

In order to identify the Group’s material topics, the **materiality** of each **impact, risk and opportunity (IRO)** was determined by applying the following formulas:

From an **Impact Materiality** perspective, the materiality of the impact is given by:

$$\text{Significance of the impact (hence "severity" or "expected benefit")} \times \text{Probability}$$

From a **Financial Materiality** perspective, the materiality of risk and opportunities is given by:

$$\text{Potential magnitude of financial effects} \times \text{Probability}$$

Once the materiality of the IROs was determined, Simonelli Group defined a specific **materiality threshold**.

The ESRS do not establish predefined or quantitatively binding materiality thresholds, but provide a solid conceptual framework for applying the dual materiality principle, indicating the criteria to consider when assessing the materiality of each topic. It is therefore up to each organization to define its own materiality thresholds in a structured, transparent, and documented manner, justifying them based on its business context. This approach ensures a certain operational flexibility, but at the same time requires a high level of accountability, traceability, and methodological consistency.

In the case of Simonelli Group, a materiality threshold of 9 was identified, valid for both perspectives (*Impact and Financial Materiality*). All impacts, risks, and opportunities that reached or exceeded this value were considered material and therefore included in this report. Elements that did not reach the threshold, although not disclosed, were nevertheless recorded and will continue to be monitored over time. This threshold was defined based on an internal analysis shared and approved by Group Management, ensuring a robust, transparent, and replicable decision-making process.

4) Consolidation of results: IRO materials

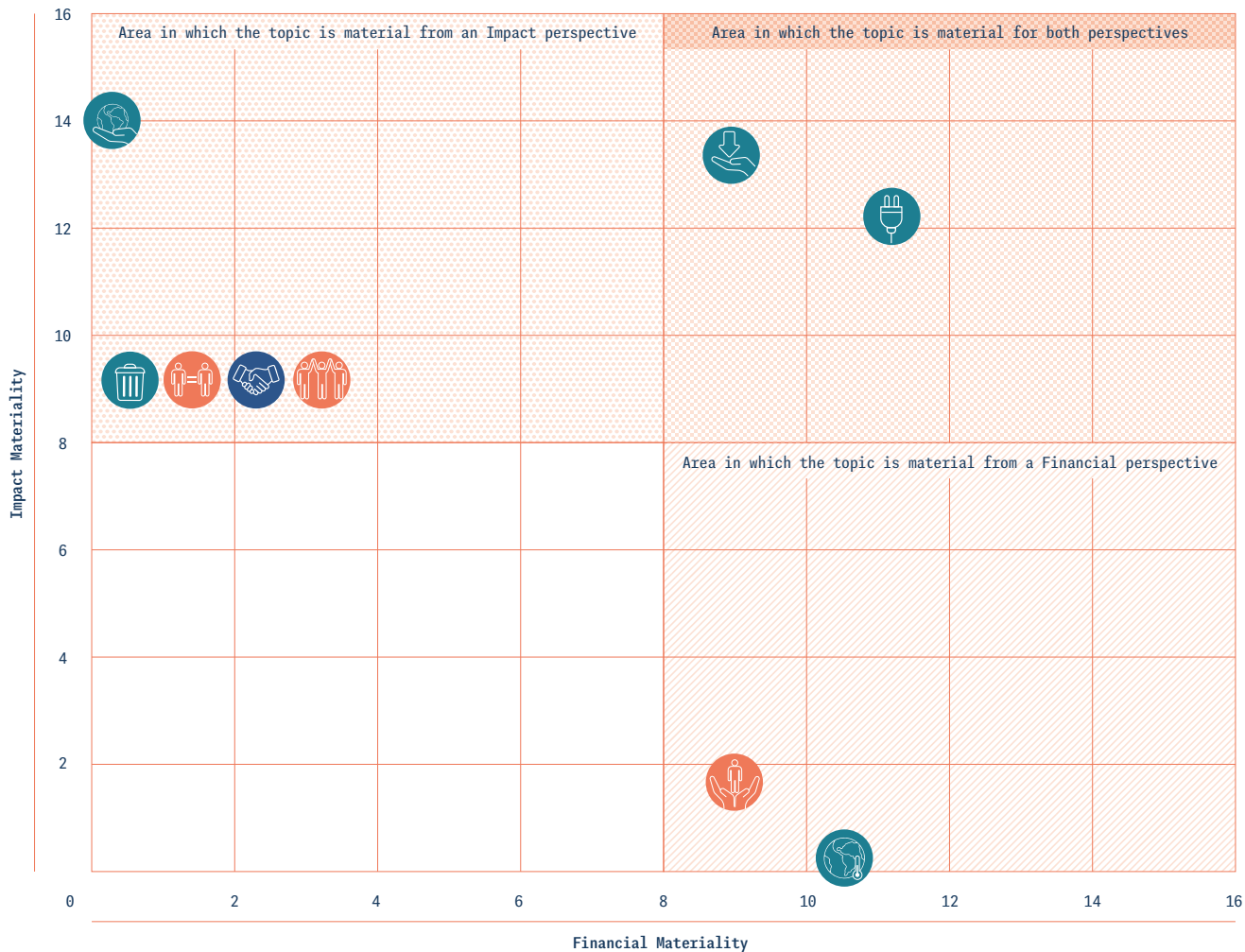
The results of the two perspectives were cross-referenced, resulting in the following table describing the **14 material IROs** according to the Dual Materiality approach, indicating whether each impact concerns the Group and/or the value chain. Specifically, the following materials emerged:

- **6 negative impacts and 3 positive ones,**
- **5 risks** and no opportunities.




				Impact Materiality					Financial Materiality
ESRS	Topic	Subtopic	Sub-Subtopic	Impact	Typology	Upstream	Own operations	Downstream	Risk
E1	Climate change	Adaptation to climate change	N.A.						Climate-related physical risks for the Group's own operations due to extreme weather events
									Climate-related physical risks along the upstream value chain, with possible impacts on the continuity of the Group's supply chain
		Climate change mitigation	N.A.	Generation of direct GHG emissions related to the activities carried out and controlled by the Group (Scope 1 and Scope 2)	Existing Negative		✓		
				Generation of indirect GHG emissions related to the value chain (Scope 3)	Existing Negative	✓		✓	
Energy	N.A.	Energy use in the production and distribution process of the Group's products	Existing Negative		✓	✓	Transition risks related to fluctuations in energy availability and price		
E5	Circular economy	Incoming resource flows, including resource use	N.A.	Procurement of raw materials by suppliers and use of non-renewable materials in the Group's production processes	Existing Negative	✓	✓		Risk of disruptions in the continuity of resource supply
		Waste	N.A.	Waste generation during the Group's daily activities and operations and along the value chain	Existing Negative	✓	✓		
S1	Own workforce	Working conditions	Secure employment, Working hours, Adequate wages, Social dialogue, Freedom of association, Collective bargaining, Work-life balance	Safe working conditions for own employees	Existing Positive		✓		
				Accidents, injuries at work and/or occupational diseases with consequences on the health and safety of employees	Potential Negative		✓		
		Equal treatment and opportunities for all	Training and skills development	Provision of training courses for all employees	Existing Positive		✓		
S4	Consumers and end-users	Personal safety of consumers and/or end-users	Health and safety						Risk of non-compliance with quality and safety standards, whether regulatory or expected by the market.
G1	Business conduct	Supplier relationships management, including payment practices	N.A.	Creating and maintaining strong relationships with suppliers	Existing Positive		✓		

The matrix is shown below to ensure greater transparency on the results of the Double Materiality.



- 

E1 Adaptation to climate change
- 

S1 Working conditions of own workforce
- 

G1 Supplier relationships management, including procurement practice
- 

E1 Mitigation of climate change
- 

S1 Equal treatment and opportunities for all
- 

E1 Energy
- 

S4 Personal safety of consumers and/or end-users
- 

E5 Incoming resource flows, including resource use
- 

E5 Waste

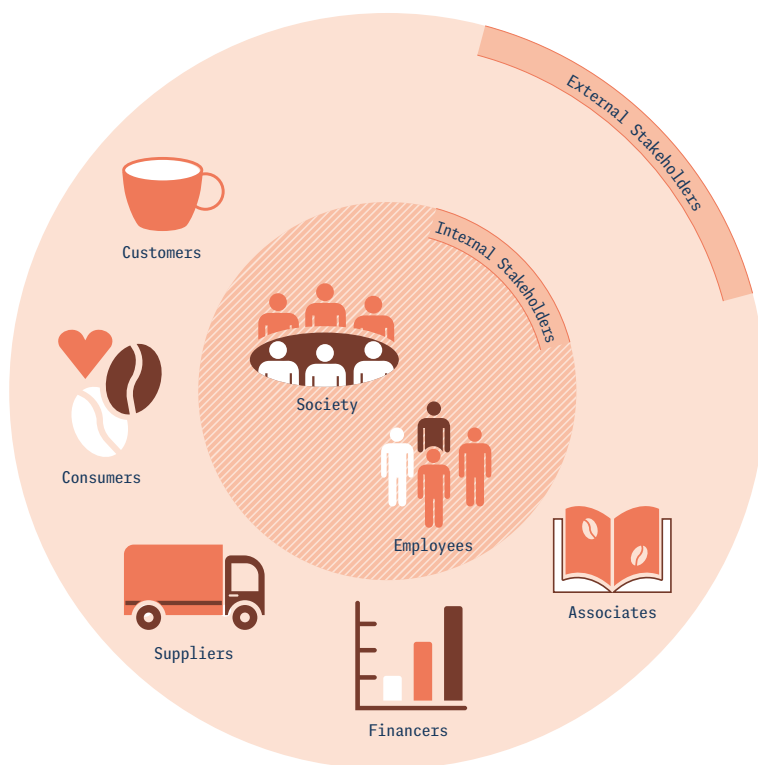
Stakeholder engagement activities

Simonelli Group recognizes stakeholder engagement as a key strategic element for developing and implementing a responsible, inclusive, and sustainable business model. Continuous and transparent dialogue with various stakeholder groups—from customers to suppliers, from employees to local communities—allows the Group to deeply understand their expectations, needs, and values, thus ensuring a concrete alignment between corporate strategy and collective interests. This solid and ongoing relationship represents not only a lever for continuous improvement of business activities, but also a concrete expression of Simonelli’s commitment to high accountability. It reflects the desire to operate responsibly with respect to the economic, social, and environmental context in which the company operates, strengthening its reputation and the trust of stakeholders over the long term.

Simonelli Group’s stakeholder identification process is based on three main criteria:

- **Level of interest and dependence:** assessment of the degree of involvement and dependence that various stakeholders may have on the company’s activities and performance;
- **Level of influence:** analysis of stakeholders’ ability to directly or indirectly influence the organization’s strategic and operational decisions;
- **Contractual or regulatory requirements:** consideration of the existence of legal or contractual constraints governing the relationship between the company and its stakeholders.

Based on these criteria, Simonelli Group has identified its relevant stakeholders, which include:



Understanding the needs, expectations, and priorities of various stakeholders is a key prerequisite for informed and sustainable business management. Each stakeholder category brings with it different visions, interests, and levels of involvement, which can significantly influence the organization’s strategic and operational dynamics. Recognizing and leveraging this diversity of perspectives allows Simonelli Group to:


- anticipate and manage potential critical issues, reducing the risks arising from misunderstandings, conflicts, or misalignments;
- define targeted and coherent actions that effectively respond to emerging needs and strengthen shared value;
- identify the most suitable communication and engagement channels, ensuring ongoing, transparent, and constructive dialogue.

In line with the goal of understanding and enhancing stakeholder needs, Simonelli Group has developed a structured listening and engagement system, activating multiple channels of dialogue designed to ensure ongoing, effective, and transparent interaction with various stakeholders. These tools not only allow us to gather useful feedback and suggestions, but also to closely monitor relevant issues, directly or indirectly related to ESG aspects, ensuring a timely and consistent response to changing circumstances..

Stakeholder category	Main interaction and dialogue channels
Customers	Website Visits to the client’s or Simonelli Group’s premises Sales meetings (in person or remotely) Customer care service Market research and focus groups Participation in trade fairs and events organized by third parties Event organization
Consumers	Website Customer care service
Suppliers	Continuous dialogue (verbal, via email, etc.) Sharing periodic reports Defining and sharing standards Focus groups
Financers	Constant communication (verbal, via email, certified email, etc.) with financial institutions Periodic sharing of economic and financial reports
Associates	Communication programs Ad hoc meetings Investment projects Periodic sharing of economic, financial, and operational reports
Employees	Internal communication programs Ongoing dialogue with company union representatives (RSU) Training programs Induction programs for new hires
Society (Coffee community, environment and community, school and university)	Ad hoc meetings Participation in events and conferences Website Organization and/or sponsorship of public events Participation in trade fairs and events organized by third parties Participation in industry and institutional roundtables Innovation and research projects

Commitment to sustainable development

In 2021, Simonelli Group **formally joined the Global Compact** to demonstrate its commitment to achieving the objectives of the 2030 Agenda, in particular those relating to “Health and well-being” (3), “Quality education” (4), “Gender equality” (5), “Affordable and clean energy” (7), “Decent work and economic growth” (8), “Industry, innovation and infrastructure” (9), “Sustainable cities and communities” (11), “Responsible consumption and production” (12), “Climate action” (13), “Partnerships for the goals” (17).

 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>3.8 - Good health and well-being Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p>
 <p>4 QUALITY EDUCATION</p>	<p>4.4 - Quality education By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p>
 <p>5 GENDER EQUALITY</p>	<p>5.5 - Gender equality Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>7.2 - Affordable and clean energy By 2030, increase substantially the share of renewable energy in the global energy mix.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>8.5 - Decent work and economic growth By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>9.4 - Industry, innovation and infrastructure By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities.</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>11.4 - Sustainable cities and communities Strengthen efforts to protect and safeguard the world’s cultural and natural heritage.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>12.2 - Responsible consumption and production By 2030, achieve the sustainable management and efficient use of natural resources.</p>
 <p>13 CLIMATE ACTION</p>	<p>13.1 - Climate action Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>17.17 - Partnership for the goals Encourage and promote effective public, public- private, and civil society partnerships, building on the experience and resourcing strategies of partnerships.</p>

1.1.5 SUSTAINABILITY GOALS

Simonelli Group has defined and formalized specific sustainability objectives within its *Sustainability Action Plan*, approved by the Board of Directors. The following section details the commitments undertaken and the related areas of intervention, with the aim of ensuring a structured path towards responsible and sustainable growth.

ESG	Main areas	Goal	Base year	Current Status	Goal year	Scope
Environmental	Responsible Energy Management	100% of electricity is self-produced by the photovoltaic park	2020* 16% of electricity self-produced by the photovoltaic park	42% of energy produced by the photovoltaic park	2025 100% energy produced by the photovoltaic park	Italy
	Combating Climate Change	Net Zero plan Scope 1 and 2	2019 423.9 tons CO ₂	317.81 tons CO ₂	2026 0 tons CO ₂	Italy
		30% reduction in Scope 3 emissions	2019 450,512 tons CO ₂	-14% emissions	2030 -30% emissions	Group
	Innovation, reducing the environmental impact of products, and the circular economy	90% recyclability rate for coffee machines	2019 Coffee machine recyclability rate at 78%	Coffee machine recyclability rate at 81%	2030 Coffee machine recyclability rate at 90%	Group
Production of new machines with 40% lower energy consumption		2019 10,000 kWh in one year at the international level	-18.5% energy consumption of new machines	2030 -40% energy consumption of new machines	Group	
Social		1% of profits for social sustainability projects	2019 0.7% of profits in social activities	1% profits in social activities	2030 1% of profits for social sustainability projects	Group
	Community Relations	% Women	2019 11.5%	21.64%	2027 30%	Italy
	Employees	65% of revenue generated by customers with more than 5 years of relationship	2019 60% of revenue generated by customers with more than 5 years of relationship	61% of turnover generated by customers with more than 5 years of relationship	65% of turnover generated by customers with more than 5 years of relationship	Group
	Customer Loyalty	Customer Satisfaction Score (CSAT)	2019 CSAT: 80%	CSAT: 81%	2030 CSAT: 90%	Group
Governance	Customer Satisfaction	80% of purchases from strategic suppliers (> 100,000 euros)	2019 77% of purchases from strategic suppliers (>100,000 euros)	84% of purchases from strategic suppliers (> 100,000 euros)	2030 80% of purchases from strategic suppliers (> 100,000 euros)	Italy
	Strategic Suppliers	% of personnel involved in ESG training	2019 8% of personnel involved in ESG training	90% of personnel involved in ESG training	2024 100% of personnel involved in ESG training	Italy
		% of personnel involved in the inclusive DE&I program	2019 0% of personnel involved in the inclusive program	90% of personnel involved in the inclusive DE&I program	2027 100% of personnel involved in the DE&I inclusive program	Italy
		Incentive policies based on ESG objectives	2019 No	ESG KPI definition	2030 20% MBO on ESG parameters	Group
	Major supplier ratings (>€100,000) based on ESG indices	2019 0% (Supplier ratings only covered quality and performance indicators.)	10% of top suppliers have ESG ratings	2026 10% of top suppliers have ESG ratings	Italy	

*The base year is 2020 and not 2019 because, due to a technical mistake, electricity production only covers part of the year.

1.1.6 INFORMATION REQUIREMENTS

Determining the relevant information to be disclosed

Simonelli Group determined the material information to disclose regarding impacts, risks, and opportunities through a structured process based on a Double Materiality analysis. This analysis was conducted using EFRAG guidelines, including the mapping tables provided in EFRAG Q&A ID 177, which link sustainability issues to the thematic disclosure requirements specified in the ESRS. Thresholds and criteria defined in accordance with ESRS 1, section 3.2, were applied to ensure consistency and implementation of the materiality principle. This approach allows for the identification and disclosure of information that meets regulatory expectations and stakeholder needs, ensuring high transparency and direct communication.



Presentation of information requirements

This statement includes a structured list of indexes based on the results of the materiality assessment, indicating the relevant paragraphs for each topic covered. The indexes are divided into chapters, each corresponding to a relevant ESRS sustainability topic, and are placed at the beginning of each section of the statement. The disclosure is presented in conjunction with the information provided under the corresponding thematic ESRS. In this way, the company provides a statement on its material impacts, risks, and opportunities, along with the information prepared in accordance with the requirements of ESRS 2 chapter, paragraph 49. Additionally, a summary table lists the information elements derived from EU legislation listed in Appendix B of ESRS 1, specifying whether the company has assessed them as not material; in such cases, the term “Not material” is indicated in accordance with paragraph 35 of ESRS 1.





**environmental
information**

2.1 ESRS E1 - CLIMATE CHANGE

ESRS standard	Position	Notes
Governance		
ESRS 2 GOV-3 - Integrating sustainability performance into incentive systems	Governance	The information is set out in ESRS 2 GOV-3, Chapter 1. "ESRS 2 - General Information", in accordance with Appendix C, which defines the obligations to be applied in conjunction with ESRS 2.
Strategy		
E1-1 - Transition plan for climate change mitigation		Not included in the Consolidated Sustainability Reporting because Simonelli Group has not yet implemented a transition plan for climate change mitigation. However, the Group has outlined its commitments to combating climate change and energy management in its 2024-2027 Sustainability Plan. For a detailed description, please see Chapter 1 - "ESRS 2 - General Information", "Sustainability Goals" section.
ESRS 2 SBM-3 - Significant impacts, risks and opportunities and their interaction with the business strategy and model	Identifying impacts, risks and opportunities related to climate change	
Impacts, risks and opportunities management		
ESRS 2 IRO-1 - Description of the processes for identifying and assessing relevant climate-related impacts, risks and opportunities	Identifying impacts, risks and opportunities related to climate change	
E1-2 - Policies related to climate change mitigation and adaptation	Policies, actions, goals	
E1-3 - Climate change policies actions and resources	Policies, actions, goals	
Metrics and goals		
E1-4 - Goals related to climate change mitigation and adaptation	Policies, actions, goals	
E1-5 - Energy consumption and energy mix	Metrics	
E1-6 - Scope 1,2,3 gross GHG emissions and total GHG emissions	Metrics	
E1-7 - GHG absorptions and GHG emission mitigation projects financed by carbon credits		Not included in the Consolidated Sustainability Reporting, as Simonelli Group has not yet adopted actions to absorb and/or store GHGs resulting from projects developed within its operations or along the value chain.
E1-8 - Setting the internal price of carbon		<i>Not present in the Consolidated Sustainability Reporting as Simonelli Group has not yet implemented an internal carbon pricing system.</i>
E1-9 - Expected financial impacts of significant physical and transition risks and potential climate-related opportunities		<i>Phase-in</i>

2.1.1 IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

Simonelli Group has conducted an analysis of the impacts, risks, and opportunities associated with climate change, examining both mitigation and adaptation strategies, with a particular focus on energy and environmental issues arising from its business operations.

The production of greenhouse gases (GHGs) in the Group's production activities contributes to climate change, representing a negative impact that must be monitored and reduced over time. Primary energy consumption constitutes a significant component of its operations, with energy procurement derived from a mix of renewable and non-renewable sources.

Furthermore, the Group examined emissions along the value chain, including indirect activities related to the supply of raw materials, logistics, and distribution of its products. Indirect emissions also contribute to climate change, creating a negative global impact.

Simonelli Group has identified increasingly frequent and intense extreme weather events, such as floods, storms, droughts, and heat waves, as risk factors. These phenomena can cause damage to company structures and operations, compromising the continuity of production activities.



Likewise, these events can negatively impact suppliers, causing supply chain disruptions, limiting the availability of raw materials, increasing logistics costs, and generating inefficiencies in production flows.

Added to this is the risk associated with energy market volatility: dependence on fossil fuels exposes the Group to fluctuations in energy prices and availability, influenced by geopolitical dynamics, environmental regulations, and changes in global energy policies. Rising energy costs can also have direct effects on raw material costs and the entire production chain.

However, Simonelli Group views these critical issues not only as threats, but also as strategic levers for transformation. The challenges related to climate change and the energy transition represent an opportunity to accelerate the evolution towards a more sustainable, efficient, and resilient industrial model, capable of reducing environmental impact and improving the Group's long-term competitiveness.



Significant impacts, risks and opportunities

The IRO assessment was conducted in accordance with the criteria and approaches described in the “Double Materiality Analysis” section of Chapter “1. ESRS 2 - General Information”.

With reference to the ESRS E1 standard, three current negative impacts were identified as material, related to greenhouse gases generation (Scope 1, 2, and 3) and energy consumption, as part of climate mitigation strategies. Furthermore, three material risks were identified: two physical risks, related to the effects of climate change on assets and company operations, and one transition risk, related to fluctuations in energy availability and price.

2.1.2 POLICIES ACTIONS AND GOALS

Policies

Integrated Policy - Safety and Environment (UNI EN ISO 14001:2015)

Simonelli Group, through its Integrated Safety and Environmental Policy, compliant with UNI EN ISO 14001:2015, defines the guiding principles aimed at guiding corporate decisions toward greater sustainability. This represents a clear commitment to minimizing the impact of its activities on climate change and promoting responsible management of energy resources.

The Integrated Policy applies to the registered office and operational headquarters of Simonelli Group S.p.A. and represents a fundamental pillar of the company’s strategy.

Simonelli’s approach to climate change mitigation is based on the desire to progressively reduce atmospheric emissions and move toward decarbonisation. Specifically, the company focuses its efforts on:

- abatement of the environmental footprint of its products;
- reducing and improving the efficiency of the company’s energy consumption;
- reducing waste materials;
- progressive elimination of non-recyclable materials.

Actions

Simonelli Group has already taken concrete steps to strengthen its commitment to combating climate change and sustainable energy management. Specifically, the Group has expanded the scope of its Scope 3 greenhouse gases emissions calculation, previously limited to employee commuting, to include other relevant categories. This step has allowed for a better understanding of the company’s overall environmental footprint and the development of more targeted strategies to reduce emissions along the value chain.

In the energy sector, throughout 2024, Simonelli Group S.p.A. continued expansion of its photovoltaic system, following an energy assessment conducted to identify key areas for efficiency and determine residual energy needs. This project will culminate in the installation of an additional 82 kW of solar power at the Belforte del Chienti facility in 2025.

Goal

As part of its Sustainability Plan, Simonelli Group has defined a series of strategic objectives aimed at strengthening the company’s culture of sustainability and promoting the increasingly effective integration of ESG principles into governance processes and operational management.

The objectives relating to climate change and energy management are listed below.

ESG	Main areas	Goal	Base year	Current Status	Goal year	Scope
Environmental	Responsible energy management	100% of electricity self-produced by the photovoltaic park	2019 16% of electricity self-produced by the photovoltaic park	42% of energy produced by the photovoltaic park	2025 100% energy produced by the photovoltaic park	Italy
	Fighting climate change	Net Zero plan Scope 1 and 2	2019 423.9 tons CO ₂	317.81 tons CO ₂	2026 0 tons CO ₂	Italy
		30% reduction in Scope 3 emissions	2019 450,512 tons CO ₂	-14% emissions	2030 -30% emissions	Group

2.1.3 METRICS

Energy consumption and energy mix

The Group's energy mix includes various sources used to cover the operational, production, logistical, and commercial needs of its various locations.

Currently, natural gas is used primarily for heating the production facility, especially during the winter season.

Regarding purchased electricity, the Italian headquarters of Simonelli Group S.p.A. sources its energy entirely from renewable sources, through dedicated contracts and Guarantee of Origin (GO) certificates, demonstrating the Group's commitment to the energy transition and the reduction of indirect emissions (Scope 2). However, in the early months of 2024 (January-May), due to a technical issue related to the transition to a new supply contract, the electricity used during that period was not 100% derived from renewable sources. Simonelli Group has corrected the issue to fully realign itself with its environmental standards.

In addition to purchased energy, the Belforte del Chienti plant also sources a portion of energy self-generated from its own photovoltaic array, contributing to the reduction of CO₂ emissions associated with grid power consumption.

At its international locations, electricity is supplied primarily from non-renewable sources, with a variable percentage supplemented by renewable sources. A special case is represented by the French subsidiary, Nuova Distribution France, where a portion of the purchased electricity comes from nuclear sources, consistent with the national energy mix characterized by low carbon emissions, despite not being classified as renewable energy.

The Group's electricity consumption is primarily related to machine production, while air conditioning and lighting account for a lesser extent.

In its foreign offices, thermal energy is also used, primarily from non-renewable sources, for heating workspaces.

Finally, diesel is used to power the company fleet, representing a fossil fuel still present in logistics operations. However, the Group has launched a transition program aimed at gradually replacing vehicles with low-impact solutions, such as electric or hybrid cars.

Energy consumption and energy mix (MWh)	2024	2023	Trend 23/24 (%)
Consumption of coal fuels and coal products	-	-	-
Fuel consumption from crude oil and petroleum products	394	424	-7%
Fuel consumption from natural gas	555	401	38%
Fuel consumption from other fossil fuels	-	-	-
Electricity, heat, steam, and cooling consumption purchased or acquired from fossil fuels	552	221	150%
Total fossil energy consumption	1,500	1,046	43%
Share of fossil fuels in total energy consumption	67%	52%	29%
Nuclear energy consumption	7	7	0%
Nuclear energy consumption as a share of total energy consumption	0.3%	0.3%	0%
Consumption of fuels from renewable sources	-	-	-
Consumption of electricity, heat, steam, and cooling purchased or acquired from renewable sources	504	742	-32%
Consumption of self-generated non-combustible renewable energy	238	227	5%
Total renewable energy consumption	742	970	-24%
Share of renewable sources in total energy consumption	33%	48%	-31%
Total energy consumption	2,249	2,023	11%

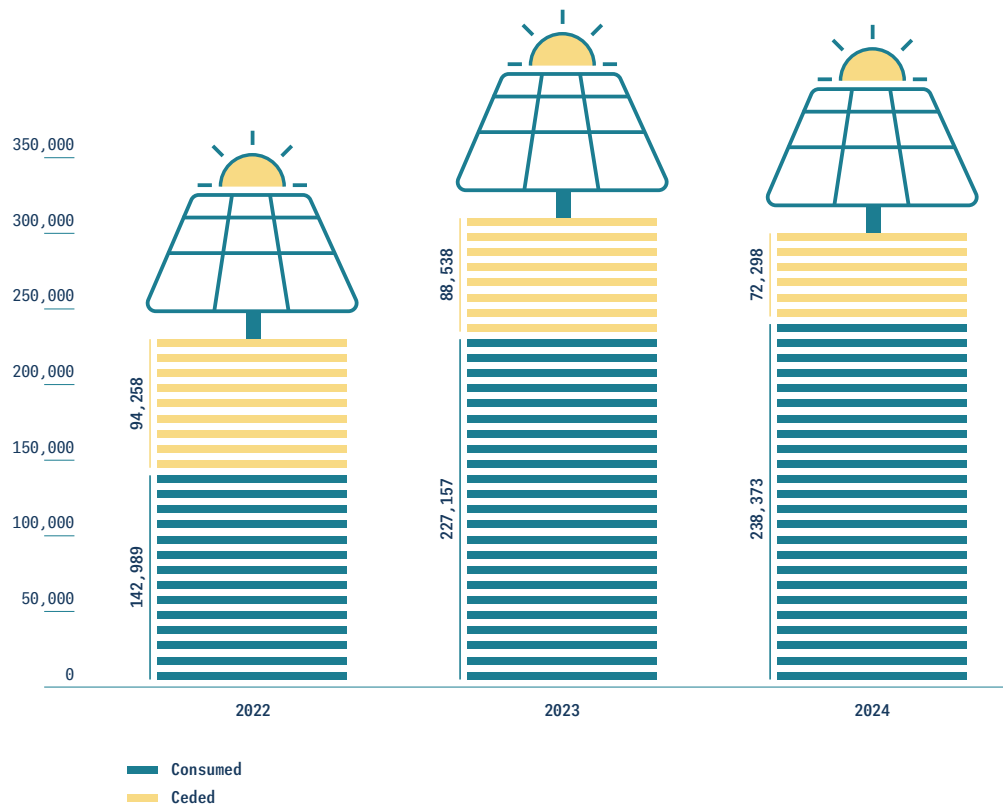
Reporting scope for data relating to energy consumption and energy mix: Simonelli Group S.p.A., Nuova Distribution USA LLC, Simonelli Group Asia Pacific PTE Ltd, Nuova Distribution France Sart, Nuova Distribution UK Ltd, SG North Europe GMBH, Simonelli Group Australia and Simonelli Group Dubai. With reference to the diesel fuel, it should be noted that the consumption considered concerns exclusively Simonelli Group S.p.A.. The Group's company fleet has not been included in the scope, as a consistent and homogeneous database for all locations is currently not available.

For the Belforte del Chienti production facility, energy consumption data for natural gas and electricity purchased from fossil fuels were collected based on direct documentation (invoices, bills, and meter readings) to ensure high data accuracy. For foreign companies (USA, France, and the United Kingdom), consumption data was communicated to the Parent Company by the respective branch managers. Specifically, for the French and United Kingdom offices, in the absence of significant structural or operational changes and since they are not production sites, it was deemed methodologically consistent to maintain the same values recorded in the previous year (2023) for the 2024 financial year, pending an updated report. Finally, for the locations in Germany, Australia, and Dubai, in the absence of direct data, energy consumption was estimated based on the usable area of the buildings expressed in square meters, applying standard energy consumption coefficients by type of use.

The largest share of energy consumption is attributable to Simonelli Group S.p.A., the Group's only production site. The remaining companies, being commercial sites and not operational in terms of production, contribute more modestly, accounting for approximately 41% of total energy consumption. In 2024, overall fossil fuel energy consumption increased compared to the previous year. This increase is primarily attributable to a technical issue related to the change in electricity supplier, as described above. Faced with this critical situation, Simonelli Group S.p.A. promptly adopted corrective measures, with the goal of realigning energy consumption with historical standards and achieving a level of technical self-sufficiency in energy by 2025. The increase was also driven by an expansion of the reporting scope, due to the commissioning of the branches in Germany and Australia towards the end of 2023. It should be noted that the 2023 sustainability report included only the electricity and thermal energy consumption of the branches in the United Kingdom and the United States, while the new locations were considered for the first time in 2024. At the same time, there was a 5% increase in the production of non-combustion renewable energy (self-generated), from 227 MWh in 2023 to 238 MWh in 2024.



Electricity from photovoltaic panel in kWh

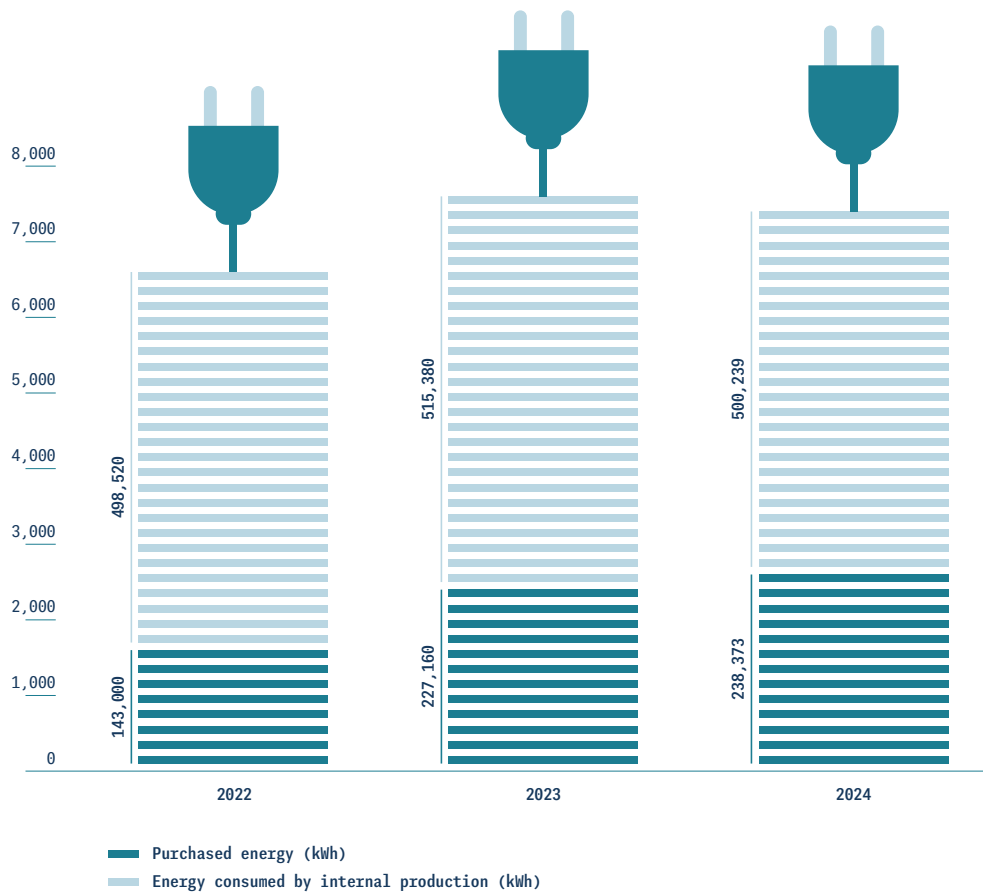


Energy intensity

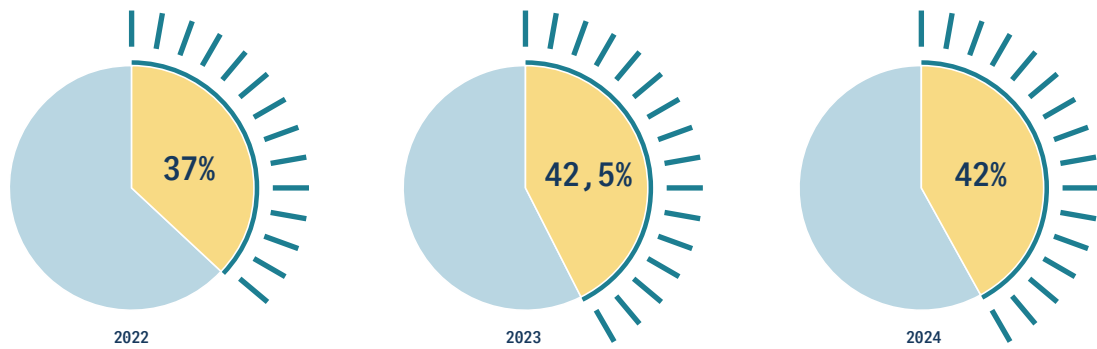
The energy intensity indicator was calculated by comparing total energy consumption to the value of the Group's consolidated net revenues.

Energy intensity relative to net revenues (Mwh/mln €)	2024	2023
Total energy consumption from operations in sectors with a high climate impact (MWh)	2,249	2,023
Net revenue from operations in sectors with a high climate impact (€ million)	112.7	109.4
Total energy consumption of activities in sectors with high climate impact compared to net revenues from those activities	20	18.5

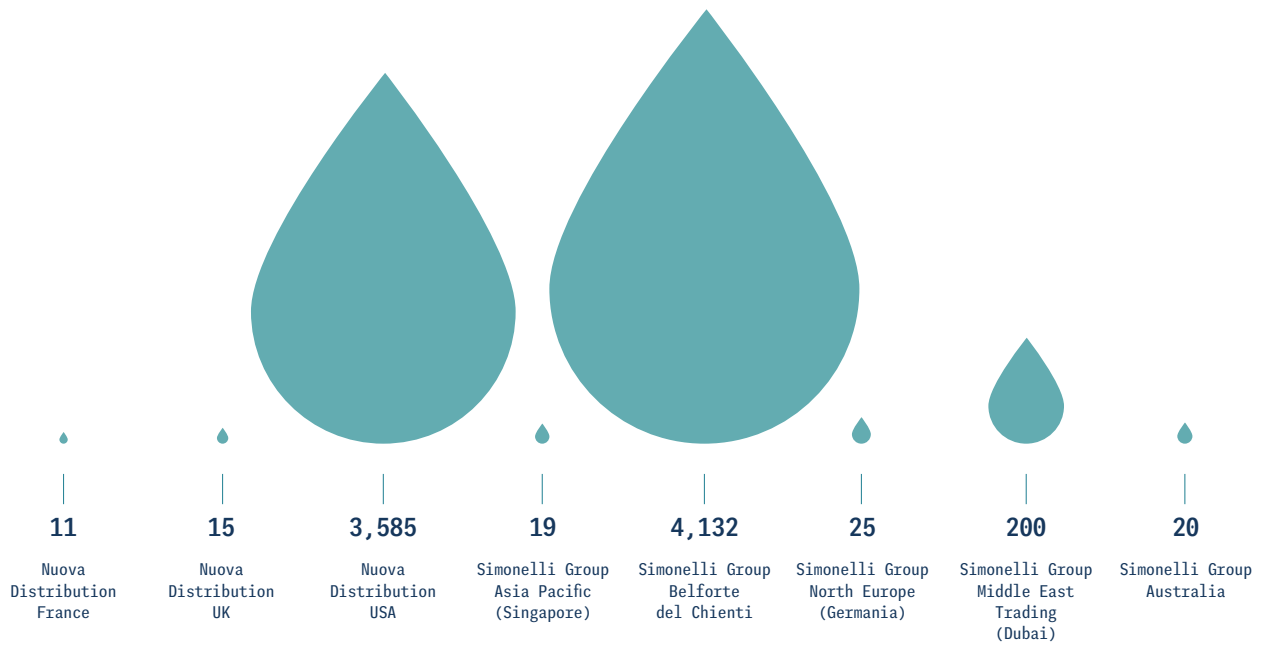
Energy consumption (kWh)

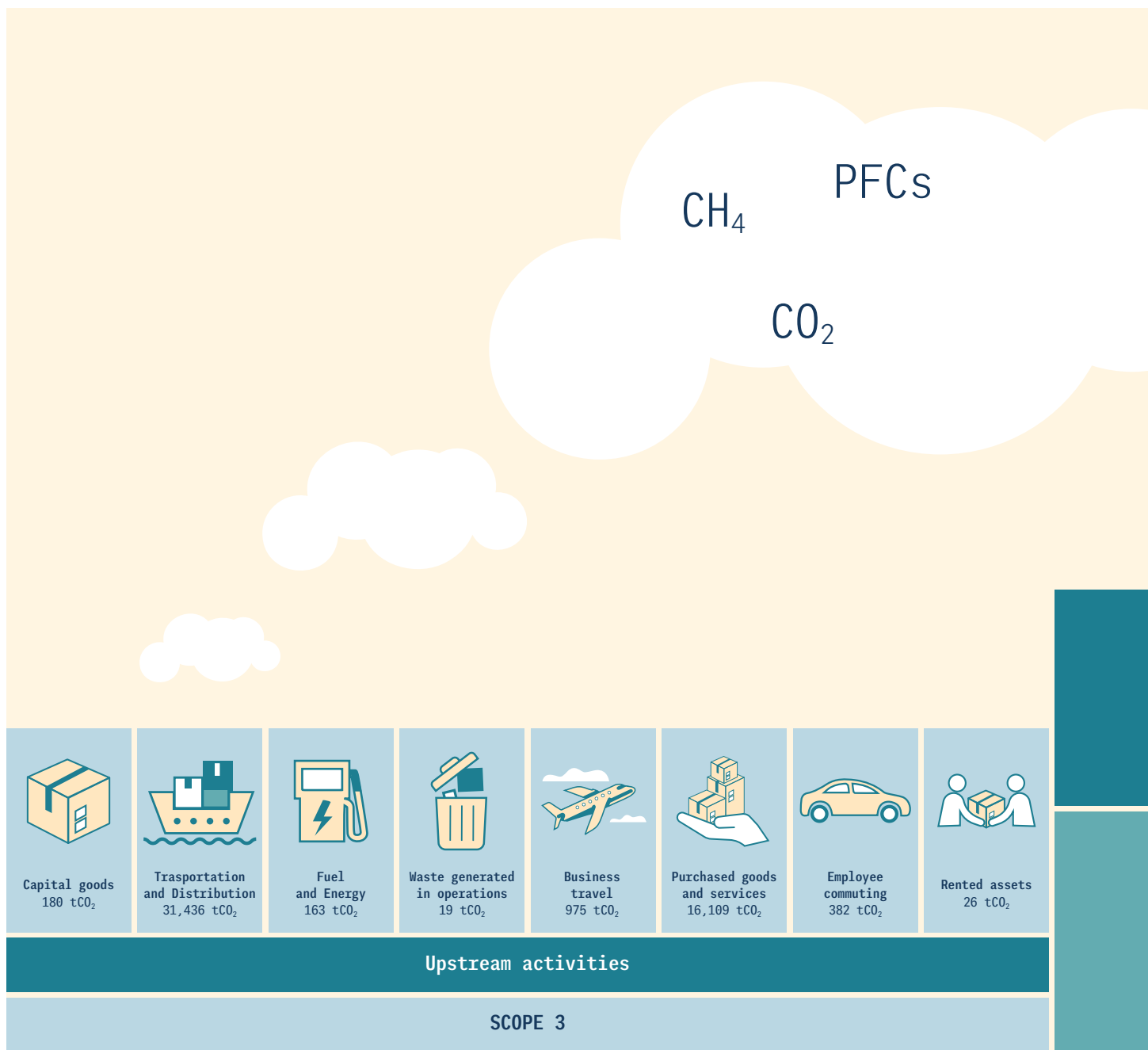


Share of self-generated electricity in total demand



Water consumption (m³)

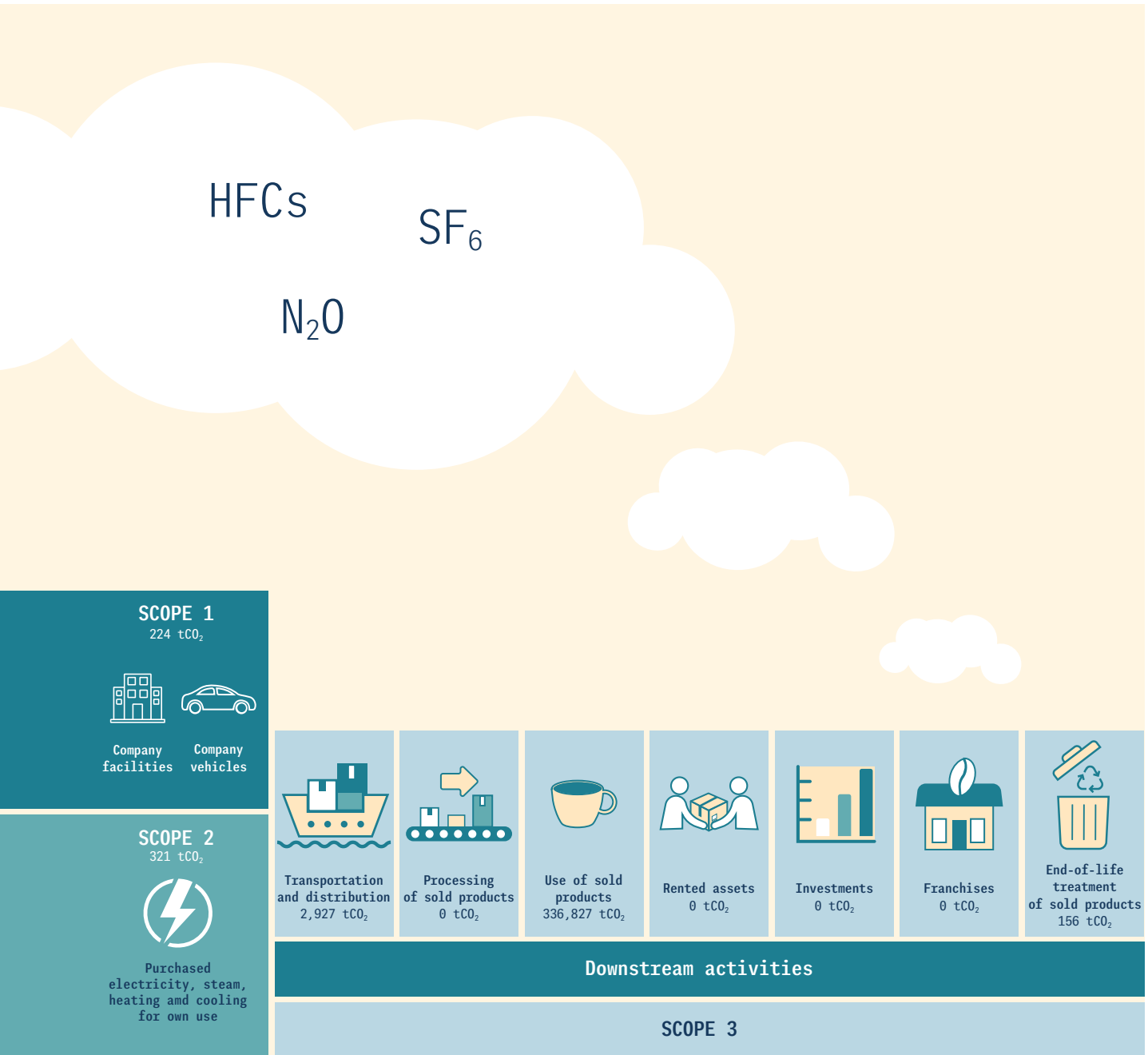




Scope 1, 2, 3 gross GHG emissions and total GHG emissions

Emission sources were classified into three categories, in accordance with the Greenhouse Gases Protocol (*GHG Protocol*):

- **Scope 1:** Direct emissions from sources owned or controlled by the company, such as production facilities and the company fleet.
- **Scope 2:** Indirect emissions from purchased energy, such as electricity and district heating.
- **Scope 3:** Other indirect emissions not directly controlled by the company, related to value chain activities, such as employee travel or product disposal.



Greenhouse gases emissions are estimated using energy consumption and resource use data, applying emission factors from scientifically recognized databases, including Ecoinvent and DEFRA. Where available, primary data is used; in their absence, secondary data from authoritative and validated sources is used.

Emissions are calculated in accordance with the *Greenhouse Gases Protocol - Corporate Accounting and Reporting Standard* (GHG Protocol) guidelines. Emission factors are selected based on geographic and sectoral materiality, ensuring methodological consistency and high accuracy of estimates.



Emissions from electricity were calculated using both the market-based and location-based approaches, as recommended by the GHG Protocol itself.

- For the *market-based* method, where available, specific emission factors provided by energy suppliers for purchased electricity were used. In the absence of such data, the residual national mix of the country in which the company operates was used; if this was also unavailable, the average mix of the national electricity grid was used.
- For the *location-based* method, the calculation is based exclusively on the average mix of the electricity grid of the reference country, allowing for a consistent comparison between company performance and the local energy context.

During the reporting period, a significant methodological change was observed compared to the 2023 Sustainability Report, which had a substantial impact on the overall value of reported emissions. Specifically, in 2024, the Group expanded the scope of calculation of Scope 3 emissions, including

new categories deemed relevant along the value chain. In the 2023 reporting, Scope 3 emissions were limited exclusively to employee commuting.

To increase the completeness and transparency of climate disclosure, in 2024 the scope was extended to include other indirect emission sources, in accordance with the reporting principles set out in the GHG Protocol and the ESRS. This update resulted in an apparent increase in total Scope 3 emissions, which is not attributable to a decline in environmental performance, but rather to the integration of more complete and representative data of the Group's actual impact.



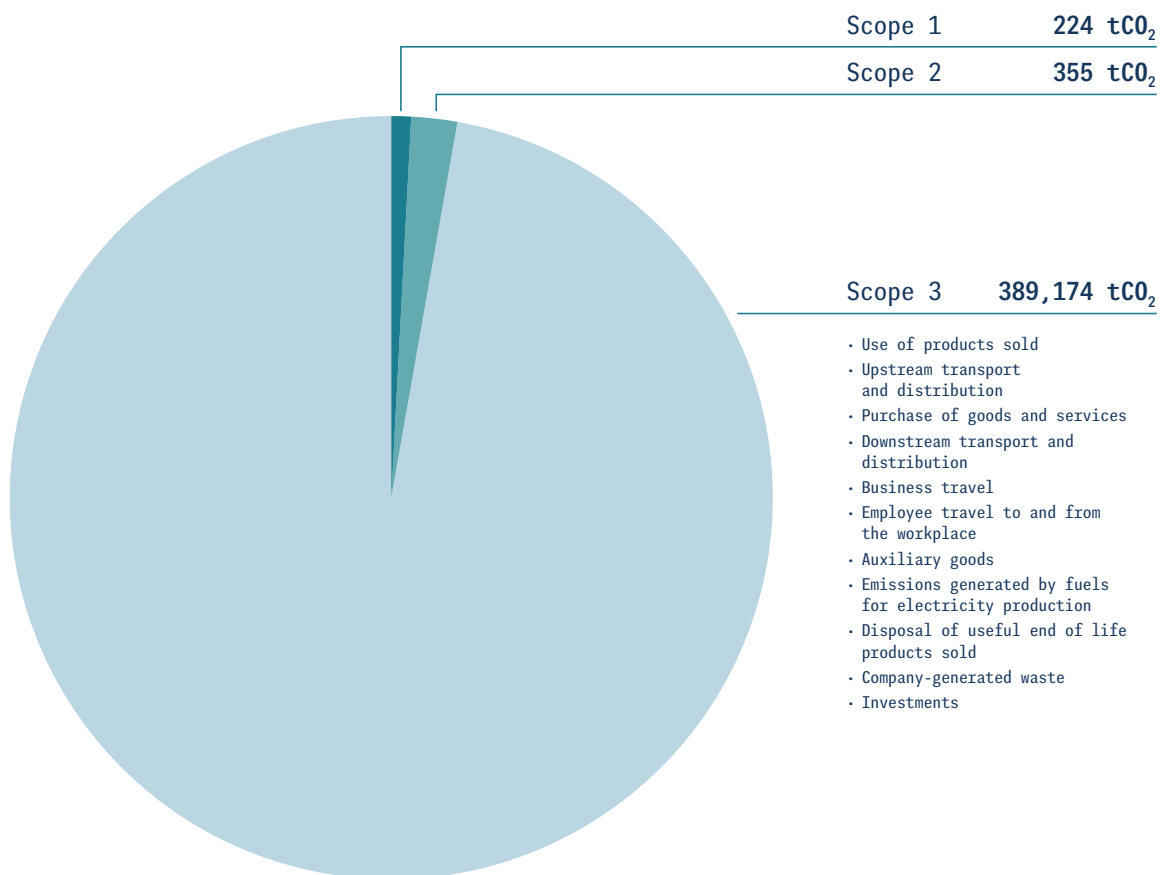
To support this evolution, an analysis of the 15 Scope 3 categories was conducted to identify the significant ones, based on criteria such as the estimated amount of emissions, their materiality, and the degree of influence exerted along the value chain. Emissions for the relevant categories were estimated using internationally recognized methodologies, drawing on primary data, where available, and specific emission factors for each process or activity considered.

Greenhouse gases emissions (tCO ₂ eq)	2024	2023	Trend 23/24 (%)
Scope 1 gross GHG emissions	224	122	84%
Percentage of Scope 1 GHG emissions from regulated emissions trading systems	-	-	-
Scope 2 gross GHG emissions (location-based)	355	350	1%
Scope 2 gross GHG emissions (market-based)	321	173	86%
Total Scope 3 gross indirect GHG emissions	389,174	397,967	-2%
Use of products sold	336,827	363,145	-7%
Electricity	336,827	363,145	-7%
Upstream transport and distribution	31,436	9,161	243%
Inbound logistics	27,631	1,710	1,516%
Other upstream transports	3,805	7,450	-49%
Upstream storage	-	1	-100%
Purchase of goods and services	16,109	16,435	-2%
Production and consumption materials	14,540	14,428	1%
Externally calculated service emissions	1,249	1,593	-22%
Packaging materials	262	353	-26%
Catering	24	18	33%
Electronic devices	19	26	-27%
Prints	8	12	-33%
External databases	3	2	50%
Water	2	3	-33%
Office paper	1	1	0%
Downstream transport and distribution	2,927	5,641	-48%
Outbound logistics	2,913	5,626	-48%
Downstream storage	14	15	-7%
Business travel	975	1,050	-7%
Air travel	859	943	-9%
Hotel accommodation	88	69	28%
Rental and private vehicles	26	36	-28%
Train travel	2	2	0%
Employee travel to and from the workplace	382	361	6%
Employee travel to and from work	377	358	5%
Remote work	5	4	25%
Auxiliary goods	180	1,711	-89%
Capital goods	180	1,711	-89%
Emissions generated by fuels for electricity production	163	84	94%
Upstream electricity supply chain	117	40	193%

Greenhouse gases emissions (tCO ₂ eq)	2024	2023	Trend 23/24 (%)
Upstream supply chain for company car fleet	29	29	0%
Upstream supply chain for heating	17	16	6%
Disposal of useful end of life products sold	156	163	-4%
Product Disposal	147	149	-1%
Transport of finished product waste to the disposal facility	9	14	-36%
Company-generated waste	19	26	-26%
Business waste	18	25	-27%
Waste disposal	1	1	-0%
Investments	-	190	-100%
Investments	-	190	-100%
Total GHG emissions (location-based)	389,753	398,439	-2%
Total GHG emissions (market-based)	389,719	398,261	-2%

Reporting scope for data relating to Scope 1, 2 and 3 greenhouse gases emissions: Simonelli Group S.p.A., Nuova Distribution USA LLC, Simonelli Group Asia Pacific PTE Ltd, Nuova Distribution France Sart, Nuova Distribution UK Ltd, SG North Europe GMBH, Simonelli Group Australia and Simonelli Group Dubai.

Scope 1, Scope 2 and Scope 3 emissions



To ensure greater completeness and transparency in reporting its indirect emissions, for the financial year under review, the Simonelli Group has expanded the scope of calculation of Scope 3 greenhouse gases emissions, with a specific focus on the use phase of coffee machines.

In particular, two distinct scenarios were analysed:

- one based on a **high consumption factor**, representing standard use of products by end-users;
- the other based on a **medium consumption factor**, assuming more efficient or less intensive use of machines.

Both consumption factors were derived through LCA (Life Cycle Assessment) analyses of coffee machines and grinders, and the study was conducted in collaboration with the Polytechnic University of Marche. To derive the high consumption factor, a high-intensity product use was assumed, more than 500 cups of coffee per day in an “international” context where over 90% of dispensing consists of drinks with hot milk. This choice was made because the Simonelli Group exports 94% of its products abroad. The same logic was used to derive the medium consumption factor, assuming an average of close to 200 cups of coffee per day, again in an international context.

Comparing the two scenarios allows us to assess the potential impact of product use intensity on Scope 3 emissions. To analyse the evolution of this parameter over time, the percentage trend of the average consumption factor was calculated, comparing the values recorded in 2024 with those recorded in 2023. This indicator allows us to quantify the relative annual variation, expressed as a percentage, and to highlight any increase or reduction in associated CO₂ emissions. The same analysis was also performed for the high consumption factor, in order to obtain a more complete comparative picture of the evolution of the emission impact linked to product use.

As highlighted in the table below, **the scenario based on a medium consumption factor—representing a more efficient use of coffee machines—results in a significant reduction in the Simonelli Group’s overall Scope 3 emissions**. Specifically, adopting a medium consumption factor rather than a high one resulted in a reduction in total CO₂ emissions of 4% in 2023 and 2% in 2024.

This decrease is largely attributable to the **“Use of products sold” category, which saw emissions drop by nearly 50%**. This figure underscores the crucial importance of end-user efficiency, highlighting how more sustainable behaviours can significantly impact the Group’s overall environmental impact. It is important to note that for some categories—including *“Upstream transport and distribution,” “Downstream transport and distribution,” “Business travel,” and “Auxiliary goods”*—value deviations are observed, mainly attributable to the updated emission factors used in the calculation..

Category	AVERAGE consumption factor 2024	AVERAGE consumption factor 2023	AVERAGE consumption factor 24/23 trend	HIGH consumption factor 2024	HIGH consumption factor 2024	HIGH consumption factor 24/23 trend
Use of products sold	336,827	363,145	-7%	642,354	692,548	-7%
Transportation and upstream distribution	31,436	7,450	322%	31,645	9,161	245%
Purchase of goods and services	16,106	16,698	-4%	16,109	16,435	-2%
Transportation and downstream distribution	2,927	5,626	-48%	3,025	5,641	-46%
Business travel	975	1,050	-7%	815	1,050	-22%
Employee travel to and from work	382	361	6%	382	361	6%
Auxiliary goods	180	1,711	-89%	180	265	-32%
Emissions from fuels used for electricity generation	163	84	95%	163	84	95%
Disposal of products sold at the end of their useful life	156	163	-4%	156	163	-4%
Waste produced by the company	19	26	-26%	19	26	-26%
Investments	-	190	-100%	-	190	-100%
Total Scope 3 gross indirect GHG emissions	389,188	396,520	-2%	694,848	725,923	-4%

Emission intensity

To assess the Simonelli Group's emissions efficiency in relation to its economic performance and monitor progress in reducing its carbon footprint, greenhouse gases (GHG) emissions intensity is determined by comparing total emissions, expressed in metric tons of CO₂ equivalent, to the Group's net revenues in the reference year. The calculation takes into account both the location-based approach, which reflects the average energy mix of the electricity grid in the countries where the Group operates, and the market-based approach, which takes into account specific energy supply sources. To ensure consistency with the financial data, the net revenues used are aligned with those reported in the consolidated financial statements.

GHG intensity compared to net revenues (tCO ₂ eq / € million)	2024	2023	Trend 23/24 (%)
Total GHG Emissions (Location-based) (tCO ₂ eq)	389,753	398,439	-2%
Total GHG Emissions (Market-based) (tCO ₂ eq)	389,719	398,261	-2%
Net revenues used to calculate GES intensity (€ million)	113	109	3%
Total GHG emissions (Location-based) versus net revenues	3,458	3,642	-5%
Total GHG emissions (Market-based) versus net revenues	3,458	3,640	-5%

2.2 ESRS E5 - CIRCULAR economy

ESRS standard	Position	Notes
Management of impacts, risks and opportunities		
ESRS 2 IRO-1 - Description of the processes for identifying and assessing the relevant impacts, risks and opportunities associated with resource use and the circular economy	Identifying impacts, risks, and opportunities related to the Circular Economy	
E5-1 - Policies related to resource use and the circular economy	Policies, actions, goals	
E5-2 - Actions and resources related to resource use and the circular economy	Policies, actions, goals	
Metrics and goals		
E5-3 - Goals related to resource use and the circular economy	Policies, actions, goals	
E5-4 - Incoming resource flows	Metrics	
E5-5 - Outgoing resource flows	Metrics	
E5-6 - Expected financial impacts arising from risks and opportunities related to resource use and the circular economy		<i>Phase-in</i>

2.2.1 IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CIRCULAR ECONOMY

The Simonelli Group conducted an analysis of its operations to identify significant impacts, risks, and opportunities related to resource use and the circular economy. The analysis paid particular attention to resource inflows and outflows related to products and services, as well as waste production and management, considering both the impacts generated directly by the Group's operations and, to a lesser extent, those along the upstream and downstream value chains.

The sourcing of materials such as copper, steel, brass, aluminium, and plastic is a key component of the Group's industrial processes. However, because these are non-renewable resources—i.e., materials that cannot be regenerated in the short term—their use entails significant environmental impacts, starting from the initial stages of their life cycle.

Upstream in the value chain, suppliers' activities related to the extraction and processing of these raw materials generate significant environmental impacts. Given these impacts, it is essential to evaluate the entire life cycle of materials, moving beyond a limited view of internal operations and integrating the upstream phases of the supply chain.

However, it should be emphasized that Simonelli Group's production model offers environmental mitigation measures: specifically, **the high-quality materials that constitute the main components of its products (copper, aluminium, steel) are recovered and recycled at the end of their lifespan**, thus largely offsetting the environmental impact of extraction and processing. Furthermore, **the long lifespan of professional coffee machines, which can remain in use for more than 10 years, allows the environmental impact associated with initial production to be spread out over time.**

This approach to environmental mitigation is made possible by a **structured system of after-sales services, which includes scheduled maintenance, technical assistance, repairs, spare parts supply, and technological updates.** Extending the useful life of products not only reduces the frequency of replacement but also promotes more efficient and sustainable use of the resources used in the initial production phase.

Another key aspect that emerged from the analysis concerns waste management, considered both within the Group's internal operations and along the entire value chain. Waste generated by production activities primarily comes from processing scraps, dust, and particulates from non-ferrous materials, as well as from wood, plastic, and cardboard packaging. This is in addition to waste generated in administrative and office environments.

Looking beyond the company's perimeter, waste generation extends along the entire value chain. Starting from the procurement phase, packaging and residual materials emerge that must be disposed of or recovered. During the manufacturing of components and product assembly, further waste accumulates, while in the final phase of the life cycle—the end-of-life phase of products—the need for recovery, recycling, or reuse strategies emerges, in line with the principles of the circular economy.













The Group recognizes the strategic value of aspects such as the **reparability, durability, and resistance of its products**, which are fundamental elements in the transition to more sustainable production models. These characteristics help reduce the consumption of natural resources and waste generation, reducing the need for frequent replacements. Designing robust, long-lasting, and easily maintainable machines limits the demand for new production, with positive impacts on the entire environmental cycle: it reduces the extraction and processing of raw materials, reduces energy requirements, and reduces greenhouse gases emissions. These principles are fully integrated into a **circular economy approach, based on reuse, regeneration, and recycling, which aims to extend the useful life of products and maximize the value of materials over time, reducing the overall environmental impact**. With this in mind, the Simonelli Group continues to invest in design solutions, after-sales services, and innovative technologies that promote sustainability throughout all phases of the product life cycle, strengthening its commitment to a more responsible, efficient, and forward-looking industry.











Life Cycle Assessment (LCA)

In support of this sustainability-focused vision, the Group has collaborated with the Polytechnic University of Marche since 2009 to monitor and improve the environmental impact of its production and distribution activities.

Since 2011, the company has systematically implemented a *Life Cycle Assessment (LCA)* for new products, to scientifically and transparently measure the environmental impacts associated with each phase of their life cycle, from production to end-of-life. The results of these analyses have guided the market introduction of new generations of products with significantly improved environmental performance, capable of reducing overall CO₂ emissions without compromising functional performance thanks to technological solutions such as the NEO and TERS systems. For example, in the case of the Nuova Aurelia, energy consumption has been reduced by **42%** compared to the previous model, while the environmental footprint has been reduced by **18%**. In the case of the Black Eagle Maverick, energy consumption dropped by **37%** and the environmental footprint by **24%**.

Environmental footprint of LCA products	Groups	Materials and manufacturing (KgCO ₂ eq)	End of life (KgCO ₂ eq)	Net environmental footprint (KgCO ₂ eq)
 Appia Life	2	268.4	-59.4	209
 VA 388	2	667	-167.6	499.4
 VA 358 Digit	2	559	-155.9	403.1
 Aurelia Wave UX		502.04	-106.11	395.93
 Eagle One	2	647.1	-121.1	526
 Aurelia Wave T3	2	500.8	-105.3	395.5
 Eagle One Prima	1	237.6	-43.8	193.8
 Black Eagle Maverick	2	872.5	10.7	883.2
 Eagle Tempo	2	448	40.2	488.2
 Eagle 1 Prima Pro	1	682.84	1.25	684.09
 Nuova Aurelia MP	2	373.63	5.41	379.04
 Nuova Aurelia Vol	2	327.28	5.07	332.35

Environmental footprint of LCA products	Groups	Materials and manufacturing (KgCO ₂ eq)	End of life (KgCO ₂ eq)	Net environmental footprint (KgCO ₂ eq)
 Pure Brew +	1	151	1.43	152.43
 Mythos One		129.6	-55.6	74
 Mythos 2 GF		262.2	-106.4	155.8
 Mythos 2 GV		283.5	-109	174.5
 Mythos My75		163.5	-43.8	119.7
 Mythos Myg75		168.5	-45.5	123
 Mythos My85		163.8	-44.4	119.4
 Mythos Myg85		168.9	-46.2	122.7

Significant impacts, risks and opportunities

The IRO assessment was conducted in accordance with the criteria and approaches described in the “Double Materiality Analysis” section of Chapter “1. ESRS 2 - General Information”.

With reference to the ESRS E5 standard, two current negative impacts were identified as material: on the one hand, the procurement of raw materials from suppliers and the use of non-renewable materials in the Group’s production processes; on the other, the production of waste generated both by the Group’s daily activities and operations and along the various stages of the value chain.

A significant environmental risk associated with incoming resource flows was also identified, with particular reference to the use of natural resources and their future availability.

2.2.2 POLICIES, ACTIONS AND GOALS

Policies

Integrated Policy - Safety and Environment (UNI EN ISO 14001:2015)

The Integrated Policy for Safety and the Environment of Simonelli Group S.p.A., compliant with the standard UNI EN ISO 14001:2015, establishes guiding principles for the company's activities, including preventive measures against pollution.

Simonelli's approach to the circular economy is based on the will to:

- reduce the environmental footprint of its products;
- reduce waste;
- progressively eliminate non-recyclable materials;
- initiate a transition towards eco-sustainable materials.

Actions

Simonelli Group has already launched a series of concrete initiatives aimed at strengthening its commitment to sustainable resource management and reducing the environmental impact of its operations. These actions are focused on several fronts:

- At product level, Simonelli Group **continuously invests in research and development to reduce the environmental footprint of its machines**, focusing on the adoption of innovative technologies and systematic life cycle assessment (LCA) monitoring of each new model released.
- At the same time, the company actively participates, together with UCIMAC (Espresso Coffee Machine Manufacturers Association), **in technical discussions to develop a European protocol for measuring the energy consumption of coffee machines**, aimed at introducing a harmonized EU energy labelling system.
- Simonelli Group has launched a program to **reduce the use of plastic materials in its packaging** and a project to **reuse packaging within the supply chain**, with the goal of gradually replacing single-use packaging with returnable solutions.
- At the same time, it continues to support the **Paperless Project, launched in 2021**, aimed at raising employee awareness of the responsible use of printed paper through quarterly monitoring of printouts per employee.
- On the materials front, in recent years the company **has begun sourcing recycled aluminium**, thus reducing its dependence on virgin resources with a high environmental impact.
- The company has also implemented a **system for monitoring waste production** to improve traceability and management of waste volumes.



Paper consumption

-1,346 kg



Paper saved

-1,270



Per capita prints compared to 2021

-179



Per capita prints compared to 2023

Goals

As part of its Sustainability Plan, Simonelli Group has defined a series of strategic objectives aimed at strengthening the company’s culture of sustainability and promoting the increasingly effective integration of ESG principles into governance processes and operational management. The circular economy goals are outlined below.

ESG	Main areas	Goal	Anno Base	Current Status	Anno obiettivo	Scope
Environmental	Innovation, reducing the environmental impact of products, and the circular economy	Coffee machines are 90% recyclable	2019 Coffee machine recyclability rate at 78%	Coffee machine recyclability rate at 81%	2030 Coffee machine recyclability rate at 90%	Group
		Production of new machines with 50% lower energy consumption	2019 10,000 kWh Average annual consumption of coffee machines	-18.5% di Energy consumption of new machines	2030 -50% Energy consumption of new machines	Group

2.2.3 METRICS

Incoming resource flow

The materials used by Simonelli Group in the production of its machines and those present in the components of purchased and subsequently resold products (such as coffee grinders, for which the company only performs random tests to verify their functionality) are divided into various categories. These include chemicals, electronic components (such as circuit boards, motors, and electrical circuits), metals—including steel, aluminium, copper, iron, and brass—as well as plastics, rubber, wood, and paper/cardboard used for packaging.

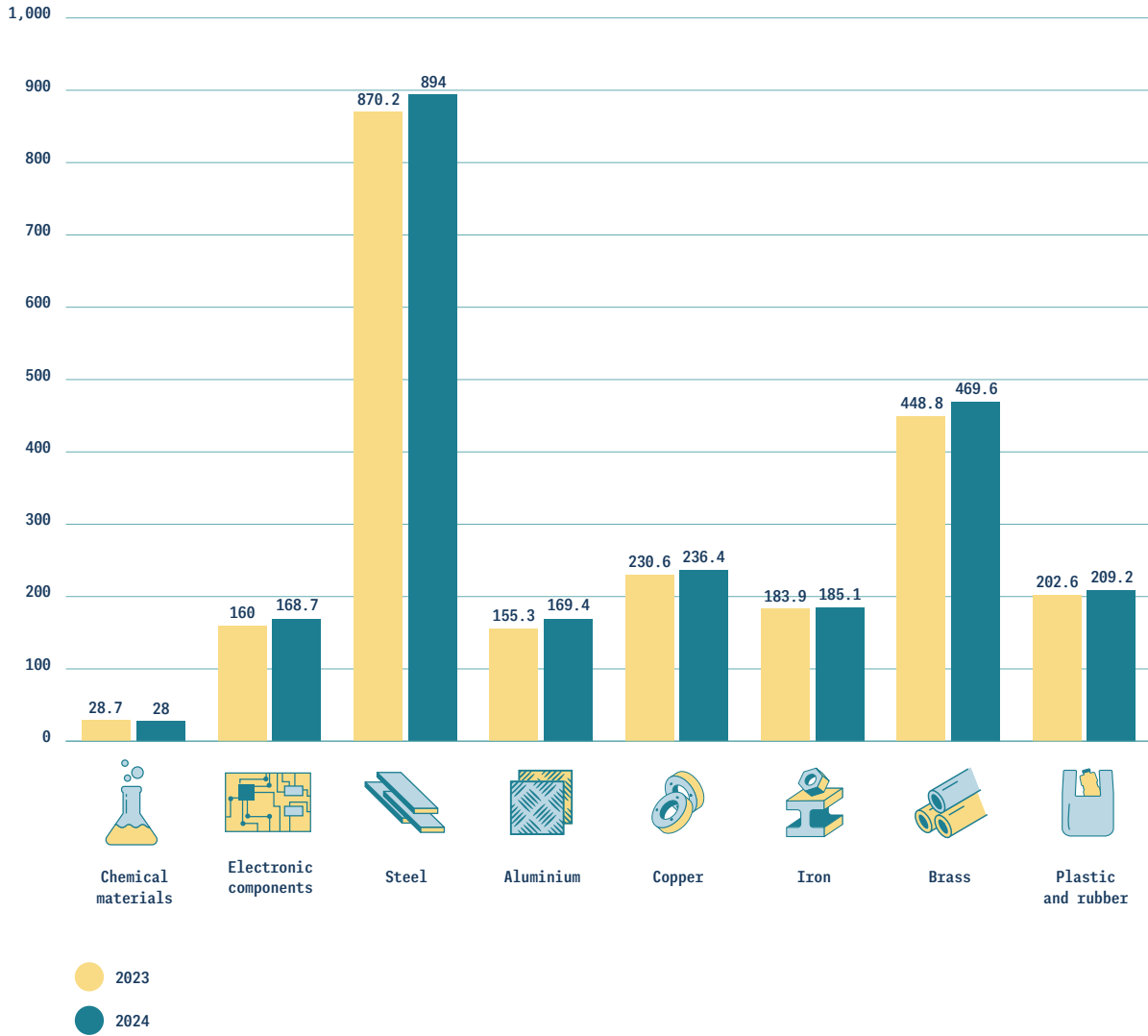
Data relating to product and material consumption were obtained from various sources. Initially, technical information was collected by the Group's Technical Office, in collaboration with the Polytechnic University of Marche, based on the results of the LCA analysis conducted. Subsequently, an in-depth analysis of the composition of coffee machines and grinders was conducted, with the aim of determining the percentage by weight of the materials present in each product. The total quantities of materials used were calculated by comparing the number of units sold for each model with the corresponding weight. The overall weight was then divided according to the percentages of material that make up each type of product.



Incoming products and materials		2024						
		Weight (tons)	Of which renewable (tons)	Of which non-renewable (tons)	Of which from recycled material (tons)	% of renewable material	% of recycled material	% of reused material
Materials used for the production of the machines	Chemical materials	22	-	22	-	0%	0%	0%
	Electronic components (boards, motors, electrical circuits)	147	-	147	-	0%	0%	0%
	Steel	870	-	870	N/A	0%	N/A	0%
	Aluminium	119	-	119	33	0%	28%	0%
	Copper	225	-	225	N/A	0%	N/A	0%
	Iron	5	-	5	N/A	0%	N/A	0%
	Brass	469	-	469	N/A	0%	N/A	0%
	Plastic and rubber	178	N/A	178	N/A	N/A	N/A	0%
Total	2,035	-	2,035	33	-	2%	-	
Logistics materials	Wood (pallets)	359	359	-	N/A	100%	N/A	100%
	Total	359	359	-	N/A	100%	N/A	100%
Packaging	Paper and cardboard	302	302	-	N/A	100%	N/A	0%
	Plastic	28	-	28	N/A	0%	N/A	0%
	Total	330	302	28	N/A	91%	N/A	-
Composition of products sold	Chemical materials	6	-	6	-	0%	0%	N/A
	Electronic components (boards, motors, electrical circuits)	21	-	21	-	0%	0%	N/A
	Steel	24	-	24	N/A	0%	N/A	N/A
	Aluminium	51	-	51	N/A	0%	N/A	N/A
	Copper	12	-	12	N/A	0%	N/A	N/A
	Iron	180	-	180	N/A	0%	N/A	N/A
	Plastic and rubber	32	-	32	N/A	0%	N/A	N/A
	Total	325	-	325	-	-	-	N/A
Total incoming products and materials	3,049	661	2,389	34	22%	1%	12%	

Reporting scope for data relating to incoming resource flows 2024: Simonelli Group S.p.A.

Materials used in products (tons)



Incoming products and materials		2023						
		Weight (tons)	Of which renewable (tons)	Of which non-renewable (tons)	Of which from recycled material (tons)	% of renewable material	% of recycled material	% of reused material
Materials used for the production of the machines	Chemical materials	23	-	23	-	0%	0%	0%
	Electronic components (boards, motors, electrical circuits)	139	-	139	-	0%	0%	0%
	Steel	847	-	847	N/A	0%	N/A	0%
	Aluminium	105	-	105	16	0%	15%	0%
	Copper	218	-	218	N/A	0%	N/A	0%
	Iron	6	-	6	N/A	0%	N/A	0%
	Brass	449	-	449	N/A	0%	N/A	0%
	Plastic and rubber	172	N/A	172	N/A	N/A	N/A	0%
	Total	1,959	-	1,959	16	-	1%	-
Logistics materials	Wood (pallets)	359	359	-	N/A	100%	N/A	100%
	Total	359	359	-	N/A	100%	N/A	100%
Packaging	Paper and cardboard	298	298	-	N/A	100%	N/A	0%
	Plastic	30	-	30	N/A	0%	N/A	0%
	Total	328	298	30	N/A	91%	N/A	-
Composition of products sold	Chemical materials	6	-	6	-	0%	0%	N/A
	Electronic components (boards, motors, electrical circuits)	21	-	21	-	0%	0%	N/A
	Steel	24	-	24	N/A	0%	N/A	N/A
	Aluminium	50	-	50	N/A	0%	N/A	N/A
	Copper	12	-	12	N/A	0%	N/A	N/A
	Iron	177	-	177	N/A	0%	N/A	N/A
	Plastic and rubber	31	-	31	N/A	0%	N/A	N/A
	Total	321	-	321	-	-	-	N/A
Total incoming products and materials	2,967	657	2,310	16	22%	1%	12%	

Reporting scope for data relating to incoming resource flows 2023: Simonelli Group S.p.A.

Incoming products and materials		2022						
		Weight (tons)	Of which renewable (tons)	Of which non-renewable (tons)	Of which from recycled material (tons)	% of renewable material	% of recycled material	% of reused material
Materials used for the production of the machines	Chemical materials	26	-	26	-	0%	0%	0%
	Electronic components (boards, motors, electrical circuits)	190	-	190	-	0%	0%	0%
	Steel	1,075	-	1,075	N/A	0%	N/A	0%
	Aluminium	156	-	156	20	0%	13%	0%
	Copper	279	-	279	N/A	0%	N/A	0%
	Iron	3	-	3	N/A	0%	N/A	0%
	Brass	594	-	594	N/A	0%	N/A	0%
	Plastic and rubber	219	-	219	N/A	N/A	N/A	0%
Total	2,542	-	2,542	20	-	1%	-	
Logistics materials	Wood (pallets)	460	460	-	N/A	100%	N/A	100%
	Total	460	460	-	N/A	100%	N/A	100%
Packaging	Paper and cardboard	302	302	-	N/A	100%	N/A	0%
	Plastic	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Total	302	302	-	-	100%	-	-
Composition of products sold	Chemical materials	5	-	5	-	0%	0%	N/A
	Electronic components (boards, motors, electrical circuits)	28	-	28	-	0%	0%	N/A
	Steel	29	-	29	N/A	0%	N/A	N/A
	Aluminium	66	-	66	N/A	0%	N/A	N/A
	Copper	24	-	24	N/A	0%	N/A	N/A
	Iron	238	-	238	N/A	0%	N/A	N/A
	Plastic and rubber	40	-	40	N/A	0%	N/A	N/A
Total	430	-	430	-	-	-	N/A	
Total incoming products and materials		3,734	762	2,972	20	20%	1%	12%

Reporting scope for data relating to incoming resource flows 2022: Simonelli Group S.p.A.

Outgoing resource flow

Eco-design and reduction of environmental impact

For years, Simonelli Group has invested in the development of coffee machines with an increasingly reduced environmental impact, integrating eco-design criteria into every phase of the production process.

- **Conscious design:** during the design phase, the effects of metal processing are analysed to reduce their environmental impact, evaluating, for example, the difference between machined and moulded components. Particular attention is also paid to **disassembly:** products are designed to be easily disassembled at the end of their life, avoiding the use of glues or adhesives that hinder material recovery.
- **Recycled materials:** packaging uses materials containing up to **30% recycled components**. Machines use aluminium with a 55% recycled content, while the percentage is lower for plastics due to flame resistance requirements, which recycled plastics currently do not meet.

These choices are part of our journey towards an increasingly **circular and responsible** production model, combining technological innovation and respect for the environment.

Product lifespan

Simonelli Group products have an **average lifespan of 5-7 years**. With proper maintenance and appropriate use, they can last significantly longer, ensuring consistent performance over time. After-sales service is essential: the average lifespan of 5-7 years is only guaranteed if the machines are **regularly maintained** and used correctly by the end user.

After-sales services and circularity

Simonelli Group guarantees the availability of spare parts for at least 10 years, allowing distributors to repair and reuse coffee machines and grinders. This approach extends the product's life cycle and reduces environmental impact. The company currently has no direct replacement, recycling, or reuse policies.

Waste

Simonelli manages waste generation and disposal in compliance with current regulations, ensuring constant monitoring of transportation and disposal operations through specialized and authorized companies. The Group generates waste primarily from production and office activities, separating it into hazardous and non-hazardous waste in accordance with regulatory requirements. The main types of waste produced include scrap metal, plastic packaging, paper and cardboard, electronic components, and bulky waste. In line with the principles of the circular economy, **Simonelli Group prioritizes recovery and recycling wherever possible, reducing the environmental impact of its operations.**

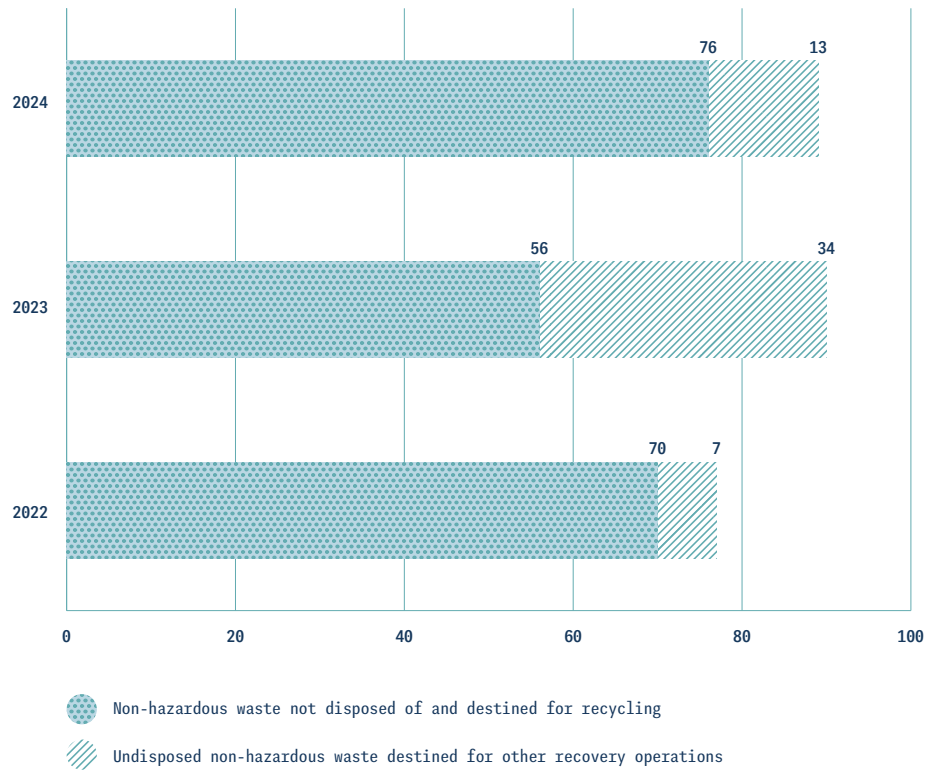
The Group constantly monitors waste volumes and collaborates with qualified partners to ensure responsible waste management.

Waste data was collected by analysing the fourth copies of waste forms provided by the Smorlesi SNC waste management service.

Waste (tons)	2024	2023	2022	Trend 24/23 (%)
Waste generated	89	90	77	-1%
Hazardous waste not disposed of	0.04	-	-	100%
Undisposed hazardous waste destined for preparation for reuse	-	-	-	-
Undisposed hazardous waste destined for recycling	0.04	-	-	100%
Undisposed hazardous waste destined for other recovery operations	-	-	-	-
Undisposed non-hazardous waste	89	90	77	-1%
Non-hazardous waste not disposed of and destined for preparation for reuse	-	-	-	-
Non-hazardous waste not disposed of and destined for recycling	76	56	70	36%
Undisposed non-hazardous waste destined for other recovery operations	13	34	7	-62%
Hazardous waste destined for disposal	-	-	-	0%
Hazardous waste destined for incineration	-	-	-	-
Hazardous waste destined for landfill	-	-	-	-
Hazardous waste destined for disposal through other operations	-	-	-	-
Non-hazardous waste destined for disposal	-	-	-	0%
Non-hazardous waste destined for incineration	-	-	-	-
Non-hazardous waste destined for landfill	-	-	-	-
Non-hazardous waste destined for disposal through other operations	-	-	-	-
Non-recycled waste	-	-	-	0%
Percentages of non-recycled waste	0%	0%	0%	0%

Waste data reporting scope: Simonelli Group S.p.A.

Waste generated (ton)







3

SOCIAL
INFORMATION

3.1 ESRS S1 - OWN WORKFORCE

ESRS standard	Position	Notes
Strategy		
ESRS 2 SBM-2 - Stakeholder interests and opinions	Double Materiality Analysis	The information is provided in ESRS 2 SBM-2, Chapter 1. "ESRS 2 General Information", in accordance with Appendix C, which defines the obligations to be applied in conjunction with ESRS 2.
ESRS 2 SBM-3 - Significant impacts, risks and opportunities and their interaction with the business strategy and model	Identifying impacts, risks and opportunities related to your workforce	
Managing impacts, risks and opportunities		
S1-1 - Policies relating to own workforce	Policies, actions and goals	
S1-2 - Processes for involving own workers and workers' representatives regarding impacts	Double Materiality Analysis	The information is provided in ESRS 2 SBM-2, Chapter 1. "ESRS 2 General Information", in accordance with Appendix C, which defines the obligations to be applied in conjunction with ESRS 2.
S1-3 - Processes to remediate negative impacts and channels for workers to raise concerns	Policies, actions and goals	
S1-4 - Interventions on impacts relevant to the own workforce and approaches for mitigating relevant risks and pursuing relevant opportunities in relation to the own workforce, as well as the effectiveness of such actions	Policies, actions and goals	
S1-5 - Objectives related to the management of significant negative impacts, the enhancement of positive impacts and the management of significant risks and opportunities	Policies, actions and goals	
Metrics and goals		
S1-6 - Characteristics of the company's employees	Metrics	
S1-7 - Characteristics of non-employee workers in the firm's own workforce	Metrics	
S1-8 - Coverage of collective bargaining and social dialogue	Metrics	
S1-9 - Diversity metrics	Metrics	
S1-10 - Adequate wages	Metrics	
S1-11 - Social protection	Metrics	
S1-12 - Persons with disabilities	Metrics	
S1-13 - Training and skills development metrics	Metrics	
S1-14 - Health and safety metrics	Metrics	
S1-15 - Work-life balance metrics	Metrics	
S1-16 - Compensation metrics	Metrics	
S1-17 - Human rights incidents, complaints, and serious impacts	Metrics	

3.1.1 IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES RELATED TO OWN WORKFORCE

As part of its corporate strategy, Simonelli Group conducted a thorough analysis to identify impacts, risks, and opportunities related to its workforce. The analysis focused specifically on the Group's directly managed activities, highlighting the main categories of workers potentially exposed to significant impacts, both positive and negative.

Possible negative impacts included potential gender discrimination in remuneration for work of equal value and workplace health and safety risks. Despite the lack of systemic or recurring evidence, these aspects remain priorities in the area of worker prevention and protection.

At the same time, the analysis highlighted several positive impacts, including the **promotion of safe and fair working conditions**—such as adequate wages, respect for working hours, freedom of association, work-life balance, and constructive dialogue with employees. This is complemented by **initiatives aimed at professional growth**, through training and development programs, and **projects dedicated to personnel well-being**. Finally, particular attention was paid to **the employment and inclusion of people with disabilities**.

In response to these findings, Simonelli Group has developed and implemented a structured set of policies and interventions aimed at ensuring safe, inclusive work environments that foster individual skills development. These actions not only strengthen employee protection but also contribute to consolidating a corporate culture based on responsibility, equity, and the centrality of human capital.



Significant impacts, risks and opportunities

The IRO assessment was conducted in accordance with the criteria and approaches described in the "Double Materiality Analysis" section of Chapter "1. ESRS 2 - General Information." With reference to the ESRS S1 standard, three impacts were identified as material. Among these, a potential negative impact associated with the risk of accidents, workplace injuries, and occupational diseases emerged, which, while not systemic, requires constant attention for prevention and protection. Additionally, two positive impacts were recognized that are already being observed: first, the company's commitment to ensuring safe working conditions for all employees; and second, the ongoing promotion of training courses accessible to all staff, with the aim of supporting professional growth and fostering the development of skills within the organization.

3.1.2 POLICIES, ACTIONS AND GOALS

Policies

Code of ethics



The Simonelli Group Code of Ethics—described in more detail in Chapter 4, which focuses on governance information—represents a fundamental pillar for promoting a fair, inclusive, and diverse work environment. The company is actively committed to protecting human rights, recognizing merit, and preventing any form of discrimination or prejudice, thus fostering a corporate culture based on respect, equality, and equal opportunities.

Whistleblowing procedure



To ensure fairness at all times in managing people, Simonelli Group has implemented specific procedures (such as the Whistleblowing Procedure described in Chapter 4, dedicated to governance information) that allow employees and collaborators to report any potential concerns. Reports can be addressed directly to managers or to the Human Resources Department, ensuring a transparent and safe work environment where every voice is heard and respected.

Integrated policy

Safety and environment (UNI EN ISO 45001:2018)



Simonelli Group, through its Integrated Safety and Environmental Policy, compliant with the UNI EN ISO 45001:2018 standard, defines the fundamental principles aimed at ensuring safe working environments and preventing accidents and occupational diseases. The adoption of this standard represents a concrete step towards more effective and proactive management of occupational health and safety, helping to reduce risks, protect people's well-being, and support organizational continuity and resilience.

Safety policy

Simonelli Group uses the criteria defined in safety procedure PS07 *“Risk Assessment Criteria and Planning Corrective and Improvement Actions”* to ensure a safe work environment. It has adopted the general procedure PGSA02 *“Measurement, Analysis, and Improvement of the SGSA”* to manage non-conformities, complaints, corrective and improvement actions, and external and internal communications, in accordance with the adopted Occupational Health and Safety Management System (OH&SMS). All workers can use a reporting form to report any critical issues, which is also shared with the Workers' Safety Representative and the company's Prevention and Protection Service Officer. The Safety Policy is communicated to workers by posting it on company noticeboards and is included in the brochure provided upon hiring. This policy, along with all the latest regulations, is explained during mandatory workplace safety training.

Actions

People management is one of Simonelli Group's strategic pillars. The company's success and competitiveness directly depend on the motivation, skills, and commitment of its people. For this reason, the Group continuously invests in building an inclusive, collaborative, and stimulating work environment, where every employee—regardless of role or location—feels like an integral part of a community united by common values and driven by innovation.



In 2024, Simonelli Group S.p.A. launched an **awareness program dedicated to Diversity, Equity, and Inclusion (DE&I)**, organizing six training days involving all employees. The meetings addressed key topics such as gender stereotypes and differences, cultural and sexual orientation diversity, and inclusive language. This initiative fostered dialogue, broke down barriers, and strengthened a sense of belonging by celebrating diversity.

Simonelli Group's corporate culture is founded on respect, participation, and the appreciation of individual contributions. With this in mind, **relationships with trade unions**—at the corporate and national levels—are based on constructive and transparent dialogue, geared toward shared decisions on relevant social issues. All employees, including non-employees, benefit from social protection schemes that include coverage for illness, injury, unemployment, disability, parental leave, and retirement. To support overall well-being, the company also **offers a supplementary healthcare service** through the Metasalute platform, which ensures reduced waiting times at both public and private facilities.

Great attention is also paid to work-life balance. In addition to **introducing an hour of flexible work hours for everyone upon arrival**, in agreement with the union representatives, **workers at the Simonelli Group S.p.A. plant can adjust their working hours during specific periods of the year**. Furthermore, in the summer of 2024, **employees' children received free access to summer camps** organized by the Tolentino Tennis Circle and the Tolentino Basket Association, which welcomed 22 children between the ages of 4 and 14 in June, July, and early September.

Simonelli actively promotes the training and professional development of its employees, recognizing them as key to the Group’s growth and competitiveness. The Company invests in targeted learning programs, aiming to enhance its staff’s technical and managerial skills and ensure ongoing training in line with industry developments.

Training activities include mandatory courses focused on safety and regulatory compliance, as well as **voluntary training** initiatives aimed at expanding knowledge and strengthening professional skills.

Simonelli Group’s commitment translates into an ongoing analysis of training needs, with the goal of providing employees with the appropriate tools to address market challenges and foster their professional growth within the organization.

At the same time, employees’ daily commitment is also recognized through financial means: **in 2024, bonuses totalling €626,000 were distributed (+26% compared to 2023)**, paid both through the company welfare program and as one-off bonuses.

Simonelli Group also promotes **internal solidarity and social responsibility**. With the **“Suspended Hours” initiative**, employees can voluntarily donate vacation or leave time to support colleagues in times of difficulty, anonymously and governed by an internal protocol.

In parallel, the **“Path of Sustainability” project**, aimed at production workers, encourages suggestions for improving the environmental performance of products, rewarding the most significant with an annual bonus. Finally, on the safety front, the Group has activated an internal Prevention and Protection Service (SPP), compliant with current regulations. In collaboration with the relevant company departments and the Company Physician, the SPP monitors potential risks, operational anomalies, reports of occupational diseases, and health-related criticalities, with the aim of ensuring increasingly safe working environments that are attentive to employee well-being.

Goals

As part of its Sustainability Plan, Simonelli Group has defined a series of strategic objectives aimed at strengthening the company’s sustainability culture and promoting the increasingly effective integration of ESG principles into governance processes and operational management. The objectives relating to its workforce are listed below.

ESG	Main areas	Goal	Base year	Current status	Goal year	Scope
Social	Employees	% Women	2019 11.5%	21.64%	2027 30%	Italy

3.1.3 METRICS

Characteristics of the company's employees



As of December 31, 2024, Simonelli Group's total workforce numbered **217 employees**, a **25% increase compared to 2023** (174 employees) and a **50% increase compared to 2022** (139 employees), confirming a steady and significant employment growth trend.

The gender distribution shows a male predominance, with 170 men (78%) and 47 women (22%). However, the female workforce has shown a progressive increase: **from 31 women in 2022 (22%) to 45 in 2024 (a 45% increase in two years)**, demonstrating a path toward greater balance and inclusion. Geographically, employment is concentrated in Italy with 163 employees (78% of the total), while the remaining 22% is distributed among foreign offices. This model reflects an internationalization strategy capable of integrating local expertise and global know-how.

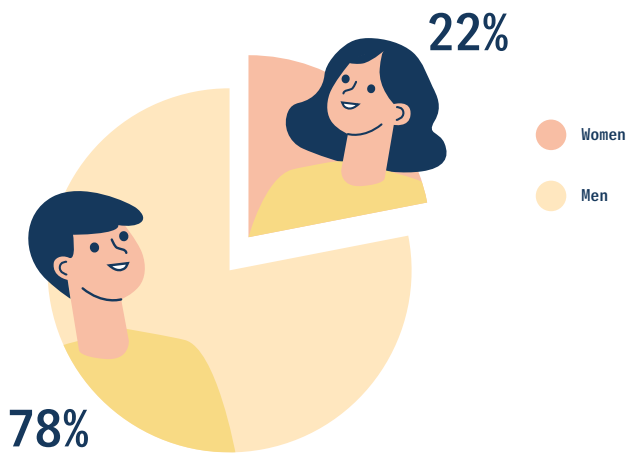
Regarding contract types, **the majority of employees are on permanent contracts (184 people, or 85%)**, confirming the solidity and stability of the employment structure. Thirty-three (15%) are on fixed-term contracts, while part-time positions amount to six (3%), remaining marginal.

The turnover rate is projected to be 3% in 2024, down from 4% in 2023 and 7% in 2022, reflecting growing employee loyalty and the effectiveness of corporate welfare and professional development policies.

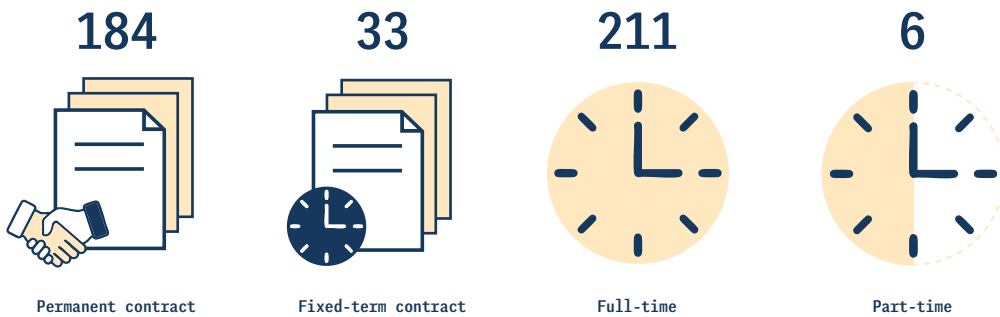
Overall, the Simonelli Group workforce picture shows a steadily growing organization, with a progressive commitment to gender diversity, solid contractual stability, and a reduction in turnover. These factors reinforce a corporate culture focused on safety, well-being, and employee development, in line with the Group's principles of sustainability and social responsibility.

Employees by country	2024	2023	2022
Italy	163	122	121
France	7	7	6
United Kingdom	8	8	6
U.S.A.	24	24	N/A
Singapore	6	6	6
Australia	4	3	N/A
Germany	3	3	N/A
United Arab Emirates	2	1	N/A
Total	217	174	139

Employees by gender	2024	2023	2022
Feminine	47	40	31
Masculine	170	134	108
Other	-	-	-
Not communicated	-	-	-
Total	217	174	139



Employees by contract typology and gender	2024			2023			2022		
	Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Permanent contract	142	42	184	130	36	166	108	26	134
Fixed-term contract	28	5	33	4	4	8	-	5	5
With no guaranteed work schedule	-	-	-	-	-	-	-	-	-
Total	170	47	217	134	40	174	108	31	139
Full-time	169	42	211	133	35	168	108	28	136
Part-time	1	5	6	1	5	6	-	3	3
Total	170	47	217	134	40	174	108	31	139



Employees by contract typology and geographical area	2024				2023				2022			
	Europe	America	Asia	Oceania	Europe	America	Asia	Oceania	Europe	America	Asia	Oceania
Permanent contract	148	24	8	4	132	24	7	3	128	N/A	6	-
Fixed-term contract	33	-	-	-	8	-	-	-	5	N/A	-	-
With no guaranteed work schedule	-	-	-	-	-	-	-	-	-	N/A	-	-
Total	181	24	8	4	140	24	7	3	133	N/A	6	-
Full-time	177	22	8	4	136	22	7	3	130	N/A	6	-
Part-time	4	2	-	-	4	2	-	-	3	N/A	-	-
Total	181	24	8	4	140	24	7	3	133	N/A	6	-



Turnover	2024	2023	2022
Total number of employees who left the company during the reference period	7	7	10
Employee turnover rate during the reference period	3%	4%	7%

Reporting scope for data relating to the characteristics of the company's employees: Simonelli Group S.p.A., Nuova Distribution USA LLC, Simonelli Group Asia Pacific PTE Ltd, Nuova Distribution France Sart, and Nuova Distribution UK Ltd. Please also note that data for Nuova Distribution USA LLC for 2022 is not available.

Characteristics of non-employee workers in the firm's own workforce

Over the three-year period analysed, some significant changes were observed. In 2022, there were two full-time self-employed workers. The following year, 2023, this number doubled to four, marking a 100% increase compared to the previous year. However, in 2024, there was a sharp reduction, with only one self-employed worker, representing a 75% decrease compared to 2023 and a 50% decrease compared to 2022.

It is important to note that **all self-employed workers employed were full-time**, and no part-time workers were recorded.

Regarding **agency workers**, their number remained stable over time, rising from 29 in 2022 to 30 in 2023, and 32 in 2024. This trend suggests a consistent and structured use of this form of flexibility.



No other types of collaboration were active in the period under consideration, a sign of an organizational structure that favours consolidated and traceable contractual forms. Overall, the total number of non-employee workers stood at 33 in 2024, a slight decrease compared to 2023 (34) but an increase compared to 2022 (31). This figure, when compared to the total number of employees, highlights a minority but significant share of external personnel, who contribute in a complementary manner to company activities.

Non-employee workers	2024	2023	2022
Self-employed workers	1	4	2
of which full-time	1	4	2
of which part-time	-	-	-
Number of workers supplied by companies carrying out personnel search, selection and supply activities (temporary workers)	32	30	29
Other typologies relevant to the business	-	-	-
Total	33	34	31

Reporting scope for data relating to the characteristics of the company's non-employee workers: Simonelli Group S.p.A., Nuova Distribution USA LLC, Simonelli Group Asia Pacific PTE Ltd, Nuova Distribution France Sart, and Nuova Distribution UK Ltd.

Coverage of collective bargaining and social dialogue

Simonelli recognizes the importance of collective bargaining and social dialogue as fundamental tools for protecting workers and maintaining a fair and collaborative work environment. The company ensures compliance with local industrial relations regulations, promoting the involvement of social partners and ensuring adequate forms of employee representation. It is also committed to fostering constructive dialogue between workers and management, supporting discussions on issues related to working conditions, safety, and employee well-being.

In all the years analysed (2022-2024), the contract coverage rate was 100%, confirming the company's commitment to ensuring fair and transparent working conditions for all employees.

Furthermore, the constant presence of forms of worker representation and the maintenance of an active social dialogue further strengthen Simonelli S.p.A.'s strategic role as a point of reference for the Group's labour policies.

Collective bargaining coverage		Social dialogue
Coverage rate 2024	Employed workers - EEA (European Economic Area)	Representation in the workplace
100%	163	100%
Coverage rate 2023	Employed workers - EEA (European Economic Area)	Representation in the workplace
100%	122	100%
Coverage rate 2022	Employed workers - EEA (European Economic Area)	Representation in the workplace
100%	121	100%

Reporting scope for data relating to collective bargaining and social dialogue coverage: Simonelli Group S.p.A. was identified as a significant entity within the reporting scope due to its central role within the Group. Specifically, the company represents the Group's headquarters and main production site, as well as the entity with the largest number of employees.

Diversity metrics

For senior management, the Group adopts a definition that encompasses the entire professional category of managers, ensuring that diversity assessments include all positions of responsibility. In addition to gender distribution, Simonelli analyses the workforce composition by age group to assess generational diversification and develop personnel management strategies aligned with company needs and the evolution of the labour market.

The Simonelli Group's senior management is predominantly male, with a share that has remained above 90% throughout the period. The female presence, although limited, has shown fluctuations: two female managers in 2022 (10%), reduced to one in 2023 (4%), and then increased to two in 2024 (8%).

Senior managers by gender	2024	2023	2022
Women	2	1	2
% of total at management level	8%	4%	10%
Men	23	22	18
% of total at management level	92%	96%	90%
Total senior managers	25	23	20
Total %	100%	100%	100%

Regarding the workforce composition by age group, a progressive decrease in the average age is noted. The share of employees under 30 increased from 18% in 2022 to 23% in 2024, an increase of over 5 percentage points. The 30-50 age group remains predominant, although it increased from 60% to 57% over the same period. Employees over 50 saw a slight relative decline, from 22% in 2022 to 20% in 2024, despite an increase in absolute numbers. **Overall, the data confirms a balanced generational balance, with a strengthening of the younger population.**

Employees by age group	2024	2023	2022
Under 30 years	48	26	24
% of employees under 30 years	22%	15%	17%
Between 30 and 50 years	126	107	86
% of employees between 30 and 50 years	58%	61%	62%
Over 50 years	43	41	29
% of employees over 50 years	20%	24%	21%
Total employees	217	174	139
Total %	100%	100%	100%

Reporting scope for diversity metrics data: Simonelli Group S.p.A., Nuova Distribution USA LLC, Simonelli Group Asia Pacific PTE Ltd, Nuova Distribution UK Ltd, and Nuova Distribution France Sart. Data for the 2022 subsidiary Nuova Distribution UK Ltd is not available.

Adequate wages

Simonelli Group S.p.A. guarantees all its employees fair compensation, which not only fully complies with current labour regulations but is also consistent with the provisions of the National Collective Labour Agreement (CCNL) applicable to the sector.

Social protection

All Simonelli Group S.p.A. workers are covered by social security, in accordance with national regulations.

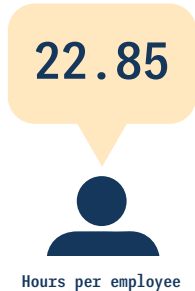
People with disabilities

Over the three-year period observed, Simonelli Group S.p.A. maintained a constant presence of employees with disabilities within its workforce, with percentages hovering around 4-5%. This figure highlights the company’s commitment to inclusion and the valorisation of diversity, in line with the principles of equity and social responsibility. The continued presence of these professionals suggests a company policy focused on accessibility and job inclusion, contributing to a more inclusive and representative work environment.

People with disabilities	2024	2023	2022
Number of employees with disabilities	7	6	6
Total employees	163	122	121
% of employees with disabilities	4%	5%	5%

Reporting scope for people with disabilities data: Simonelli Group S.p.A.





Training and skills development metrics

In 2024, Simonelli Group significantly expanded its training activities, focusing on inclusion, equity, and new skills related to Artificial Intelligence. Training involved the entire company workforce, recording a significant increase compared to 2023: total hours increased by 118% to 3,724; the average hours of training per employee increased from 8 to 26 for men and from 16 to 34 for women. This growth was driven primarily by non-mandatory training, which enhanced soft skills and encouraged broader participation in professional development programs.

Average number of training hours per employee	2024		2023	
	Man	Woman	Man	Woman
Average number of training hours per employee	26	34	8	16

Reporting scope for training and skills development data: Simonelli Group S.p.A.

Health and safety metrics

Over the three-year period under review, Simonelli Group ensured full coverage of its employees with health and safety management systems compliant with legal requirements and/or recognized standards. **No injuries, deaths, or occupational diseases were recorded, demonstrating a safe and well-managed work environment in terms of prevention and health protection.**

Health and safety	2024	2023	2022
Percentage of own workers who are covered by a health and safety management system based on legal requirements and (or) recognized standards or guidelines	100%	100%	100%
Number of deaths in the company’s own workforce due to work-related injuries and illnesses	-	-	-
Number of workplace injuries recorded for the company’s own workforce	-	-	-
Rate of workplace injuries recorded for the company’s own workforce	0%	0%	0%
Number of recordable work-related illness cases in the company’s own workforce	-	-	-

Reporting scope for occupational health and safety data: Simonelli Group S.p.A.

Work-life balance metrics

Family leave	2024			2023		
	Man	Woman	Total	Man	Woman	Total
Percentage of employees entitled to family leave	6%	3%	6%	22%	28%	23%
Percentage of employees who have taken parental leave for those entitled to it	100%	100%	100%	54%	45%	51%

Reporting on work-life balance data: Simonelli Group S.p.A.



Compensation metrics

Over the two-year period analysed, **Simonelli Group showed signs of improvement in terms of internal pay equity**. On the one hand, **the gender pay gap narrowed significantly**, from 27% in 2023 to 7% in 2024, indicating a progressive alignment of pay between men and women.

On the other hand, **the ratio between the highest and the company average pay decreased slightly**, from 4.1 to 3.9, suggesting greater consistency between pay levels within the organization.

Overall, these data reflect a growing commitment to pay transparency and reducing inequality.

Gender pay gap	2024	2023
Man-woman pay gap	7%	27%

Ratio of highest salary to company average	2024	2023
Ratio of the annual total remuneration of the highest earner to the average annual total remuneration of all employees (excluding the highest earner)	3.9	4.1

Reporting scope for compensation metrics data: Simonelli Group S.p.A.

Serious human rights incidents, complaints and impacts

Simonelli Group confirms that during the reporting period, there were no work-related incidents, complaints, or serious human rights impacts within its workforce. The Group operates within a regulatory framework that guarantees a high level of human rights protection, with particular attention to preventing any form of violation.

3.2 ESRS S4 - CONSUMERS AND END-USERS

ESRS standard	Position	Notes
Strategy		
ESRS 2 SBM-2 - Stakeholder interests and opinions	Double Materiality Analysis	The information is provided in ESRS 2 SBM-2, Chapter 1. "ESRS 2 General Information", in accordance with Appendix C, which defines the requirements to be applied in conjunction with ESRS 2.
ESRS 2 SBM-3 - Significant impacts, risks and opportunities and their interaction with the business strategy and model	Identification of impacts, risks and opportunities relating to consumers and end-users	
Management of impacts, risks and opportunities		
S4-1 - Policies relating to consumers and end-users	Policies, actions and goals	
S4-2 - Consumer and end-user engagement processes regarding impacts	Double Materiality Analysis	The information is provided in ESRS 2 SBM-2, Chapter 1. "ESRS 2 General information", in accordance with Appendix C, which defines the requirements to be applied in conjunction with ESRS 2.
S4-3 - Processes for remediating adverse impacts and channels for consumers and end-users to express concerns	Policies, actions and goals	
S4-4 - Interventions on relevant impacts for workers in the value chain and approaches for managing relevant risks and achieving relevant opportunities in relation to consumers and end-users, as well as the effectiveness of such actions	Policies, actions and goals	
S4-5 - Objectives related to the management of significant negative impacts, the enhancement of positive impacts and the management of significant risks and opportunities	Policies, actions and goals	

3.2.1 IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES RELATING TO CONSUMERS AND END-USERS

As part of its business operations, Simonelli Group recognizes the strategic importance of ensuring the quality and safety of its products to protect consumers and end users. The proactive identification and management of impacts, risks, and opportunities related to this stakeholder category are a key element in the company's continuous improvement process.

Specifically, a significant risk related to the personal safety of consumers and/or end users has been identified, resulting from potential non-compliance with quality and safety requirements, both in terms of mandatory regulations and expected market standards. This potential risk can lead to significant negative impacts, including damage to the company's reputation, a loss of customer trust, and potential legal or financial consequences. At the same time, effective management of this risk also opens up significant opportunities, such as strengthening market positioning, increasing customer loyalty, and strengthening the brand's reputation for reliability and responsibility. Investing in quality, traceability, and regulatory compliance not only reduces the risk of incidents or complaints, but also helps generate long-term value by strengthening customer relationships and anticipating the expectations of a market increasingly focused on safety and transparency.

Simonelli Group, therefore, adopts a **structured approach to monitor and prevent potential non-compliance through rigorous quality controls, constant regulatory updates, and active dialogue with customers, distributors, and other stakeholders in the supply chain.** These measures allow for effective management of identified risks, ensuring maximum protection for the end user.



Significant impacts, risks and opportunities

The IRO assessment was conducted in accordance with the criteria and approaches described in the "Double Materiality Analysis" section of Chapter "1. ESRS 2 - General Information." With reference to the ESRS S4 standard, only one financial risk was identified as material.

3.2.2 POLICIES, ACTIONS AND GOALS

Policies

Simonelli Group has adopted Organizational Guidelines aimed at identifying the key critical success factors and business processes needed to effectively reduce risks while simultaneously improving product quality and safety performance. The drafting of the document and the context assessment were conducted through a methodological process based on the RiskOne® (www.riskone.it) model. This analysis allowed us to identify the critical success factors and, consequently, define the most suitable business processes and indicators to measure their performance. The control system is complemented by periodic reporting, which ensures consistency between strategies, objectives, processes, indicators, and audit activities.

Actions

Simonelli Group has implemented specific processes to manage and address any negative impacts on consumers and end users resulting from its activities. To this end, customers have access to dedicated channels for reporting, requests, or complaints, which are addressed through structured response and issue management mechanisms.

The risk approach adopted incorporates the methodology established by ISO 9001 and is based on the definition of actions and indicators aimed at monitoring activities that may influence the achievement of company objectives. For each critical process or activity, its impacts are identified and classified into eleven macro-risk categories with three levels of severity (1 = low, 2 = medium, 3 = high). At the same time, each process is assessed for its impact on the company's critical success factors.



The complaint management process ensures that every report received is addressed promptly, with the aim of ensuring customer satisfaction and protecting the company’s image. Monitoring occurs through periodic reporting of indicators, managed via a management dashboard that allows for the identification of deviations from targets and expected trends, the definition of the causes of any critical issues, and the planning of corrective actions. In this context, the Quality Manager periodically analyses all reports, tracks their management using planning tools, and involves the relevant managers in implementing the necessary actions.

At the operational level, Simonelli Group has implemented procedures and controls to ensure product quality and safety throughout the entire production cycle, from incoming components to final shipment. These controls include:

- incoming sample checks, based on the assessment of supply risk and the suppliers’ previous performance;
- checks throughout the assembly phases, supported by specific checklists for each model, process and customer;
- final testing of all assembled products, with recording of any rework;
- automated safety tests according to predefined test programs;
- final aesthetic checks with detailed checklists for each model;
- Statistical Quality Controls (SQC), carried out on samples of selected products at the end of production for a complete verification.

Finally, to ensure the correct execution of each phase, operators receive continuous training and can access, via the company’s MES platform, all the technical information necessary for process configuration, assembly, and control.

Goals

ESG	Main areas	Goal	Base Year	Current Status	Goal Year	Scope
Social	Relationships with the community	1% of profits in in social sustainability projects	2019 1% of profits in in social activities	1% profit in social activities	2030 1% of profits in in social sustainability projects	Group
	Customer loyalty	65% of turnover generated by loyal customers (over the last 5 years)	2019 60% of turnover generated by loyal customers	61% evenue generated by loyal customers	2030 65% of turnover generated by loyal customers	Group
	Customer satisfaction	CSAT (Customer Satisfaction Score) equal to 90%	2019 CSAT: 80%	CSAT: 81%	2030 CSAT: 90%	Group

Production systems and product quality

Quality, safety, and high-performance production systems are the guiding principles of the Group's manufacturing processes.

Every production stage and every machine produced are subjected to continuous monitoring, in order to ensure compliance with established quality standards, anticipating potential errors and optimizing resource use.

In this regard, over the years, the company has implemented an integrated management system to certify the quality of its production processes according to the ISO 9001 standard.

The company works daily to streamline its organization and ensure maximum responsiveness of its functions in the face of unexpected problems or critical issues. For this reason, information sharing and cross-functional collaboration are supported and strongly encouraged in each of the company's divisions (Operations, Quality, After Sales, R&D).

With a view to multidisciplinary sharing aimed at quality, **structured monitoring processes and cross-functional bodies have been introduced to guide production activities:**

- **Quality Team:** Monitors and supervises production activities, manages non-conformities, and promotes corrective actions. Maintains supplier relationships, ensuring supplies comply with company standards, and is involved in the product development phase to identify any quality issues early.
- **Quality Improvement Team:** This cross-functional team meets weekly to analyse quality KPIs, comparing them with market feedback and identifying corrective actions aimed at improving performance.
- **Department Team:** Made up of operators from the various production lines, the team meets weekly to analyse specific critical issues that impact the achievement of quality KPIs.
- **Morning and weekly meetings** to analyse daily operational KPIs and manage progress on weekly critical issues (Obeja room), attended by all operations first levels.

Control of each production phase and product quality has been progressively improved over the years through **technological and process solutions aimed at minimizing the possibility of errors**:

- **RFID (Radio Frequency Identification)**: RFID technology is a monitoring system that uniquely associates each individual component with its respective machine, thus enabling complete product traceability throughout all production phases, reducing assembly errors and facilitating post-installation technical support.
 - **Stress test**: All machines produced are subjected to a 4-hour stress test before packaging, during which every single function is monitored in detail.
- **SQC (Statistical Quality Control)**: Introduced in 2022, SQC is a random aesthetic and functional inspection process applied to products already packaged and ready for shipment, determining an Average Quality Index (AQI) for each product. The AQI measures the quality level achieved by production lines through a score assigned and on a statistical basis: if there are no defects, the AQI is 100. 2024 saw an overall improvement in the AQI of +0.7 points.
 - **Call rate**: This index objectively measures the quality level of products and the effectiveness of corrective actions implemented based on defect reports from technicians and customers. It is calculated as the ratio between repairs requested and the number of products sold in the same period. 2024 saw an improvement in the call rate, decreasing by 0.44% compared to the previous year.

At the core of an efficient production system and effective quality control, employee motivation and engagement are essential. Simonelli Group has adopted actions and solutions aimed at fostering a sense of belonging, the sharing of ideas, and the drive for continuous and collective improvement.



Training for each new production employee begins before they join the company with specially designed training materials to provide an introduction to operational processes and continues with on-the-job training once they join.

Each production line is equipped with an interactive display that provides real-time feedback on productivity and quality. This allows line operators to self-monitor their performance and, if necessary, take corrective action.

Each operator is invited to contribute to the **Quality Journey** (“**Cammino della Qualità**” in Italian) by offering ideas and suggestions for improving production processes or products in terms of efficiency, quality, energy savings, usability, or safety. The ideas collected are evaluated by a technical team that assigns a score based on a series of parameters; the best are recognized at an annual ceremony. In 2024, **77** nominations were received, and the three winners received a trip to a European capital city, in addition to a diploma.

Relationships with customers

Customer relationships are central to Simonelli Group's business. Therefore, the company continues to invest energy and resources to improve and consolidate **customer engagement by enhancing its digital service offering and providing on-the-ground support for marketing and sales activities.**

DOSE platform



Digital Online Services

Through the DOSE platform, users can access the materials provided by the company for technical assistance and marketing activities, including instructions, images, brochures, technical documentation, video tutorials for product assistance and use, e-learning courses for technical training, technical update sheets, spare parts catalogues, orders placed, etc.

The goal is to enable all customers and technicians involved in equipment support to take advantage of these services in real time. **As of December 31, 2024, there were 1,770 active users** in the technical area and **436 in the sales & marketing area**, numbers in line with the company's objectives.

In 2024, 98% of spare parts orders passed through the e-commerce platform launched in 2021. The goal for 2025 is to encourage use of the platform and improve the level of service. Furthermore, during 2024, the "Warranty and Claims" service was stabilized, allowing service providers who handle customer support to access their customers' warranty claims.

From a Sales & Marketing perspective, the platform, in addition to sharing useful materials and information for sales and promotion, aims to coordinate the integrated image of brands and products on the global market, strengthening the value of brands over time.

Supporto Marketing

In 2024, Simonelli Group continued to support and coordinate clients' global marketing and brand promotion efforts. The company made available and shared illustrative materials, videos, photos, and brand guidelines. During new product launches, in addition to sharing supporting materials, preview days were held to discuss communication strategies.

The Group continued to support clients in organizing trade show events, assisting them with the layout and visual design of their stands. In 2024, including direct events managed by headquarters or branches, the company participated in **85 industry events**. The company also strengthened direct communication with end-users and various target audiences through targeted communication strategies across various touchpoints, including social media, newsletters, and industry magazines.

Relationships with the community and the territory

Every year, Simonelli Group donates 1% of its profits to social, sports, and cultural initiatives to support the local and global community. These initiatives are carried out in collaboration with non-profit organizations, foundations, public and private entities, schools, and universities, and focus on three areas of action: culture, sports, and social welfare.



Cultural sector

Through the **Macerata Opera Festival (MOF)**, the company has partnered with the Sferisterio Arena and, through the “InclusivOpera” project, has enabled the creation of workshops for people with sensory disabilities and the possibility of making opera accessible to people with disabilities, ensuring attendance at performances for 400 people.

Thanks to the collaboration with the **Politeama di Tolentino** cultural centre, for the second consecutive year, the **Tutti Inscena** project was organized, an eight-month theatre course for people with disabilities (15 in total), concluding

with a final performance: theatre, therefore, used to share experiences and allow everyone to discover different forms of communication.

Finally, Simonelli Group continued its collaboration with the **Pannaggi Prize**, a program that supports young artists from the Marche region under 40, which awarded the 2024 prize to Palestinian artist Nidaa Badwan, who has lived in the Marche region for years.

Sport sector

Simonelli Group promotes sports, which is a fundamental element in ensuring the healthy and balanced development of boys and girls. With the **Tolentino Basketball Association (ABT)**—an important community centre for boys, girls, and young people—Simonelli Group supports 131 young athletes, including 40 girls and 70 members of the competitive sector.



Social assistance sector

Simonelli Group has always been committed to supporting people with various difficulties, improving their situation and promoting their inclusion in society. All of its initiatives have been closely connected to local communities. Through the social enterprise “**I Bambini delle Fate**,” a collaboration has been initiated with the **Omphalos** Association (whose goal is to promote initiatives to support children and young people with autism spectrum disorder), offering coffee machine training courses.

With the **Andrea Bocelli Foundation**, Simonelli Group participated in the reconstruction of a new preschool in a neighbourhood already affected by the 2016 earthquake.

With **Anffas Sibillini** (an association of families of children with intellectual disabilities), Simonelli Group supported the project to build an educational garden where children, with the help of local elders, can learn a trade and thus progress towards greater independence.

The partnership with the **NeMo Clinical Centre** (Neuro Muscular Oncology Centre) continued, a highly specialized facility designed to specifically address the needs of those suffering from neuromuscular diseases and muscular dystrophies, allowing them to seek treatment in the Marche region without having to undertake long and costly trips to larger centres. The company, in this case, renewed its support for the “Affectivity Outpatient Project,” the NeMo Centre’s psychology service, contributing to the care of 592 individuals and 208 families.

Relationships with university, school and training institutes

Training and research constitute the two souls of “knowledge”, the basis of all progress and the lever that allows people and organizations to evolve.

Simonelli Group collaborates with universities, schools and training institutes, not only in the research field, but also through internship projects for students, grants for scholarships and collaboration in educational activities.

During 2024 Simonelli Group has established relationships with some **high school institutes** to launch initiatives aimed at bringing female students closer to technical-scientific training courses and providing them with opportunities to join the company. It also continued its **PCTO** initiatives with students in their final years of high school, aimed at offering important opportunities to gain insight into the professional world as well as developing problem-solving and teamwork skills. On the university front, Simonelli Group has intensified the already active collaborations with the **Polytechnic Universities of Marche, Camerino, Macerata and with the Polytechnic of Milan**, precisely to encourage the exchange of knowledge and provide new opportunities for both research and students. Moreover, also for 2024 Simonelli Group is a partner of **SITUM**, the School of Technological Innovation and Managerial Humanities, in which the Universities of Perugia, L’Aquila and Polytechnic of Marche participate.

Relationships with the coffee community

For over fifteen years Simonelli Group has actively supported and collaborated with the main associations in the coffee sector: **SCA** (Specialty Coffee Association), **CSF** (Coffee Science Foundation), **CQI** (Coffee Quality Institute), **ASIC** (Association for Science and Information on Coffee), **Consortium for the protection of espresso coffee, Italian Coffee Consortium, Italian Group of roasters, Confida, Ucimac.**

SCA – Specialty Coffee Association

It is a global non-profit, membership-based organization representing thousands of coffee professionals (from producers to baristas) from all over the world. Founded on the principles of openness, inclusiveness and shared knowledge, it promotes a global coffee community and supports initiatives aimed at ensuring equity and sustainability along the entire specialty coffee value chain, while improving quality standards around the world. Simonelli Group has collaborated with SCA since 2005 (before the merger of SCAA and SCAE, dating back to 2017, the company used to collaborate with individual associations) in various fields: in international competitions, as sponsor of the World Barista Champion championship; in training, making its facilities available and promoting SCA courses; in events, participating in organized meetings and fairs (Expo and World of Coffee); in the community, supporting various initiatives of the various Guilds (roaster guilds, barista guilds, technical guilds) and of the National Chapters.

CSF – Coffee Science Foundation

CSF is a non-profit organization dedicated to advancing coffee knowledge and ensuring its future through rigorous, collaborative, and pre-competitive research. By supporting CSF-led projects, we help generate new knowledge for the benefit of the entire coffee community—from producers to consumers—which is then shared globally through events, publications, and training programs. In this context, Simonelli Group collaborated and contributed funding to the project “**An Electrochemical Descriptor for Coffee Quality.**” This study defines the theoretical framework linking electrochemistry to coffee quality, using a technique that directly measures both TDS and roasting degree, two key factors in sensory perception. The method thus promises to be a reliable tool for quality control, useful for both research and industry, providing detailed information on the composition and variables that influence flavour and final quality, opening up new perspectives for scientific and applied research in the field.

ASIC - Association for Science and Information on Coffee

Born in Paris, in 1966, it's the main international association dedicated to sharing and disseminating scientific research on coffee. ASIC organizes a biennial conference, where leading researchers and specialists from around the world meet to share the results of their research on coffee. Simonelli Group contributes with the work conducted by its RICH (Research and Innovation Coffee Hub).



CONFIDA

Association of the vending industry (coffee machines and vending machines), of which Simonelli Group has been a supporting member since 2022.

UCIMAC

Association of companies representing a large portion of Italy's production capacity for professional and semi-professional espresso machines.

Italian Coffee Promotion Consortium

For 30 years, this association has brought together the leading companies producing and marketing various types of coffee (roasted, decaffeinated, instant, capsules, and pods), as well as several manufacturers of professional coffee machines for the Ho.Re.Ca. sector. Simonelli Group has been a member of the Consortium for approximately 5 years.

Traditional Italian Espresso Coffee Protection Consortium

Simonelli Group has been a supporting member of the Consortium for approximately 7 years. The consortium is working specifically on the "traditional Italian espresso coffee ritual" to obtain its nomination for UNESCO Intangible Cultural Heritage status.

Italian Coffee Roasters Group

Simonelli Group has been a supporting member of this association for many years, bringing together Italian coffee roasters from the Triveneto region.

Coffee Knowledge Hub (CKH)

Launched in April 2021, CKH is a phygital training platform (combining digital and in-person training) through which Simonelli Group offers coffee training courses in collaboration with leading experts and the most prestigious global organizations (Cup of Excellence, CQI, SCA). The platform had 1,958 members in 2024, the year in which it transitioned to a new platform.

Campus – Simonelli Group

Since its inauguration, the Simonelli Group Campus has hosted specialized courses for professional baristas, students, customers, and employees. As of 2024, 32 courses have been offered, with 94 participants and 23 events attended by 925 participants.



32



Courses

23



Events

1,019



Participants

Youth Academy

Since 2018, Simonelli Group has promoted a free training program for young people under 30 who wish to begin or consolidate a career in the coffee industry, based on the Specialty Coffee Association's training program. For each session, six students are selected based on their CVs and a selection process. Scholarships are offered for the following courses:

- Green coffee (Foundation level)
- Brewing (Foundation level)
- Sensory (Foundation level)
- Roasting (Foundation level)
- Barista (Foundation level)
- Barista (Intermediate level)
- Barista (Professional level).



In 2024, the Youth Academy was held in Italy, Malaysia, United Kingdom, Spain, and Portugal.

Selections were also held for the Youth Academy in Mexico, starting in January 2025.

In 2024, following the success of the first Youth Academy for alumni in Italy held at Campus Simonelli Group, training with alumni moved to online courses for Youth Academy alumni, connecting classes from different countries.

Between September 3 and 6, 2024, the Youth Academy held three days dedicated to Barista Academy courses at Campus Simonelli Group. Twenty-two alumni from the region participated in the initiative.



INFORMATION ON GOVERNANCE

4



4.1 ESRS G1 - BUSINESS CONDUCT

ESRS standard	Position	Note s
Governance		
ESRS 2 GOV-1 - Role of the administrative, management and control bodies	Governance	The information is provided in Chapter 1. "ESRS 2 - General Information", in accordance with Appendix C, which defines the obligations to be applied in conjunction with ESRS 2.
Management of impacts, risks and opportunities		
ESRS 2 IRO-1 - Description of the processes for identifying and assessing relevant impacts, risks and opportunities	Identification of impacts, risks and opportunities related to the conduct of the business	
G1-1 - Policies on corporate culture and business conduct	Policies, actions, goals	
G1-2 - Supplier relationship management	Policies, actions, goals	
G1-3 - Prevention and detection of active and passive corruption	Policies, actions, goals	
Metrics and goals		
G1-4 Cases of active or passive corruption	Metrics	
G1-5 Political influence and lobbying activities	Metrics	
G1-6 Payment practices	Metrics	

4.1.1 IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES RELATED TO BUSINESS CONDUCT

The Simonelli Group conducted an analysis of its business activities to identify significant impacts, risks, and opportunities related to corporate conduct, with particular attention to corporate culture, whistle-blower protection, supplier relationship management, and the prevention of active and passive corruption.

The analysis considered actual and potential impacts and risks in both direct operations and, to a lesser extent, in the upstream and downstream value chain. Qualitative and quantitative tools were used to assess the effectiveness of governance, the consistency between stated corporate values and implemented practices, and the Group's ability to establish transparent and responsible business relationships.

Specifically, regarding corporate culture, the analysis involved assessing corporate practices in relation to the ethical values espoused within the organization. The Group monitored the effectiveness of governance in disseminating these values and the consistency between the stated principles and operational practices, seeking to ensure that the entire organization operates with a strong commitment to ethics and social responsibility.

Whistle-blower protection was another area of focus, with the goal of promoting a culture of transparency and accountability. The Group has implemented protection systems to ensure the safety of whistle-blowers, encouraging them to report non-compliance without fear of retaliation. This process aims to strengthen the trust of internal and external stakeholders, contributing to the creation of an ethical and transparent work environment. Regarding supplier relationship management, payment practices and ethical conduct in business relationships were examined, considering the risks associated with inefficient management that could compromise supplier stability and satisfaction. The implications of effective cash flow management and opportunities for improving payment practices were analysed to strengthen trust and collaboration with suppliers.

Finally, the analysis of active and passive corruption identified the risks associated with potential incidents of corruption, bribery, anti-competitive behaviour, and conflicts of interest, with significant reputational and financial impacts.

Significant impacts, risks and opportunities

The IRO assessment was conducted in accordance with the criteria and approaches described in the "Double Materiality Analysis" section of Chapter "1. ESRS 2 - General Information."

With regard to ESRS G1, a positive impact from supplier relationship management emerged as material.

4.1.2 POLICIES, ACTIONS AND GOALS

Policies

Simonelli Group is committed to maintaining the highest quality standards in all business processes that impact its products and services, with the primary objective of ensuring maximum customer satisfaction, in full compliance with applicable regulations. To this end, the Group has developed **a structured framework for managing the most significant impacts, risks, and opportunities**. This approach is based on the principles expressed in the Code of Ethics, which provides operational guidance for the organization's daily actions, and on specific corporate policies geared towards transparency, reliability, and quality. These tools, which contribute to consolidating a corporate culture inspired by ethics and integrity, form the basis for building and strengthening relationships of trust, geared towards sustainability, with all stakeholders involved in the value chain, starting with end customers, suppliers, and business partners. .

Code of ethics



Simonelli Group's **Code of Ethics** is a fundamental tool of the corporate governance system and an integral part of the internal control system.

The document defines the core values and rules of conduct that guide the company's and its stakeholders' behaviour in internal and external relations. Every member of the organization is required to adopt behaviour consistent with the ethical principles expressed in the Code and to collaborate with the Board of Directors, the body responsible for its implementation and oversight. The Code is inspired by the main international standards and guidelines on human rights, social responsibility, labour, and governance—including the Universal Declaration of Human Rights, the ILO Conventions, the OECD Guidelines for Multinational Enterprises, and the principles of the Global Compact—and applies to all employees, collaborators, consultants, and business partners, in Italy and abroad.



The general principles that guide Simonelli Group's actions include:

- **Legality:** Compliance with national, European, and international laws and regulations is a fundamental value, which all recipients of the Code are required to observe in carrying out their activities.
- **Responsibility and management of conflicts of interest:** Conduct must be characterized by responsibility, professionalism, and fairness. Any situation that could generate, or appear to generate, a conflict of interest with the Company must be avoided.
- **Honesty, fairness, and transparency:** Simonelli Group promotes a culture of transparency, fair competition, and integrity in relationships with colleagues, customers, suppliers, business partners, and institutions.
- **Integrity:** Ethics is a cornerstone of corporate behaviour. Any conduct that, while intended to benefit the company, conflicts with applicable laws or the values of the Code is excluded.
- **Equal opportunities, promoting diversity, and non-discrimination:** the Group promotes an inclusive work environment where everyone can fully express their potential. All forms of discrimination are opposed and meritocratic criteria are promoted in the selection, development, and development of personnel.
- **Quality:** The commitment to excellence is reflected in the constant attention to the quality of products and processes, including the involvement of suppliers in compliance with high technical and performance standards.
- **Health and safety at work:** Protecting the health and safety of workers is a priority. Simonelli Group promotes a culture of prevention and guarantees safe work environments, in compliance with current regulations.
- **Environmental protection:** Environmental sustainability is pursued through the reduction of emissions, energy efficiency, responsible use of resources, and the adoption of renewable sources, also involving partners in the promotion of best practices.
- **Social responsibility:** The company is attentive to the social impacts of its activities, contributing to the economic, civil, and cultural development of the communities in which it operates and promoting socially responsible procurement practices.
- **Sharing and innovation:** Simonelli Group promotes the dissemination of knowledge, ongoing training, and the sharing of ideas, in the belief that innovation and creativity are fundamental levers for sustainability and competitiveness.

Anti-corruption Policy



Simonelli Group adopts a zero-tolerance policy towards all forms of corruption, committing to conduct all activities **in compliance with applicable regulations, the highest ethical standards, and the principles of transparency, integrity, and**

legality. The **Anti-Corruption Policy** applies to employees, contractors, members of corporate bodies, suppliers, consultants, clients, and business partners and expressly prohibits any act of corruption—active or passive—including gifts, donations, sponsorships, or benefits that could unduly influence the decisions of third

parties, in both the public and private sectors. Simonelli Group Management is responsible for promoting a corporate culture geared toward preventing corruption and ensuring the proper implementation of this policy through appropriate guidance and oversight. The Policy establishes preventive and management measures, including:

- strict rules governing relationships with public administrations, suppliers, and customers;
- controls on extraordinary transactions and human resources management;
- traceability, segregation of duties, and document management requirements;
- internal channels for the protected reporting of violations (whistleblowing);
- a disciplinary system applicable in the event of non-compliance.

Whistleblowing procedure



Simonelli Group has adopted an internal procedure for managing whistleblowing in accordance with Legislative Decree 24/2023, to protect individuals who, in the workplace, detect and report violations of national or European laws that are detrimental to the public interest or the integrity of the company. The procedure applies to employees, collaborators, consultants, shareholders, volunteers, interns, and external parties, including pre-contractual and post-termination phases. Reports—which must be detailed, made in good faith, and not specious—can be submitted in writing (mail) or verbally (telephone/WhatsApp), ensuring the confidentiality of the whistle-blower’s identity and that of the individuals involved. A dedicated Whistleblowing Office is responsible for receiving, analysing, and managing reports, ensuring a response within three months. If a report is substantiated, the findings of the investigation are forwarded to the relevant corporate bodies—particularly the Board of Directors and/or supervisory bodies—or, if necessary, to external authorities, depending on the nature and severity of the irregularities identified. Simonelli Group ensures the dissemination of the Reporting Procedure to employees and third parties through internal notices, emails, and publication on the website. Clear instructions are provided regarding the available internal and external channels, methods, and requirements for filing reports, in accordance with the Decree. Furthermore, any form of retaliation against the whistle-blower is prohibited, who, along with facilitators and related parties, benefits from specific protections. Personal data is processed in compliance with the GDPR and for a five-year period. External reporting via ANAC1 is also possible in specific cases.

Supplier Code of Conduct



Simonelli Group promotes responsible management of its supply chain, based on principles of legality, transparency, respect for human rights, environmental protection, and ethical integrity. With this in mind, it has adopted a **Supplier Code of Conduct**, which defines the minimum standards of conduct required of all the Group's business partners, including subcontractors. The Code applies to the entire supply chain and requires suppliers to:

- Comply with applicable national and international regulations, including standards on human rights, labour, the environment, and health and safety.
- Combat all forms of corruption, child labour, forced labour, or discrimination, ensuring fair, safe, and dignified working conditions.
- Protect freedom of association and collective bargaining, ensuring adequate wages and legally compliant working hours.
- Manage its environmental impacts responsibly, reducing consumption, emissions, and waste, and promoting sustainable practices.
- Protect Simonelli Group's intellectual property and confidential information.
- Ensure transparency and traceability, cooperating with any audits or verifications, and committing to implement corrective actions in the event of non-compliance.
- Report any violations promptly, using the confidential channels established by the Group as part of its whistleblowing system.

The Code represents a central tool for strengthening shared responsibility along the value chain and ensuring that sustainability principles are effectively integrated into supply relationships.



Actions

Simonelli Group prioritizes local suppliers to support the economic and social growth of the communities in which it operates, while also helping to reduce the environmental footprint of logistics. When local companies do not meet its corporate standards, Simonelli Group favours companies that share the same regulatory framework, which offers broad guarantees regarding respect for human and environmental rights, while also facilitating the maintenance of long-term relationships that ensure the stability of the supply chain.

In 2024, Simonelli Group continued to strengthen its **dialogue with its suppliers**, promoting increased awareness of environmental and social issues, with the aim of sharing the Group’s strategic direction and actively engaging partners on the path to sustainable growth.

In this direction, the Supplier Portal represents a key tool for simplifying and making collaboration more transparent: it enables the digital exchange of documents and the real-time sharing of production requirements, with benefits in terms of speed, error reduction, and greater operational flexibility.

Goals

As part of its Sustainability Plan, Simonelli Group has defined a series of strategic objectives aimed at strengthening the company’s sustainability culture and promoting the increasingly effective integration of ESG principles into governance processes and operational management.

The objectives related to governance and supplier relationship management are listed below.

ESG	Main areas	Goals	Base Year	Current Status	Goal Year	Scope
Governance	Strategic suppliers	80% of purchases from strategic suppliers (> 100,000 euros)	2019 77% of purchases from strategic suppliers (> 100,000 euros)	84% of purchases from strategic suppliers (> 100,000 euros)	2030 80% of purchases from strategic suppliers (> 100,000 euros)	Italy
	Sustainability strategies	% of personnel involved in ESG training	2019 8% of personnel involved in ESG training	90% of personnel involved in ESG training	2024 100% of personnel involved in ESG training	Italy
		% personnel involved in the DE&I inclusive path	2019 0% personnel involved in the DE&I inclusive path	90% personnel involved in the DE&I inclusive path	2027 100% personnel involved in the DE&I inclusive path	Italy
		Incentive policies on ESG objectives	2019 No	Definition of ESG KPI	2030 20% MBO on ESG parameters	Group
		Main supplier rating (>€100,000) based on ESG indices	2019 0% (Supplier rating only covered quality and performance indicators.)	10% main supplier ESG rating	2026 10% main supplier ESG rating	Italy

4.1.3 METRICS

Confirmed cases of active or passive corruption and lobbying activities

During the reporting period, Simonelli Group **did not detect any incidents of corruption, either active or passive**. The Group reaffirms its commitment to preventing unlawful conduct through a robust system of internal controls and compliance procedures aimed at ensuring transparency, fairness, and integrity in all corporate activities.

The organization promotes a corporate culture based on ethical and accountable principles, ensuring adequate awareness of legality among employees and stakeholders. The absence of sanctions or proceedings related to corruption is indicative of the effectiveness of the adopted governance model.

Finally, it should be noted that the Group does not engage in lobbying activities.

Active and passive corruption	2024	2023	2022
Number of convictions for violations of laws against active and passive corruption	-	-	-
Amount of fines imposed for violations of laws against active and passive corruption	-	-	-

Payment practice

Simonelli Group adopts a responsible and transparent approach to managing economic relationships with its suppliers, ensuring compliance with contractually agreed terms and promoting fair and timely payment practices. **The Group regularly monitors compliance with payment terms**, with the aim of protecting the robustness of its supply chain, strengthening sustainable business relationships, and reducing the risk of disputes. In line with the provisions of the agreements, Simonelli applies different payment terms, generally 60 days for service providers and 90 days for goods providers. Compliance with agreed payment terms is considered an indicator of the Group's financial strength and ability to honour its commitments, contributing to effective cash flow management and building mutual trust with business partners, as confirmed by the absence of pending legal proceedings due to payment delays.

Payment practice	2024	
	Goods suppliers	Services suppliers
Average time taken to pay an invoice expressed in number of days	< 90 days	< 60 days
% of payments in line with standard payment terms	100%	97%

Reporting scope of payment practices data: Simonelli Group S.p.A.

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