

Section 3

ITALMOBILIARE GROUP

Sustainability Report

GENERAL DISCLOSURES

ESRS 2

Basis for preparation

GENERAL BASIS

BP-1

The Sustainability Report includes, on an annual basis, the services, data and information on the parent company Italmobiliare and on all the companies consolidated in the Annual Report.

In the event of changes to the scope of consolidation during the year, such as the acquisition or sale of companies or changes in the percentage of control, the data and information relating to these companies will in principle be included or excluded in accordance with the Annual Report.

Due to the complexity of the required internal processes, data and information collection may be incomplete for companies that entered the scope in the last months of the reporting period. A similar situation may also arise for companies that left the scope during the reporting period, as only certain data and information are collected throughout the year. No such cases occurred in 2024.

The following tables summarise the evolution of the sustainability reporting scope over the last three years, based on entries and exits from the consolidation perimeter or the portfolio of Italmobiliare and the funds managed by Clessidra.

Parent Company and subsidiaries		2022	2023	2024
Italmobiliare	Parent Company	✓	✓	✓
Subsidiaries				
Caffè Borbone*	Portfolio Company	✓	✓	✓
Officina Profumo-Farmaceutica di Santa Maria Novella*	Portfolio Company	✓	✓	✓
Italgen*	Portfolio Company	✓	✓	✓
CDS-Casa della Salute*	Portfolio Company	✓	✓	✓
Capitelli	Portfolio Company	✓	✓	✓
Callmewine*	Portfolio Company	✓	✓	✓
SIDI Sport*	Portfolio Company		✓	✓
Clessidra*	Portfolio Company	✓	✓	✓
Other subsidiaries**				
Italmobiliare Servizi ***				✓
Credit Mobilier de Monaco				✓
Société d'Etudes de Participations et de Courtages (SEPAC)				✓
Punta Ala				✓

* Companies with wholly owned subsidiaries, all included.

** FTV, FT2, FT3, Sirap Gema, and ITM Bacco have no personnel and share offices with Italmobiliare.

*** Italmobiliare Servizi, as well as Gres Hub and Gres Art, which report to it, share offices with Italmobiliare.

Associates*		2022	2023	2024
Tecnica Group	Portfolio Company	✓	✓	✓
Iseo	Portfolio Company	✓	✓	✓
Farmagorà		✓	✓	✓
Società Editrice Sud (SES)		✓	✓	✓

* Included pro-rata in Italmobiliare's carbon footprint (Scope 3, Category 15).

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Other companies		2022	2023	2024
Unlisted *				
Bene Assicurazioni	Portfolio Company	✓	✓	✓
Listed **				
Ariston		✓	✓	✓
Cairo Communication		✓	✓	✓
Piaggio		✓	✓	✓
Heidelberg Materials		✓	✓	✓
Vontobel		✓	✓	✓

* Non-controlled and non-associated companies, included pro-rata in Italmobiliare's carbon footprint (Scope 3, Category 15).

** Companies with insignificant equity interests (a total of 0.56% of NAV), included pro-rata in the carbon footprint (Scope 3, Category 15).

Clessidra's portfolio companies	2022	2023	2024
Nexi *	✓	✓	✓
L&S**	✓	✓	
Argea **	Clessidra	✓	✓
Viabizzuno **	Private Equity Funds	✓	✓
Impresoft **		✓	✓
Everton **		✓	✓
Sisma ***		✓	✓
AMI ***		✓	✓
Italtel ***	Clessidra	✓	✓
OMA ***	Restructuring Funds		✓
Iscom ***			✓

* Listed company, included pro rata in Clessidra's carbon footprint (Scope 3, Category 15), subsequently consolidated into Italmobiliare.

** Companies under the operational control of Clessidra Private Equity (but not considered subsidiaries under IFRS 10 in the Italmobiliare Group consolidated financial statements), 100% included in Clessidra's carbon footprint (Scope 3, Category 15), subsequently consolidated into Italmobiliare.

*** Companies in which Clessidra Capital Credit holds an operational interest (but not considered associates under IAS 28 in the Italmobiliare Group consolidated financial statements), with a stake >25% and Board representation, included pro rata in Clessidra's carbon footprint (Scope 3, Category 15), subsequently consolidated into Italmobiliare.

Based on the commitments made by the Group and the need for due diligence that derives from them, all policies, actions and objectives extend to the value chain at least in those cases where the materiality analysis has identified significant impacts, risks and opportunities. Metrics extend to the value chain when explicitly required by the relevant ESRS, as per the following table:

Value Chain Metrics	Upstream	Downstream
Italmobiliare (Parent Company)	All metrics required by the impacts, risks, and opportunities identified as material.	
Subsidiaries (Portfolio Companies)		
Other Subsidiaries		
Associates	carbon footprint	
Other Listed and Unlisted Companies		
Companies in Clessidra's Portfolio		

With regard to the reported periods, no specific information has been omitted, whether due to intellectual property, know-how, or innovation, or to upcoming business or portfolio developments or other ongoing negotiations. All economic and financial data used are reconciled with the financial statements.

SPECIFIC CIRCUMSTANCES

BP-2

Short-term (1 year), medium-term (up to 5 years), and long-term (over 5 years) horizons are considered when drafting the report and assessing impacts, risks, and opportunities.

The calculation of the carbon footprint combines analytically collected activity data with data from indirect sources, which are inherently subject to uncertainty. These aspects are described in the following table.

Carbon footprint	Parameters from Indirect Sources
Scope 1: Direct Emissions	Emission factors of fuels
Scope 2: Indirect Emissions	Emission factors of national grids, emission factors for transmission and distribution losses on owned networks
Scope 3: Value Chain Emissions	
1. Purchased Goods and Services	Cradle-to-gate emission factors of purchased goods or services
2. Capital Goods	Cradle-to-gate emission factors of purchased capital goods
3. Other Energy Activities	Well-to-tank emission factors of the fuels used, emission factors of national grids, emission factors for transmission and distribution losses on owned networks
4. Upstream Logistics	Distances travelled by land, train, ship, and air, emission factors for different transport modes
5. Waste Generated	Emission factors for waste recovery or disposal options
6. Business Travel	Distances travelled by land, train, ship, and air, emission factors for different transport modes
7. Employee Commuting	Distances travelled and emission factors for different private transport modes
8. Upstream Leased Goods	Energy consumption and emission factors of national grids
9. Downstream Logistics	Distances travelled by land, train, ship, and air, emission factors for different transport modes
10. Product Processing	Non-material, not applicable
11. Product Use	Emission factors for fuels and electricity and assumptions according to applicable Product Category Rules (e.g., coffee and cosmetics)
12. Product End-of-Life	Emission factors for product end-of-life options
13. Downstream Leased Goods	Energy consumption and emission factors of national grids
14. Franchising	Non-material, not applicable
15. Investments	Carbon footprint from companies included in the reporting, i.e., listed companies and companies with minority stakes, direct or indirect (via Clessidra), over 25% equity and Board presence

In order to ensure the highest level of accuracy, verified and authoritative indirect sources are used, seeking the highest possible coverage with primary data certified by suppliers or, in any case, data derived from companies' sustainability reports, when available. This condition does not always come about, making it necessary to resort to other indirect sources, primarily public sources (Defra, Base Empreinte, CaDI, AIB, specific PCR), LCA and scientific studies. These are generally industry averages or data taken from literature, which have scientific consistency but are not able to trace any positive developments and individual cases. In any case, the use of proxies or estimates is limited.

Other elements of uncertainty concern the calculation of the monetary value of exposure to climate transition risks, i.e., the financial dimension of the gap from the adopted decarbonisation scenario, which is calculated by combining the assessed carbon footprint, the annually updated climate risk rating, and a shadow pricing framework (see page B61). Transition risks are identified with respect to the chosen strategic reference scenario, namely 'Net Zero 2050,' as defined by the Network for Greening the Financial System (NGFS), whose carbon price curve Italmobiliare has also adopted as an effective benchmark for monetising evolving political pressure, market preferences, available technologies, and abatement costs.

The data relating to the financial year 2022 and 2023 are reported for comparative purposes in order to facilitate the understanding of the performance trend. Some restatements of previously reported data were necessary to correct some past errors in data collection or to align the calculation methodologies to those used in 2024. Material restatements are detailed in the table below and have been highlighted in all the data tables concerned.

Data	Reason	Page
Carbon footprint	<p>The 2022 and 2023 carbon footprint data of the Italmobiliare Group have been corrected following refinements during the validation processes by SBTi of the decarbonisation objectives of the individual companies.</p> <p>Scope 1</p> <ul style="list-style-type: none"> Italgas: inclusion of emissions from Land Use and Change related to hydroelectric plant upgrades and diffuse emissions from water reservoirs. <p>Scope 3</p> <ul style="list-style-type: none"> Category 1: Further expansion of the coverage of goods and services procurement, including refinement of emission factors and calculation of the FLAG (Forest, Land, and Agriculture) fraction. Category 2: Further expansion of the coverage of machinery and general CAPEX purchases, including refinement of emission factors. Category 4: Verification of the correct inclusion of all contracted logistics, including downstream logistics. Category 5: Greater detail in assessing emissions related to waste treatment. Category 9: Inclusion of distributors and retail. Category 10: inclusion of Capitelli's food waste processing. Category 11: Refinement of assessment and direct/indirect use separation. Category 12: Increased detail in the assessment of end-of-life emissions, including food waste from Capitelli. Category 13: Inclusion of Officina Profumo-Farmaceutica di Santa Maria Novella franchise shops. Category 15: Overall improvement of data quality. 	B60
Gender Pay Gap	The calculation of the Gender Pay Gap for 2022 and 2023 has been adjusted to align with the definition requested by the ESRS and used in 2024.	B84

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Italmobiliare integrates the requirements of the ESRS standards with additional information, ensuring comparability with previous reports, meeting the expectations of the sustainable commitment platforms it adheres to (e.g., UN Global Compact, Women's Empowerment Principles, Science-Based Targets initiative), and aligning with the transparency requirements of the ESG ratings it participates in (e.g., Sustainalytics, S&P Global, CDP). In drafting the report, references are made to specific information elements contained in different sections of the Directors' Report. Other public disclosures, such as the Report on Corporate Governance and the Ownership Structure and the Remuneration Report, are not documents subject to conformity assurance. Therefore, the Sustainability Report explicitly includes all necessary information elements.

Italmobiliare applies all transitional provisions (phase-in) except for those related to ESRS S1-7, S1-11, S1-12, S1-13, S1-14, and S1-15. Finally, it should be noted that the report is not based on European standards approved by the European standardisation system (ISO/IEC or CEN/CENELEC), although some are used as general references for the applied methodologies or definitions.

Governance

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

GOV-1

Italmobiliare adopts a traditional governance model, characterised by the presence of a Board of Directors and a Board of Statutory Auditors, whose roles are clearly distinct. Within the administrative, management and control bodies, there is no representation of employees or other types of workers.

Board of Directors						Internal Board Committees			
Position	Member	Year of birth	Gender	Executive Member	Independence Code* CLF**	Control and Risk	Remuneration and Nominations	Transactions with Related Parties	Sustainability and Social Responsibility
Presidente	Laura Zanetti	1970	F		✓				✓
Vice Presidente	Livio Strazzera	1961	M		✓				
CEO ***	Carlo Pesenti	1963	M	✓					Chairman
Director	Giorgio Bonomi	1955	M			✓			
Director	Mirja Cartia d'Asero	1969	F		✓ ✓	Chairman		✓	✓
Director	Valentina Casella	1979	F		✓ ✓		✓	Chairman	
Director	Marco Cipelletti	1965	M		✓ ✓		✓		
Director	Elsa Fornero	1948	F		✓ ✓			✓	✓
Director	Luca Minoli	1961	M						
Director	Chiara Palmieri	1970	F		✓ ✓	✓	Chairman		
Director	Roberto Pesenti	1994	M						
Director	Pietro Ruffini	1989	M		✓ ✓				✓

* Corporate Governance Code of Borsa Italiana, to which Italmobiliare voluntarily adheres

** Consolidated Law on Finance - Legislative Decree No. 58 of February 24, 1998, as amended

*** Until December 31, 2024, also COO

Board of Statutory Auditors

Position	Member	Year of birth	Gender	Independence Code* CLF**
Chairman	Pierluigi De Biasi	1956	M	✓ ✓
Standing Auditor	Gabriele Villa	1964	M	✓ ✓
Standing Auditor	Antonia Di Bella	1965	F	✓ ✓
Alternate Auditor	Maria Maddalena Gnudi	1979	F	✓ ✓
Alternate Auditor	Michele Casò	1970	M	✓ ✓
Alternate Auditor	Maria Francesca Talamonti	1978	F	✓ ✓

* Code for Directors

** Consolidated Law on Finance - Legislative Decree No. 58 of February 24, 1998, as amended

The **Board of Statutory Auditors** consists of three independent members, a chairman and two statutory auditors. One member is female.

The **Board of Directors** defines the strategic guidelines of the Company and is responsible for its management with a view to sustainable success. It is vested with all powers of ordinary and extraordinary administration of the Company, as all matters not expressly reserved for the Shareholders' Meeting by law and the By-laws fall under its remit. The Board of Directors has set up a Remuneration and Nominations Committee, a Control and Risk Committee, a Committee for Sustainability and Social Responsibility, all with advisory and propositional functions towards the Board of Directors, as well as a Committee for Transactions with Related Parties in accordance with Consob's RPT Regulation. 5 directors out of 12 are female (42%). 50% of the directors meet the independence requirements laid down in the Corporate Governance Code of Borsa Italiana. This percentage rises to 75% according to the requirements of the Consolidated Law on Finance.

The **Committee for Sustainability and Social Responsibility** has a duty to provide the Board of Directors with advice and proposals in order to implement a development strategy consistent with Italmobiliare's vision and mission, focused on sustainable challenges arising from the evaluation of impacts, risks, and opportunities relevant to governance, economy, society, and the environment. The Committee is headed up by the Chief Executive Officer to ensure that ESG issues are fully integrated with the Company's strategies. The Director of Sustainability, who also performs the functions of the Board's secretary, as well as the Director of Investment Management and the Director of Strategic Development attend each meeting of the Committee. The Committee's responsibilities and procedures are laid down in the Regulation governing the Board of Directors. In particular, the Committee assists the Board in defining Italmobiliare's strategy and mission, related to business operations and the evolution of its internal processes, in carrying out analysis and research in the ESG area, in promoting an integrated culture and in generating long-term shared value for the Company and the Group. Among its specific functions, the Committee:

- verifies and assesses the sustainability strategy adopted, designed to ensure the creation of value over time for the shareholders and for all the other stakeholders, in compliance with the commitments deriving from adherence to international ESG principles;
- promotes the adoption of sustainability principles, partly via the competent company functions, and defines the objectives and monitors their achievement;
- proposes initiatives and projects and indicates best practices in order to strengthen the culture of sustainability throughout the Group and help implement the strategic guidelines, in full compliance with the ESG principles;
- monitors implementation of the policies and guidelines adopted by the Company from time to time with regard to sustainability issues;
- it reviews the sustainability reporting, verifying the methodology applied and the consistency of the identified strategies and objectives. In coordination with the Control and Risk Committee - also through Directors who serve on both Committees - it assesses the adequacy of the sustainability reporting in accurately representing the business model, the Company's strategies, the impact of its activities, and its overall performance, as well as its integration into the ESG framework within the internal control and risk management system.

The **Control and Risk Committee** has a duty to provide the Board with advice and proposals on the Internal Control and Risk Management System and the periodic financial reporting. All of the members have adequate experience in finance, accounting and risk management, as assessed by the Board at the time of its appointment and disclosed to the market. The Committee as a whole has adequate expertise in the sector of activity in which the Company operates.

The Committee's responsibilities and procedures are laid down in the Regulation governing the Board of Directors. In particular, the Control and Risk Committee, in assisting the Board of Directors, among other duties, coordinates with the Committee for Sustainability and Social Responsibility - also through Directors who serve on both Committees - to assess whether the sustainability reporting appropriately represents the business model, the Company's strategies, the impact of its activities, and the results achieved, also for the purposes of the internal control and risk management system.

The **Board of Statutory Auditors** oversees: compliance with the law and the By-laws; compliance with the principles of correct administration; the adequacy of the Company's organisational structure for the aspects within its sphere of competence, the internal control system and the administrative-accounting system, as well as its reliability in giving a true and fair view of the Company's operations; the ways in which the rules laid down in the Corporate Governance Code adopted by the Company are implemented in practice; the adequacy of the instructions that the Company issues to its subsidiaries to ensure the correct fulfilment of the reporting obligations

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laid down by law. Moreover, the Board of Statutory Auditors, as the “Internal Control and Auditing Committee” is responsible for:

- informing the Board of Directors of the outcome of the external audit and the assurance activities on sustainability reporting and submitting to the Board the additional report prepared by the independent auditors, accompanied by any observations;
- monitoring the financial reporting process and sustainability reporting, the procedures implemented by the Company to comply with the reporting standards adopted by the European Commission, as well as submitting recommendations or proposals aimed at ensuring their integrity;
- checking the effectiveness of the internal quality control and business risk management systems and of the internal audit, as regards the financial reporting and sustainability reporting, without infringing their independence;
- monitoring the independent audit of the separate and consolidated financial statements, and the assurance of compliance of sustainability reporting, also taking into account the results and conclusions of any quality checks carried out by Consob, where available;
- checking and monitoring the independence of the independent auditors and sustainability auditors, particularly as regards the adequacy of services provided other than audit;
- the procedure for selecting the independent auditors to be recommended to the Shareholders' Meeting for the appointment.

The composition and management of the governance bodies ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity. As outlined in the adopted governance documents, *“gender diversity, professional profiles, educational background, experience, and age inform the advisory opinion on composition, which the outgoing Board prepares for shareholders at the end of its term, taking into account recommendations from the self-assessment process. The same principles apply to the composition of the Board of Statutory Auditors, ensuring constructive and effective interaction with the Board of Directors. Both directors and statutory auditors must possess skills and experience that, considering Italmobiliare's portfolio composition, enable them to contribute meaningfully to board discussions. Shareholders, when submitting candidate lists, and directors, when co-opting a new director, assess candidate profiles without any form of discrimination.”*

Italmobiliare manages a diversified investment portfolio. Accordingly, the members of the Board of Directors and the Board of Statutory Auditors bring professional experience and/or expertise gained through assignments across various industrial sectors. In particular, the experience of Italmobiliare's directors has been acquired through roles as directors in other companies, as well as through operational, research, university teaching, or consulting activities. Expertise in sustainability, with particular emphasis on the Group's commitments and material impacts, risks, and opportunities, is continuously refined and kept up to date through the work of the Committee for Sustainability and Social Responsibility and periodic training sessions. The CVs are published on the Italmobiliare website.

Among the reporting lines to the administrative, management, and supervisory bodies, the following play a particularly active role in sustainability management and internal process control:

- the **Sustainability Department**, which reports to the Chief Executive Officer and also covers secretarial and management functions for the Committee for Sustainability and Social Responsibility.
- the **Investment Management Department**, which participates in the sessions of the Committee for Sustainability and Social Responsibility and, together with the Sustainability Department, is responsible for aligning the strategy of the Portfolio Companies with the Group's ESG objectives.
- the **Internal Audit Department**, entrusted with risk management, which updates the sustainability risk exposure assessment every six months, supported by the Sustainability Department.
- the **Administration and Control Department**, whose Director also serves as the Financial Reporting Officer.

INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED

GOV-2

Each meeting of the Board of Directors includes an ESG update on the agenda, which covers: the progress of the ESG Plans, defined and refined annually based on identified impacts, risks, and opportunities, as well as any other considerations necessary to implement a business strategy consistent with the Vision and Mission, fully integrating economic, governance, social, and environmental (ESG) components; the trend of key ESG indicators, such as those on safety; and the reporting of any ESG event deemed material. The December session includes an update of the materiality analysis, which is formally approved in February of the following year. The Group's consolidated financial statements are approved in March. At the January and February sessions, the Board of Directors also approves the ESG Plans along with the budget. At the January and July sessions, the Board of Directors approves the annual risk assessment and the semi-annual risk assessment update, respectively.

The agenda of the Committee for Sustainability and Social Responsibility, which meets no less than three times a year, discusses and prepares all strategic decisions to be submitted to the Board of Directors for evaluation and approval, in consistent alignment with the Group's commitments and progressive updates of the materiality analysis.

The main topics addressed in 2024, all related to material impacts, risks, or opportunities (pages B38-B40), reflect the ESG strategic areas adopted by the Group.

Information provided to the administrative, management, and supervisory bodies – Key sustainability topics addressed

Governance and value chain	Update of the Code of Ethics, Sustainability Policies, Responsible Investment Policy, and Partnership Charter
	Responsible supplier management
	ESG rating results (Sustainalytics, S&P Global, CDP)
	Preparation for reporting under the CSRD
Climate strategy	Implementation of Italmobiliare's and the Portfolio Companies' commitment with SBTi
Health, safety, and well-being	Work-related injury trends and initiatives to promote safety culture
Gender and human capital development	Gender gap and training programs

The Board of Statutory Auditors, in its supervisory function, verifies in dedicated information sessions the existence of an adequate process for monitoring performance through annual reporting. ESG processes are also subject to spot checks, according to a rolling programme, by the Risk Management function.

For the operational monitoring of the annual ESG plans, key ESG indicators, and any significant events, the administrative, management, and control bodies rely on continuous oversight by the management, consolidated in monthly meetings coordinated by the Sustainability Department.

INCENTIVE SCHEMES

GOV-3

Italmobiliare's Remuneration Policy, defined in accordance with the Company's governance model and the recommendations made by the Corporate Governance Code to which the Company adheres, has the aim of ensuring the alignment of management's interests with the interests of shareholders and all its stakeholders. In this sense, it constitutes one of the fundamental tools for pursuing the sustainable success of the Italmobiliare Group, through the creation of long-term shared value, thereby contributing to the global challenges and, at the same time, protecting and strengthening its financial performance for the benefit of the shareholders and of all other stakeholders.

By establishing a direct relationship between pay and performance, the Remuneration Policy aims to attract, retain and motivate people with the professional qualities required to manage the Company in line with its Mission to play *"an active and continuous role in the process of portfolio growth and enhancement by combining development, internationalisation and innovation with an effective governance and risk management model, and full ESG integration at all stages of investing"*.

The definition of the Remuneration Policy involves multiple parties and corporate bodies, as envisaged by the Bylaws, current regulations and the governance model adopted by the Company. In particular, this involves the Remuneration and Nominations Committee, the Board of Directors and the Shareholders' Meeting. The Company's Human Resources Department actively supports the parties involved in the Policy definition.

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The Chief Executive Officer, the General Manager, the Key Management Personnel, and all other functional Managers are assigned performance objectives to be achieved during the reference financial year and which are directly linked to the Company's strategic plan (Short-term incentives - MBO). In addition, they are assigned performance objectives to be achieved at the end of a three-year vesting period (Long-term incentive - LTI). Both systems include specific objectives related to the ESG performance, accounting for 20%.

ESG Integration into incentive systems

Short-term incentives MBO	1. Economic and financial results of the Group
	2. Operating indicators/management's running of the Holding Company
	3. ESGs: % progress of the annual ESG Plan defined for the Holding Company and Portfolio Companies, including specific targets in the following strategic areas: <i>Governance and value chain</i> <i>Climate strategy</i> <i>Health, safety and well-being</i> <i>Gender and human capital development</i>
Long-term incentives LTI - Phantom Stock Grant 2023-25	1. Predefined level of Net Asset Value
	2. ESGs: improvement of ESG Ratings <i>Sustainalytics</i> <i>S&P Global</i> <i>CDP</i>

Following the framework of the parent company, all Portfolio Companies have adopted similar incentive systems.

DUE DILIGENCE

GOV-4

In its long history as an investment holding company in the industrial and financial fields, Italmobiliare was one of the forerunners in Italy to have an innovative approach to sustainability. Already in the 1990s it had structured ambitious sustainability programmes in the main industrial holdings, fully integrated into the strategic development priorities and coordinated by dedicated functions. Thanks to this experience, a constant commitment to best practices has matured, from principles to policies, from processes to products, from local and global initiatives to reporting tools.

Today, through the flow of investments and disposals and the management over time of the equity investments held in portfolio, Italmobiliare pursues the sustainable success of the Group by assigning priorities and mobilising financial resources in a targeted and selective manner. The objective is to contribute to global challenges and, at the same time, protecting and strengthening financial performance for the benefit of shareholders and all other stakeholders.

Over time, Italmobiliare has formalised a series of sustainability commitments. In particular, through its participation in the **UN Global Compact**, the world's largest corporate responsibility platform, the Company commits to respecting and promoting the Ten Principles on human and labour rights, environment, and business integrity, as well as contributing effectively to the achievement of the **Sustainable Development Goals (SDGs)**. Furthermore, the Company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPs)**. Finally, by joining the **Science Based Targets initiative (SBTi)**, the Company pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments inform Italmobiliare's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainable strategy, particularly the **Code of Ethics** and the **Sustainability Policies**, which extend and integrate these guidelines. Together, they guide the **Responsible Investment Policy** and are reflected in the **Partnership Charter**.

RISK MANAGEMENT AND INTERNAL CONTROLS OVER REPORTING

GOV-5

Over the years, Italmobiliare has progressively refined its reporting according to international standards on commitments, strategies, objectives, and performance, addressing the structural complexity of the perimeter, which requires solid information flows from all consolidated entities. The mandatory disclosure elements derive from the European Sustainability Reporting Standards (ESRS) and the transparency requirements of the Taxonomy for Sustainable Finance. The voluntary commitments undertaken (e.g., UNGC, WEPs, SBTi), participation in key ESG ratings (e.g., S&P Global, CDP, Sustainalytics), and, more generally, shareholder and stakeholder expectations, require additional disclosure elements. Where applicable, reference is made to GRI Standards. A specific internal procedure outlines the rules governing the entire consolidation and drafting process of the Sustainability Report, ensuring its completeness, accuracy, and transparency through the steps summarised in the table below.

Main Elements of Procedure FI.090 "Sustainability Report"

Preparatory Activities	Update of basic reporting criteria
	Update of the materiality matrix
	Definition of the calendar
Collection and Consolidation of Quantitative and Qualitative Data	Definition of indicators and preparation of data collection sheets
	Sharing of sheets and data collection
	Data consolidation
	Drafting of the Sustainability Report
Examination, Approval, and Oversight	Examination and approval of the draft Sustainability Report
	Oversight by the Supervisory Body
	Certification of the companies included in the reporting perimeter
	Internal certification activities for listed companies
	Limited assurance of the Sustainability Report
	Archiving of supporting documents for the Sustainability Report
	Corporate compliance and market dissemination

For each area of data and information, the procedure defines an owner, responsible for collection and archiving with predefined deadlines during the year, and a validator, who progressively verifies its congruency. A third figure is responsible for monitoring the alignment of the entire process with the procedure. All Group companies have formally adopted a similar approach. During the data and information aggregation phase, the Administrative Department and the Sustainability Department implement further horizontal and vertical consistency checks.

Moreover, the adopted procedure is an integrated component of the Company's internal control and risk management system, addressing the direct requirements to mitigate key specific risks, namely the completeness and integrity of direct data, the representativeness of the estimates used, the collection of data and information from indirect sources, and the timelines with which information is made available for consolidation. More generally, the procedure is integrated into the risk oversight responsibilities outlined in the Organisation, Management, and Control Model adopted by the Company.

Risks under Legislative Decree No. 231/01

Corporate Offenses	Detection, recording, and representation of business activities in accounting records, financial statements, reports, and other business documents
	Management of relationships with the Board of Statutory Auditors and the auditing firm
Market Abuse Offenses	Preparation of informational documents, press releases, and other informational material, in any form, typically intended for investors, financial analysts, journalists, other mass media representatives, or the general public.
Cybercrime Offenses	Management of profiles and logical access to Systems
	Management of electronic documents
Tax Offenses	Detection, recording, and representation of business activities in accounting records, financial statements, reports, and other business documents

The administrative, management, and control bodies are periodically informed about the entire process. In particular, the Board of Directors, after discussion in the Committee for Sustainability and Social Responsibility, is proactively informed about the progressive changes in scope, methodology, or content of the new reporting cycle, aimed at better representing the Group's sustainable commitment and responding to the evolution of relevant regulations.

Following the parent company's model and in support and integration of it, all Portfolio Companies have adopted a similar structured process.

Strategy

STRATEGY, BUSINESS MODEL AND VALUE CHAIN

SBM-1

Italmobiliare Investment Holding, founded in 1946 and listed on the Milan Stock Exchange since 1980, is one of the leading Italian investment holding companies. It is headed up by the Pesenti family and owns and manages a diversified portfolio of equity and other investments with a strategic vision based on a financial and industrial history that goes back more than 150 years. Italmobiliare Investment Holding plays an active and continuous role in the process of portfolio growth and enhancement by combining development, internationalisation and innovation with an effective governance and risk management model, and full ESG integration at all stages of investing.

Italmobiliare Group: Key Facts and Figures for 2024

Employees *		1,731
in Italmobiliare S.p.A. (Parent Company)	#	44
Net Asset Value		2,215.8
Revenue **	millions euro	701.4

* On page B77 the breakdown of employees by geographic area.

** No revenues from fossil fuels (coal, oil, and gas), chemicals, controversial weapons, and tobacco. In line with the Responsible Investment Policy adopted, Italmobiliare has no consolidated revenue and does not invest in the following sectors, considered critical: weapons, coal, oil and gas, conflict minerals and other minerals, recreational drugs, nuclear energy, gambling, GMOs and cloning, pornography, water-intensive sectors or activities, forest-impacting sectors or activities, tobacco. For further details, please refer to the "Operating segment disclosure" section of the consolidated financial statements.

Inspired by its Vision, Mission and Values, adopting the principles and rules of conduct defined by the Code of Ethics and following the guidelines provided by the Sustainability Policies, Italmobiliare manages the flow of investments and disposals in order to guarantee the sustainable success of the Group through the creation of shared value in the long term. Information on the creation and distribution of economic value provides an effective indication of how the Group has created wealth for itself and its main categories of stakeholders.

Economic value generated and distributed		2022	2023	2024	
Economic value generated		518.9	646.4	748.4	
Revenues and income		483.6	585.8	701.4	
Public financing receives *		0.6	1.5	1.2	
Other		34.6	59.2	45.9	
Economic value retained **		23.8	52.4	102.0	
Economic value distributed	millions euro	495.1	594.0	646.4	Stakeholders who benefit
Operating costs		352.9	389.4	437.8	Suppliers of goods and services
Personnel expenses		84.5	104.0	122.7	Personnel
Dividends and interests ***		45.0	69.7	51.7	Shareholders and Minorities
Taxes		8.0	19.3	20.2	Institutions
Finance costs		3.6	10.5	12.8	Capital providers
Social investments		1.1	1.1	1.4	Communities

* In 2024, public financing refers to tax relief, tax credit, subsidies and financial incentives received by Group companies in Italy.

** Amortisation and depreciation, retained earnings and provisions for new investments







*** The 2024 figure includes the dividend that the Board of Directors of Italmobiliare S.p.A. will propose to the Shareholders' Meeting.

The Responsible Investment Policy and the resulting internal procedures define the management methods, with full ESG integration, for all phases of investment and for each type of Net Asset Value (NAV) component, namely investments in portfolio companies, investments in private equity and alternative investment funds, other equity interests, cash, and other assets.

Italmobiliare assigns priorities and mobilises financial resources in a targeted and selective manner, thereby contributing to global challenges and, at the same time, protecting and strengthening financial performance for the benefit of shareholders and all other stakeholders.

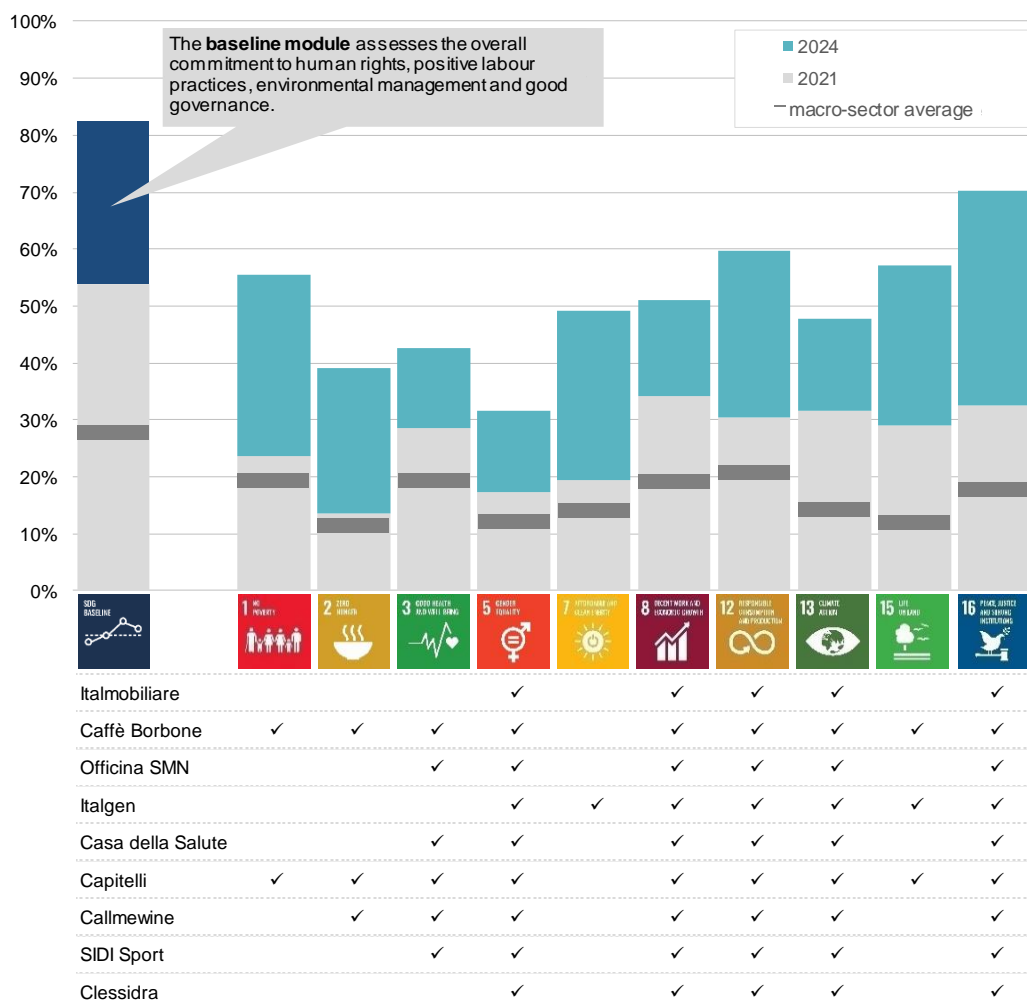
In support of its adherence to the UN Global Compact, Italmobiliare adopts the Ten Principles related to human and labour rights, the environment, and the fight against corruption, and promotes their adoption across all Group activities and companies. Additionally, Italmobiliare actively contributes to the achievement of the Sustainable Development Goals through a sustainable strategy that targets at least the following six objectives, aimed at the creation of shared value.

Italmobiliare Group: Commitment to the SDGs *

Environment		Ensure sustainable production and consumption models
		Promote actions at all levels to combat climate change.
Society		Achieve gender equality and empower all women and girls.
		Promote durable, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance		Peace, justice and strong institutions.
		Strengthen the means of implementation and revitalize the global partnership for sustainable development.

* The Portfolio Companies add other Goals depending on their specific business sectors.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the weighted contribution of the Holding and Portfolio Companies, highlighting the improvement since the first year of the assessment. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



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The **Portfolio Companies** represent the most significant portion of the NAV (67%). This is a portfolio of investments in a limited number of controlled, associated, and non-associated companies, with representatives on the associate's governance bodies, which leverage on Italmobiliare's experience in managing national and international business operations. The portfolio has a medium-long term investment horizon with a focus on value creation.

Portfolio Company	% stake	Description
Caffè Borbone	60%	Caffè Borbone is one of the leading coffee producers specialising in compatible capsules and pods, with a strong distribution network throughout Italy and international commercial presence.
Officina Profumo-Farmaceutica di Santa Maria Novella	95%	Officina Profumo-Farmaceutica di Santa Maria Novella is an unicum in the panorama of cosmetics and fragrances. It is considered the oldest historical pharmacy in Europe.
Italgen	100%	Italgen operates in Italy as a producer and distributor of electricity from renewable sources.
CDS-Casa della Salute	87.855%	A network of specialist diagnostic, dental, physio-kinesitherapy outpatient clinics, characterised by high-quality healthcare services and quick appointment bookings.
Capitelli	80%	Production and sale of cooked and smoked cured meat characterised by a careful choice of meats of selected origin, and an original craft manufacturing process.
Callmewine	80.72%	An e-commerce platform that specialises in the sale of wine, where it ranks as one of the market leaders in Italy. E-commerce also active in the United Kingdom, with a dedicated platform.
SIDI Sport	100%	Production and sale of cycling and motorcycling footwear.
Clessidra	100%	Clessidra Holding S.p.A. is the parent company of the Clessidra Group, one of the main financial operators active in private equity, private credit and factoring.
Tecnica Group	40%	A leading manufacturer of outdoor footwear and ski equipment with the brands: Tecnica, Nordica, Moon Boot, Lowa, Blizzard and Rollerblade.
Iseo	39.245%	A leader in the design, production and sale of mechanical and electronic locks, solutions for security and access management.
Bene Assicurazioni	19.996%	An insurance technology company specialised in the non-life insurance retail market with a focus on the motor segment.

Investments in **Private Equity and alternative investment funds** represent 12% of the NAV. They aim to seize growth opportunities in geographical areas or business sectors not directly covered by Italmobiliare and potentially to allow its shareholdings to develop and diversify. For new investments, preference is for at least "SFDR Article 8 or 9" funds, that promote environmental or social characteristics and verify that the investees respect good governance practices or funds managed by asset management companies adopting ESG policies based on exclusion criteria at least. In 2024, with reference to the related NAV, 60% of investments are represented by products of companies that are signatories to the UN PRI and adopt an ESG Policy. 41% is represented by products at "SFDR Article 8" at least. The table below provides the details of the investments in Private Equity and alternative investment funds, including the main characteristics, also from an ESG perspective.

Asset Manager	Invested Fund	Commitment Year	UN PRI	ESG Policy	SFDR Regulation		
					Art. 6	Art. 8	Art. 9
Clessidra Private Equity	Clessidra Capital Partners 3	2015	✓	✓		✓	
BDT	BDT Capital Partners Fund II	2016					
Isomer Capital	Isomer	2018	✓	✓	✓		
Iconiq Capital	Iconiq Strategic Partners IV	2018					
Connect Ventures	Connect Ventures 3	2018					
BDT	BDT Capital Partners Fund III	2019					
Clessidra Capital Credit	Clessidra Restructuring Fund	2019	✓	✓	✓		
Iconiq Capital	Iconiq Strategic Partners V	2020					
Lindsay Goldberg	LG Lindsay Goldberg 5	2020	✓	✓			
Lauxera Capital Partners	Lauxera Capital Partners	2020	✓	✓	✓		
Clessidra Private Equity	Clessidra Capital Partners 4	2021	✓	✓		✓	
Isomer Capital	Isomer Opp.	2021	✓	✓	✓		
Expedition Growth Capital	Expedition Growth	2021					
8-bit Capital	8-bit	2021					
Isomer Capital	Isomer II	2022	✓	✓	✓		
Connect Ventures	Connect Ventures 4	2022					
Clessidra Capital Credit	Clessidra Private Debt Fund	2022	✓	✓		✓	
Lakestar	Lakestar Early IV	2022	✓	✓	✓		
Lakestar	Lakestar Growth II	2022	✓	✓	✓		
JAB Holding Company	JAB Consumer V	2022	✓	✓	✓		
Visionaries Club	Visionaries Seed	2022		✓	✓		
Visionaries Club	Visionaries Growth	2022		✓	✓		
Clessidra Capital Credit	Clessidra Restructuring Parallel Fund	2023	✓	✓		✓	
Fondo Italiano d'Investimento	FOF Impact Investing	2023	✓	✓			✓
Lindsay Goldberg	LG Lindsay Goldberg 6	2024	✓	✓			
Isomer Capital	Isomer III	2024	✓	✓			
Lindsay Goldberg	LG Lindsay Goldberg Aspire	2024	✓	✓			

The funds managed by Clessidra Private Equity and Clessidra Capital Credit, subsidiaries of Clessidra, are highlighted.

Among the companies in the portfolios of the funds managed by the subsidiary Clessidra, particular relevance is given to those in which the funds managed by Clessidra Private Equity SGR or Clessidra Capital Credit SGR hold majority stakes or stakes greater than 25% with board representation, as well as listed companies, summarised in the table below.

Company	% stake *	Description
Nexi	0.8%	Italy's leading operator in e-money and payment services. Italy's leading operator in credit, debit and pre-paid card issuing and POS acquiring/management services
Argea	54.9%	Italy's largest group in the wine sector, in terms of size, export capacity and production technology.
Viabizzuno	76.6%	An Italian excellence, leader in the high-end architectural lighting market, internationally recognised for creativity, customisation capabilities, and service quality.
Impresoft	54.3%	Provider of proprietary and third-party software solutions, support, and consulting services for the best business applications, services, and solutions to drive digital transformation in businesses.
Everton	86.6%	Manufacturer of tea, herbal teas, and infusions. Located in Tagliolo Monferrato (AL), with direct plants in Italy, India, and Croatia, and a commercial branch in the United States.
Sisma	100.0%	Leader in Italy in the production of cotton wool and derivatives, body care products, and household items, with two production plants in Italy.
Italtel	28.6%	Italian leader in System Integration with expertise in digital innovation solutions such as cybersecurity and hybrid-cloud. Locations in Italy and 13 foreign countries, including Spain, Brazil and Peru.
OMA	30.0%	Stamping and sheet metal parts for high-end automotive production. Production sites in Italy (2) and France (1).
Iscom	100.0%	Metal roofing for large public and private buildings, with a global market reach.

* Stakes held by the asset management companies of Clessidra: Clessidra Private Equity or Clessidra Capital Credit.

The 6% of the NAV is constituted by **Other Investments**, divided into unlisted and listed companies, offering interesting growth prospects or steady returns on investment. Below is the list of only the listed companies, with ownership stakes of non-material significance (accounting for a total of 0.56% of NAV), which are included in Italmobiliare's consolidated carbon footprint and decarbonisation targets.

Listed companies	% stake	Description	Notes
Ariston	0.25%	Ariston Group operates in the sustainable thermal comfort sector, active in the production of renewable and high-efficiency heating solutions.	
Cairo Communication	0.141%	Cairo Communication operates as a television, periodical, and book publisher and as an advertising space sales agency across various media.	
Heidelberg Materials	0.003%	Heidelberg Materials is a leading integrated producers of building materials and solutions, in the cement, aggregates and ready-mixed concrete sectors.	
Piaggio	0.05%	Piaggio & C. operates in the scooter, motorcycle and mopeds and light four-wheeled vehicle sector.	
Vontobel	0.20%	Vontobel Holding is a global investment manager specialising in asset management for private and institutional clients.	

Cash, cash equivalents and other assets (15% of the NAV): liquidity under management and financial assets, represented by limited-value investments, constitute a reserve of cash and cash equivalents, allocated to instruments with a conservative risk profile, available to the Company for possible new investment opportunities. At the end of 2024, this amount represented approximately 12% of the entire NAV. In addition to this activity, there is the management of the real estate assets owned by the Company, including its head office building in Milan.

Italmobiliare refrains from any investment or involvement, even indirect, with entities connected to the production, marketing, use or trading of illegal products or activities. Other proven practices, whether direct or indirect, also lead to exclusion, such as cases of corruption, money laundering, human rights violations, activities in conflict zones, violations of fundamental labour principles, production of goods that are harmful to health, the environment and morality, and obstacles to sustainability in general.

Across all components of the portfolio, Italmobiliare plays an active and continuous role in the growth and enhancement process, combining development, internationalisation and innovation with an effective governance and risk management model and full ESG integration in all phases of the investment. In particular, through the Portfolio Companies that it controls, Italmobiliare promotes products and services that are able to create a positive impact along the entire value chain, for the benefit of shareholders, stakeholders and the environment.

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Sustainable characteristics of products and services

Caffè Borbone	Significant portion of total coffee purchases with certified origin, also in terms of ESG. Single-serve coffee, coffee beans, ground coffee and other products with packaging
Officina Profumo-Farmaceutica di Santa Maria Novella	Formulations with a high presence of ingredients of renewable origin. Packaging with a high content of renewable or recycled raw materials.
Italgen	Production of 100% renewable electricity . Hydroelectric plants and photovoltaic systems.
Casa della Salute	High quality healthcare, with short waiting times thanks to digitalization, affordable prices and low carbon footprint. Certified B Corporation
Capitelli	High-end food products, using raw materials from a supply chain that is also controlled for environmental, social and governance aspects.
Callmewine	Excellent e-commerce service, attentive to customer experience and to the environment, with sustainable packaging and logistics. Carbon neutral from 2023.
SIDI Sport	Development and design of products with safety, ergonomics and sustainability criteria. 100% of packaging materials are renewable.
Clessidra	Management of funds, with a prevalence of products that are at least "Art. 8 SFDR", i.e. those that promote environmental or social characteristics and verify good governance practices.

For the sole controlled Portfolio Companies, the following table provides the macro-description of the value chain, including the main inflows and outflows.

Upstream activities	Direct activities	Downstream activities
Caffè Borbone		
Raw coffee from selected origin countries (mainly Uganda, Vietnam, India, Brazil) purchased through globally operating traders. Selected subcontractors for production. Primary and secondary packaging materials from domestic and European suppliers. Logistics services.	Main production site in Caivano (NA), with roasting and packaging facilities. Distribution and partially production branch in the USA.	Multi-channel distribution through large-scale retail, specialised stores, and e-commerce. The served market is mainly domestic with growing international presence.
Officina Profumo-Farmaceutica di Santa Maria Novella		
Raw materials, cosmetic ingredients, and fragrances purchased from domestic and foreign suppliers. Packaging materials from domestic suppliers. Logistics services. Selected subcontractors for production.	Production site in Florence. 39 directly managed stores in 5 countries (Italy, USA, UK, France, and Japan).	Distributors, e-commerce, and over 300 corners in various countries around the world.
Italgen		
Hydroelectric derivations and concessions in Italy. Machinery and parts for hydroelectric generation primarily sourced from Europe. Solar panels and related equipment mainly sourced from producers outside Europe	30 hydroelectric plants in Lombardy, Piedmont, Tuscany, and Veneto; 6 photovoltaic plants in Marche, Lombardy, and Puglia; and 300 km of proprietary transmission lines.	Distribution through the National Grid, direct customers, and in PPA.
CDS-Casa della Salute		
Suppliers of diagnostic and medical equipment and healthcare consumables. Provision of medical services.	34 specialist diagnostic, dental, and physiotherapy outpatient clinics across Liguria and Piedmont.	Clients and patients.
Capitelli		
Capitelli' pork meat supply chain, selected and traced from breeding, with carefully chosen suppliers of pork meat from Italy and Europe. Selected subcontractors for production. National packaging and logistics suppliers.	Production site for cooked and smoked cured meats in Borgonovo Val Tidone (PC).	Selected large-scale retail. Professional catering and slicers customers.
Callmewine		
Producers of wines and other alcoholic and non-alcoholic beverages. Suppliers of packaging and warehousing and logistics services.	Offices in Milan.	Customers.
SIDI Sport		
Raw material suppliers from Europe and Asia. Semi-finished products from Italy. Subcontractors in Italy and Asia.	Production sites in Maser and Popești-Leordeni (Romania) for cycling and motorcycling footwear.	Distributors and e-commerce.
Clessidra		
Fund investors (Limited Partners). Consulting services.	Offices of Clessidra Holding, Clessidra Private Equity, and Clessidra Capital Credit in Milan. Clessidra Factoring offices in Padua.	Factoring clients.

INTERESTS AND VIEWS OF STAKEHOLDERS

SBM-2

The interests and opinions of stakeholders play a significant role in refining the strategy and business model of Italmobiliare and its Portfolio Companies. Their involvement takes place in different ways according to the types of stakeholders.

Employees are relevant stakeholders for all entities. Their involvement takes place through questionnaires sent to informed company population, company by company.

Investors are highly relevant for Italmobiliare, which is listed on the stock exchange, and for Clessidra, which manages funds from limited partners. **Capital providers** remain key stakeholders in business management. In both cases, their positions are assessed by management based on input gathered during Investor Relations contacts, any ESG qualification processes, or dedicated surveys.

Suppliers of goods and services are particularly relevant for businesses with a complex upstream value chain. A representative selection of the most significant among them, by spending or strategic supply, receives questionnaires for direct collection of their positions.

Distributors and customers are particularly significant for businesses that sell physical products or have direct interactions with customers. A representative selection of the most significant among them, based on market share or strategic importance, receives questionnaires for the direct collection of their positions.

Communities, NGOs and media, both local and global, are relevant to companies with size exposure or significant direct or indirect territorial interactions. When necessary, their positions are assessed by management on the basis of their publicly expressed expectations.

Academia and associations, including those specifically dedicated to sustainability efforts, show growing interest. Their positions are assessed by management based on action programs and publicly expressed expectations or collected through dedicated surveys.

Finally, **authorities and institutions** are particularly significant for activities in highly regulated sectors. Their positions are assessed by management based on their regulatory or oversight activities.

The following table represents the importance of the various categories of stakeholders for Italmobiliare and the consolidated Portfolio Companies, assessed at the time of the materiality analysis.

Stakeholder categories and relevance (scale 1-4)

Company	Employees	Investors and capital providers	Suppliers of goods and services	Distributors and customers	Communities, NGOs, and media	Academia and associations	Authorities and institutions
Italmobiliare	✓						
Caffè Borbone	✓		✓				
Officina SMN	✓						
Italgen	✓	✓					
Casa della Salute	✓			✓			
Capitelli	✓		✓	✓			
Callmewine	✓			✓			
SIDI Sport	✓			✓			
Clessidra	✓	✓					

The dark background represents the most relevant stakeholder categories.

The tick mark indicates the categories from which updated opinions were gathered in 2024.

The entire stakeholder engagement process has been a key feature of the Group's approach to materiality for years, always viewed as a strategic tool. For this reason, periodic updates do not substantially alter the assessments, but rather contribute to confirming and consolidating the strategy and business model of each Group company.

The administration, management, and control bodies are periodically informed about the entire process, particularly the Board of Directors, the Board of Statutory Auditors, and the Committee for Sustainability and Social Responsibility.

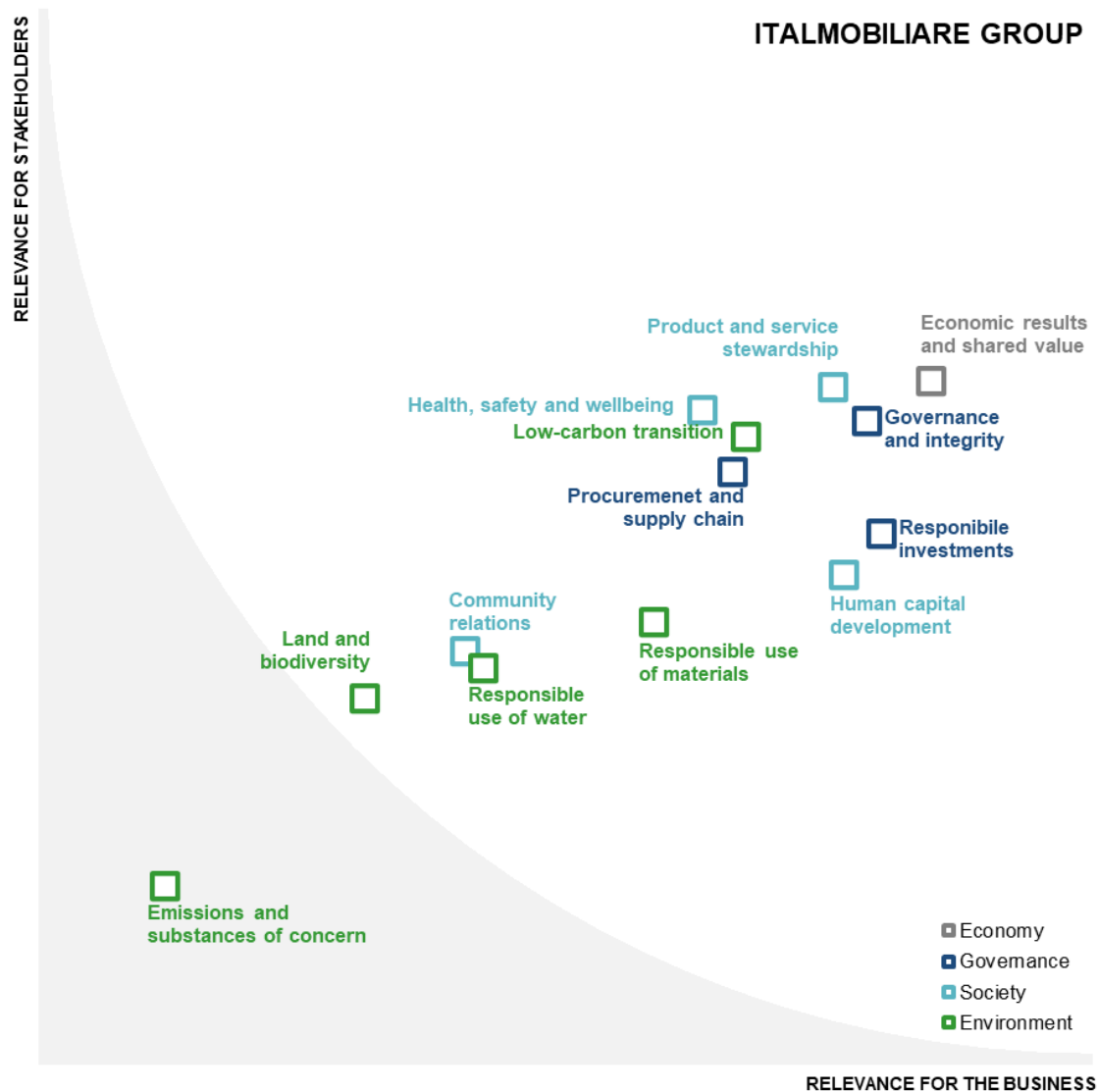
MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are examined in depth by the Committee for Sustainability and Social Responsibility, approved by the Board of Directors and made operational by management through annual and multi-year action plans. The analysis takes place in two stages, as described in greater detail on page B41.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas



In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and positive ▲ Impacts	Initiatives taken
Economic result and shared value	▲ ▲V Generating shared value for stakeholders.	M • Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance & integrity	▲ ▲V Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	M • Adoption of a Code of Ethics, Sustainability Policies, Organisation, Management and Control Model and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Responsible investments	▲ ▲V Effective implementation of transformative power starting from investment decisions, through active management of portfolio companies on to the search for a buyer who can continue the sustainable development of the companies.	M • Adoption of a Responsible Investment Policy aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement & supply chain	▼ ▲V Possibility of non-respect for human rights, labour rights and equal opportunities along the raw material supply chain (e.g. in coffee producing countries).	M • ESG pre-qualification and qualification of business partners. • Sharing governance documents with all partners and stakeholders • Activation of a protected system of whistleblowing that is open to all stakeholders.
	▲ ▲A supply chain that respects basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities.	S • A progressive increase in the purchase of certified supplies.
	▲ ▲ Develop R&D partnerships and projects based on innovation and sustainability.	S • Targeted partnerships and projects with strategic suppliers.
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	S • Continuous and differentiated training for the various professional roles. • Gradual adoption of incentive plans. • Corporate welfare. • Team building initiatives.
Health, safety and well-being	▼ Possibility of accidents at work that could cause injury.	S • Continuous promotion of a safety culture. • Safety leadership by management.
	▲ ▲V Duty of care towards employees, collaborators, visitors and anyone else who enters the premises.	S • Safety Audits and Root Cause Analysis.
Relations with the community	▲ ▲V Initiatives and projects for the local community and in the value chain.	S • Projects for communities near Italgen power plants. • Project for rural communities in coffee producing countries.
Product and service stewardship	▲ V Providing products and services that give sustainable choices to customers, consumers and users.	S • ESG pre-qualification and qualification of business partners. • Selection of raw materials • Eco-design of products, packaging and services. • Process and product certifications. • Effective communication of sustainability commitments and performance.
Low-carbon transition	▼ ▲V Greenhouse gas emissions along the entire value chain.	L • Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. • Adherence to the Science Based Targets initiative and definition of validated medium-term (2030) and net-zero (2050) reduction targets.
	▲ ▲V Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement.	S • Budgets and strategic plans aligned with decarbonisation objectives.
Emissions and critical substances	▲ ▲V Control and monitoring of atmospheric emissions related to production processes. ▲ ▲V Controlled use of "substances of concern", beyond mere compliance with industry regulations.	S • Monitoring and control plans, improvement of abatement systems. • Continuous upgrade of formulations and bills of materials.
Responsible use of water	▲ V Attention to consumption and correct management of water balance, especially in areas with water stress	S • Attention to water treatment plants and their modernisation, especially for Caffè Borbone and Officina Profumo-Farmaceutica di Santa Maria Novella.
Land & biodiversity	▲ ▲V Protection of the balance of the ecosystem in which production activities are located, or along the supply chain of materials, and fight against deforestation.	M • Conservation of river ecosystems for Italgen power plants. • Direct involvement of coffee traders for an increase in certified lots and early commitment to EUDR (European Anti-Deforestation Regulation).
Responsible use of materials	▲ V Product and packaging design with responsible selection and use of materials and waste minimisation, promoting correct end-of-life and reduction of environmental footprint.	S • ESG pre-qualification and qualification of suppliers, with the inclusion of ESG clauses in contracts. • Eco-design of products and packaging.

▲V Material for the value chain: upstream (▲) and downstream (V)

S = Short term M = Medium term L = Long term

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	Risks ▼ and Opportunities ▲	Mitigations and initiatives taken
Economic result and shared value	<p>▼ Group - Risk of cyber attacks and IT infrastructures not fully adequate to support business development, with impacts on operations.</p> <p>▼ Italmobiliare - Changes in the value of associates (*) due to macroeconomic factors in the sectors/countries in which they operate and/or underperformance compared with their development plans.</p> <p>▲ Italmobiliare - Strategic positioning and market leadership of portfolio companies with potential upside if the enhanced value can be realised.</p> <p>▼ Italmobiliare - Possible slowdowns in the implementation of investment/exit strategies and strategy execution in the Group with potential impacts on the expected return and evolution of the portfolio.</p> <p>▲ Italmobiliare - Development of portfolio companies and new investments by enhancing the skills acquired in the sectors of presence and any synergies.</p>	<p> • Implementation of continuous technical and organisational interventions to constantly strengthen and update the defence system.</p> <p>• Specialised roles to strengthen IT areas.</p> <p>• Group security governance framework and monitoring.</p>
	<p>▼ Italmobiliare – Potential compensation payments following liability claims arising from M&A deals.</p>	<p>• Contractual clauses that limit liability according to market standards.</p> <p>• “Fair disclosure” to the buyer during due diligence.</p> <p>• Adequate provisions in the financial statements, when needed.</p>
	<p>▼ Caffè Borbone - Possible difficulties in entering foreign markets. Entering foreign markets is an opportunity; however, the dynamics involved in new and different markets can create critical aspects with respect to the development plan.</p> <p>▲ Caffè Borbone - Possibility of a growth trajectory on foreign markets.</p> <p>▲ Caffè Borbone - Development of new sustainable products and expansion of the product portfolio/range.</p>	<p>• Projects and staff dedicated to new markets.</p> <p>• Brand strengthening.</p>
	<p>▼ Caffè Borbone ^ - Variability of the cost of coffee (**) and the related possibility of implementing the necessary pricing policies even in a highly competitive context.</p>	<p>• Flexibility of green coffee stocks.</p> <p>• Systematic contacts with strategic suppliers and diversification of supply sources/areas.</p> <p>• Evaluation of hedging strategies.</p> <p>• Widespread coverage of sales channels by strengthening both the sales network and the central structures.</p> <p>• Continuous monitoring of margins and pricing policies.</p>
	<p>▼ Group ^v - Failure to achieve ESG objectives, also due to dependence on third parties.</p> <p>▲ Group: Competitive advantage from ESG strategy</p>	<p> • ESG integration into business processes (M&A, budgets, strategic plans).</p> <p>• Refinement and monitoring of ESG plans.</p> <p>• Widespread ESG expertise and creation of ESG networks.</p> <p>• ESG Managers' skills/Focal point in companies</p> <p>• Selective M&A deals.</p>
	<p>▼ Caffè Borbone ^ - Risk (***) of increases in the cost of coffee, packaging material and logistics for a value chain that is considerably exposed to industry regulations, including:</p> <ul style="list-style-type: none"> • Anti-deforestation (EUDR). • Supply Chain Due Diligence (CSDDD). • Packaging Requirements Regulation (PPWR). • ETS and fuel regulations (Green Mobility - FuelEU Maritime Regulation). <p>▲ Caffè Borbone ^ - Strengthening the sustainable supply chain.</p>	<p> • ESG qualification of suppliers</p> <p>• Purchase of certified coffee (target 80% by 2026), EUDR-compliant and connected to decarbonisation projects, also to build trader loyalty.</p> <p>• Purchase of packaging and packaging materials tied to decarbonisation projects, also to build supplier loyalty.</p> <p>• Logistics optimisation</p> <p>• R&D for product evolution</p>
Human capital development	<p>▼ Group Organisational structures being consolidated and stabilised with possible slowdowns in the growth and development path of the business.</p> <p>▲ Group - Attracting and developing talents with diversified skills with effects on growth and sustainability, also thanks to innovative solutions and improvement in processes.</p>	<p> • Strengthening the first and second line management structure.</p> <p>• Holding training courses in management skills</p> <p>• Strengthening internal processes and better definition and communication of roles and responsibilities.</p>
Health, safety and well-being	<p>▼ Group - Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.</p>	<p> • Continuous promotion of a safety culture starting from visible and perceived leadership on the part of management.</p> <p>• Continuous safety training at all levels of the company.</p> <p>• Safety audit</p>
Product and service stewardship	<p>▼ Caffè Borbone v - Risk of product quality and safety levels not fully in line with company standards.</p>	<p> • Complete product traceability system.</p> <p>• Periodic analyses of raw materials and finished products, aimed at food defence.</p> <p>• Certification of management systems according to IFS and ISO45001.</p> <p>• Optical sorting system at raw coffee feed-in silos.</p> <p>• Strengthening of the organisational structure and introduction of further controls, particularly in the R&D area.</p>



* It embeds the strategic risk of individual Portfolio Companies.

** Also physical climate risk, due to extreme weather events at farms.

*** Also climate transition risk.

^v Material for the value chain: upstream (^) and downstream (v)

  = positive / negative outlook in the medium to long term.

	Risks ▼ and Opportunities ▲	Mitigations and initiatives taken
Low-carbon transition <i>Physical risks</i>	▼ Caffè Borbone ^ - Lower availability of high-quality green coffee due to extreme weather events in plantations.	 <ul style="list-style-type: none"> Flexibility of green coffee stocks Systematic contacts with strategic suppliers and diversification of supply sources/areas.
	▼ Italgen ^ - Increase in the variability/intensity of expected precipitation near hydroelectric power plants with effects on energy production.	
	▲ Italgen - Diversification of renewable sources: hydroelectric, photovoltaic and others.	<ul style="list-style-type: none"> Development strategy with focus on source diversification (photovoltaic) Careful planning of periodic maintenance and prudent management of forward sales. Investments in technology for efficiency and business continuity.
	▼ Tecnica Group - Snowfall volatility with potential impact on volumes (winter segment).	<ul style="list-style-type: none"> Diversification of the offering with brands beyond the winter season. Geographical diversification of sales both in Italy and abroad.
Low-carbon transition <i>Transition risks</i>	▼ Caffè Borbone ^v - Reduction in demand (single-serve) due to the growing sensitivity of distributors and consumers to product sustainability with particular attention to the carbon footprint, which depends on: <ul style="list-style-type: none"> Origin of the coffee from sustainable and low-carbon footprint crops. Use of primary packaging that is compostable and/or with a lower plastic content. Use of secondary packaging from low-carbon supply chains. Mix of beans/ground coffee/single-serve. 	 <ul style="list-style-type: none"> SBTi implementation: coffee supply contracts tied to decarbonisation projects. SBTi implementation: supply contracts for packaging and packaging materials linked to decarbonisation projects. Increase in single-serve compostable products. Communication of the intrinsic sustainability of the main product (pods). Elimination of non-recyclable plastics and reduction of plastic packaging. Effective communication of the decarbonisation strategy and SBTi commitments. Monitoring of the biogas/biomethane market and carbon credits from biogas/biomethane (in relation to SBTi). Active role towards roasting machine suppliers to stimulate the introduction of low carbon technologies. Active role towards suppliers of packaging materials and machines to stimulate the introduction of low carbon technologies.
	▲ Caffè Borbone - Evolution of primary and secondary packaging ahead of regulations (e.g. the Packaging Regulation) and market trends through consolidation of the pod market, a progressive increase in compostable capsules, a reduction in the use of plastic and other aspects.	
	▲ Caffè Borbone v - Growing sensitivity of sales channels (large-scale retail trade) to product sustainability with possible effects on volumes sold	
	▲ Officina Profumo-Farmaceutica di Santa Maria Novella v - Progressive reduction in air shipments in favour of more sustainable and economical options.	<ul style="list-style-type: none"> Better planning for the replenishment of ongoing products and new launches in directly managed overseas markets (USA and Japan). Better coordination with non-European partners in managing order supply.
	▲ Group v - Increasing consumer awareness of product sustainability, with potential impacts on volumes.	<ul style="list-style-type: none"> Boosting R&D activities to use more sustainable materials, such as recycled and/or recyclable materials. Better packaging and careful selection of suppliers. Adoption of low-impact logistics solutions.

^v Material for the value chain: upstream (^) and downstream (v)

  = positive / negative Outlook in the medium to long term.

Material impacts, risks, and opportunities are interconnected. The table below highlights the key areas where this interdependence is particularly significant.

	Negative impacts	Positive impacts	Risks	Opportunities
Economic results and shared value		✓	✓	✓
Governance & integrity		✓	✓	✓
Responsible investments		✓		
Procurement and supply chain	✓	✓	✓	✓
Human capital development		✓	✓	✓
Health, safety and well-being	✓	✓	✓	
Community relations		✓		
Product and service stewardship		✓	✓	
Low-carbon transition	✓	✓	✓	✓
Emissions and substances of concern		✓		
Responsible use of water		✓		
Land and biodiversity		✓		
Responsible use of materials		✓		

Impact, risk and opportunity management

DISCLOSURE ON THE MATERIALITY ASSESSMENT PROCESS

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS AND OPPORTUNITIES

IRO-1

Italmobiliare's sustainable policies, strategies and objectives take into account the materiality analysis, carried out and updated annually on the basis of consolidated methodologies in line with the applicable reporting standards. The approach used up to the 2023 Report, aligned with the standards of the Global Reporting Initiative (GRI), has been maintained as a basic point of reference, adding all of the other phases of analysis and detailed requirements set out in the European Sustainability Reporting Standards (ESRS). The elements obtained from the reference documents just mentioned are supplemented by additional material that may be needed to understand the dynamics of the business better.

The assessment of impacts, with respect to the defined relevance threshold, of risks and opportunities, with respect to financial thresholds defined also in function of the NAV, cannot ignore the level of expectations and ambitions defined and progressively reinforced through formalisation of the sustainable commitments made by the Group, which give substance to the duty of care. Direct and indirect activities are included along the entire value chain, considering the most critical geographies in which the individual entities being rated operate. The process is structured and integrated into the overall risk management process. For each individual entity of the Group, it takes place in the two stages described below.

STAGE 1 (MACRO THEMES)

Identification of material macro-areas, seeing where relevance for the business matches relevance for the stakeholders

Step 1	Step 2	Step 3
With the support of the parent company's Sustainability function, the Portfolio Company's front-line functions analyse and assess all aspects of relevance to their business and interpret the point of view of their key stakeholders, thereby ensuring a multidimensional vision. They also assign relevance coefficients to the various components of business interest and to the various macro-categories of stakeholders.	With the involvement of the relevant functions of the parent company, the assessment carried out by the Portfolio Company is examined by proposing, where necessary, alternatives or additions both to the individual assessments of the aspects and to the weighting of the business elements and stakeholder categories.	Representative organisations and individuals are identified within the stakeholder categories assessed as most relevant. With the help of questionnaires, interviews or other engagement tools, their position is collected with respect to the aspects already assessed in the previous steps, integrating it, where deemed useful also in light of the specific requests expressed by the people involved. Direct stakeholder involvement can only influence the assessment for the specific category to which they belong.

Result: graphic matrix that positions the macro themes assessed according to their materiality for the business and materiality for stakeholders.

STAGE 2 (IRO)

Identification of material impacts ("inside-out"), risks and opportunities ("outside-in")

IMPACTS	Step 1 The Sustainability function of the parent company, possibly with the support of the relevant functions of the Portfolio Company, makes the best assessment of the various categories of stakeholder: <ul style="list-style-type: none"> severity and likelihood of negative impacts; magnitude, scope and likelihood of positive impacts. 	Step 2 Representative organisations and individuals are identified within the stakeholder categories assessed as most relevant. With the help of questionnaires, interviews or other engagement tools, their position is collected with respect to the aspects already assessed in the previous steps, integrating it, where deemed useful also in light of the specific requests expressed by the people involved. Direct stakeholder involvement can only influence the assessment for the specific category to which they belong.
	Step 1 With the support of the parent company's Risk Management function, the relevant functions of the Portfolio Company assess as best they can the extent and probability of risks that have or could have financial effects, starting from a "catalogue" defined at Group level. The analysis includes the assessment of dependencies between natural and social resources that can originate risks and opportunities. With a symmetrical methodology, starting from the results of the risk analysis, the opportunities are also progressively assessed.	Step 2 The Risk Management function of the parent company, possibly supported by other functions such as the Investment Management Department and the Sustainability Department, carries out a top-down assessment of the results of the workshops. The goal of this step is to align and standardise the assessments and better represent the risks that require a top-down vision from the shareholder's point of view.

Result: list of Impacts, Risks and Opportunities (IRO) that exceed the set materiality thresholds.

Where relevant, the parameters, the thresholds and considerations used for each ESRS are described in the specific chapters.

The results of the individual entities are subsequently weighted and aggregated in an appropriate way. The application details of each assessment step are defined by the Materiality Guidelines, updated in 2024, and an integral part of the Sustainability Reporting Procedure.

Under the supervision of the Board of Statutory Auditors, the entire process of identifying and assessing impacts, risks and opportunities is discussed or shared, according to their respective competences, in the Sustainability and Social Responsibility Committee and in the Control and Risk Committee. Final approval is up to the Board of Directors.

DISCLOSURE REQUIREMENTS IN ESRS

IRO-2

The following table lists the ESRS disclosure requirements included in the Report. No ESRS received a negative materiality rating.

ESRS 2 - GENERAL DISCLOSURES		Page
Basis for preparation		
BP-1	General basis for preparation of sustainability statements	B22
BP-2	Disclosures in relation to specific circumstances	B23
Governance		
GOV-1	The role of the administrative, management and supervisory bodies	B25
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	B28
GOV-3	Integration of sustainability-related performance in incentive schemes	B28
GOV-4	Statement on due diligence	B29
GOV-5	Risk management and internal controls over sustainability reporting	B29
Strategy		
SBM-1	Strategy, business model and value chain	B31
SBM-2	Interests and views of stakeholders	B36
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	B37
Impact, risk and opportunity management		
<i>Disclosures on the materiality assessment process</i>		
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	B41
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	B42
<i>Minimum disclosure requirement on policies and actions</i>		
MDR-P	Policies adopted to manage material sustainability matters	B44
MDR-A	Actions and resources in relation to material sustainability matters	B46
<i>Metrics and targets</i>		
MDR-M	Metrics in relation to material sustainability matters	B47
MDR-T	Tracking effectiveness of policies and actions through targets	B47
ESRS E1 - CLIMATE CHANGE		
Governance		
E1.GOV-3	Integration of sustainability-related performance in incentive schemes	B54
Strategy		
E1-1	Transition plan for climate change mitigation	B54
E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	B55
Impact, risk and opportunity management		
E1.IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	B56
E1-2	Policies related to climate change mitigation and adaptation	B57
E1-3	Actions and resources in relation to climate change policies	B57
Metrics and targets		
E1-4	Targets related to climate change mitigation and adaptation	B57
E1-5	Energy consumption and mix	B59
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	B59
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	B61
E1-8	Internal carbon pricing	B61
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	phase-in
ESRS E2 - POLLUTION		
Impact, risk and opportunity management		
E2.IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	B62
E2-1	Policies related to pollution	B62
E2-2	Actions and resources related to pollution	B63
Metrics and targets		
E2-3	Targets related to pollution	B63
E2-4	Pollution of air, water and soil	B63
E2-5	Substances of concern and substances of very high concern	B64
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	phase-in

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ESRS E3 - WATER AND MARINE RESOURCES		
Impact, risk and opportunity management		
E3.IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	B65
E3-1	Policies related to water and marine resources	B65
E3-2	Actions and resources related to water and marine resources	B66
Metrics and targets		
E3-3	Targets related to water and marine resources	B66
E3-4	Water consumption	B66
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	phase-in
ESRS E4 - BIODIVERSITY AND ECOSYSTEMS		
Strategy		
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	B67
E4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	B67
Impact, risk and opportunity management		
E4.IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	B68
E4-2	Policies related to biodiversity and ecosystems	B68
E4-3	Actions and resources related to biodiversity and ecosystems	B69
Metrics and targets		
E4-4	Targets related to biodiversity and ecosystems	B69
E4-5	Impact metrics related to biodiversity and ecosystems change	B69
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	phase-in
ESRS E5 - RESOURCE USE AND CIRCULAR ECONOMY		
Impact, risk and opportunity management		
E5.IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	B70
E5-1	Policies related to resource use and circular economy	B70
E5-2	Actions and resources related to resource use and circular economy	B70
Metrics and targets		
E5-3	Targets related to resource use and circular economy	B71
E5-4	Resource inflows	B71
E5-5	Resource outflows	B72
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	phase-in
ESRS S1 - OWN WORKFORCE		
Strategy		
S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	B74
Impact, risk and opportunities management		
S1-1	Policies related to own workforce	B74
S1-2	Processes for engaging with own workers and workers' representatives about impacts	B75
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	B75
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	B75
Metrics and targets		
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	B76
S1-6	Characteristics of the undertaking's employees	B77
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	B79
S1-8	Collective bargaining coverage and social dialogue	B79
S1-9	Diversity metrics	B80
S1-10	Adequate wages	B80
S1-11	Social protection	B81
S1-12	People with disabilities	B81
S1-13	Training and skills development metrics	B81
S1-14	Health and safety metrics	B83
S1-15	Work-life balance metrics	B83
S1-16	Compensation metrics (pay gap and total compensation)	B84
S1-17	Incidents, complaints and severe human rights impacts	B84
ESRS S2 - WORKERS IN THE VALUE CHAIN		
Strategy		
S2.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	B85
Impact, risk and opportunity management		
S2-1	Policies related to workers in the value chain	B85
S2-2	Processes for engaging with value chain workers about impacts	B86
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	B86
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	B87
Metrics and targets		
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	B87
ESRS S3 - AFFECTED COMMUNITIES		
Strategy		
S3.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	B88
Impact, risk and opportunity management		
S3-1	Policies related to affected communities	B88
S3-2	Processes for engaging with affected communities about impacts	B89
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	B89
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	B90
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	B90

ESRS S4 - CONSUMERS AND END-USERS		
Strategy		
S4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	B91
Impact, risk and opportunity management		
S4-1	Policies related to consumers and end-users	B91
S4-2	Processes for engaging with consumers and end-users about impacts	B92
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	B92
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those action	B92
Metrics and targets		
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	B93
ESRS G1 - BUSINESS CONDUCT		
Strategy		
G1.GOV-1	The role of the administrative, supervisory and management bodies	B94
Impact, risk and opportunity management		
G1.IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	B94
G1-1	Corporate culture and business conduct policies and corporate culture	B95
G1-2	Management of relationships with suppliers	B96
G1-3	Prevention and detection of corruption and bribery	B97
Metrics and targets		
G1-4	Confirmed incidents of corruption or bribery	B99
G1-5	Political influence and lobbying activities	B99
G1-6	Payment practices	B101

Italmobiliare does not fall within the scope of the following legislative acts of the European Union, which require additional public disclosure:

- Regulation (EU) 2019/2088 (SFDR)
- Regulation (EU) 575/2013 (Third Pillar)
- Regulation (EU) 2016/1011 (Benchmark Indices)
- Regulation (EU) 2021/1119 (European Climate Law).

MINIMUM DISCLOSURE REQUIREMENT ON POLICIES AND ACTIONS

POLICIES

MDR-P

The formalised commitments to sustainability that inform Italmobiliare's approach to **duty of care** are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

The governance documents explicitly express the commitments made with the UN Global Compact, Women's Empowerment Principles and the Science Based Targets initiative and adopt the highest global references, in particular: the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Conventions, Protocols and Recommendations of the International Labour Organization, the Paris Agreement on Climate Change, International Conventions and Standards on Animal Rights.

To ensure their effectiveness, the documents are subject to periodic review or updating, taking into account the evolution of the commitments undertaken, the expectations of stakeholders and the need for transparency dictated by the main ratings and regulations. They are the subject of adequate communication or training extended to all recipients, included in document exchanges relating to business relationships and, in any case, publicly available through the company's website.

The **Code of Ethics** lays down a set of fundamental principles and rules of conduct for Italmobiliare. Based on Vision, Mission and Values, they constitute a solid point of reference for the sustainable success of the Group through the creation of shared value in the long term. The Recipients of the Code of Ethics are the members of the Corporate Bodies, Personnel, Collaborators and Third Parties, as defined below. The Portfolio Companies adopt Codes aligned with that of the parent company.

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Corporate Bodies	Shareholders' meeting, Board of Directors, Board of Statutory Auditors, Internal Board committees.
Personnel	Employment contracts of any type and nature, including those for executives, project-based staff, part-time staff, temporary staff, internships, and para-subordinate collaboration contracts.
Collaborators	Those who, by virtue of a contract or mandate, act on behalf of Italmobiliare (consultants, intermediaries, special attorneys).
Third Parties	Those who have business relationships with Italmobiliare, such as suppliers, distributors, partners, co-investors, and recipients of social initiatives, donations, and sponsorships.

Sustainability Policies extend and integrate the Code of Ethics and have the same recipients. They apply in relations with all the Group's counterparties, in due diligence, mergers or acquisitions and in the active involvement of all stakeholders in its sphere of influence. The "Guiding principles" are their cornerstone, further detailed in six dedicated policies: Health and safety, Diversity and inclusion, Environment and resources, Energy and climate, Rights and society, Quality and responsibility. The Portfolio Companies adopt Sustainability Policies aligned with those of the parent company.

The Code of Ethics and the Sustainability Policies bind directors, employees, collaborators and all those who operate in any capacity with Italmobiliare in all internal and external relationships with the Company to comply with the principles and provisions contained therein.

In particular, the members of the Board of Directors are required to draw inspiration from them when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies managed. The same applies to the managers, in giving concrete implementation to the management activity both internally, thus strengthening cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the Company. The Portfolio Companies adopt Policies aligned with those of the parent company.

The **Responsible Investment Policy** transforms the Code of Ethics and the Sustainability Policies into an operational guide for investments, detailing the activities foreseen in the pre-investment, ownership, and divestment phases, and differentiating by investment type. It covers all the components that contribute to Italmobiliare's Net Asset Value.

Contribution to the SDGs is a fundamental metric for evaluating the sustainable success of the Group. Among the various elements to be assessed, the prospects for improving the ESG positioning and alignment with Italmobiliare's sustainable strategy play a significant role.

To this end, Italmobiliare refrains from any investment or involvement, whether direct or indirect, with entities involved in the production, marketing, use or trade of illegal products or activities. Other ascertained direct or indirect practices also lead to exclusion: for example, corruption, money laundering, human rights violations, activities in conflict zones, violations of the fundamental principles of labour, production of goods harmful to health, the environment and morality, an obstacle to sustainability in general. Furthermore, the activities and sectors subject to particular attention, on which negative screening is applied, are detailed in "sectoral criteria" of the Responsible Investment Policy.

The choices of capital allocation, with limited use of financial leverage, are aimed at long-term "core" majority shareholdings, with clear development and enhancement objectives, as well as minority shareholdings with a main focus on stable dividend generation or strong growth.

The attention paid to the sustainability profiles finds continuity in the management phase of the companies in the portfolio, through an active dialogue with the investee companies aimed at fully integrating sustainability into the business strategy. In the organisation of Italmobiliare, the task of translating the strategic indications received from the Board of Directors into current management operations is the responsibility of the Investment Management Department, supported by the other functional departments at holding company level.

The Responsible Investment Policy is applied in the operating procedures adopted, specific to each type of investment. Clessidra adopts Investment Policies aligned with those of the parent company.

Investment roadmap: the ESG essentials

Pre-investment screening	▶ Year 1: Onboarding	▶ Year 2+: Value creation	▶ Exit or new cycle
EXCLUSION LIST (sectoral criteria) Weapons Coal, oil and gas Conflict minerals and others Recreational drugs Nuclear energy Gambling GMOs and cloning Pornography Water-intensive sectors and activities Forest-intensive sectors and activities Tobacco POSITIVE SCREENING Capability to contribute to SDGs Promotion of social or environmental characteristics and good governance ESG DUE DILIGENCE Throughout entire value chain, including climate risk and taxonomy	IMPRINTING Diverse and qualified BoD UN Global Compact Women's Empowerment Principles SBTi Commitment 100% renewable energy GOVERNANCE Code of Ethics Sustainability Policies Model 231: business integrity Partnership Charter STRATEGY Materiality analysis ESG & SDGs assessment Gap analysis ESG plan <i>Continuous coaching, training and managerial support to all Portfolio Companies. Monitoring the progress of ESG Plans and leading KPIs through operational dashboards and monthly meetings. ESG updates as the first item on the agenda of all Board of Directors meetings for the holding and portfolio companies. Monitoring, data collection and reporting aligned with best Group's practices and legal requirements (CSRD, Taxonomy, SFDR).</i>	ENVIRONMENT Decarbonisation strategy (SBTi) Renewable or recycled materials Responsible packaging No-deforestation practices Biodiversity conservation SOCIAL Diversity, equity & Inclusion Health, safety and wellbeing Continuous training Career management Product/service stewardship Community investments GOVERNANCE Sustainable procurement Certified management systems ESG Rating Sustainability report	ESG INFO Transparency on ESG performance and on sustainable transformation achieved MISSION LOCK Search for buyer that could continue the ESG process

Italmobiliare aims to establish business partnership based on a high level of integrity and sustainability. Therefore, Italmobiliare expects its business partners to be effectively and demonstrably aligned with the principles expressed in the **Partnership Charter** regarding human rights and labour, health and safety, environment, integrity, compliance, and transparency. This requirement concerns not only the Partner itself and the activity carried out directly by the same, but also the contractual relationships with third parties that are part of its value chain. Business partners include suppliers of goods and services, contractors, distributors, and any other business partner, co-investor, or beneficiary, in their direct activities, contractual relationships with any subcontractors or sub-suppliers, and, in general, in the creation and management of their respective value chains.

The Portfolio Companies adopt Charters aligned with that of the parent company. On page B96, more details about the Partnership Charter are provided, with particular reference to suppliers.

ACTIONS AND RESOURCES

MDR-A

In its long history as an investment holding company in the industrial and financial fields, Italmobiliare was one of the forerunners in Italy to have an innovative approach to sustainability. Already in the 1990s it had structured ambitious sustainability programmes in the main industrial holdings, fully integrated into the strategic development priorities and coordinated by dedicated functions. Thanks to this experience, a constant commitment to best practices has matured, from principles to policies, from processes to products, from local and global initiatives to reporting tools.

This is the legacy that Italmobiliare has applied and continues to apply with experience, expertise and passion in its way of operating, contributing to global challenges and, at the same time, protecting and strengthening financial performance for the benefit of shareholders, portfolio companies and all the other stakeholders.

Portfolio sustainability is part and parcel of the Group's value creation strategy. It follows that the actions and resources assigned to them are incorporated indistinguishably into strategic planning and annual budgets.

Lines of action are dictated by the Responsible Investment Policy and, in particular, by the ESG Roadmap described above. The cornerstones of strategic action are: governance and value chain; climate strategy; health, safety and well-being; gender and human capital development. These are the themes that pervade the goals, actions and metrics described in detail below.

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METRICS AND TARGETS

METRICS

MDR-M

In order to assess the performances relating to the impacts, risks and opportunities identified as material, the specific metrics defined by the applicable ESRS are used, integrated where necessary with data and information that meet the expectations of the sustainable commitment platforms to which Italmobiliare adheres (UN Global Compact, Womens' Empowerment Principles, Science Based Targets initiative) and are in line with the transparency requisites required by the ESG ratings in which it participates (Sustainalytics, S&P Global, CDP).

Details of the methodologies used, as well as the assumptions, limitations and other elements that may be useful for interpreting the data and understanding the level of performance achieved are reported in the text or in the tables.

TARGETS

MDR-T

Italmobiliare defines ambitious ESG programmes for its Portfolio Companies, which are fully integrated into strategic development priorities and coordinated by dedicated functions, acting on four fundamental levers:

- Governance and value chain
- Climate strategy
- Health, safety & wellbeing
- Gender and human capital development







On an annual basis, these same levers define the targets that are linked to the variable remuneration of management. The following are the targets identified at Group level as a guideline for the next three years.

Medium-term objectives		Target	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with pre-qualification, qualification and ESG contractual clauses.	75%	2027	--	--	--
Climate strategy	Validation of carbon footprint reduction targets according to the requirements of the Science Based Targets initiative (SBTi) for all Portfolio Companies.	100%	2025	--	--	25% *
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked.	0	2025+	3,3	4,8	5,4
Gender and human capital development	Achieve and maintain a significant level of training hours per person.	>40	2027	33	28	24

* Italgem and Officina Profumo-Farmaceutica di Santa Maria Novella received validation of their targets at the beginning of 2025.

The Portfolio Companies embrace these targets, broken down according to their characteristics and level of maturity achieved on the path towards sustainability that is activated upon entry into the Italmobiliare Group portfolio.

The strategic objectives defined in 2022 in support of the Sustainable Development Goals that the Responsible Investment Policy identifies as a point of reference for value creation remain valid. They will be updated in 2025. The progress made in 2024 is shown below.

		Target 2025	2020	2021	2022	2023	2024
	Objective: GENDER EQUALITY Supported by adherence to the Women Empowerment Principles, the goal is to create conditions of inclusiveness and social culture that nurture a pathway aimed at achieving gender equality, starting from management positions.						
Women in managerial positions (Managers and Middle managers)	%	>40%	22%	33%	31%	35%	38%
Gender pay gap unadjusted *	%	reduction	--	--	47%	63%	47%
* In 2023, the variable compensation of the 3-year Long Term Incentive plan for the management of the Holding was paid.							
	Objective: DECENT WORK Every accident at work is unacceptable, therefore the only acceptable goal is Zero Accidents. Only the creation of a culture of safety, well beyond the legal obligations, allows to record progresses.						
Injury frequency rate (> 24h)	# / million worked hours	0	4.8	6.8	3.3	4.8	5.4
Hours of training	hours / person	>40	5	29	33	28	24
	Objective: RESPONSIBLE PRODUCTION Renewable or recycled materials out of the total materials used support the transition to a regenerative economy.						
Responsible resources: raw materials	%	>80%	46%	90%	90%	91%	96%
Responsible resources: packaging	%	>60%	64%	58%	58%	80%	80%
	Objective: NET-ZERO In 2024, the SBTi expert team validated the Group's emission reduction targets.						
Carbon intensity: scope 1	tCO ₂ / million € Revenues	reduction	17	15	13	13	12
Carbon intensity: scope 2		0	62	8	0	0	0
Carbon intensity: scope 3 categories 1-14		reduction	593	617	640	573	605
Carbon intensity: scope 3 category 15			2,281	3,479	3,442	3,131	1,407
	Objective: BUSINESS INTEGRITY Organisation, Management and Control Model (Modello 231). For new investments, adoption is expected no later than the second year of active management.						
Companies with Modello 231	%	100%	83%	88%	100%	100%	100%
	Objective: SUSTAINABLE PARTNERSHIP Code of Ethics explicitly oriented toward sustainability; evolved Sustainability Policies; Partnership Charter with ESG pre-qualification. For all new investments, implementation is planned within the first year of active management.						
Companies with Code of Ethics		100%	67%	100%	100%	100%	100%
Companies with Sustainability Policies	%	100%	33%	100%	100%	100%	100%
Companies with Partnership Charter		100%	--	--	81%	89%	100%

ENVIRONMENTAL INFORMATION

Taxonomy

Regulation (EU) 2020/852

With reference to Delegated Regulation (EU) 2020/852 of 18 June 2020, Delegated Regulation (EU) 2021/2139 of 4 June 2021 and Delegated Regulation (EU) 2023/2486 of 27 June 2023, the following economic activities of the Italmobiliare Group were found to be eligible.

Economic activities of the Italmobiliare Group found eligible

4.1 Production of electricity through photovoltaics;
4.5 Construction or management of hydroelectric plants;
4.10 Storage of electricity;
6.5 Cars, light commercial vehicles and motorcycles;
7.1 Construction of new buildings;
7.2 Renovation of existing buildings;
7.3 Installation of energy efficiency devices;
7.4 Charging stations for electric vehicles;
7.6 Installation of renewable energy technologies;
8.1 Data hosting;
8.2 IT consulting;
2.2 Alternative water resources for purposes other than human consumption;
4.1 Data-driven IT/OT solutions for the circular economy;
5.1 Repair, redevelopment and remanufacturing.

Furthermore, the following activities of Italgas S.p.A. and its subsidiaries were found to be not only eligible but also aligned with reference to the climate change mitigation objective.

Economic activities of the Italmobiliare Group found eligible and aligned

4.1 Production of electricity through photovoltaics;
4.5 Construction or management of hydroelectric plants;
4.10 Storage of electricity;

In particular, the substantial contribution of the three activities mentioned above was found to be aligned with the climate change mitigation objective due to the nature of the activities and the intrinsic characteristics of the plants.

In order to verify the alignment with the EU Taxonomy, in addition to the substantial contribution (SCC), the DNSH (Do Not Significant Harm) principles were also analysed, i.e. the satisfaction of the technical screening criteria in order not to cause significant damage to the other five environmental objectives and it was verified that the activities are carried out in compliance with the minimum safeguard guarantees, as described below.

Phase 1 - Identification of eligible economic activities: all the activities within the Group that are included in the Climate Delegated Act, the Complementary Delegated Act and the Environmental Delegated Act were identified. The analysis was carried out considering the six objectives, with respect to which the Group was mainly exposed to the climate change mitigation objective and to a marginal extent to the climate change adaptation and circular economy objectives.

Phase 2 - Analysis of the substantial contribution: the eligible activities identified in the previous phase were analysed in detail to verify their compliance with the specific technical criteria established in relation to their substantial contribution and specifically to the mitigation of climate change. The analysis was conducted following the criteria set out in the Delegated Act on Climate, in particular the substantial contribution to the climate change mitigation objective of Italgas's plants is verified:

- for photovoltaic plants intrinsically in consideration of the plant technology;
- for hydroelectric plants as they are flowing water and without artificial reservoirs. It is specified that only three of the assets use a basin, respecting the power density criterion of the plant greater than 5 W/m²;
- for energy storage plants in relation to the methods of construction and management of the storage (including pumping from hydroelectric energy).

Phase 3 - Assessment of DNSH principles: an analysis of existing environmental procedures was performed to verify compliance with DNSH criteria for each technology related to electricity generation activities (activities 4.1 and 4.5) and electricity storage (4.10) considering the specific requirements set by the climate change mitigation objective:

- DNSH adaptation to climate change: assessment of physical climate risks and identification of mitigation actions;
- DNSH sustainable use and protection of water and marine resources: analysis of water-related procedures, authorizations, national regulations and water management plans;
- DNSH transition to a circular economy: application of Legislative Decree 152 of 2006 compatible with waste management, purchasing requirements and projects and maintenance of the certified ISO 14001/2015 environmental management system;
- DNSH protection and restoration of biodiversity and ecosystems: compatibility with national and regional procedures and regulations.

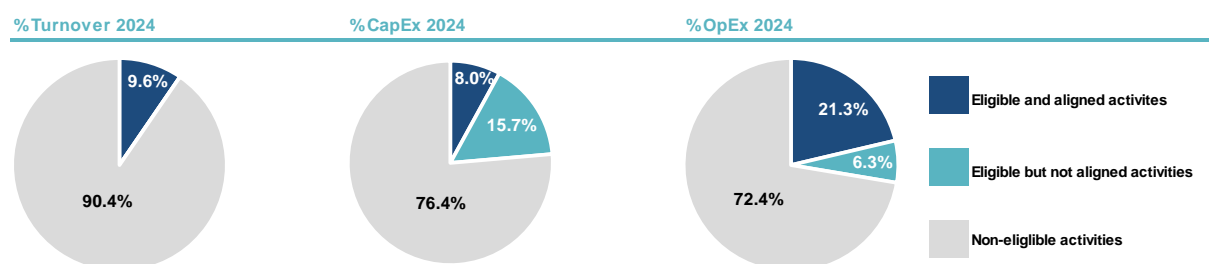
Phase 4 - Verification of minimum social safeguards: the formal commitments to sustainability that inform Italmobiliare's approach to due diligence are used as a reference (page B29) and are explicitly included in the governance documents adopted to support its sustainable strategy, in particular in the Code of Ethics and the Sustainability Policies, which extend and integrate its orientations. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

The volumes of turnover, capital expenditure and operating expenses that appear in the denominator of the indicators coincide with those reported in the 2024 Financial Report.

The values in the denominator correspond to net revenues for the turnover indicator, to increases in tangible and intangible assets considered before depreciation, depreciation and any revaluation for the capital expenditure indicator, and to non-capitalised direct costs related to research and development, building renovations, short-term rentals, maintenance and repairs of property, plant and machinery, and other direct expenses necessary for the continuous and effective operation of the assets for the operating expenses indicator.

The volume of sales relating to the aligned and eligible activity "Production of electricity using photovoltaic solar technology" includes the revenues deriving from this activity carried out by the Italgem group, i.e. the total net revenues of the subsidiaries Solar Rooftop S.r.l. and Solar Derthona S.r.l., approximately 34% of the net revenues of Rovale S.r.l., and a portion attributable to the photovoltaic production of Italgem itself, equal to approximately 1% of its net revenues.

The volume of sales relating to the aligned and eligible activity "Production of electricity from hydroelectric energy" includes the revenues deriving from this activity carried out by the Italgem group, comprising approximately 66% of the net revenues of Rovale S.r.l. (including the revenues of the subsidiary Idrolima S.r.l.), 100% of the net revenues of Idrodezzo S.r.l. and Idroenergy S.r.l. dedicated exclusively to hydroelectric production, and the portion of turnover attributable to the hydroelectric production of Italgem itself, equal to approximately 99% of its turnover. These figures were determined on the basis of the companies' management accounting records for 2024.



	Proportion Turnover/ Total turnover		Proportion CapEx/total CapEx		Proportion di OpEx/total OpEx	
	Aligned	Eligible	Aligned	Eligible	Aligned	Eligible
CCM	9.6%	9.6%	8.0%	22.3%	21.3%	24.6%
CCA				15.4%		6.3%
WTR						
CE				0.3%		0.0%
PPC						
BIO						

Section 3 | ITALMOBILIARE GROUP – SUSTAINABILITY REPORT

Substantial contribution criteria													DNSH criteria ('Does Not Significantly Harm')						
Economic Activities	Code	Turnover	Proportion of turnover, year 2024	Climate change mitigation				Pollution				Circular economy				Minimum safeguard guarantees	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, year 2023	Category (enabling activity)	Category (transitional activity)
				Y: N: E/EL	Y: N: E/EL	Y: N: E/EL	Climate change adaptation	Water	Pollution	Y: N: E/EL	Y: N: E/EL	Y: N: E/EL	Circular economy	Biodiversity	Y/N				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	1,808,985.00 €	0.3%	Y	E/EL								Y	Y	Y	0.1%			
Construction or operation of electricity generation facilities that produce electricity from hydropower	CCM 4.5	65,177,607.00 €	9.3%	Y	E/EL								Y	Y	Y	8.3%			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		66,986,592.00 €	9.6%	100%	0%								Y	Y	Y	8.4%	E		
Of which enabling			0.0%													0.0%			
Of which transitional			0.0%													0.0%		T	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.00 €	0.0%														%		
A. Total turnover of Taxonomy-eligible activities (A.1 + A.2)		66,986,592.00 €	9.6%														0.0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		634,383,408.00 €	90.4%																
TOTAL		701,370,000.00 €	100.0%																

Substantial contribution criteria														DNSH criteria ('Does Not Significantly Harm')																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Economic Activities	Code	CapEx	Proportion of CapEx, year 2024	Climate change mitigation						Climate change mitigation						Minimum safeguard guarantees	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2023	Category (enabling activity)	T																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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Section 3 | ITALMOBILIARE GROUP – SUSTAINABILITY REPORT

Substantial contribution criteria													DNSH criteria ('Does Not Significantly Harm')																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Economic Activities	Code	OpEx	Proportion of OpEx, year 2024	Climate change mitigation						Circular economy						Pollution						Climate change mitigation						Minimum safeguard	Biodiversity	Circular economy	Pollution	Water	Climate change adaptation	Water	Pollution	Climate change mitigation	Biodiversity	Circular economy	Pollution	Water	Climate change adaptation	Water	Pollution	Climate change mitigation	Biodiversity	Circular economy	Pollution	Water	Climate change adaptation	Water	Pollution	Climate change mitigation	Biodiversity	Circular economy	Pollution	Water	Climate change adaptation	Water	Pollution	Climate change mitigation	Biodiversity	Circular economy	Pollution	Water	Climate change adaptation	Water	Pollution	Climate change mitigation	Biodiversity	Circular economy	Pollution	Water	Climate change adaptation	Water	Pollution	Climate change mitigation	Biodiversity	Circular economy	Pollution	Water	Climate change adaptation	Water	Pollution	Climate change mitigation	Biodiversity	Circular 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Climate change

ESRS E1

GOVERNANCE

INCENTIVE SCHEMES

E1.GOV-3

At least for the CEO, the General Manager, the Key Management Personnel, and all other functional Managers, the short-term (MBO) and long-term (LTI) incentive systems include evaluation elements linked to the climate strategy.

Integration of the climate strategy into incentive systems *

MBO 2024 **	Climate strategy ~5% (total ESG targets 20%) <i>SBTi: Oversight of the adherence process and target setting for Portfolio Companies</i> <i>SBTi: Oversight of the adherence process and target setting for Clessidra and its eligible investments</i> <i>SBTi: Oversight of the alignment process for other eligible investments</i> <i>Carbon footprint reduction: Oversight of the alignment process for Portfolio Companies</i> <i>CO₂ shadow price: Oversight of the alignment process for Portfolio Companies</i>
LTI - Phantom Stock Grant 2023-25	CDP Rating ~7% (total ESG targets 20%) <i>Achievement of a CDP rating at level "B"</i>

* The listed items are explicitly and directly connected to the climate strategy. Numerous other elements included in the short- and long-term incentive systems contribute indirectly to the same objective.

** It represents the weighted average of the MBOs set for the management of all Portfolio Companies.

STRATEGY

CLIMATE TRANSITION PLAN

E1-1

In March 2023, the Board of Directors approved Italmobiliare's membership of the Science Based Target initiative (SBTi). Following the commitment made and after discussion in the Sustainability and Social Responsibility Committee and approval by the Board of Directors, in October 2023 Italmobiliare submitted its near-term targets to the technical validation of SBTi, completed in July 2024. The near-term validated targets, described in detail on page B57, and the already formalized commitment to define long-term targets to achieve Net-Zero emissions by 2050, inform Italmobiliare's decarbonisation plan, in line with the +1.5°C scenario set by the Paris Agreement. In the chosen base year (2023), the plan targets covered 76% of NAV and substantially 100% of the Group's carbon footprint. The identified actions are included in the investment/divestment strategy, strategic planning and annual budgets. The plan objectives are published on the Italmobiliare website, in the sustainability section. Further details in the table below.

Decarbonisation plan: Operational Modalities and Key Actions

Parent Company *		Direct actions integrated into strategic and budget planning:
	Scope 1	• Progressive replacement of thermal systems with heat generators powered by renewable electricity
Subsidiaries **	Scope 2 (MB)	• Increase in self-production of renewable electricity
All Portfolio Companies *	Scope 3 (1-14)	• Maintenance of exclusive use of renewable electricity • Low-carbon design of products and services • Supplier engagement and contracts tied to decarbonisation targets
Associated Companies ***		• Indirect actions through companies' adherence to SBTi, investment contract clauses / shareholders' agreements, continuous engagement of Boards of Directors, and operational support.
All Portfolio Companies with a stake >25% and presence on the Board of Directors	Scope 3 (15)	• Investment / divestment strategy based on SBTi commitment.
Listed Companies		
All	Scope 3 (15)	Investment / divestment strategy based on SBTi commitment.
Companies in Clessidra's Portfolios		
All listed companies		
All companies with a stake >25% and presence on the Board of Directors	Scope 3 (15)	• Actions by the subsidiary Clessidra, direct or indirect, including companies' adherence to SBTi, clauses in investment agreements/shareholder agreements, continuous Board engagement, and operational support. • Clessidra's investment / divestment strategy based on SBTi commitment.

* Includes subsidiaries Italmobiliare Servizi, FV, FT2, FT3, and Sirap Gema, which share its carbon footprint.

** All Portfolio Companies are included, except for Credit Mobilier de Monaco, Société d'Études de Participations et de Courtages (SEPA), and Punta Ala, which are office-based or intangible activities with an almost negligible carbon footprint. Together, they represent less than 0.4% of NAV.

*** Among associates, Farmagorà and SES are excluded (no presence on the Board of Directors). Together, they represent less than 1.5% of NAV.

The long-term evolution of the plan foresees the intensification of the actions described above, with the use of offsets not exceeding 10% of the overall carbon footprint by 2050.

Section 3 | ITALMOBILIARE GROUP – SUSTAINABILITY REPORT

Decarbonisation of the portfolio is an objective fully integrated into the value creation strategy of the Group Capex and Opex linked to direct action by the Parent Company and controlled portfolio companies, the main examples of which are described in the table, aim to reduce the carbon footprint, but also to consolidate the supply chain, making production processes more efficient, improving products and services in line with global challenges and the expectations of the markets served by the Group. It is therefore impossible to categorise them exclusively. In any case, these actions help to align the Group's turnover, Capex and Opex with the European Taxonomy for Sustainable Finance.

The same consideration applies to the actions that the significant influenced portfolio companies and eligible companies in the portfolio of the funds managed by Clessidra include in their strategic plans and annual budgets. The presence of Italmobiliare and Clessidra on their respective Boards of Directors guarantees continued commitment to SBTi objectives.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

E1.SBM-3

All of the Group's activities are responsible for greenhouse gas emissions. In line with the commitment to decarbonisation, the impact is always considered material regardless of the size of the carbon footprint. At the same time all of the Group's activities are committed to creating a positive impact for the benefit of the environment and stakeholders, pro-actively improving the resilience of the business model thanks to a decarbonisation strategy that is aligned with the objectives of the Paris Agreement.

Italmobiliare systematically assesses the Group's exposure to climate risks and the strategic and operational resilience of its business model and of its direct and indirect assets. To this end, Italmobiliare uses as a point of reference the risk definitions proposed by the Guidelines of the Task Force on Climate Related Financial Disclosures (TCFD). Over the years, the evaluation process has been refined, assisting and involving the Portfolio Companies in identifying risks and opportunities related to the scenarios adopted or performing outside-in evaluations on the other entities of the Group. The aim is to assess the ability of the Group and its entities to adapt to climate change and to seize climate-related opportunities, including the ability to respond and adapt to transition and physical risks.

The analysis is supported by the use of scenarios, extended over short, medium and long-term time horizons. Physical risks are identified with respect to the "Current Policies" scenario (+3°C), defined by the Network for Greening the Financial System (NGFS). Transition risks are identified with respect to the scenario chosen as a strategic reference, i.e. "Net Zero 2050" (+1.5 °C) of the NGFS. In particular, the choice of the strategic scenario "Net Zero 2050" is consistent with the SBTi commitment, in line with the Paris Agreement. Furthermore, Italmobiliare has adopted the shadow price curve (see page B61) as an effective point of reference for quantifying in financial terms the evolution of political pressure, market preferences, available technologies and abatement costs.

The time horizon (short, medium and long term) substantially does not change the assessments. In general, we show a negative outlook for physical risks and a positive outlook for transition risks.

Opportunities arise primarily from the pro-active and timely implementation of transition plans.

Impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken. The table below presents the valuation of assets exposed to climate risk. The relevant financial metrics are:

- The value of the portion of Net Asset Value represented by the companies for which climate risks have been assessed as material for the Group (pages B38-B40), i.e., estimated to potentially cause a reduction in NAV of at least 1.5%, which is the reference threshold used for specific financial materiality;
- The value of the consolidated revenues associated with the same companies.

Portion of NAV and consolidated revenues related to companies identified as exposed to material climate risk (see pages B38-B40)	NAV (M€)	%	Revenues (M€)	%
Physical Risks	880.2	39.7 %	402.2	57.3 %
Acute Physical Risks	880.2	39.7 %	402.2	57.3 %
Chronic Physical Risks	880.2	39.7 %	402.2	57.3 %
Transition Risks	551.5	25.0 %	334.5	47.7 %

NB

- 100% of assets exposed to material physical risk are subject to climate change adaptation actions.
- 100% of assets exposed to material transition risk are subject to climate change mitigation actions.
- No revenues have been recorded from customers operating in coal, oil, or gas-related activities.

There are no assets directly exposed to physical risk. The physical risks assessed as material originate from the value chain of activities identified as exposed to physical risk. This potential risk impacts the financial performance of the affected companies, all of which are based in Italy.

None of the companies consolidated within the Group fall under the scope of regulated emissions trading systems. However, the Group is able to monetize its carbon footprint by applying the shadow price mechanism described on page B61. This value represents an estimate of the virtual liability associated with the Group's carbon footprint, providing useful information for decarbonization planning, progress tracking, and assessing the value created through climate change adaptation and mitigation actions.

Carbon Footprint Monetisation		2022	2023	2024
Carbon footprint		91.1	137.2	109.3
Scope 1	€M	0.3	0.5	0.7
Scope 2		0.0	0.0	0.0
Scope 3		90.8	136.7	108.6

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

E1.IRO-1

With reference to the general methodology described on page B41, the following criteria were used for the assessment of material climate-related impacts, risks and opportunities:

Negative impacts	All of the Group's activities are responsible for greenhouse gas emissions. In line with the commitment made to decarbonisation, the impact is always considered material regardless of the size of the carbon footprint.
Positive impacts	Following the same approach, all of the Group's activities are committed to creating a positive impact on the environment, progressively reducing the carbon footprint, and stakeholders have undertaken to pro-actively improve the resilience of their assets.
Risks	Climate, physical and transition risks are assessed according to the definitions in the TCFD Recommendations. Physical risks are identified based on the NGFS "Current Policies" scenario (+3°C), while transition risks are identified based on the NGFS "Net Zero 2050" scenario (+1.5°C).
Opportunities	Opportunities arise from the pro-active and timely implementation of transition plans.

The assessment of climate risks is systematically included in the annual risk assessment carried out by the Holding and all the Portfolio Companies with the coordination of the Internal Audit Department, which is entrusted with risk management, and the support of the Sustainability Department. The assessment extends to the entire value chain with a time horizon of at least 10 years. The assessment adopts a precautionary approach, preferring to overestimate the risks triggering improvement processes that go well beyond mitigation. Results are submitted to the Control and Risk Committee and approved by the Board of Directors.

The impact of physical risks ("physical risk rating") on direct and indirect assets is assessed on the basis of geographical exposure and specific characteristics of activities and operating sites, such as resilience to events, backup possibilities, supply chain diversification and the presence of insurance. To define its materiality, the financial dimension of the risk, estimated starting from the physical risk rating and the probability of occurrence, is compared with the financial dimension of each entity being assessed, i.e. EBITDA, revenues or NAV depending on the specific representativeness and according to defined thresholds.

Exposure to transition risks ("transition risk rating") depends on the ability to see and govern a complex set of critical factors along the entire value chain, including increasing transparency requirements on climate strategies and performance, the progressive entry into force of regulations directly or indirectly oriented towards the net-zero scenario, competition on business and consumer markets, technological developments in sectors and the adoption of decarbonisation strategies aligned with the Paris Agreement, such as those based on SBTi. To define its materiality, the financial dimension of the risk, i.e. the distance from the "Net Zero 2050" scenario, estimated by combining carbon footprint, transition risk rating and shadow price in the short, medium and long term, is compared with the financial dimension of each entity being assessed, i.e. EBITDA, revenues or NAV depending on the specific representativeness and according to defined thresholds.

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POLICIES

E1-2

The formalised commitments to sustainability that inform Italmobiliare's approach to duty of care (see page B29) are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

- The Code of Ethics explicitly commits Italmobiliare to promote environmental policies and actions at all Group companies, adapting them to sector-specific characteristics. These efforts aim to contribute to the fight against climate change through decarbonisation initiatives aligned to the Science Based Targets initiative and to principles of climate justice.
- The “Guiding Principles” of the Sustainability Policies commit Italmobiliare to pursue the reduction of greenhouse gas emissions across the entire value chain, setting science-based targets in line with the Paris Agreement and climate justice principles. The “Energy and Climate” Policy provides further implementation details for ambitious climate action, through science-based emission reduction targets, steering the Group towards a net-zero economy and fostering its sustainable growth.
- The Responsible Investment Policy, in addition to excluding the most critical activities and sectors from investments (negative screening), explicitly highlights the contribution to SDG 13 “Climate Action” as one of the value creation objectives. It requires all eligible investments to commit to the Science Based Targets initiative and to implement decarbonisation strategies.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors, and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations, or sponsorships, to contribute to the fight against climate change through decarbonisation initiatives aligned with the Science Based Targets initiative and climate justice principles.

The Portfolio Companies support the parent company by adopting the same approach in their governance documents.

ACTIONS AND RESOURCES

E1-3

The action levers identified to support the decarbonization plan are described on page B54, with details based on the targets differentiated for the various components of the portfolio. The same considerations expressed in relation to any connected Capex and Opex apply, also tracked through the Taxonomy.

METRICS AND TARGETS

TARGETS

E1-4

The commitment to the **Science Based Targets initiative (SBTi)** represents the primary strategic reference. Below is a detailed overview of the near-term objectives and their progress status. Furthermore, Italmobiliare has already formalised the commitment to achieve **Net-Zero emissions by 2050**, but to validate the objective it has to wait for publication of the SBTi Guidelines for Financial Institutions.

Validated SBTi objectives (near term)		Target	Year	2024
Scope 1+2	Reduction of Scope 1 and Scope 2 emissions compared to 2023	-42%	2030	+10%
	Maintenance of annual renewable electricity supply from 2023.	100%	2030	100%
Scope 3 - Cat. 1-14 value chain				
<ul style="list-style-type: none">• Cat. 1 - Purchase of goods and services• Cat. 2 - Capital goods• Cat. 4 - Upstream logistics	Total spending for categories 1, 2, 3 and 4 with suppliers having validated Science Based Targets.	50%	2028	9%*
Scope 3 - Cat. 15 Investments:				
<ul style="list-style-type: none">• Directly or indirectly owned companies with total share > 25%• Participations in listed companies	Eligible Net Asset Value represented by companies with validated Science Based Targets.	50%	2027	7%**
	Eligible Net Asset Value represented by companies with validated Science Based Targets.	100%	2030	

* A further 32% of spending has already formalised the SBTi commitment and is entering the process of validating the objectives.

** 20% if expressed as CO2 equivalent. A further 59% of NAV has already formalised the SBTi commitment and is entering the process of validating the objectives.

In support of Italmobiliare's commitment and in continuity with the initiatives already activated over the years, all controlled portfolio companies have formalised their decarbonisation process with SBTi. For the significant influenced portfolio companies, the listed companies and, through Clessidra, the companies in the portfolios of the funds managed by Clessidra Private Equity and Clessidra Capital Credit, joining SBTi is the goal in itself.

Science Based Targets initiative	Commitment	Submitted targets	Validated targets
Italmobiliare	✓	✓	✓
Subsidiaries			
Italgen	✓	✓	✓
Clessidra		✓	✓
Caffè Borbone	✓	✓	✓
Capitelli	✓	✓	✓
Officina Profumo-Farmaceutica di Santa Maria Novella	✓	✓	✓
CDS-Casa della Salute	✓	✓	
Callmewine	✓	✓	
SIDI Sport	✓		
Associates			
Tecnica Group	✓		
Iseo			
Listed companies			
Ariston	✓	✓	✓
Cairo Communication			
Piaggio			
Heidelberg Materials	✓	✓	✓
Vontobel			
Companies in Clessidra's portfolios			
Nexi	✓	✓	✓
Argea	✓		
Viabizzuno			
Impresoft			
Everton	✓		
Sisma			
Italtel			
OMA			
Iscom			

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ENERGY CONSUMPTION AND MIX

E1-5

Production processes, heating, sanitary uses and company fleets require thermal and electrical energy. Excluding initiatives to raise plant or operational efficiency, the Italmobiliare Group's companies favour fuels and combustibles with a low environmental footprint and use only renewable electricity. Italgas plays a fundamental role in the Group's energy transition, producing and supplying exclusively renewable hydroelectric energy, which is also sold to numerous Group companies. In addition, Caffè Borbone, Capitelli and Officina Profumo-Farmaceutica di Santa Maria Novella have photovoltaic systems that produce renewable energy used directly or fed into the grid. The following table provides a breakdown of all energy sources used.

		Total Group			High Climate Impact Sectors *		
		2022	2023	2024	2022	2023	2024
Thermal energy consumption from fossil fuels		30,661	35,605	40,659	29,861	34,392	39,481
Natural gas		29,112	28,631	34,899	28,994	28,486	34,774
Diesel and LPG, for process		36	4,738	3,323	36	4,738	3,323
Automotive fuels		1,513	2,236	2,437	831	1,169	1,384
Thermal energy consumption from renewable sources		0	0	15	0	0	15
Biodiesel		0	0	15	0	0	15
Energy consumption from renewable sources		21,308	25,844	31,985	18,369	22,132	27,165
Hydroelectric	MWh	20,768	23,761	29,741	18,047	20,269	25,498
Solar		322	833	1,192	322	833	869
Wind		0	0	0	0	0	0
Other/Mix		218	1,250	1,053	0	1,029	798
Consumption of purchased renewable electricity		13,387	15,653	18,718	10,448	11,942	13,898
Consumption of self-produced renewable electricity		8,154	10,410	13,267	8,154	10,410	13,267
Total energy consumption		51,969	61,449	72,659	48,229	56,524	66,661
% of fossil fuels on total energy consumption		59%	58%	56%	62%	61%	59%
% of renewable sources on total energy consumption		41%	42%	44%	38%	39%	41%
Energy intensity	MWh / M€ Revenue	107	105	104	123	120	124
Electricity self-produced from renewable sources		180,290	268,002	387,865	180,290	268,002	387,865
Hydroelectric	MWh	179,780	258,984	369,669	180,218	259,984	370,694
Solar		510	9,018	18,197	188	8,185	17,340
Renewable electricity self-produced and fed into the grid		172,136	257,592	374,598	172,021	257,426	374,429

* Defined based on NACE codes, including Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella, Italgas, SIDI Sport, Capitelli and Callmewine.

GREENHOUSE GAS EMISSIONS

E1-6

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the tables below. For consolidation purposes, Italmobiliare uses the "financial control" approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), in particular:

- GHG Protocol Corporate Accounting and Reporting Standard – revised edition;
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The carbon footprint of the Parent Company and the subsidiaries, none of which are within the scope of the EU Emission Trading Scheme (ETS) or other similar instruments, is consolidated in the Scope 1, Scope 2, and Scope 3 emissions, Categories 1 to 14. Scope 1 and Scope 2 are measured based on primary activity data and the emission factors specific to the fuels used and the specific purchases of electricity. Scope 3 is measured using, for each category from 1 to 14, primary activity data and a combination of primary and secondary emission factors. At least 24% of Scope 3, Categories 1 to 14, is measured using primary factors. The main conversion and emission factors used are reported on page B105.

The carbon footprint of associates, other unlisted and listed companies, and the companies in Clessidra's portfolio is consolidated pro-rata in Scope 3, Category 15 emissions, using the following approach.

Associates	<ul style="list-style-type: none"> For the Portfolio Companies (Tecnica Group and Iseo), Scope 1 and 2 are based on primary activity data and the emission factors of the fuels used and specific electricity purchases. Scope 3 is calculated using valid sectoral proxies. For other companies, valid proxies or sector studies are used.
Other unlisted and listed companies	<ul style="list-style-type: none"> For the unlisted company (Bene Assicurazioni), Scope 1 and 2 are based on primary activity data and the emission factors of the fuels used and specific electricity purchases. Scope 3 is calculated using a valid sectoral proxy. For listed companies, the most recent data available online through published sustainability reports are used (verified and with extensive use of primary factors)..
Clessidra's portfolio companies	<ul style="list-style-type: none"> For the listed company Nexi, the most recent data available online (verified sustainability reports) are used. For the other companies, the data calculated by Clessidra are used with the same analytical detail used by Italmobiliare with its subsidiaries.

Carbon footprint	Unit	2022	2023	2024
Market Based	t CO2e	1,980,245	2,177,783	1,419,349
Location based		1,984,676	2,182,933	1,427,270
Carbon intensity - Market based		4,095	3,718	2,021
Carbon intensity - Location based		4,104	3,727	2,033
Scope 1	t CO2e / M€ Revenue	13	13	12
Scope 2 - Location Based		9	9	11
Scope 2 - Market Based		0	0	0
Scope 3		4,082	3,705	2,009

Avoided emissions (location based)	Unit	2022	2023	2024
Avoided emissions	t CO2e	59,752	82,255	161,503
From hydroelectric production fed into the grid		59,714	80,603	154,027
From photovoltaic production fed into the grid		38	1,652	7,476

Carbon footprint Details	Unit	2022	2023	2024	2024
Carbon footprint - Market based	t CO2e	1,980,245	2,177,783	1,419,349	
Scope 3 - Upstream		251,653	275,380	348,162	24.6%
1 Purchased products and services *		204,753	209,519	293,764	20.7%
of which FLAG *		134,228	151,800	238,859	16.8%
2 Capital goods		1,530	11,186	15,884	1.1%
3 Fuel-and energy-related activities		20,862	29,554	10,422	0.7%
4 Upstream transportation and distribution		23,374	22,152	24,646	1.7%
5 Waste generated by the sites		327	206	85	0.0%
6 Business travel		235	1,239	1,650	0.1%
7 Employee commuting		574	1,513	1,693	0.1%
8 Upstream leased assets		--	9	18	0.0%
Scope 1		6,337	7,841	8,620	0.6%
Scope 2 - Market Based		0	0	0	0.0%
Scope 2 - Location Based	t CO2e	4,431	5,150	7,922	
Scope 3 - Downstream		1,722,254	1,894,562	1,060,795	74.8%
9 Downstream transportation and distribution		6,397	5,855	3,916	0.3%
10 Processing of sold products **		--	125	121	0.0%
11 Product use		49,622	52,222	69,667	4.9%
Direct use		1,968	1,227	2,680	0.2%
Indirect use		47,654	50,995	66,988	4.7%
12 End-of-life treatment of sold products		1,743	2,068	2,010	0.1%
13 Downstream leased assets		--	--	--	
14 Franchises		--	93	132	0.0%
15 Investments ***		1,664,493	1,834,199	986,721	69.5%
Associated companies		446,859	455,393	90,179	6.4%
Listed companies		288,033	346,860	203,631	14.3%
Companies in the Clessidra funds		929,602	1,031,947	692,910	48.8%

* The carbon footprints for 2022 and 2023 have been refined during validation of the decarbonisation targets by SBTi.

** The significant increase recorded in 2024 includes at least 80 kt of CO2 due to forward purchases of green coffee, well above the annual requirement, aimed at mitigating the price/availability risk.

*** The significant reduction in 2024 was due to the exit of AGN Energia and L&S respectively from the portfolios of Italmobiliare and Clessidra.

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Scope 2 - Market Based	Unit	2022	2023	2024
Self-consumption from renewable self-production (does not contribute to Scope 2)		38.27%	40.28%	41.48%
Purchase of guaranteed renewable electricity		10.75%	56.82%	54.10%
Purchase of origin guarantees		52.07%	3.74%	4.70%
AIB - GO (Italy and France)	% MWh	52.07%	1.38%	1.80%
Green-e RECs (USA)		--	0.19%	1.00%
REGO (United Kingdom)		--	0.04%	0.04%
E-REO (Romania)		--	2.13%	1.70%
J RECs (Japan)		--	--	0.10%

GREENHOUSE GAS REMOVALS AND CARBON CREDITS

E1-7

In 2024, the Group did not directly develop or participate in projects for the removal or absorption of greenhouse gases from within its direct activities or along the value chain.

Since 2023, anticipating its SBTi commitment, Callmewine is a carbon neutral company, having purchased carbon credits for a total of 3,000 tons of CO₂ equivalent (corresponding to 39,000 euros), to offset the entire carbon footprint up to the end of 2025. The credits derive from a project developed in Ethiopia by the Italian NGO COOPI in collaboration with Carbonsink. The project involves the construction of solar energy systems for the supply of safe drinking water for domestic use, with positive effects on hygienic, social, economic and environmental conditions. These are Verified Emissions Reduction (VER) credits of the Carbon Action Credit (CAC) type, certified by Gold Standard.

The purchase of carbon credits and the public declaration of carbon neutrality, come after numerous decarbonisation initiatives already implemented, are accompanied by Callmewine's adhesion to the Science Based Targets initiative and the sending of short-term reduction targets (2030) and net-zero (2050) to the SBTi team of experts for evaluation.

Carbon credits	Unit	2022	2023	2024
Purchased		--	3,000	--
Cancelled	t CO ₂ e	--	940	763
Available		--	2,060	1,297

INTERNAL CARBON PRICING

ESRS E1-8

The Italmobiliare Group applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones, making it possible to express the evolution of political pressure, market preferences, available technologies and CO₂ emission reduction costs in monetary terms. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Shown below are the figures used for the years of operation and for the short, medium and long-term reference periods. They apply to all Scope 1, Scope 2 and Scope 3 emissions.

Shadow price	€ / t CO ₂ e
Operations	2022 46
	2023 63
	2024 77
Risk assessment	Short term 2025 (1 year) 92
Budget, and Strategic Planning	Medium term 2029 (up to 5 years) 108
	Long term 2034 (up to 10 years) 134

Pollution

ESRS E2

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS AND OPPORTUNITIES

E2.IRO-1

With reference to the general methodology outlined on page B41, the following considerations were used to assess the impacts, risks and opportunities related to pollution.

Air	The production sites of Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella, and Sidi (Italy and Romania) have atmospheric emissions from operations related to production. In all other cases, it only involves limited emissions of combustion gases from thermal plants. Emissions are 10 to more than 150 times lower than the E-PRTR annual thresholds.
Water	The only production site of Capitelli has water discharges that treat waste water from operations related to production, with annual flows 100 to over 2000 times lower than the E-PRTR annual thresholds. In all other cases it only involves civil water.
Soil	None of the Group's activities involve discharges into the soil.
Living Organisms and Food Resources	None of the Group's activities generate emissions that could have negative effects on living organisms and food resources.
Substances of concern and substances of very high concern	The Group's activities do not use substances classified as being of very high concern. There are limited uses of substances classified as substances of concern. The use is professional, for laboratory or maintenance/cleaning activities, and occurs with full application of precautions for the health of workers and protection of the environment. In some specific cases, they are used in manufacturing: <ul style="list-style-type: none"> • Officina Profumo-Farmaceutica di Santa Maria Novella uses it in a controlled manner in the formulation of some of its products. • SIDI Sport uses it to a minimal extent and in a controlled manner in the assembly of its products.
Microplastics	None of the Group's activities uses raw materials containing primary microplastics. Some of the Group's activities generate plastic waste during production or at the end-of-life of the products sold or of their primary or secondary packaging. Only the portion not sent for controlled reuse, recovery or disposal options is a potential source of secondary microplastics.

In light of what is reported above, there are no significant emissions into the air, water or soil, nor that could have negative effects on living organisms and food resources. In any case, although significantly lower than the commonly used materiality thresholds, Italmobiliare considers emissions of volatile organic compounds into the air as material in cases where they are regulated by specific authorisations.

In light of the above, there is no significant use of substances that fall within the definition of a substance of concern. In any case, although the quantities are small, Italmobiliare considers all uses in manufacturing as material.

No significant aspects are highlighted regarding the generation of microplastics, when actual or potential.

Impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken.

POLICIES

E2-1

The formalised commitments to sustainability that inform Italmobiliare's approach to duty of care (see page B29) are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

- The Code of Ethics explicitly commits Italmobiliare to promote environmental policies and actions at all Group companies, adapting them to sector-specific characteristics. These efforts aim to minimize, mitigate, and offset the environmental footprint generated by activities on the environment and living species. It also focuses on preventing potential harm to the environment through risk prevention programs and continuous improvement of the technologies used and management and control practices, even beyond the requirements and standards set by current regulations. Furthermore, it encourages the adoption of the highest environmental performance standards in production processes or services, with an innovative approach aimed at sustainable solutions and responsible lifestyles and consumption.

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- The “Guiding Principles” of the Sustainability Policies commit Italmobiliare to pursue the protection of the environment and living species, responsibly benefiting from natural resources and respecting the sentient nature of animals. They also aim to ensure the continuous improvement of the environmental and social quality and value of processes, products, applications, and services, promoting research and innovation. The “Environment and Resources” Policy provides further implementation and prevention details, such as the commitment to ensuring that plants and equipment are designed, built, used, and maintained to reduce the environmental footprint, adopting the best available techniques in new plants or in the case of modernisation or replacement of existing plants.
- The Responsible Investment Policy explicitly highlights the contribution to SDG 12 “Responsible Consumption and Production” as one of the value creation objectives.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors, and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations, or sponsorships, to contribute to the protection of the environment.

The Portfolio Companies support the parent company by adopting the same approach in their governance documents.

ACTIONS AND RESOURCES

E2-2

Control and monitoring of atmospheric emissions associated with production processes requires proper maintenance of ducted extraction systems and abatement systems. Moreover, the companies involved use accredited laboratories to carry out sampling at the emission points and subsequent analyses. They are ongoing activities.

The controlled use of so-called “substances of concern” is an integral part of the production activities of the companies involved, which adopt all the necessary precautions to ensure alignment with sector regulations. Key actions are the qualification of suppliers and the selection of raw materials and ingredients, which allow the continuous updating of bills of materials.

No significant CapEx and Opex are expected.

METRICS AND TARGETS

TARGETS

E2-3

Emissions into the air and water are limited and well within the limits set by the authorisations, which reflect the evolution of progressively applicable control technologies. It is not considered necessary to set specific reduction targets. The companies involved adopt monitoring and control plans. They also monitor available technologies with a view to continuous improvement of abatement systems.

The use of substances of concern is limited and occurs with full application of all precautions for the health of workers and protection of the environment, in any case defined by legislation and sector regulations applicable in Italy and in all countries in which the products are marketed or distributed. The progressive elimination or replacement of such substances is part of the continuous improvement policy of the companies involved, through the continuous upgrade of formulations and bills of materials, also depending on the availability on the market of alternative substances that are validated and functional.

EMISSIONS TO ATMOSPHERE

E2-4

The production sites of Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella and SIDI Sport have channelled emissions covered by the Integrated Environmental Authorisation.

Emissions of volatile organic substances are characteristic and specific to their respective production processes. The annual emission figures are calculated from sampling at emission points carried out by accredited laboratories.

Emissions of Volatile Organic Compounds (VOCs)	Unit	2022	2023	2024
Total		5.9	9.0	1.5
Caffè Borbone, Caivano (NA) plant		5.9	3.1	1.1
Officina Profumo-Farmaceutica di Santa Maria Novella, Florence plant	t	0.004	*	0.003
SIDI Sport, Maser (TV) plant		--	5.2	0.1
SIDI Sport, Popești-Leordeni (Romania) plant		--	0.8	0.3

* Unmeasured emissions, i.e., below the detection limit: < 0.008 tons emitted.

** Sampling not conducted. Inspections are biennial.

The emissions of Caffè Borbone are definitively low considering the quantity of coffee processed each year and the volatile substances naturally present in coffee that can be released during roasting.

The emissions from the Officina Profumo-Farmaceutica di Santa Maria Novella production plant are always below the detection limit. Checks are carried out every two years.

The emissions from the SIDI Sport plant in Maser decreased significantly in 2024 thanks to the modernisation of the extraction and treatment system for effluents from the production line, which uses adhesives, solvents and other products with volatile components. At the Popești-Leordeni plant in Romania, activity was limited to only one industrial shed, with two of the four emission points deactivated.

SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN

E2-5

In the formulation of some home fragrance products, Officina Profumo-Farmaceutica di Santa Maria Novella also uses ingredients that, in accordance with European legislation, have characteristics that fall within the generic definition of “substances of concern” according to a specification chart that includes both environmental and human sensitivity aspects. These are substances permitted by current regulations, perfectly suited to their specific function and currently used in the sector, which are managed by the company in a conscious and controlled manner.

In most cases, these are substances that would only pose a risk to aquatic environments if accidentally released into natural bodies of water. The indication is aimed above all at those who transport them and those who, like Officina Profumo-Farmaceutica di Santa Maria Novella, use them. This risk becomes irrelevant once the products leave the plant, where handling takes place with maximum care for operators and the environment, well beyond the legal requirements.

In any case, the marketing of products containing them is always accompanied by the necessary classifications, labelling and suggestions for the best way to use them.

During the production and assembly of its products, SIDI Sport uses some substances that have characteristics that fall within the generic definition of “substances of concern” according to specific regulations that include both environmental and human sensitivity aspects.

In the usage phase, primers, adhesives and hardeners for the assembly of sports footwear polymerise or otherwise change their properties, effectively losing their hazardous characteristics once integrated into the products. Thinners and solvents, on the other hand, are used in production for surface treatments or cleaning of semi-finished products along the assembly line and do not leave any residue in the products. All of these substances are used in environments and systems capable of aspirating the volatile fraction to treat it in an abatement system, which has an efficiency of at least 98%.

Substances of Concern *	Unit	2024
Used in the production phases		77.8
Leaving plants as part of product	t	67.4

* Substances identified by European standards according to a specific specification that includes both environmental and human sensitivity aspects. Only substances that the Group companies use in the production phases and that can leave the plants as emissions or product parts are reported. This occurs only for Officina Profumo-Farmaceutica di Santa Maria Novella and SIDI Sport.

Water and marine resources

ESRS ES3

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS AND OPPORTUNITIES

E3.IRO-1

With reference to the general methodology outlined on page B41, the following considerations were used to assess the impacts, risks and opportunities related to water and marine resources.

Water	<p>In the Group's direct activities, the use of water resources is limited, mainly for sanitary purposes.</p> <p>Officina Profumo-Farmaceutica di Santa Maria Novella uses limited quantities of water in the formulation of some of its products. The water used comes from the aqueduct and undergoes specific treatments to be brought to "cosmetic grade".</p> <p>The case of Italgas is particular, as water represents its main "ecosystem service", being the company's primary source of energy. Italgas derives and puts through turbines in its hydroelectric power plants approximately 18 m³ of water per kWh generated, which is all returned downstream to the same water basin. The upstream water intakes are protected by grids that separate any unwanted material (floating waste, residues, vegetation, etc.). The turbines do not make any physical or chemical changes to the water and the water coming from the cooling cycle of the oil used to lubricate the machinery is contained in closed coils and does not come into contact with the water in the turbines. The water therefore returns to the natural water system with the same quality.</p> <p>All of the Group's production sites have been screened with the Aqueduct - Water Risk Atlas. The production sites of Caffè Borbone in the province of Naples and of Officina Profumo-Farmaceutica di Santa Maria Novella in Florence are located in areas of water stress.</p> <p>Outside of direct activities, agri-food supply chains such as the coffee supply chain that supplies Caffè Borbone and the pig farms that supply Capitelli, use significant amounts of water, but in a responsible way.</p>
Marine resources	None of the Group's activities, whether direct or in the value chain, use marine resources.

In light of what is reported in the table, there is no significant water consumption in the Group's direct operations. In any case, Italmobiliare considers the water consumption of plants located in water stress areas as material. No direct or indirect impact, risk, or opportunity is connected to marine resources.

POLICIES

E3-1

The formalised commitments to sustainability that inform Italmobiliare's approach to duty of care (see page B29) are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

- The Code of Ethics explicitly commits Italmobiliare to promote environmental policies and actions at all Group companies, adapting them to sector-specific characteristics. These efforts aim at the responsible use of natural resources, water security, and the reduction of consumption.
- The "Guiding Principles" of the Sustainability Policies commit Italmobiliare to pursue the protection of the environment and living species, responsibly benefiting from natural resources and respecting the sentient nature of animals. The "Environment and Resources" Policy commits to preserving water security throughout its entire life cycle, safeguarding its collective availability, and adopting management practices aimed at reducing consumption, especially in areas with water stress.
- Italmobiliare does not wish to be involved in activities that could have negative effects on water safety, even if the activities are legal. Therefore, as per the Responsible Investment Policy, Italmobiliare does not invest in activities that contribute to the pollution or depletion of water or that have a negative impact on water resources. Where relevant, investments are aligned with global plans for the transition to a water-secure world or involve activities that contribute to water security, including water and sanitation services, water management and responsible use of water in agriculture.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors, and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations, or sponsorships, to be effectively and demonstrably aligned with the same commitments.

The Portfolio Companies support the parent company by adopting the same approach in their governance documents.

ACTIONS AND RESOURCES

E3-2

Regardless of their location in water stress areas, all Group companies adopt initiatives aimed at reducing any possible waste of the resource, such as attention to withdrawals, maintenance of water networks and related equipment and analyses on the quality of the water returned to the environment.

No significant CapEx and Opex are expected.

METRICS

TARGETS

E3-3

Water consumption at the Group's sites, including those in water-stressed areas, is limited. It is not considered necessary to set specific reduction targets.

WATER CONSUMPTION

E3-4

The water balance is mainly reported on the basis of water bills. In the limited cases of consortium supplies that are not billed, estimates are made based on the number of users and type of use. Where there are no direct measurements of the volumes discharged or accounting records for the water used in the production process, the quantity withdrawn is considered equal to the quantity discharged.

The operating sites of the Group's companies have an extremely limited water requirement, mainly for sanitary uses, and do not require water storage.

Water balance	Unit	2022	2023	2024
Water withdrawal		43,372	44,124	51,309
Surface water		0	0	0
Groundwater		18,890	21,291	19,609
Aqueduct		24,482	22,833	31,700
of which in water stressed areas		16,755	16,268	21,487
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		16,755	16,268	21,487
Water discharge		34,154	36,321	44,064
Surface water	m ³	25,942	26,586	30,759
Groundwater		0	0	0
Aqueduct		8,212	9,735	13,305
of which in water stressed areas		12,586	13,299	18,413
Surface water		12,544	13,216	18,356
Groundwater		0	0	0
Aqueduct		42	83	57
Water consumption		9,217	7,803	7,244
of which in water stressed areas		4,169	2,969	3,074
Intensity	m³ / M€ Revenues	19	13	10

Biodiversity and ecosystems

ESRS E4

STRATEGY

TRANSITION PLAN

E4-1

The Italmobiliare Group has not developed a specific transition and biodiversity plan, having assessed that maintaining the good practices currently implemented is more than enough to ensure the resilience of the business models involved.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

E4.SBM-3

The Group's direct operating sites include the Caffè Borbone plant in Caivano (NA), the Officina Profumo-Farmaceutica plant in Santa Maria Novella in Florence, the Italgen hydroelectric power plants in Lombardy, Piedmont, Tuscany and Veneto, the Italgen photovoltaic plants in Modugno (BA), the Capitelli plant in Borgonovo Val Tidone (PC) and the SIDI Sport plants in Maser (TV) and Popești-Leordeni (Romania).

Given the number of areas of interest present in Italy and Romania, within 50 kilometres of all the sites there are protected areas, key areas for biodiversity and potential presence of species in the Red List of the IUCN (International Union for Conservation of Nature). No activity specifically affects threatened species. Given the activities carried on at the sites, only hydroelectric power plants are material, regardless of their location, for possible impacts on aquatic ecosystems. Some hydroelectric power plants are located in protected areas.

Italgen power plants within or near Protected Areas

Vaprio d'Adda	It is located within the Adda Nord Regional Park and is subject to the conservation regulations of Protected Natural Areas.
Cassiglio Dezzo / Povo Ponte dell'Acqua Ponte Piazzolo	They are located within the Orobie Bergamasche Regional Park, with the obligation to comply with the rules of the Park Plan.
Ponte Nembro	It is located within the Serio Nord Park, with a requirement to comply with the rules of the Park Plan.
Palazzolo	It is located within the Oglio Nord Regional Park, with a requirement to comply with the rules of the Park Plan.

Regardless of location, Italgen guarantees that its hydroelectric plants do not alter the balance of the ecosystem in which they are located, particularly by not hindering the movements and migrations of fish, the only potential impact on biodiversity. Furthermore, the only ground-based photovoltaic system is built on reclaimed former industrial land with a positive impact on biodiversity and ecosystems.

Italgen also shows a considerable intrinsic dependence on the ecosystem service of water, as it is needed to fuel the generation of hydroelectric power. No material risks in addition to those already mentioned as climate risks have been assessed.

Caffè Borbone's indirect dependence on the willingness and ability of traders to supply coffee from deforestation-free origins and crops is significant. Even without having direct activities with potential negative impacts on biodiversity and ecosystems, Caffè Borbone promotes anti-deforestation practices among its coffee suppliers in all countries of origin, ahead of industry regulations. Also in the case of Caffè Borbone, no material risks in addition to those already mentioned as climate risks have been assessed.

However, impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS AND OPPORTUNITIES

E4.IRO-1

With reference to the general methodology outlined on page B41, the following considerations were used to assess the impacts, risks and opportunities related to biodiversity and ecosystems.

Biodiversity	<p>All of the Group's operating sites have been screened with IBAT, a tool that maps protected areas or areas with a high biodiversity value.</p> <p>Most of the Group's operating sites are located in Italy, a country that has a high number of protected areas or areas of high biodiversity value. However, the only activities that could have an impact on biodiversity, with exclusive reference to fish, are Italgen's hydroelectric power plants and their intake structures. Some of the derivations and hydroelectric plants are located within protected areas.</p> <p>Outside of direct activities, the coffee supply chain that supplies Caffè Borbone presents sensitive aspects, interconnected with climate risks, related to the issue of deforestation, also in relation to specific European regulations on the matter.</p>
Ecosystems	<p>Water represents Italgen's primary "ecosystem service," being its main source for renewable energy production.</p> <p>Outside of direct activities, the coffee supply chain that supplies Caffè Borbone has aspects of ecosystem dependence connected to the countries and areas where coffee is grown.</p> <p>Both ecosystem dependencies are interconnected with climate risks.</p>

In light of what is reported in the table, biodiversity and ecosystems are material topics only for Italgen's activities. They do not have any specific material biodiversity issues. In any case, no additional mitigation actions are necessary beyond those already undertaken, thanks to which there are no impacts on local communities. The concerns of the communities are also represented by the institutions that manage the protected areas affected by the hydroelectric plants, with which Italgen maintains an ongoing dialogue.

The issue of deforestation in the coffee value chain and the ecosystem dependencies of Italgen and Caffè Borbone have already been assessed as material climate risks.

No material negative impacts on land degradation, desertification or soil sealing have been identified.

POLICIES

E4-2

The formalised commitments to sustainability that inform Italmobiliare's approach to due diligence (see page B29) are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

- The Code of Ethics explicitly commits Italmobiliare to promote environmental policies and actions at all Group companies, adapting them to sector-specific characteristics. These efforts aim to halt deforestation and conserve biodiversity and non-renewable resources.
- The "Guiding Principles" of the Sustainability Policies commit Italmobiliare to pursue the protection of the environment and living species, responsibly benefiting from natural resources and respecting the sentient nature of animals. The "Environment and Resources" Policy commits to protecting ecosystems and biodiversity throughout their entire lifecycle, even outside of protected areas, and to halting all forms of deforestation.
- Italmobiliare does not wish to be involved in activities that could have negative effects on water safety, even if the activities are legal. Therefore, as per the Responsible Investment Policy, Italmobiliare does not invest in activities that contribute to the pollution or depletion of water or that have a negative impact on water resources. Where relevant, investments are aligned with global plans for the transition to a water-secure world or involve activities that contribute to water security, including water and sanitation services, water management and responsible use of water in agriculture.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors, and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations, or sponsorships, to be effectively and demonstrably aligned with the same commitments.

The Portfolio Companies support the parent company by adopting the same approach in their governance documents.

ACTIONS AND RESOURCES

E4-3

Italgen's primary source of energy is water, taken from watercourses thanks to intake and capture works, basins and forced conduits or by simple direct flow; the water reaches the hydroelectric power plants where it passes through turbines connected to alternators that generate electricity. The total amount of turbine water is extremely significant, but it is released immediately downstream of the plant, without being consumed or modified in its chemical and physical characteristics. The cooling circuits of the machinery lubrication oil do not come into contact with the water flowing through the turbines.

Italgen has always been committed to ensuring that the operation of its power plants does not alter the balance of the ecosystem in which they are located, in particular by not hindering the movements and migrations of fish, the only potential impact on biodiversity.

The release of a quantity of water called Minimum Vital Flow (DMV) near the intake structures guarantees that the fauna maintains the characteristics suitable for its growth and for the preservation of the watercourses. The construction of fish ladders allows fish to move freely along the riverbed. Furthermore, Italgen carries out interventions to repopulate fish species in the waterways where the power plants are located.

Italgen also manages 6 photovoltaic plants. Of these, 4 are built on the roofs of third-party industrial warehouses, without any land consumption or impact on biodiversity and ecosystems. 2 are on the ground on a reclaimed former industrial site. The construction of the latter was born from the collaboration between Italgen and the Municipality of Modugno (BA) and is part of the redevelopment project of the industrial area of Modugno, home to the former limestone quarry next to the Italcementi cement plant, already reclaimed previously. Italgen, owner of the area, built the photovoltaic park on the area of approximately 6 hectares once occupied by industrial plants, without any new land consumption, ceding to the Municipality an area of over 20 hectares for the creation of a naturalistic area for public use, which increases the green surface of Modugno by 5 times. As part of the project, Italgen also built a pedestrian and bicycle path which winds through the park with a viewpoint looking out over the lake that has formed in the ex-quarry. These too have been given to the Municipality.

With reference to the raw coffee supply chain and, in particular, to the sensitive aspects connected to the risk of deforestation, Caffè Borbone continues its activity of progressively increasing supply of batches certified according to the specifications adopted by traders (target of 80% by 2026) and early alignment with the requirements of the EUDR Regulation.

No significant CapEx and Opex are expected.

METRICS

TARGETS

E4-4

The actions currently underway are more than sufficient to mitigate the impacts, transforming them into positive ones. It is not considered necessary to set specific objectives. Monitoring the situation is part and parcel of the companies' day-to-day operations.

IMPACT METRICS

E4-5

As explained previously, 8 Italgen hydroelectric power plants are located within or near protected areas.

Generally, the land occupied by Italgen's hydroelectric activities is fairly small. The power plants occupy a limited amount of land, on average around 500 m² between intake structures, supply channels, loading basins, penstocks, main building and return channel. Overall, it is estimated to be around 15,000 m², to which has to be added approximately 60,000 m² for the artificial lakes formed by the two dams that are managed directly by Italgen.

Resources use and circular economy

ESRS E5

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS AND OPPORTUNITIES

E5.IRO-1

With reference to the general methodology outlined on page B41, the following considerations were used to assess the impacts, risks and opportunities related to resource use and the circular economy.

Resource Use	<p>All Group companies use resources directly or indirectly, such as raw materials for production, for packaging, as consumables or for other uses.</p> <p>Access to resources is particularly significant for manufacturing activities with physical products, such as Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella and SIDI Sport or for service activities such as Callmewine, where packaging design plays a significant role.</p>
Circular Economy	<p>All Group companies, with different methods and to different extents, have the opportunity to use recycled materials and to adopt a product or service design that favours virtuous options for the end-of-life of products, packaging, materials and waste generated.</p>

Impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken.

POLICIES

E5-1

The formalised commitments to sustainability that inform Italmobiliare's approach to duty of care (see page B29) are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

- The Code of Ethics explicitly commits Italmobiliare to promote the proactive transition to a regenerative economy and the responsible use of natural resources.
- The "Guiding Principles" of the Sustainability Policies commit Italmobiliare to pursue the protection of the environment and living species, responsibly benefiting from natural resources and respecting the sentient nature of animals. The 'Environment and Resources' Policy commits to promoting responsible access to natural resources throughout their entire lifecycle and adopting management practices aimed at reducing the consumption of raw materials, especially non-renewable ones.
- The Responsible Investment Policy explicitly highlights the contribution to SDG 12 "Responsible Consumption and Production" as one of the value creation objectives.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors, and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations, or sponsorships, to be effectively and demonstrably aligned with the same commitments.

The Portfolio Companies support the parent company by adopting the same approach in their governance documents.

ACTIONS AND RESOURCES

E5-2

All Group companies carefully monitor the flows of incoming raw materials and outgoing waste. Incoming raw material flows are necessary for both the production process and for packaging. The choice of raw materials depends on product design and requires an accurate process of qualification and selection of suppliers.

Some companies, such as Caffè Borbone and Capitelli, can count on raw materials that are intrinsically of renewable biological origin. In any case, all companies, compatibly with the product and service specifications that they have to comply with, aim to maximise the portion of raw materials, either for production or for packaging, of renewable biological origin, coming from recycling or containing recycled fractions.

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The companies also try to maximise their use of raw materials from sustainable supply chains. Since 2022, Caffè Borbone has been buying more and more batches of certified coffee according to specifications shared with the main traders who, through third-party audits, guarantee compliance with good practices in terms of human and labour rights, environmental management and business integrity. In addition, all companies use FSC certified supply chains for paper and cardboard packaging. Formalisation of the Capitelli Supply Chain, which is already operational in practice, will make it possible to add other portions.

No significant CapEx and Opex are expected.

METRICS AND TARGETS

TARGETS

E5-3

Increasing over time and maintaining significant use of renewable materials supports the transition to a regenerative economy. For this reason, Italmobiliare has long established targets relating to the responsible use of resources at Group level. Some companies have also set specific targets for their particular business.

Medium-term objectives		Target	Year	2022	2023	2024
Group	To reach and maintain more than 80% of raw materials procured for production processes that are renewable or recycled out of the total used.	> 80%	2025 +	90%	91%	96%
	To reach and maintain more than 60% of raw materials procured for packaging, renewable or recycled out of the total used	> 60%	2025 +	58%	80%	80%
Caffè Borbone	To increase the percentage of coffee coming from certified supply chains.	80%	2026	10%	30%	~45% *

* The analytical data is diluted by forward purchases of raw coffee, well beyond the annual requirement, aimed at mitigating the price/availability risk. On the total of actual purchases in 2024, the percentage is 25%.

RESOURCE INFLOWS

E5-4

Group companies make responsible use of renewable resources of biological origin and non-renewable resources of extractive or fossil origin, favouring whenever possible those originating from virtuous recycling processes according to technological evolution and in compliance with sector regulations. Below are the relevant data, aggregated from the management accounting of the companies.

Main Resource Inflows

Type	Biological origin	Unit	2022	2023	2024
Process materials	Green coffee		29,299	29,773	44,437
	Pork meat	t	1,951	2,017	1,999
	Natural ingredients for cosmetics		445	388	395
Packaging materials	Paper and cardboard *		6,786	7,638	7,378
	Wood	t	3,596	3,844	4,058
	Polylamine (paper prevalence)		2,242	2,219	1,393

* May contain fractions originating from by-products or waste streams.

Type	Extractive or fossil origin	Unit	2022	2023	2024
Process materials	Plastic for production		2,568	2,647	894
	Aluminium and other metals	t	5	186	482
	Synthetic fabrics		0	171	248
Packaging materials	Plastic and polylamine materials (plastic prevalence)		1,996	2,151	2,226
	Aluminium and other metals	t	214	56	1,366
	Glass *		326	261	244

* May contain fractions originating from by-products or waste streams.

Resource Inflows	2022		2023		2024	
	t	%	t	%	t	%
Production materials	30,530		35,962		49,542	
of which recycled	0	0%	0	0%	0	0%
Renewable or organic	30,450	100%	32,826	91%	47,453	96%
of which recycled	0	0%	0	0%	0	0%
Non-renewable or technical	80	0%	3,136	9%	2,089	4%
of which recycled	0	0%	0	0%	0	0%
Packaging materials	15,319		16,255		16,708	
of which recycled	7,193	47%	9,053	56%	10,423	62%
Renewable or organic	10,411	68%	13,042	80%	12,405	74%
of which recycled	7,123	68%	9,018	69%	9,487	76%
Non-renewable or technical	4,908	32%	3,214	20%	4,303	26%
of which recycled	70	1%	35	1%	936	22%
Semifinished materials	0		0		0	
of which recycled	0	0%	0	0%	0	0%
Renewable or organic	0	0%	0	0%	0	0%
of which recycled	0	0%	0	0%	0	0%
Non-renewable or technical	0	0%	0	0%	0	0%
of which recycled	0	0%	0	0%	0	0%
Associated process materials	3,520		0		1	
of which recycled	0	0%	0	0%	0	0%
Renewable or organic	343	10%	0	0%	0	0%
of which recycled	0	0%	0	0%	0	0%
Non-renewable or technical	93	3%	0	0%	1	100%
of which recycled	-	0%	0	0%	0	0%
Total materials	49,369		52,217		66,251	
of which recycled	7,193	15%	9,053	17%	10,423	16%
Renewable or organic	41,203	83%	45,868	88%	59,858	90%
of which recycled	7,123	17%	9,018	20%	9,487	16%
of which sourced from a sustainable supply chain	9,696	24%	16,806	37%	20,814	35%
Non-renewable or technical	8,165	17%	6,349	12%	6,393	10%
of which recycled	70	1%	35	1%	936	15%

RESOURCE OUTFLOWS

E5-5

Only SIDI Sport produces durable consumer goods, namely sports footwear for bicycles and motorbikes. "Create to last" is one of the values that inspire the Code of Ethics. The design of many products in the range, particularly for motorbikes, includes interchangeable parts and the footwear is made with materials and construction methods that are designed to last. Even without formal measurements, market assessments historically place SIDI Sport's products among the best in the sector, also in terms of durability.

Furthermore, motocross and track boots are resoleable, with replaceable metal parts and - a unique feature - parts subject to wear and abrasion that can easily be replaced, even by the users themselves. Cycling shoes are inherently less repairable, but the locking rotors are replaceable.

Even though Officina Profumo-Farmaceutica di Santa Maria Novella sells almost exclusively consumer goods, it currently has a limited, but growing, number of refill systems in its catalogue, such as for room fragrances and shampoos. The aim is to increase the useful life of the primary packaging used and reduce material consumption.

The entire production of Caffè Borbone is potentially recyclable at the end of its life as compost, particularly the single-serve coffee in pods or compostable capsules. Also the footwear produced by SIDI Sport is made almost exclusively of materials that can be recycled at the end of their life, with problems only for carbon fibre.

All of the packaging used by the Group's production companies is recyclable at the end of its life.

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None of the Group companies' activities produce radioactive waste or waste containing critical raw materials, rare earths or other minerals. Considering how diversified the Group's activities are, the waste produced contains a wide range of materials, including biomass, metals, plastics, paper, textiles and others. Data and information relating to the generation, classification and destination of the waste generated are obtained from the official accounting system adopted in line with current legislation.

Waste that is "not recycled" according to the definition adopted is sent for other forms of recovery and valorisation, as shown in the table on the following page.

Resource Outflows	2022		2023		2024	
	t	%	t	%	t	%
Total waste	2,524	100.0%	3,277	100.0%	3,120	100.0%
Recycled	--	--	87	2.6%	-	0.0%
Non-recycled	--	--	3,277	97.4%	3,120	100.0%
Non-hazardous waste	2,411	95.5%	3,296	98.0%	3,023	96.9%
Recycled	--	--	87	2.6%	-	0.0%
Non-recycled	--	--	3,208	97.4%	3,023	100.0%
Hazardous waste	113	4.5%	68	2.0%	97	3.1%
Recycled	--	--	-	0.0%	-	0.0%
Non-recycled	--	--	68	100.0%	97	100.0%

Resource Outflows	Unit	2022	2023	2024
Non-hazardous		--	3,300	3,023
Material recovery		--	3,163	2,900
Recycling (R3; R4; R5)		--	87	0
of which composting (R3)		--	83	0
of which other forms of recycling (R4; R5)		--	5	0
Preparation for re-use (R2; R6; R9)		--	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		--	2,988	2,900
Disposal		--	221	122
Landfill (D1)		--	0	0
Incineration (D10; D11)		--	4	9
Other disposal operations (D2-D9; D12-D15)		--	217	114
Hazardous	t	--	68	97
Material recovery		--	47	64
Recycling (R3; R4 ;R5)		--	0	0
of which composting (R3)		--	0	0
of which other forms of recycling (R4; R5)		--	0	0
Preparation for re-use (R2; R6; R9)		--	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		--	47	64
Disposal		--	22	33
Landfill (D1)		--	0	0
Incineration (D10; D11)		--	0	0
Other disposal operations (D2-D9; D12-D15)		--	22	33

SOCIAL INFORMATION

Own workforce

ESRS S1

STRATEGY

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

S1.SBM-3

The assessment cannot ignore the level of expectations and ambitions defined and progressively reinforced through formalisation of the sustainable commitments made by the Group, which affect everyone in the workforce. This includes both employees and non-employees, such as agency workers, self-employed workers or project-based workers, interns, and agents, as outlined on page B79. Additionally, in some production sites, workers from third-party companies carry out specific tasks, such as logistics operations. No particularly vulnerable worker categories have been identified.

The Group's direct activities do not concern countries at significant risk for forced or compulsory labour or child labour.

Impacts, risks, and opportunities assessed as material are presented on pages B88 to B40, along with the mitigation measures and supporting initiatives undertaken and have taken into account the Group's specific dependencies on aspects such as health and safety and human capital.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

POLICIES

S1-1

The formalised commitments to sustainability that inform Italmobiliare's approach to duty of care (see page B29) are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter.

- In line with the Code of Ethics, Italmobiliare believes in people as a fundamental element for corporate success. For this reason, it promotes in all Group companies a work environment free from any form of discrimination or abuse, in which respect, collaboration and mutual support can fully develop the potential of human capital.

Italmobiliare considers plurality and diversity as sources of enrichment and resources for the development of humanity. It respects and values the unique contribution of each individual to the company's activity, creating an inclusive work environment that respects the dignity of each individual, taking into account each person's contribution and recognising that there is strength in diversity.

Moreover, Italmobiliare believes in continuous training as a tool for the enrichment of people, the diffusion of ethical values, organisational integration and the promotion of change and innovation. The Code of Ethics details these principles and commitments in a comprehensive and binding manner for all users.

Lastly, Italmobiliare promotes a healthy and safe working environment. Furthermore, way beyond legislative compliance, it supports the development of a health and safety culture built on managerial leadership and a solid management system in all Group activities and companies, with the aim of guaranteeing and protecting the psychological and physical integrity of staff members and all those who work, access or spend time in the companies' premises.

- The "Guiding Principles" of the Sustainability Policies commit Italmobiliare to support and respect internationally proclaimed human rights, which are universal and belong equally to everyone, and to implement work practices based on fair employment, equal opportunities, skills development and inclusiveness, considering diversity as a source of value. The "Diversity and Inclusion" Policy and the "Rights and Society" Policy further detail these commitments, starting with the example of the Board of Directors which is explicitly asked to demonstrate this

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approach. The “Health and Safety” Policy is the foundation of the corporate culture in this area, a way of life aimed at achieving Zero Accidents.

- The Responsible Investment Policy explicitly highlights the contribution to SDG 5 “Gender Equality” and SDG “Decent Work and Economic Growth” as one of the value creation objectives.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors, and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations, or sponsorships, to be effectively and demonstrably aligned with the same commitments in the field of human rights, labour rights, health, and safety.

The Portfolio Companies support the parent company by adopting the same approach in their governance documents.

PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES

S1-2

Stakeholders' interests and opinions play a significant role in refining the Group's strategy and business model, and employees are considered important stakeholders. The Human Resources Department, supported by the Sustainability Department and the corresponding functions at the Portfolio Companies, submit specific online questionnaires to a representative portion of the informed company population at least every three years, the results of which are integrated into the materiality analysis. The contents of the questionnaires are periodically updated.

The effectiveness of the engagement process is assessed on the basis of the relevance of the answers received. Based on previous exercises, this approach is considered effective, providing the interviewees have gone through the right training and this has been maintained over time.

In 2024, Italmobiliare and all of the controlled portfolio companies, with the operational coordination of the respective functions dedicated to sustainability, updated the collection of opinions of employees. Their involvement occurs through questionnaires sent to portions of the company population.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

S1-3

The whistleblowing system adopted by Italmobiliare and all Portfolio Companies is the channel available to employees and any other person who in any capacity comes into contact with the companies to report illicit activities and violations. The use of dedicated communication platforms and the supervision of the Supervisory Body guarantee the protection of the identity of the whistleblower and of the persons involved and/or mentioned in the report, as well as the confidentiality of its content. The Company also undertakes to implement every form of protection envisaged by the law against retaliatory or discriminatory conduct. The identity of the whistleblower and any other information from which such identity could be deduced cannot be communicated, without the person's express consent, to parties other than those responsible for receiving or following up on reports.

In addition to regulatory non-compliance, any violation of the Code of Ethics, Model 231 and internal company regulations may be subject to whistleblowing.

The Supervisory Body receives and manages any reports that arrive, updating the whistleblower on the progress being made on the case according to set methods and times.

TAKING ACTION ON MATERIAL IMPACTS AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

S1-4

The Group considers the management and development of human capital a clear responsibility of all managers, aimed at respecting and protecting skills and diversity, above all their development to bring out their full value, with the aim of creating a working environment that is attractive, motivating and remunerative. This is particularly relevant if we consider that many of the Group's companies are facing the path of growth and business development with organisational structures that are still going through a phase of consolidation and stabilisation.

Indeed, the Group's growth also depends significantly on the ability to attract and retain people with different, complementary skills and leaders capable of guiding the evolution of the companies in their respective business segments. This awareness, supported by appropriate metrics, fuels the process through which the Group companies:

- ensure that their practices do not cause or contribute to material adverse impacts on their workforce;
- identify the actions needed to promote positive impacts, mitigate risks and seize opportunities:
- monitor and evaluate the effectiveness of the actions and initiatives undertaken.

The most important actions include: strengthening the first and second line of management, continuous and differentiated training for the various professional figures, improving internal processes, better definition and communication of roles and responsibilities, the progressive adoption of incentive plans, the introduction of corporate welfare systems and team building initiatives.

Moreover, the continuous promotion of a culture of safety, understood as a lifestyle, aims to achieve the highest levels of collective and individual awareness, encouraging a process of continuous improvement through the adoption of effective management systems and visible leadership as the key to success. This approach is the only one capable of reducing and eliminating accidents at work that can cause injuries and effectively demonstrating the duty of care towards employees, collaborators, visitors and any other person who accesses the sites or interacts with the Group's companies, with significant positive effects on other dimensions of the development of human capital.

Lastly, the same sustainable strategy adopted by the Group and all its components constitutes a further element of attraction, retention and motivation of the entire workforce.

All of the actions and initiatives described here are carried out without the need for dedicated budgets, but require visible and perceived leadership from management and making adequate time available. Strategically structured and oriented training remains an extremely important driver. In 2024, the Group invested over Euro 1.3 million (nearly Euro 800 per person) in the development of its human capital and their skills.

METRICS AND TARGETS

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

S1-5

Supported by its adherence to the Women Empowerment Principles, Italmobiliare aims to create conditions of inclusiveness and social culture that foster a path aimed at achieving gender equality, starting from management positions. Italmobiliare considers any accident at work to be unacceptable. To that end, it aims to create a solid safety culture, well above the legal obligations, recording progress and setbacks in a never-ending effort.

Medium-term objectives		Target	Year	2022	2023	2024
Group	Percentage of management positions (managers and middle managers) held by women.	> 40%	2025 +	31%	35%	38%
	Overall gender pay gap, expressed as the difference between the average pay of men and women compared with the average pay of men.	Progressive improvement		47%	63% *	47%
	To achieve and maintain a significant level of training hours per person.	> 40	2025 +	33	28	24
	Zero accidents with absence from work of at least 24 hours per million hours worked	0	2025 +	3.,3	4.8	5.4

* In 2023, variable compensation from the three-year Long-Term Incentive plan was paid to the Holding's management.

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CHARACTERISTICS OF THE EMPLOYEES

S1-6

Headcount at 31 December *		2022			2023			2024		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
GROUP	TOTAL	463	542	1,005	823	648	1,471	996	735	1,731
	Open-ended	387	498	885	722	616	1,338	909	707	1,616
	Fixed-term	76	44	120	101	32	133	87	28	115
	Full-time	255	514	769	537	625	1,162	622	715	1,337
	Part-time	208	28	236	286	23	309	374	20	394
Italy	TOTAL	442	528	970	636	593	1,229	767	660	1,427
	Open-ended	367	485	852	538	560	1,098	682	634	1,316
	Fixed-term	75	43	118	98	33	131	85	26	111
	Full-time	245	500	745	357	572	929	414	644	1,058
	Part-time	197	28	225	279	21	300	353	16	369
United Kingdom	TOTAL	5	3	8	6	5	11	9	6	15
	Open-ended	5	3	8	5	5	10	8	5	13
	Fixed-term	0	0	0	1	0	1	1	1	2
	Full-time	1	3	4	4	5	9	6	6	12
	Part-time	4	0	4	2	0	2	3	0	3
USA	TOTAL	12	10	22	19	18	37	25	19	44
	Open-ended	12	9	21	18	18	36	24	18	42
	Fixed-term	0	1	1	1	0	1	1	1	2
	Full-time	7	10	17	16	17	33	22	17	39
	Part-time	5	0	5	3	1	4	3	2	5
France	TOTAL	4	1	5	6	2	8	3	5	8
	Open-ended	3	1	4	6	2	8	3	5	8
	Fixed-term	1	0	1	0	0	0	0	0	0
	Full-time	2	1	3	5	2	7	3	5	8
	Part-time	2	0	2	1	0	1	0	0	0
Romania	TOTAL	--	--	--	155	31	186	144	28	172
	Open-ended	--	--	--	155	31	186	144	28	172
	Fixed-term	--	--	--	0	0	0	0	0	0
	Full-time	--	--	--	154	30	184	143	27	170
	Part-time	--	--	--	1	1	2	1	1	2
Japan	TOTAL	--	--	--	--	--	--	44	14	58
	Open-ended	--	--	--	--	--	--	44	14	58
	Fixed-term	--	--	--	--	--	--	0	0	0
	Full-time	--	--	--	--	--	--	32	13	45
	Part-time	--	--	--	--	--	--	12	1	13

* In no Group company are there employees working on variable hours.

Headcount variation		2022			2023			2024		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
Turnover		--	--	178	--	--	466	--	--	260
+ Hirings		--	--	295	--	--	373	--	--	446
+ Acquisitions		--	--	39	--	--	282	--	--	85
- Voluntary exits		--	--	83	--	--	118	--	--	174
- Non-voluntary exits		--	--	73	--	--	69	--	--	93
- Divestments		--	--	0	--	--	2	--	--	4

		2022						2023		2024			
		Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Group	Entry	175	120	295		256	117	373		301	145	446	
	rate%	38%	22%	29%		31%	18%	25%		30%	20%	26%	
	<30	69	34	103	53%	102	33	135	52%	113	39	152	50%
	30-50	89	77	166	26%	135	65	200	22%	157	89	246	23%
	>50	17	9	26	14%	19	19	38	13%	31	17	48	13%
	Exit	81	75	156		120	69	189		189	82	271	
	rate%	17%	14%	16%		15%	11%	13%		19%	11%	16%	
	<30	29	17	46	24%	34	12	46	18%	63	17	80	27%
	30-50	38	40	78	12%	64	39	103	11%	92	41	133	13%
	>50	14	18	32	17%	22	18	40	13%	34	24	58	15%
Managers	Entry	--	--	--		--	--	--		8	7	15	
	rate%	--	--	--		--	--	--		36%	11%	17%	
	<30	--	--	--	--	--	--	--	--	0	1	1	100%
	30-50	--	--	--	--	--	--	--	--	4	5	9	16%
	>50	--	--	--	--	--	--	--	--	4	1	5	16%
	Exit	--	--	--		--	--	--		2	5	7	
	rate%	--	--	--		--	--	--		9%	8%	8%	
	<30	--	--	--	--	--	--	--	--	0	0	0	0%
	30-50	--	--	--	--	--	--	--	--	0	2	2	4%
	>50	--	--	--	--	--	--	--	--	2	3	5	16%
Middle managers	Entry	--	--	--		--	--	--		24	25	49	
	rate%	--	--	--		--	--	--		30%	25%	27%	
	<30	--	--	--	--	--	--	--	--	1	1	2	33%
	30-50	--	--	--	--	--	--	--	--	20	19	39	33%
	>50	--	--	--	--	--	--	--	--	3	5	8	14%
	Exit	--	--	--		--	--	--		13	11	24	
	rate%	--	--	--		--	--	--		16%	11%	13%	
	<30	--	--	--	--	--	--	--	--	1	2	3	50%
	30-50	--	--	--	--	--	--	--	--	12	6	18	15%
	>50	--	--	--	--	--	--	--	--	0	3	3	5%
Office workers	Entry	--	--	--		--	--	--		227	74	301	
	rate%	--	--	--		--	--	--		34%	34%	34%	
	<30	--	--	--	--	--	--	--	--	97	24	121	53%
	30-50	--	--	--	--	--	--	--	--	114	44	158	30%
	>50	--	--	--	--	--	--	--	--	16	6	22	17%
	Exit	--	--	--		--	--	--		133	27	160	
	rate%	--	--	--		--	--	--		20%	12%	18%	
	<30	--	--	--	--	--	--	--	--	51	8	59	26%
	30-50	--	--	--	--	--	--	--	--	63	15	78	15%
	>50	--	--	--	--	--	--	--	--	19	4	23	18%
Production workers	Entry	--	--	--		--	--	--		42	39	81	
	rate%	--	--	--		--	--	--		18%	11%	14%	
	<30	--	--	--	--	--	--	--	--	15	13	28	42%
	30-50	--	--	--	--	--	--	--	--	19	21	40	12%
	>50	--	--	--	--	--	--	--	--	8	5	13	8%
	Exit	--	--	--		--	--	--		41	39	80	
	rate%	--	--	--		--	--	--		18%	11%	14%	
	<30	--	--	--	--	--	--	--	--	11	7	18	27%
	30-50	--	--	--	--	--	--	--	--	17	18	35	10%
	>50	--	--	--	--	--	--	--	--	13	14	27	16%

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CHARACTERISTICS OF NON-EMPLOYEE WORKERS IN THE COMPANY'S OWN WORKFORCE

S1-7

Headcount at 31 December		2022	2023	2024
GROUP	TOTAL	860	959	1,142
	Agency workers, self-employed workers, project-based workers	765	851	1,057
	Interns	16	14	11
	Agents	79	93	74
Italy	TOTAL	852	954	1,099
	Agency workers, self-employed workers, project-based workers	757	846	1,015
	Interns	16	15	10
	Agents	79	93	74
United Kingdom	TOTAL	0	0	2
	Agency workers, self-employed workers, project-based workers	0	0	2
	Interns	0	0	0
	Agents	0	0	0
USA	TOTAL	8	5	1
	Agency workers, self-employed workers, project-based workers	8	5	0
	Interns	0	0	1
	Agents	0	0	0
Francia	TOTAL	0	0	4
	Agency workers, self-employed workers, project-based workers	0	0	4
	Interns	0	0	0
	Agents	0	0	0
France	TOTAL	--	0	0
	Agency workers, self-employed workers, project-based workers	--	0	0
	Interns	--	0	0
	Agents	--	0	0
Japan	TOTAL	--	--	36
	Agency workers, self-employed workers, project-based workers	--	--	36
	Interns	--	--	0
	Agents	--	--	0

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

S1-8

Collective bargaining coverage	2022	2023	2024
% of workers covered by collective bargaining agreements	97%	84%	83%

Collective bargaining coverage		Social dialogue
Coverage rate	Employees – EEA *	Workplace representation – EEA only
0-19 %		Romania
20-39 %		Italy
40-59 %		
60-79%		
80-100 %	Italy, Romania	

* European Economic Area

DIVERSITY

S1-9

Italmobiliare (% of Female Representation)	Italmobiliare (Parent Company)			Controlled Portfolio Companies		
	2022	2023	2024	2022	2023	2024
Board of Directors	42%	42%	42%	17%	23%	20%
Board of Statutory Auditors	33%	33%	33%	32%	37%	41%
Managerial Positions	40%	47%	46%	29%	33%	37%
Total personnel	49%	56%	55%	46%	56%	58%

	2022		2023		2024	
	no.	%	no.	%	no..	%
Managers	61		76		88	
Women	13	21%	16	21%	22	25%
Under 30	0	0%	0	0%	0	0%
30-50	8	13%	10	13%	14	16%
Over 50	5	8%	6	8%	8	9%
Men	48	79%	60	79%	66	75%
Under 30	1	2%	1	1%	1	1%
30-50	30	49%	42	55%	41	47%
Over 50	17	28%	17	22%	24	27%
Middle managers	101		135		181	
Women	37	37%	58	43%	80	44%
Under 30	1	1%	3	2%	3	2%
30-50	23	23%	42	31%	50	28%
Over 50	13	13%	13	10%	27	15%
Men	64	63%	77	57%	101	56%
Under 30	4	4%	4	3%	3	2%
30-50	47	47%	55	41%	67	37%
Over 50	13	13%	18	13%	31	17%
Office workers	497		694		883	
Women	374	75%	532	77%	665	75%
Under 30	107	22%	155	22%	184	21%
30-50	213	43%	308	44%	393	45%
Over 50	54	11%	69	10%	88	10%
Men	123	25%	162	23%	218	25%
Under 30	21	4%	34	5%	43	5%
30-50	81	16%	101	15%	136	15%
Over 50	21	4%	27	4%	39	4%
Production workers	346		566		579	
Women	39	11%	217	38%	229	40%
Under 30	3	1%	7	1%	16	3%
30-50	24	7%	127	22%	122	21%
Over 50	12	3%	83	15%	91	16%
Men	307	89%	349	62%	350	60%
Under 30	56	16%	54	10%	51	9%
30-50	202	58%	224	40%	225	39%
Over 50	49	14%	71	13%	74	13%

ADEQUATE WAGES

S1-10

83% of employees are covered by national collective labour agreements, intrinsically structured according to national benchmarks. Workers not covered by collective agreements have wages in line with the geographical and sectoral context of reference. No worker in any country is paid below the applicable benchmark.

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SOCIAL PROTECTION

S1-11

Regardless of coverage under national collective agreements, almost all employees are provided with social protection against income loss due to illness, unemployment, accidents at work, or acquired disabilities, maternity leave, and retirement. Details can be found in the table below. The limited exceptions refer to some workers at the Japanese branch of Officina Profumo-Farmaceutica di Santa Maria Novella. In fact, according to the national legislation, sickness insurance is not provided if working hours are less than 75% of the working hours of a full-time employee (7 workers). Social protection in the event of unemployment does not cover an employee who works less than 20 hours per week (4 workers).

Social protection in case of:	2022	2023	2024
Illness	--	--	99.5%
Unemployment	--	--	99.8%
Work-related injury and acquired disability	--	--	100.0%
Parental leave	--	--	100.0%
Retirement	--	--	100.0%

PERSONS WITH DISABILITIES

S1-12

	2022		2023		2024	
Personnel with disabilities	n.	%	n.	%	n.	%
Total	--	--	--	--	37	2%
Women	--	--	--	--	10	1%
Men	--	--	--	--	27	4%

TRAINING AND SKILLS DEVELOPMENT

S1-13

Italmobiliare and the Portfolio Companies plan training initiatives starting from an analysis of requirements. The following tables represent the training efforts provided, with a breakdown of the topics covered.

	2022			2023			2024		
Performance evaluation	Women	Men	Total	Women	Men	Total	Women	Men	Total
% with Annual Performance Evaluation	64%	38%	50%	21%	31%	26%	13%	33%	22%
Managers	100%	92%	93%	81%	87%	86%	82%	91%	89%
Middle managers	76%	84%	81%	53%	70%	63%	54%	73%	65%
Office workers	64%	60%	63%	24%	39%	27%	11%	38%	18%
Production workers	38%	11%	14%	2%	10%	7%	0%	7%	4%
Training									
Hours per Capita	47.9	20.4	33.0	36.1	16.8	27.6	27.6	19.5	24.1
Managers	28.2	19.1	21.0	27.0	17.2	19.2	23.5	23.0	23.2
Middle managers	20.6	20.8	20.7	23.0	24.2	23.7	19.2	25.5	22.7
Office workers	54.1	34.5	49.2	49.5	34.1	45.9	36.6	31.3	35.3
Production workers	20.9	14.8	15.5	7.3	7.0	7.1	4.7	9.7	7.8
% of Voluntary Training Hours	--	--	--	85%	68%	81%	86%	61%	78%
Managers	--	--	--	93%	92%	93%	76%	79%	78%
Middle managers	--	--	--	83%	82%	83%	80%	78%	79%
Office workers	--	--	--	88%	82%	87%	89%	72%	85%
Production workers	--	--	--	40%	18%	27%	42%	19%	25%
% with at Least One Training Session	--	--	--	92%	88%	90%	59%	71%	64%
Managers	--	--	--	88%	82%	83%	88%	89%	88%
Middle managers	--	--	--	90%	97%	94%	63%	85%	75%
Office workers	--	--	--	87%	91%	88%	69%	80%	72%
Production workers	--	--	--	106%	86%	94%	24%	59%	45%

Training Hours	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Technical and Operational Skills	17,676	5,535	23,211	23,470	5,623	29,094	21,759	7,063	28,822
Managers	193	250	443	105	304	409	89	429	518
Middle managers	339	596	935	675	747	1,422	618	926	1,544
Office workers	16,693	2,803	19,496	22,211	4,198	26,409	20,662	4,385	25,047
Production workers	451	1,886	2,337	480	375	855	390	1,323	1,713
Health and Safety	3,326	3,656	6,982	3,601	2,768	6,369	2,614	3,168	5,782
Managers	32	191	223	112	231	343	85	208	293
Middle managers	158	270	428	254	420	674	186	306	492
Office workers	2,860	917	3,777	2,455	431	2,886	1,709	826	2,534
Production workers	276	2,279	2,555	781	1,686	2,467	635	1,830	2,464
Environment, Quality, and Sustainability	--	--	--	--	--	--	282	285	566
Managers	--	--	--	--	--	--	48	101	149
Middle managers	--	--	--	--	--	--	27	51	78
Office workers	--	--	--	--	--	--	187	49	236
Production workers	--	--	--	--	--	--	20	84	104
Integrity, Compliance, and Risk Management	467	775	1,242	759	281	1,040	488	695	1,183
Managers	26	103	129	30	29	58	49	127	176
Middle managers	55	116	171	60	60	119	95	213	308
Office workers	299	183	482	548	82	629	318	289	606
Production workers	87	373	460	122	111	233	27	67	94
Relational, Organisational, Language, and Digital Skills	595	1,068	1,663	1,440	1,667	3,106	1,732	2,117	3,849
Managers	116	370	486	154	360	514	232	557	789
Middle managers	209	349	558	314	519	833	549	810	1,358
Office workers	271	344	614	902	714	1,615	942	743	1,684
Production workers	0	4	4	71	74	145	10	8	18
Cybersecurity	0	0	0	203	320	523	561	942	1,503
Managers	0	0	0	31	87	119	15	84	99
Middle managers	0	0	0	30	102	132	59	247	306
Office workers	0	0	0	142	71	213	484	522	1,006
Production workers	0	0	0	0	59	59	3	89	92
Human Rights	96	0	96	224	200	424	27	52	79
Managers	0	0	0	0	20	20	0	17	17
Middle managers	0	0	0	0	18	18	0	25	25
Office workers	96	0	96	92	30	122	27	6	33
Production workers	0	0	0	132	132	264	0	4	4
Training Investments (€)									
Total				985,174			--	--	1,340,402
Per FTE				627			--	--	718

Section 3 | ITALMOBILIARE GROUP – SUSTAINABILITY REPORT

HEALTH AND SAFETY

S1-14

2024 was a dramatic year for the Group, as in June it lost one of its expert collaborators in a fatal accident that occurred while working on the “Poirée” dam on the Adda River in Concesa di Trezzo d'Adda (MI).

As a result of this tragic event, everyone in the Group has made an even greater coordinated effort to promote the health, safety and well-being of all employees, also including businesses, suppliers, visitors, customers and the local community in this approach.

Italmobiliare considers safety, protection and promotion of the health and wellbeing of the person as fundamental values to be integrated into all of the Group's activities and in business or social relations with all stakeholders in its sphere of influence. This principle extends to employees, businesses, suppliers, visitors, local communities and any other interested parties within its sphere of influence.

The Group is committed to taking concrete measures to eliminate accidents, injuries and illnesses caused by work, reducing the risks in all its activities. It also aims to achieve the highest levels of collective and individual awareness, encouraging a process of continuous improvement by adopting effective management systems and visible leadership as the key to success.

27% of the Group's personnel are covered by occupational health and safety management systems certified according to the ISO 45001 standard. In any case, all personnel are covered by the management systems required by applicable standards or contracts. Also in 2024, no cases of occupational disease were reported throughout the consolidated perimeter.

	2022			2023			2024		
Injuries	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	--	--	5	3	8	11	7	7	14
Fatalities	--	--	0	0	0	0	0	1	1
Injuries	--	--	5	3	8	11	7	6	13
Lost days	--	--	419	30	359	389	158	146	304
Frequency rate	--	--	3.32	2.48	7.25	4.75	4.82	6.12	5.39
Severity rate	--	--	0.28	0.02	0.33	0.17	0.11	0.13	0.12
Non-Employees	--	--	0	0	2	2	0	0	0
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	2	2	0	0	0
Lost days	--	--	0	0	27	27	0	0	0
Frequency rate	--	--	0.00	0.00	29.87	24.31	0.00	0.00	0.00

WORK-LIFE BALANCE

S1-15

In general, employees who are covered by collective bargaining agreements are entitled to family leave. In other cases the assessment is made on an individual, case-by-case basis. Where possible, part-time employment and the adoption of flexible hours provide an element of flexibility to meet individual work-life balance needs.

	2022			2023			2024		
Family and Parental Leave	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total number of employees that were entitled to parental leave	--	--	--	--	--	--	100%	100%	100%
Total number of employees that took parental leave	%	--	--	--	--	--	9%	8%	9%

COMPENSATION

S1-16

In addition to what is reported in the Remuneration Report regarding transparency and the balance of executive compensation, Italmobiliare monitors the ratio between the highest total compensation paid and the median total compensation within the Group, excluding the highest.

Pay ratio *	2022	2023	2024
Ratio between the highest total compensation paid and the median total compensation within the Group, excluding the highest.	59	318	103

* In 2023, variable compensation from the three-year Long Term Incentive plan for the Holding's management was paid.

Confirming their commitment to equal opportunities, Italmobiliare and all the Portfolio Companies have signed and promoted the Women Empowerment Principles (WEPs), explicitly referred to in the adopted Codes of Ethics. Thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

Fixed and variable remuneration *	2022	2023	2024
Gender pay gap			
<i>Difference between women's and men's average pay compared with men's average pay</i>	47%	63%	47%
Managers	28%	48%	35%
Middle managers	14%	19%	26%
Office workers	35%	35%	30%
Production workers	48%	54%	26%

* In 2023, variable compensation from the three-year Long Term Incentive plan for the Holding's management was paid.

INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

S1-17

In 2024, there was only one report of an incident of discrimination/harassment at Group companies. The case was the subject of immediate investigations, both internally and by the authorities, which concluded that there were no corroborating elements that would justify further proceedings. The employee subsequently left the company and decided to sue the company anyway.

There have been no human rights issues or incidents, also with reference to the United Nations Guiding Principles and the OECD Guidelines for Multinational Enterprises, nor have any fines, sanctions or compensation for damages been imposed in this regard.

Workers in the value chain

ESRS S2

STRATEGY

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

S2.SBM-3

The assessment cannot ignore the level of expectations and ambitions defined and progressively reinforced through formalisation of the sustainable commitments made by Italmobiliare and the Portfolio Companies, which affect everyone in their respective value chains.

Group companies are characterised by global value chains, by origin of raw materials or market outlets. At the same time, Group companies are aware that potentially sensitive aspects in terms of human rights, labour rights and equal opportunities can be found not only in geographies recognised as being at risk, but also in Italy or in Europe, especially when extending the evaluation beyond the first tier. In light of the above, the attention of Group's companies, depending on the specific value chains, extends to numerous categories of workers, including at least the following:

- Workers present at the companies' operational sites but not part of the direct workforce. This category notably includes self-employed workers at Casa della Salute clinics or workers from logistics companies at the Caffè Borbone production site.
- Workers in the upstream value chain. Particular attention is required by the value chains of companies that use raw materials coming, directly or indirectly, from the agricultural or livestock world (Caffè Borbone, Officina Profumo-Farmaceutica di Santa Maria Novella, Capitelli, Callmewine) or that use materials and technology that originate from sensitive countries (Italgen, Casa della Salute, SIDI Sport).
- Workers in the downstream value chain, such as logistics operators, distributors, retailers, and franchises.

Where relevant, Group's companies pay particular attention to workers in the categories described above who are potentially particularly vulnerable, such as women or young workers, as seen in the coffee supply chain.

For all of the above, in the review conducted in 2024, the scope of the Code of Ethics, the Sustainability Policies and the Partnership Charter, documents adopted by all Group companies, explicitly includes all third parties, i.e. those who have commercial relationships with the companies, such as suppliers, distributors, partners, co-investors and beneficiaries of social initiatives, donations and sponsorships.

ESG-qualified supplier selection and the choice of reliable traders for potentially more critical supplies are effective mitigations. In the Group's approach, the impacts, risks and opportunities associated with the supply chain are addressed in a holistic manner, considering environmental, social and governance aspects.

Impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

POLICIES

S2-1

The formalised commitments to sustainability that inform Italmobiliare's approach to duty of care (see page B29) are explicitly referenced in the governance documents adopted to support its sustainability strategy, particularly in the Code of Ethics and Sustainability Policies, which extend and integrate their principles. Together, they guide the Responsible Investment Policy and are applied in the Partnership Charter. The entire body of governance documents applies not only to the Corporate Bodies and the Group's Personnel, but also to Collaborators acting in the name and on behalf of the companies and to Third Parties such as suppliers of goods and services, contractors, distributors and any other business partner, co-investor or beneficiary, in their direct activities, in contractual relations with any sub-suppliers or subcontractors and, in general, in the creation and management of the respective value chains.

- According to the Code of Ethics, all business partners are expected to conduct their business following standards of conduct consistent with those set out in the Code of Ethics. Italmobiliare, to protect its operational effectiveness and safeguard its resources, including images and reputation, does not maintain relationships with parties who do not intend or who have demonstrated that they do not operate in compliance with current legislation and according to the values expressed in the Code of Ethics.
- The “Guiding Principles” of the Sustainability Policies commit Italmobiliare to support and respect internationally proclaimed human rights, which are universal and belong equally to everyone, and to implement work practices based on fair employment, equal opportunities, skills development and inclusiveness, considering diversity as a source of value. The “Diversity and Inclusion” Policy and the “Rights and Society” Policy further detail these commitments.
- The Responsible Investment Policy explicitly highlights the contribution to SDG 5 “Gender Equality”, SDG 8 “Decent Work and Economic Growth” and SDG 17 “Partnership for the Goals” among the value creation objectives. The latter in particular refers to the importance of involving business partners.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors, and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations, or sponsorships, to be effectively and demonstrably aligned with the same commitments in the field of human rights and labour rights, in addition to those related to other aspects of sustainability. Further details on page B96.

Portfolio Companies support the parent company by adopting the same approach in their governance documents.

There have been no human rights issues or incidents, also with reference to the United Nations Guiding Principles and the OECD Guidelines for Multinational Enterprises, nor have any fines, sanctions or compensation for damages been imposed in this regard.

PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

S2-2

There are more than 1,000 temporary, self-employed or project workers, interns and agents working for the Group and Group companies establish ongoing relationships with them as part of their ongoing activities. This approach makes it possible to find out what they are particularly sensitive about, and these aspects are duly taken into consideration by management in the impact assessment.

Group companies do not have the levers to directly involve those working for suppliers of goods and services. This role is delegated to the management of the main suppliers, who are subject to the specifications established by the Partnership Charter and the commitments, including contractual commitments, that derive from it. However, suppliers are engaged in the impact assessment through specific questionnaires. In any case, the following paragraph applies to any worker in the value chain.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

S2-3

The whistleblowing system adopted by Italmobiliare and all Portfolio Companies is the channel available to anyone who in any capacity comes into contact with the companies of the Group to report illicit activities and violations. The use of dedicated communication platforms and the supervision of the Supervisory Body guarantee the protection of the identity of the whistleblower and of the persons involved and/or mentioned in the report, as well as the confidentiality of its content. The Company also undertakes to implement every form of protection envisaged by the law against retaliatory or discriminatory conduct. The identity of the whistleblower and any other information from which such identity could be deduced cannot be communicated, without the person's express consent, to parties other than those responsible for receiving or following up on reports. Further details on page B95.

Furthermore, as provided for by the Partnership Charter, Italmobiliare and all Portfolio Companies reserve the right to request the partners deemed most significant to make a legal commitment through the inclusion of specific clauses in the contracts regulating the relationship with the partner which provide for remedies in the event of non-fulfilment and, when deemed necessary, early termination of the contractual relationship.

TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTION

S2-4

Main interventions for countering potential negative impacts, promoting positive impacts, mitigating risks and enabling opportunities for workers in the value chain are directly linked to suppliers' management. Further details on page B96.

In addition, with reference to particularly vulnerable worker categories in the value chain, such as women and young people, please refer to page B90 for details on the Mwanyi project by Caffè Borbone. The project is primarily designed as a social empowerment initiative for the local coffee community in Uganda. Among the women and young workers who benefit are also workers from Caffè Borbone's supply chain.

METRICS AND TARGETS

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

S2-5

The objectives and metrics related to workers in the value chain are included in the management practices of suppliers, as detailed on page B97.

Affected communities

ESRS S3

STRATEGY

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

S3.SBM-3

Italmobiliare aims to create a positive impact on the local area and community, creating shared value through the management of the companies in which it invests, supporting local initiatives that align with its values and creating channels for listening and involving all interested parties.

This approach extends to the entire value chain, also with the support of its business partners. All Group companies operate in this direction, but only for some of them is the positive impact significant.

Caffè Borbone is aware that some of the activities in its value chain can have significant impacts on rural communities in the countries of origin of the coffee. Promoting sustainability also means taking care of those at the origin of the supply chain, who are committed to improving the yield and quality of crops, supporting fair and inclusive ways of working and contributing to global challenges by adopting sustainable agricultural practices.

Italgen's hydroelectric power plants have a strong connection with the local area, which provides its primary energy source, as well as its communities, to which the company offers operational safety and development opportunities.

Impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

POLICIES

S3-1

The formal commitments to sustainability which underlie Italmobiliare's approach to the duty of care (see page B29) are explicitly included in the governance documents adopted to support its sustainable strategy, particularly in the Code of Ethics and the Sustainability Policies, which extend and integrate its guidelines. Together, they guide the Responsible Investment Policy and find application in the Partnership Charter.

- As expressed in the Code of Ethics, Italmobiliare considers the relationship with the local area and those who live there to be of the utmost importance. Beyond the creation of shared value through investment activities, it supports the initiatives of associations, foundations and non-profit organisations on the topics of culture, social issues, the environment, health, sports, entertainment and art. Financial support is only intended for events or entities that offer guarantees of seriousness and for which activities aimed at undermining compliance with the values and principles of conduct expressed in the Code of Ethics are excluded.
- The "Guiding Principles" of the Sustainability Policies commit Italmobiliare to invest time, skills and resources in supporting communities, promoting local development with the regular involvement of all interested parties. The "Rights and Society" Policy aims to create and promote, along the entire value chain, virtuous relationships with local communities and any indigenous populations by understanding their needs, promoting sustainable local projects that do not generate relationships of dependency, and regular engagement with stakeholders.

Moreover, Italmobiliare is committed to promoting programmes of health protection and help for communities affected by natural and sanitary disasters; to support school education in all its forms, the growth of local skills and, where in line with their values, artistic, sporting, cultural and social activities; to support programmes for services of public utility or use, contributing to the development of adequate infrastructures and the improvement of the quality of life in the communities.

- The Responsible Investment Policy Investments includes community investments among the levers of value creation.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations or sponsorships are effectively and demonstrably aligned with the same commitments.

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Portfolio Companies support the parent company by adopting the same approach in their governance documents.

PROCESSES FOR ENGAGING WITH AFFECTED COMMUNITIES

S3-2

Italmobiliare and all the Group's companies aim at creating and maintaining long-lasting relationships with the community and all stakeholders, based on shared commitments, trust, transparency and active collaboration. For this reason, stakeholder relationships go beyond merely gathering opinions for the periodic update of materiality. The dialogue methods adopted depend on the nature and specific expectations of the respective stakeholders, also promoting the active involvement of their collaborators. The following table describes the multidimensional approach towards stakeholders, identified by categories.

Stakeholders	Relational modalities	Topics	Group companies
Personnel: employees and their representatives	Continuous manager/team dialogue, safety initiatives, thematic events, industrial relations	Work organization, corporate climate, health, safety and wellbeing, strategy and sustainability	All
Management: holding company and portfolio companies	Continuous management	Strategy and sustainability, investments	All
Financial community: investors, analysts, shareholders, capital providers, rating agencies	Dedicated meetings, roadshows, corporate and web documents. Transparency on ESG ratings.	Strategy and sustainability, governance, economic, environmental and social performance, risk management, investments	Italmobiliare Clessidra
Customers: B2B, B2C and end-users	Fairs, forums and sector events, direct individual contacts, customer satisfaction and quality	Customer services and logistics for products and solutions, also with reference to environmental and social performance	Caffè Borbone Officina Profumo-Farmaceutica di Santa Maria Novella Casa della Salute Capitelli SIDI Sport
Supply chain: suppliers of goods and services	Strategic partnerships, supply chain management, direct individual contacts, qualification audits	Pre-qualification and qualification requirements, contractual terms and conditions, supply chain disciplinary, audit feedback	Caffè Borbone Officina Profumo-Farmaceutica di Santa Maria Novella Capitelli Callmewine SIDI Sport
Communities, media and NGOs: local and global	Interviews, conferences, dialogue with the community, social initiatives	Transparent communication on strategy and sustainability, social and environmental performance, investments for the community	All
Associations: partnership and academia	Meetings, conferences, shared initiatives, partnerships, research	Strategy and sustainability, governance, individual and sectoral contribution	All
Authorities and institutions	Individual or collective interactions (e.g. meetings, conferences, events)	Governance, legal compliance, strategy and sustainability	All

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR AFFECTED COMMUNITIES TO RAISE CONCERNS

S3-3

The whistleblowing system adopted by Italmobiliare and all Portfolio Companies is the channel available to anyone who in any capacity comes into contact with the Group to report illicit activities and violations. The use of dedicated communication platforms and the supervision of the Supervisory Body guarantee the protection of the identity of the whistleblower and of the persons involved and/or mentioned in the report, as well as the confidentiality of its content. The Company also undertakes to implement every form of protection envisaged by the law against retaliatory or discriminatory conduct. The identity of the whistleblower and any other information from which such identity could be deduced cannot be communicated, without the person's express consent, to parties other than those responsible for receiving or following up on reports. Further details on page B95.

TAKING ACTION ON MATERIAL IMPACTS ON AFFECTED COMMUNITIES, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO AFFECTED COMMUNITIES, AND EFFECTIVENESS OF THOSE ACTIONS

S3-4

In 2022, Caffè Borbone set up a project in Uganda called Mwanyi (coffee in the local language) in partnership with the coffee trader Olam Food Ingredients (OFI). With a contribution of Euro 100,000 per year for five years, the project aims to increase the participation of young people and women in sustainable coffee production, increasing employment, providing better product quality, improving profitability for small producers and combating precariousness and rural exodus in selected areas of south-west Uganda. The main levers are training for young people and women aged between 23 and 59 on key topics such as financial and management skills, specific agronomic and nursery management techniques, soil erosion control and methods to improve its fertility, harvesting techniques and post-harvest soil processing, plant hygiene and sanitation, drying and storage methods.

Since 2023, 500 participants, 345 of them women, have been involved in 24 training courses where each person received between 15 and 20 hours of training. Another 500 will be added in 2025. To encourage maximum participation, the courses were held in the areas where the farmers operate, taking into consideration the seasonal agricultural cycle. Among the most innovative elements of the project is the "VSLA - Village Savings and Loan Associates" programme, which has encouraged the creation of 14 savings and loan associations managed directly by members of the local community, through which the farmers involved can access basic financial tools, including micro-credit, to invest in the quality of their products and increase the profitability of their farm.

Italgen is actively involved in the areas where its hydroelectric plants are located, contributing positively to local communities. Specifically, it is committed to enhancing and making accessible to the public the historic buildings that house the power plants and the surrounding areas, to promoting healthy and sustainable lifestyles and generating economic value for the community.

The plants are mainly located in rural or mountainous areas. For this reason, Italgen dedicates special attention to projects and initiatives aimed at protecting and passing on the local nature, history and culture, while transmitting an increasingly advanced sensitivity towards all-round sustainability. Furthermore, Italgen supports healthy, sustainable and nature-oriented lifestyles among both employees and citizens.

On the subject of safety, each site has its own emergency plan that details how employees are meant to behave and what preventive and operating steps they should take in the event of any impacts on the territory. Qualified and trained personnel constantly monitor the dams managed by the company.

METRICS AND TARGETS

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

S3-5

The actions underway are fully sufficient to mitigate the impacts, transforming them into positive ones. It is not considered necessary to set specific objectives.

However, it is relevant to monitor the effectiveness of the initiatives implemented with metrics defined for each individual project, as in the examples described. More generally, Italmobiliare monitors donations for community initiatives.

Community Initiatives (in millions of euro)	2022	2023	2024
Donations and grants	1,1	1,1	1,4

Consumers and end-users

ESRS S4

STRATEGY

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

S4.SBM-3

Product & service stewardship means understanding, controlling and communicating the technical performance of products and services, the effects on the environment, health and safety, on social variables throughout their life cycle, from design to production, from disposal or reuse at the end of their life, promoting their correct and responsible use by aware users, businesses or consumers.

Group companies offer customers, consumers and users safe products or services capable of promoting sustainable choices, encourage responsible lifestyles and ensure correct information, with full transparency also with regard to ESG characteristics. Furthermore, they adopt marketing practices that are understandable to all, respectful of diversity, and fair and inclusive.

This approach is particularly relevant for companies in the food sector, which have to ensure product safety.

Impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken and have taken into account the Group's specific dependencies on natural resources, ecosystem services and relationship with the supply chain.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

POLICIES

S4-1

All of these commitments which underlie Italmobiliare's approach to the duty of care (see page B29) are explicitly included in the governance documents adopted to support its sustainable strategy, particularly in the Code of Ethics and the Sustainability Policies, which extend and integrate its guidelines. Together, they guide the Responsible Investment Policy and find application in the Partnership Charter.

- As expressed in the Code of Ethics, Italmobiliare promotes commercial policies and strategic choices in line with best practices and the principle of professional loyalty towards customers and consumers in all Group companies, in particular those with services and products intended for national or international business or consumer markets.

Commercial initiatives aimed at promoting the company and encouraging the purchase of products or services must be carried out in compliance with the legislation that protects the interests of consumers and customer satisfaction. In addition, customers and consumers must have complete, updated, verified and transparent information on the characteristics and quality of products and services, including, when necessary, aspects related to environmental and social performance. This is not only to allow free and informed choices, but also to promote responsible lifestyles and consumption.

- The "Guiding Principles" of the Sustainability Policies commit Italmobiliare to create and maintain relationships with shareholders, investors and the market based on partnerships, transparency, exchange of information and sharing of commitments. The "Quality and Responsibility" Policy commits Italmobiliare to gain and maintain the trust of its customers, building channels of involvement and listening and guaranteeing the technical, environmental and social quality of products, processes and services, fair economic conditions and qualified assistance; to make available and communicate responsibly to customers, retailers, end consumers and interested parties information relating to technical, environmental and social performance, including the potential effects on health and safety of the materials used and products marketed.
- The Responsible Investment Policy includes product or service responsibility among the levers of value creation.
- With the Partnership Charter, Italmobiliare expects its suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations or sponsorships are effectively and demonstrably aligned with the same commitments.

Portfolio Companies support the parent company by adopting the same approach in their governance documents.

PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS

S4-2

Consumers and end-users are particularly significant stakeholders for businesses that sell physical products or have direct interaction with customers. In the impact assessment phase, a representative selection of the most significant among them, by market share or strategic importance, receives the questionnaires for the direct collection of their points of view.

In addition to the feedback received from customers through the methods described on page B36, the materiality update process also includes the monitoring and engagement activities detailed further below.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

S4-3

The whistleblowing system adopted by Italmobiliare and all Portfolio Companies is the channel available to anyone who in any capacity comes into contact with the companies to report illicit activities and violations, including consumers and end users of the products marketed or services provided by the Group companies. The use of dedicated communication platforms and the supervision of the Supervisory Body guarantee the protection of the identity of the whistleblower and of the persons involved and/or mentioned in the report, as well as the confidentiality of its content. The Company also undertakes to implement every form of protection envisaged by the law against retaliatory or discriminatory conduct. The identity of the whistleblower and any other information from which such identity could be deduced cannot be communicated, without the person's express consent, to parties other than those responsible for receiving or following up on reports.

Further details on the functioning of the whistleblowing system are provided on page B95. The following paragraph describes additional reporting methods specifically made available to customers and consumers.

TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS

S4-4

Group companies undertake numerous actions and initiatives to provide products and services that permit sustainable choices by customers, consumers and users. Among these, the ESG pre-qualification and qualification of business partners, the selection of raw materials, eco-design applied to products, packaging and services, the adoption of certified process and product management systems and effective communication of sustainability commitments and performances are particularly relevant. These are all activities integrated into the companies' business model.

Of particular importance for companies in the food sector are the complete product traceability system, periodic analyses of raw materials and finished products aimed at food defence, the certification of management systems according to specific standards such as IFS and the progressive strengthening of the organisational structure, particularly in the field of R&D.

Caffè Borbone ensures quality and food safety throughout the entire production process with advanced and integrated management systems, which, thanks to their demonstrated and verified effectiveness over time, have obtained formal third-party certification according to ISO 9001 and IFS - International Food Standard. Furthermore, the products offered by Caffè Borbone have obtained "Kosher" and "Halal" certification, so they are suitable for consumption by Jewish and Islamic communities. Attention to customers and consumers includes the management of customer satisfaction and the protection of sensitive data, adopting and continuously improving its application of legislative and voluntary standards, with particular reference to digital sales channels.

In addition to ensuring the protection of sensitive customer data, especially e-commerce, Officina Profumo-Farmaceutica di Santa Maria Novella constantly gathers customer feedback, through customer care, digital channels and the distribution network, as a continuous stimulus for improvement.

Casa della Salute monitors customer satisfaction through questionnaires that allow customers and patients to evaluate the quality of the reception, logistics, service used and medical report. Furthermore, since 2021, a Mystery Client system has been operational, managed by a private company, which provides monthly monitoring of the quality of patient reception and management and the punctuality and courtesy of professionals.

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SIDI Sport monitors customer satisfaction by comparing the daily percentage of on-time and late orders and on-time and late revenues compared with the previous year. The e-commerce channel is managed in the application of the legislative and voluntary standards applicable to the protection of sensitive data. The company monitors customer reports, including the many professional athletes who use its products. Furthermore, SIDI Sport works continuously to bring product communication to different channels to fully represent the company values, involving its workers, distributors and customers.

Capitelli aims for qualitative excellence, which is repeatedly appreciated by the market. Also in 2024, the "San Giovanni" cooked ham was confirmed with the awarding of five pins by the Guida ai Salumi d'Italia de L'Espresso, the only cooked ham in Italy to obtain this result since the first edition. These awards are the result of careful research conducted in the field since the company was founded by Angelo Capitelli, starting with the rediscovery of traditional processing methods to pursue a progressive refinement of the individual phases. Capitelli adopts maximum transparency criteria in product communication, to allow its customers and the end-consumer to appreciate its distinctive characteristics and to promote responsible consumption. In addition to the mandatory information on the product label, the company website provides additional information, such as nutritional values, ingredients and origin of raw materials, any allergens, packaging materials, recommendations for use and storage methods.

Callmewine monitors customer satisfaction by periodically sending surveys and requests for reviews on Trustpilot.

A particular category of "customers" is made up of investors, who are relevant for the parent company Italmobiliare and its subsidiary Clessidra.

Since 2021, Italmobiliare has adopted the 'Policy for the management of dialogue with shareholders', aimed at regulating relations with all shareholders, including institutional investors, in order to ensure the systematic dissemination of comprehensive, transparent and timely information on its activities and the pursuit of its mission. Relations with shareholders and the financial community are maintained by the Chair, the Chief Executive Officer and the Investor Relator, who, for specific issues or particular events, make use of the support of other corporate functions, mainly the Sustainability Department, the Communications Department, the Corporate Affairs Department and the Investment Management Department. As part of these activities, in 2024 the Investor Relations function held approximately 105 meetings with Italian and foreign institutional investors, both in dedicated meetings and by taking part in conferences reserved for listed companies such as the Euronext STAR Conference, Italian Sustainability Week, Italian Investment Conference, Virgilio Equity Conference London, Virgilio Mid & Small Milan and Degroof Petercam Investment Company Conference; In addition, presentation roadshows were organised with 18 investors in London and New York.

The subsidiary Clessidra adopts similar methods. Clessidra Private Equity SGR and Clessidra Capital Credit SGR offer their investors quality services, creating and maintaining solid relationships built on transparency and trust. Communicating with subscribers guarantees an adequate and equal level of information for all investors, safeguards the confidentiality of processed information and protects the successful outcome of investments and disposals in progress.

METRICS AND TARGETS

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

S4-5

For the reasons described in the previous paragraph, it is not possible to set objectives at Group level.

The metrics are defined company by company, starting from the analysis of any complaints received, also through the whistleblowing channel, which help refine each company's approach towards customers and consumers in a continuous improvement logic.

GOVERNANCE INFORMATION

Business conduct

ESRS G1

GOVERNANCE

ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

G1. GOV-1

The role of the administrative, management and control bodies is described in detail on page B25.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS AND OPPORTUNITIES

G1. IRO-1

The general methodology for assessing impacts, risks and opportunities is described on page B41.

Specifically, the **Internal Control and Risk Management System** (ICRMS) adopted by Italmobiliare has risk management bodies, systems and processes aligned with international best practices. These allow constant monitoring and effective management of risks of an economic-financial, social and environmental nature at Group level and conscious decision-making on the matter. It consists of rules, procedures and organisational structures to allow the identification, measurement, management and monitoring of the main risks to which the Company and its subsidiaries are exposed.

The Board of Directors, with the opinion of the **Control and Risk Committee**, defines the Guidelines and assesses their adequacy and effectiveness at least once a year. These Guidelines are sent to the subsidiaries so that they can take them into account when defining and maintaining their own ICRMS, without prejudice to each other's autonomy and independence.

Under the coordination of the **Internal Audit Department**, which is responsible for risk management, possibly with the support of other functions such as the Investment Management Department and the Sustainability Department and the direct involvement of the Portfolio Companies in dedicated workshops, actual and potential risks and the main opportunities have been identified and assessed.

Impacts, risks, and opportunities assessed as material are presented on pages B38 to B40, along with the mitigation measures and supporting initiatives undertaken.

The at least half-yearly update of the risk assessment contributes to fuelling and refining the mitigation actions reflected in the budget or strategic planning and the annual ESG Plans of Holding and Portfolio Companies, transforming risks, often intrinsic to business segments, into opportunities and the creation of value.

The Group's sustainable approach is in itself a strategy of risk anticipation and mitigation. The strategic vision and global references inspire governance processes and integrate into them. Management systems built on internationally recognised schemes constitute valid operational references. The solidity and effectiveness of the governance adopted, and the performances achieved are recognised by management systems certifications and ESG ratings.

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		Italmobiliare	Caffè Borbone	Officina SMN	Italgen	Casa della Salute	Capitelli	Callmewine	SIDI Sport	Clessidra
Engagement	UN Global Compact	✓	✓	✓	✓	✓	✓	✓	✓	✓
	UN Principles for Responsible Investment									✓
	Women's Empowerment Principles	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Science Based Targets initiative	✓	✓	✓	✓	✓	✓	✓	✓	✓
Governance	Code of Ethics	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Sustainability Policies	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Responsible Investment Policy	✓								✓
	Partnership Charter	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Organisation, Management and Control Model	✓	✓	✓	✓	✓	✓	✓	✓	✓
Management systems	Whistleblowing	✓	✓	✓	✓	✓	✓	✓	✓	✓
	UNI/PdR 125 – gender equality					✓				
	ISO 9001 - quality		✓			✓				
	ISO 14001 - environment		✓		✓				✓	
	ISO 45001 – health and safety		✓		✓				✓	
	ISO 50001 - energy efficiency		✓							
Rating	IFS / BRC - food safety		✓				✓			
	AGCM - Legality Rating		✓		✓	✓				
	B Corp - benefit company					✓				
	S&P Global	✓								
	CDP	✓								
	Sustainalytics	✓								
	UN PRI Rating									✓
	Ecovadis		✓		✓					
	Others (e.g. Cribis)				✓					

Confirming the overall effectiveness of the integrity and compliance safeguards adopted by Italmobiliare and its subsidiaries, in 2024 there were no cases of corruption, anti-competitive behaviour or non-compliance with socioeconomic and environmental regulations. The Supervisory Body has not received any reports of alleged illegal behaviour or conduct contrary to the Code of Ethics.

POLICIES

G1-1

The main points of references for the corporate culture are the Code of Ethics, the Sustainability Policies, the Responsible Investment Policy and the Partnership Charter, which Italmobiliare adopts and encourages all Portfolio Companies to adopt. In addition to the principles and guidelines already described in detail, all of the aforementioned documents include specific references to respect for all living species, also considering the sentient nature of animals. To this end, animal welfare is included, where relevant, in the supplier selection criteria described in the following paragraph. In particular, for Capitelli, animal welfare is one of the cornerstones of its supply chain regulations.

Italmobiliare has adopted an **Organisation, Management and Control Model**, regulated by law but voluntary. It is designed to limit the risk of committing specific relevant offenses. The categories of crimes and offences that are relevant to Italmobiliare are:

- Offences against the Public Administration
- Corporate offences
- Market abuse
- Murder and culpable injury in violation of accident prevention regulations
- Receiving stolen goods, money-laundering, using money of illegal origin and crimes relating to non-cash payment instruments
- Organised crime and transnational crimes
- Copyright infringement
- Crime
- Tax offences
- Crimes against the cultural heritage.

The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition, the control functions that supervise compliance with regulations have been identified. They have the support of the Legal and Corporate Affairs and Internal Audit departments of the holding company. Compliance risks are identified and evaluated at least once a year as part of the risk assessment process. The specific periodic training extends to all corporate functions, not only those considered particularly at risk, such as those related to financial resource management, strategic decisions, procurement and contracts, external relations with regulatory bodies, or human resources management.

The Model adopted by the Parent Company acts as a point of reference for the systematic adoption of consistent approaches by the controlled portfolio companies and is supported by internal procedures detailing its application, also in relation to the methods of investigation into potential incidents, including cases of active and passive bribery.

Italmobiliare has adopted a whistleblowing procedure to help prevent offences and violations committed while working at Italmobiliare. Italmobiliare guarantees protection of the identity of the whistleblower and of the people involved in and/or mentioned in the report, as well as confidentiality regarding its content. The Company also undertakes to implement every form of protection envisaged by the law against retaliatory or discriminatory conduct. The identity of the whistleblower and any other information from which such identity could be deduced cannot be communicated, without the person's express consent, to parties other than those responsible for receiving or following up on reports. Anyone who comes into contact with the company in whatever may submit reports:

- employees, also during their trial period, self-employed workers, as well as collaborators, freelancers and consultants who work at the company;
- shareholders and those with administrative, management, control, supervisory or representative functions;
- trainees working for the company; workers or collaborators of the company's contractors, subcontractors and suppliers;
- former employees of the company;
- candidates for a job at the company, who have acquired information on the violations during the selection process or in other phases of the pre-contractual negotiation.

Matters that can be reported include behaviour, acts or omissions committed or which, based on concrete elements, could be committed within the working environment of Italmobiliare in violation of national or European Union regulatory provisions referred to in art. 2 of the Decree, as well as violations of the Code of Ethics, of the Organisation and Management Model pursuant to Legislative Decree 231/2001, employment contracts and internal regulations (rules, policies, procedures, operating instructions, etc.).

For whistleblowers to make reports, Italmobiliare has made available an online platform, ordinary mail or meeting directly with the Supervisory Body, always ensuring anonymity. The information published on the web is accessible to everyone and provides all the necessary training and explanatory details for the proper use of the platform.

The Supervisory Body receives and manages any reports that arrive, updating the whistleblower on the progress being made on the case within defined timelines:

- an acknowledgement of receipt is to be issued within 7 (seven) days of receiving the report;
- within 3 (three) months from the date of acknowledgement of receipt or, in the absence of such notice, within 3 (three) months from expiry of the seven-day period from submission of the report, feedback is provided on the follow-up already given on the matter and which the company intends to give in the future.

All Portfolio Companies have adopted similar whistleblowing processes.

MANAGEMENT OF RELATIONSHIP WITH SUPPLIERS

G1-2

With the Partnership Charter, adopted in 2024 as an evolution of the previously active Supplier Charter, Italmobiliare aims to establish business partnership based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business initiatives, beneficiaries of social initiatives, donations or sponsorships must be effectively and demonstrably aligned with the with defined principles concerning:

- human and labour rights,
- health and safety,

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- environment,
- Integrity, compliance and transparency.

This requirement concerns not only the Partner itself and the activity carried out directly by the same, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and in general all aspects necessary to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

The prequalification questionnaires include both binding elements, the non-compliance of which excludes suppliers from the vendor list, and rewards, i.e. thanks to them the supplier is preferred for the same service and economic conditions. The General Conditions and ESG clauses make operational the aspects addressed in the questionnaires during the contractual execution phase. Field visits are intended to verify the application of good practices in ongoing operations.

Implementation requires additional steps to those already adopted on the basis of the previous supplier charter, and requires a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Suppliers	Unit	2022	2023	2024
Number of active suppliers	#	4,168	5,197	5,210
Purchase of products and services		385.2	481.5	490.6
national suppliers	ME	332.1	393.8	371.3
foreign suppliers		53.1	87.8	119.3
Spending on local suppliers (headquarters on national territory)	%	86%	82%	76%

	2022		2023		2024	
Environmental and social qualification	#	%	#	%	#	%
Suppliers assessed during the reference year according to environmental and social criteria	--	--	1,148	89%	122	62%

Group Companies are monitoring with interest the guidelines contained in the proposed EU Regulation on combating late payments in commercial transactions, with particular reference to SMEs, but have not yet defined a specific practice that is the same for all; however, this is not particularly necessary due to the payment methods and themes adopted as described on page B101, which are substantially in line with the requirements proposed by the Regulation. Full compliance with contractual terms is always guaranteed.

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

G1-3

Italmobiliare adopts as an essential value of its activities compliance with the principle of legality and of legislation in force in Italy and in the international contexts in which it operates, including applicable technical standards.

To this end, the Company undertakes to ensure that everyone is aware of the requirements arising from the laws in force in the national or international contexts in which it operates and from internal governance rules. Everyone, in relation to their function, mandate or type of relationship with the Company, must know their responsibilities and understand the type of behaviour that they should adopt.

Italmobiliare excludes and condemns any phenomenon of corruption, extortion, undue inducement and influence peddling, both in the public and private sectors, and adopts prevention and control measures to avoid the commission of such crimes in the performance of its activities.

Italmobiliare operates in accordance with the principle of maximum transparency in commercial and financial transactions and provides the most appropriate tools to combat the phenomenon of money laundering and the reinvestment of illicit proceeds, at national and transnational level.

Italmobiliare condemns any form of criminal organisation of a national or transnational nature and adopts suitable measures to prevent the danger of its own involvement in relationships and activities maintained in any capacity and in any manner, even in the form of mere help and assistance, with such organisations. This means that the Company does not establish any working, collaborative or investment relationship with individuals or legal entities known or suspected to be involved in terrorism or criminal organisations, nor does it finance or facilitate any activity attributable to such organisations.

The adoption of the policies, management models described above and the underlying internal procedures inform the system of prevention and detection of active and passive corruption. The procedures include the methods of carrying out any investigations according to approaches that guarantee third-party nature.

The Internal Control and Risk Management System ("ICRMS") of Italmobiliare is an essential part of the Corporate Governance system. It is a set of organisational rules, procedures and structures intended to enable the identification, measurement, management and monitoring of the main risks facing the Company and its subsidiaries, including those connected to corruption and bribery.

The Board of Directors has defined and continuously updated the Internal Control and Risk Management System Guidelines, in compliance with the recommendations of the Code, having obtained the favourable opinion of the Control and Risk Committee. Taking into account the specific structure of the Group, which includes companies – among which there may be entities subject to the supervision of Supervisory Authorities – with internal control systems and structures in turn responsible for overseeing the ICRMS of their respective sub-groups, the Guidelines seek to ensure consistency and harmonisation between the various control tools that exist. This entails establishing the roles and departments involved in the identification, measurement, management and monitoring of the main risks of the Company and its subsidiaries.

The Guidelines have been sent to the subsidiaries so that they could take account of them in the definition and maintenance of their own ICRMS, without prejudice to each company's autonomy and independence.

The ICRMS must contribute to the running of the Company in line with the corporate objectives laid down by the Board of Directors, encouraging informed decision-making. It helps to ensure the safeguarding of company assets, the efficiency and effectiveness of company processes, the reliability of financial reporting, compliance with laws and regulations and with the By-laws and internal procedures. The ICRMS is broken down into three levels of control, in line with the best national and international standards and with the provisions of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001:

- **1st level:** represented by line checks designed to ensure that operations are performed correctly, in line with the Company's business and governance objectives; these checks are carried out by the heads of the operating areas who identify and assess the risks and lay down specific steps for managing them;
- **2nd level:** functions in charge of establishing the methodologies and tools for risk management and performance of risk monitoring activities;
- **3rd level:** the Internal Audit function, as well as any others who provide objective and independent assurance as to the design and functioning of the overall System.

Training on business integrity is ongoing. The table below provides details the hours of training provided, which are addressed to all company levels and functions of Group companies, not only those considered particularly at risk, such as those related to financial resource management, strategic decisions, procurement and contracts, external relations with regulatory bodies, or human resources management.

Business integrity	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Training hours	467	775	1,242	759	281	1,040	488	695	1,183
Managers	26	103	129	30	29	58	49	127	176
Middle managers	55	116	171	60	60	119	95	213	308
Office workers	299	183	482	548	82	629	318	289	606
Production workers	87	373	460	122	111	233	27	67	94

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The training mainly concerns the adoption of Model 231 and subsequent amendments or additions, including the underlying procedures. Additionally, updates to the anti-corruption policies and procedures, starting from the Organisation, Management and Control Model (Modello 231), have been presented to the Boards of Directors of the Group's companies and made available to all, both internal and external parties, through publication on the websites.

METRICS AND TARGETS

CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

G1-4

Confirming the overall effectiveness of the integrity and compliance measures adopted by Italmobiliare and its subsidiaries, no cases of active or passive corruption, anti-competitive behaviour or non-compliance with socio-economic and environmental regulations occurred in 2024. The Supervisory Body has not received any reports, via email or through the whistleblowing platform, of alleged illicit behaviour or conduct contrary to the Code of Ethics.

POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

G1-5

The limits on the exercise of political influence and lobbying activity are clearly regulated by the Group's governance documents, under the responsibility and supervision of the Board of Directors, the Board of Statutory Auditors and, for specific aspects, the Supervisory Body.

No member of the Board of Directors or the Board of Statutory Auditors of Italmobiliare has held comparable positions in the public administration in the two years preceding their appointment. In CDS-Casa della Salute, a member of the Board of Directors was a Municipal Councillor before his appointment and a member of the Board of Statutory Auditors is currently a Mayor.

As stated in the Code of Ethics of Italmobiliare and the portfolio companies, staff participation in political organisations takes place outside working hours and without any connection with the person's function at the Company. Italmobiliare refrains from any direct or indirect pressure on politicians in order to obtain undue advantages. Any provision of direct or indirect contributions, in cash, in kind, or in any other form to political parties, movements, committees and other political and trade union organisations is paid within the limits and in compliance with the transparency required by law and registered in accordance with the internal accounting procedures. No material contributions were recorded.

Italmobiliare is legally required to be registered with the Chamber of Commerce. Italmobiliare is not directly registered in the EU Transparency Register. It is indirectly through Assonime, an association of Italian joint-stock companies that aims to improve the quality of Italian and European regulation by studying its impact on the economic system and the functioning of the markets. Assonime acts as a link between companies and institutions by submitting the needs of companies to the institutions and assisting companies in the best application of the law. The role of Assonime has changed over time to follow the evolution of law and face new economic challenges, consolidating its historical expertise in the tax and corporate fields, and strengthening its expertise in the capital market, competition law, digital transformation and other areas of law and economics that play a fundamental role in the life of Italian companies. On all these fronts, the European dimension of the Association's activity has increased, following developments in the legislation produced by the European institutions. In recent years, its traditional tasks have been joined by a commitment to sustainability and digital innovation, enhancing the spaces opened up by European legislation.

Italmobiliare considers active participation in industry or professional representative organisations, whether mandatory or voluntary, governmental or non-governmental, as an opportunity to promote, disseminate and consolidate its sustainable strategic approach. Recipients who represent the Company in these situations are called upon to behave, express positions and make any other active contribution in line with the principles and rules contained in the Code of Ethics and related documents, such as the Sustainability Policies and the Responsible Investment Policy.

Lastly, active participation in associations is also relevant, encouraging or supporting common initiatives and the adoption of responsible business practices. The table on the following page shows the details of affiliations and related fees.

Company	2024 affiliations and membership fees	K€
Group	Total	468.3
	<i>Sustainability Platforms</i>	34.2
	<i>Trade Organisations</i>	278.9
	<i>Other</i>	155.2
Italmobiliare	Total	114.0
	<i>Sustainability Platforms</i>	7.0
	<i>Trade Organisations</i>	55.0
	<i>Other</i>	52.0
Caffè Borbone	Total	195.1
	<i>Sustainability Platforms</i>	-
	<i>Trade Organisations</i>	105.0
	<i>Other</i>	90.1
Officina Profumo-Farmaceutica di Santa Maria Novella	Total	41.1
	<i>Sustainability Platforms</i>	1.1
	<i>Trade Organisations</i>	36.1
	<i>Other</i>	3.9
Casa della Salute	Total	32.5
	<i>Sustainability Platforms</i>	0.8
	<i>Trade Organisations</i>	31.7
	<i>Other</i>	1.4
Italgen	Total	30.8
	<i>Sustainability Platforms</i>	14.9
	<i>Trade Organisations</i>	14.7
	<i>Other</i>	1.3
SIDI Sport	Total	5.8
	<i>Sustainability Platforms</i>	0.8
	<i>Trade Organisations</i>	-
	<i>Other</i>	5.0
Capitelli	Total	8.3
	<i>Sustainability Platforms</i>	0.5
	<i>Trade Organisations</i>	7.8
	<i>Other</i>	-
Callmewine	Total	0.5
	<i>Sustainability Platforms</i>	0.5
	<i>Trade Organisations</i>	-
	<i>Other</i>	-
Clessidra	Total	37.3
	<i>Sustainability Platforms</i>	8.8
	<i>Trade Organisations</i>	28.5
	<i>Other</i>	1.5

The elements contained in the table above are not part of the requirements of the ESRS standards and are reported only for completeness of information.

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PAYMENT PRACTICES**G1-6**

The way invoices are stored makes it difficult to identify SMEs among suppliers of goods and services. In any case, the payment methods are tracked in detail and make it possible to evaluate the number of days needed to complete payments.

Given the extreme heterogeneity of suppliers, in terms of geographical origin, size and type of supply, the various Group companies adopt different payment methods.

At Group level, 72% of invoices are paid within 30 days. 88% in total within 60 days. The under 30 day category includes many supplies, including strategic ones, which are paid in advance or in real time. The following table shows the percentage distribution of average payment days for each company.

Payments are in line with the established payment terms and there are no active legal proceedings pending for delays.

Number of Invoices paid in 2024	Average days for payment	Distribution of payment days				Total
		< 30	30-60	60-90	> 90	
Italmobiliare	26	1,161 70%	305 18%	144 9%	51 3%	1,661
Caffè Borbone	31	7,739 54%	3,771 26%	2,363 16%	523 4%	14,396
Officina Profumo-Farmaceutica di Santa Maria Novella *	30	4,530 75%	1,320 22%	195 3%	1 0%	6,046
Casa della Salute	21	18,310 83%	1,732 8%	1,844 8%	189 1%	22,075
Italgen	45	997 31%	1,448 44%	491 15%	331 10%	3,267
SIDI Sport	31	2,740 59%	791 17%	641 14%	478 10%	4,650
Capitelli	26	1,408 53%	1,013 38%	201 8%	26 1%	2,648
Callmewine	0	9,740 100%	29 0%	4 0%	1 0%	9,774
Clessidra Group	26	1,733 66%	572 22%	166 6%	174 7%	2,645
GROUP **	26	49,784 72%	11,258 16%	6,146 9%	1,814 3%	69,002

* The figures do not include subsidiaries in the USA and Japan

** It includes all other subsidiaries: Italmobiliare Servizi, Gres Hub, Gres Art, FTV, FT2, FT3, ITM Bacco, Punta Ala, Sirap Gema, Credit Mobilier, Sepac.

Annex | CSRD

Supplementary Data

GHG Emissions / CO ₂ (tons CO ₂ e)	Retrospective			Milestones and target years		
	Base year 2023	2024	% N/N-1	2025	2030	2050 Annual % target / Base year
Scope 1 emissions						
Gross Scope 1 emissions	7,841	8,620	110%			
Percentage of Scope 1 emissions from regulated emission trading schemes (%)	0%	0%	0%			
Scope 2 emissions						
Scope 2 - Location Based	5,150.1	7,921.6	154%			
Scope 2 - Market Based	0.0	0.0	--			
Scope 3 emissions						
Total Scope 3 emissions	2,169,942	1,410,729	65%			
1 - Purchased goods and services	209,519	293,764	140%			
2 - Capital goods	11,186	15,884	142%			
3 - Fuel and energy-related activities	29,554	10,422	35%			
4 - Upstream transportation and distribution	22,152	24,646	111%			
5 - Waste generated in operations	206	85	41%			
6 - Business traveling	1,239	1,650	133%			
7 - Employee commuting	1,513	1,693	112%			
8 - Upstream leased assets	9	18	193%			
9 - Downstream transportation	5,855	3,916	67%			
10 - Processing of sold products	125	121	96%			
11 - Use of sold products	52,222	69,667	133%			
12 - End-of-life treatment of sold products	2,068	2,010	97%			
13 - Downstream leased assets	--	--	--			
14 - Franchising	93	132	142%			
15 - Investments	1,834,199	986,721	54%			
Total emissions						
Location Based	2,182,933	1,427,270	65%			
Market Based	2,177,783	1,419,349	65%			

Italmobiliare's decarbonization targets have been validated by the Science Based Target initiative (SBTi) team of experts. The SBTi targets, described in detail on page B36 together with the progress made, inform Italmobiliare's climate transition plan and ensure its alignment with the +1.5 °C scenario established by the Paris Agreement.

Section 3 | ITALMOBILIARE GROUP – SUSTAINABILITY REPORT

Principal conversion and emissions factors

Source		units	2022	2023	2024
UK Government - GHG Conversion Factors for Company Reporting 2020/2021/2022	Electricity	GJ/kWh	0.036	0.036	0.036
		GJ/t	45.195	45.522	45.627
	Natural gas (methane)	kg/mc	0.794	0.795	0.796
		GJ/mc	0.035885	0.036190	0.036319
		GJ/t	42.569	42.569	42.569
	Gas oil	l/t	1184.00	1187.00	1171.00
		GJ/l	0.035953547	0.035862679	0.036352690
		GJ/t	42.602	42.730	42.719
	Diesel	l/t	1185.78	1200.72	1199.73
		GJ/l	0.036	0.036	0.036
		GJ/t	43.616	43.184	43.037
	Petrol	l/t	1342.86	1338.07	1332.93
		GJ/l	0.032479931	0.032273301	0.032287469
		GJ/t	45.944	45.956	45.944
	LPG	l/t	1887.84	1882.89	1887.69
		GJ/l	0.024336770	0.024407122	0.024338807
		GJ/t	--	--	44.000
	Biodiesel	l/t	--	--	1282.05
		GJ/l	--	--	0.034320008

Source		units	2022	2023	2024
UK Government - GHG Conversion Factors for Company Reporting 2018/2019/2020	Natural gas (methane)	tCO ₂ e/m ³	0.00201574	0.00203839	0.00204542
	Gas oil for production processes and heating	tCO ₂ e/l	0.00275857	0.00275541	0.00275541
	Diesel		0.00269880	0.00251206	0.00266155
	Petrol		0.00216185	0.00209747	0.00208440
			0.00016751	0.00016751	0.00016751
	LPG		0.00155709	0.00155713	0.00155713
European Regulation on F-gases 517/2014	R-407C	GWP	1,774	1,624	1,624
	HFC R134		1,430	1,430	1430
	R-22		1,810	1,810	1,760
	R-404A		3,922	3,943	3,943
AIB, Association of Issuing Bodies	Italy	tCO ₂ e/kWh Location Based	0.000331	0.000331	0.000431
	Romania		0.000272	0.000272	0.000208
	France		0.000107	0.000107	0.000034
	UK		0.000188	0.000188	0.000314
CaDi, GHG Emissions Factors for International Grid Electricity	USA		0.000407	0.000407	0.000375
	Japan		0.000462	0.000462	0.000458
AIB, Association of Issuing Bodies	Italy	tCO ₂ e/kWh Market Based	0.000457	0.000457	0.000501
	Romania		0.000276	0.000276	0.000213
	France		0.000125	0.000125	0.000041
	UK		0.000365	0.000365	0.000388
CaDi, GHG Emissions Factors for International Grid Electricity	USA		0.000407	0.000407	0.000375
	Japan		0.000462	0.000462	0.000458

Annex | CSRD

Certification pursuant to art. 154-bis para. 5-ter CLF

ITALMOBILIARE
INVESTMENT HOLDING

Certification pursuant to art. 154-bis paragraph 5-ter of the Italian Consolidated Law on Finance (CLF) regarding the Sustainability Reporting pursuant to art. 81-ter, paragraph 1, of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments and additions

The undersigned Carlo Pesenti, Chief Executive Officer, and Mauro Torri, Manager in charge of financial reporting of Italmobiliare S.p.A., hereby certify, pursuant to art. 154-bis, paragraph 5-ter, of Legislative Decree no. 58 of February 24, 1998, that the Sustainability Statements included in the Directors' Report were drawn up:

- a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, and of Legislative Decree no. 125 of 6 September, 2024;
- b) with the specifications adopted pursuant to article 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Milan, 6 March 2025

Chief Executive Officer

Manager in charge of financial reporting

Carlo Pesenti

Mauro Torri

Annex | CSRD

Report of the Independent Auditors



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**INDEPENDENT AUDITOR'S
REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT
PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010**

**To the Shareholders of
Italmobiliare S.p.A.**

Conclusion

Pursuant to artt. 8 and 18, paragraph 1 of Legislative Decree no. 125 of September 6, 2024 (**hereinafter also the "Decree"**), we have carried out a **limited assurance** engagement on the **consolidated sustainability statement of the Italmobiliare Group (hereinafter also the "Group")** for the year ended on December 31, 2024, prepared pursuant to Art. 4 of the Decree, included in the specific section of the management report.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability statement of the Italmobiliare Group for the year ended on December 31, 2024 is not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to the Directive (EU) 2013/34/EU (**European Sustainability Reporting Standards, hereinafter also "ESRS"**);
- the information included in the paragraph **"Taxonomy"** of the consolidated sustainability statement is not prepared, in all material respects, in accordance with art. 8 of Regulation (EU) No. 852 of June 18, 2020 (**hereinafter also the "Taxonomy Regulation"**).

Basis for conclusion

We conducted the limited assurance engagement in accordance with the assurance standard of the sustainability report - **"Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)"**. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had we performed a reasonable assurance engagement. Our responsibilities pursuant to that standard are further described in the paragraph **Auditor's responsibilities for the limited assurance of the consolidated sustainability statement** of this report.

We are independent in accordance with the independence and other ethical requirements applicable under Italian law to the limited assurance engagement of the consolidated sustainability statement.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Santa Sofia, 28 - 20122 Milano | Capitale Sociale: Euro 10.688.930,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049660166 - R.E.A. n. Mi-1720239 | Partita IVA: IT03049660166

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Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The comparative information for the year ended on December 31, 2023 presented in the consolidated sustainability statement has not been verified.

Responsibility of the Directors and the Board of Statutory Auditors of Italmobiliare S.p.A. for the consolidated sustainability statement

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the consolidated sustainability statement in accordance with the ESRS (hereinafter the **"double materiality assessment process"**) and for disclosing this process in **"Identification and assessment of impacts, risks and opportunities"** of the consolidated sustainability statement.

The Directors are also responsible for the preparation of the consolidated sustainability statement, which includes the information identified as part of the double materiality assessment process, in accordance with the requirements of Art. 4 of the Decree, including:

- compliance with ESRS
- compliance of the **information included in the paragraph "Taxonomy" with art. 8 of the Taxonomy Regulation.**

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the Directors determine necessary to enable the preparation of the consolidated sustainability statement in accordance with the requirements of the art. 4 of the Decree that is free from material misstatements, whether due to fraud or error. Furthermore, the abovementioned responsibility involves the selection and application of appropriate methods in elaborating information and making assumptions and estimates about specific sustainability information that are reasonable in the circumstances.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.



Inherent limitations in the preparation of the consolidated sustainability statement

In reporting forward looking information in accordance with ESRS, the Directors are required to prepare the forward looking information on the basis of assumptions, as described in the consolidated sustainability statement, regarding events that may occur in the future and possible future actions of the Group. Due to the inherent uncertainty regarding any future event, including whether these events will take place and their extent and timing, the variances between actual outcomes and forward looking information could be significant.

The information provided by the Group regarding Scope 3 emissions is subject to greater inherent limitations compared to those related to Scope 1 and 2 emissions. This is due to the lower availability and relative accuracy of the data used to define the information on Scope 3 emissions, both quantitative and qualitative, in relation to the value chain, as indicated in the paragraph **"Basis for preparation – Specific Circumstances"**.

Auditor's responsibilities for the limited assurance of the consolidated sustainability statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatements, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could influence the decisions of users taken on the basis of consolidated sustainability statement.

As part of the limited assurance engagement in accordance with the Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia), we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify and assess the disclosure where a material misstatement is likely to arise, either due to fraud or error;
- designing and performing procedures to verify disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying a material misstatement due to error, as fraud may involve collusion, falsifications, intentional omissions, misrepresentations, or the override of internal control;
- the direction, supervision and performance of the limited assurance engagement of the consolidated sustainability statement. We remain solely responsible for the conclusion on the consolidated sustainability statement.



Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence as the basis for expressing our conclusion.

The procedures performed on the consolidated sustainability statement are based on our professional judgement and included inquiries, primarily with the personnel of the Group responsible for the preparation of information included in the consolidated sustainability statement, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we performed the following main procedures partly in a preliminary phase before year end and then in a final phase up to the the date of issuance of this report:

- understanding the business model, the Group's strategies and the context in which the Group operates with reference to sustainability matters;
- understanding the processes underlying the generation, collection, and management of qualitative and quantitative information included in the consolidated sustainability statement, including an analysis of the reporting perimeter;
- understanding the process carried out by the Group for the identification and evaluation of material impacts, risks and opportunities, based on the principle of double materiality, with reference to sustainability matters;
- identification of the information where a risk of material misstatement is likely to arise, taking into considerations, among others, risk factors related to the generation and collection of the information, to the existence of estimates and to the complexity of the calculation methods, as well as quantitative factors related to the nature of such information;
- design and performance of procedures, based on the professional judgment of the auditor of the consolidated sustainability report, to respond to identified risks of material misstatement also with the support of Deloitte specialists, with reference to specific environmental information;
- understanding of the process set up by the Group to identify eligible economic activities and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the consolidated sustainability statement;
- comparison of the information reported in the consolidated sustainability statement with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework, or with the accounting data used for the preparation of the financial statements, or with the management data accounting in nature;
- verification of the structure and presentation of the information included in the consolidated sustainability statement in accordance with ESRS, included the information related to the materiality assessment process;

Deloitte.

5

- obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.

Signed by
Massimiliano Semprini
Partner

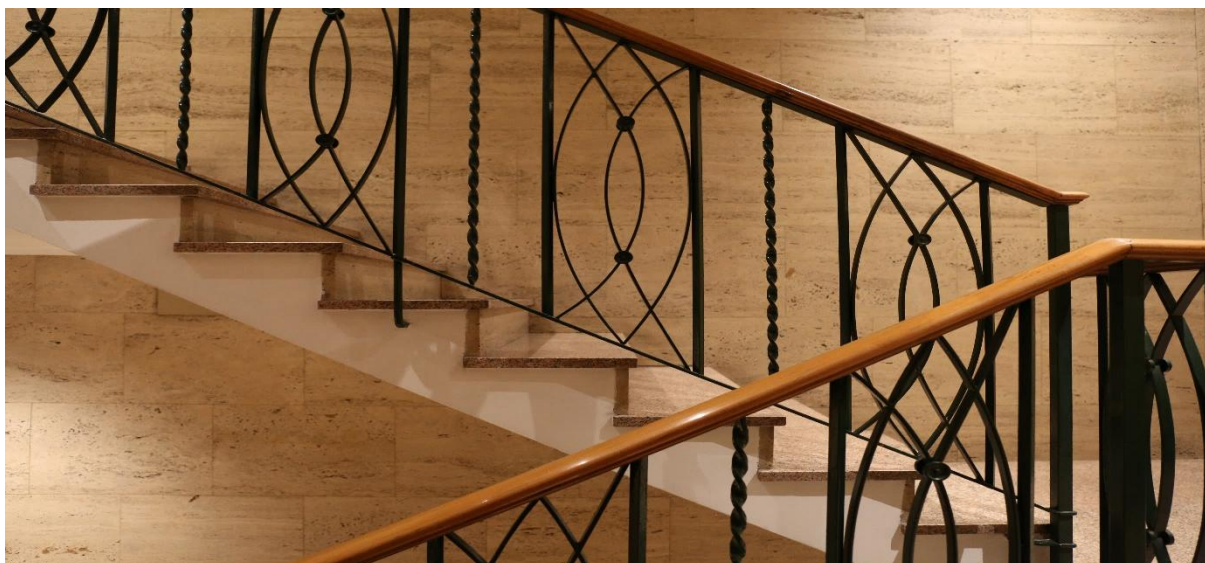
Milan, Italy
March 24, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Section 4

ITALMOBILIARE S.p.A.

Italmobiliare S.p.A.



Highlights

ITALMOBILIARE S.P.A. INVESTMENT HOLDING



REVENUE
140.1 mn€
(123.1 mn € in 2023)

ITALMOBILIARE GROUP CONSOLIDATED FIGURES



CONSOLIDATED REVENUE
701.4 mn €
(585.8 mn € in 2023)

PORTFOLIO COMPANIES AGGREGATE VALUE (*)



REVENUE
1,607.1 mn €
(1,476.5 mn € in 2023)



EBITDA
105.1 mn€
(67.7 mn € in 2023)



CONSOLIDATED EBITDA
157.2 mn €
(99.2 mn € in 2023)



EBITDA
226.7 mn €
(216.1 mn € in 2023)



PROFIT
104.8 mn€
(51.6 mn € in 2023)



CONSOLIDATED PROFIT
107.3 mn €
(84.7 mn € in 2023)



PEOPLE
6,607
(6,462 in 2023)

(*) The Portfolio Companies Aggregate Value includes 100% of the Portfolio Companies figures (notwithstanding the percentage owned by Italmobiliare).

Financial information

KEY FIGURES

(in millions of euro)	2024	2023 (*)	Change %
Revenue and income	140.1	123.1	13.8
Gross operating profit (EBITDA)	105.1	67.7	55.3
% of revenue	75.0	55.0	
Amortisation and depreciation	(0.9)	(0.8)	
Operating profit (EBIT)	104.2	66.9	55.8
% of revenue	74.3	54.3	
Net finance costs	(0.1)	-	-
Impairment losses on financial assets	(5.8)	(19.2)	(69.6)
Profit/(loss) before tax	98.2	47.7	>100
% of revenue	70.1	38.7	
Income tax	6.5	4.0	>100
Profit/(loss) for the period	104.8	51.6	>100

(*) The 2023 figures have been restated for better comparability, as the management incentive previously accounted for as a reduction of the capital gain has been reclassified under "Personnel expenses". For further details, please refer to the section 'Measurement Criteria' in the separate financial statements.

(in millions of euro)	December 31, 2024	December 31, 2023
Equity	1,335.5	1,343.4
Net financial position	273.8	204.3
Employees (headcount) at the end of the year	44	45

Revenue and income for the year amounted to 140.1 million euro (123.1 million euro in 2023), and consisted of dividends from equity investments (52.2 million euro), gains and fair value gains on equity investments, funds and securities (39.7 million euro), other finance income (47.3 million euro) and revenue from services provided (1.0 million euro).

RESULTS IN ACCORDANCE WITH THE FINANCIAL MODEL

Given the specific nature of the Company, in order to allow a full understanding of its performance, the following table shows the results in a format normally used for finance companies. The model reflects the following classification:

- Net gains (losses) on equity investments" include, with regard to FVTOCI equity investments, dividends received; on the other hand, with regard to the investments in subsidiaries and associates, the item includes both dividends and gains/losses realized on sales, as well as any impairment losses/recoveries.
- "Net gains (losses) on investments of cash and cash equivalents", which includes interest income on bank coupons and deposits, impairment gain or losses on bonds and trading equities, gains/losses realized on the sale of trading securities, income/expense on trading derivatives and investment funds, and "Net borrowing costs". "Net borrowing costs" consist essentially of interest expense on borrowings, bank commissions and costs;
- "Other income and expense" include personnel expense and operating expenses for the financial structure, net of amounts recovered from other Group companies or third parties.

(in millions of euro)	2024	2023	Change %
Net gains (losses) on equity investments	86.0	74.5	15.6
Net gains on investments of cash and cash equivalents	41.0	10.3	>100
Total finance income/costs	127.0	84.8	49.9
Other expenses	(28.8)	(37.1)	(22.5)
Income tax	6.5	4.0	63.2
Profit/(loss) for the year	104.8	51.6	>100

Net income and charges from equity investments are positive for 86.0 million euro, up by 11.5 million euro compared with 74.5 million euro at December 31, 2023. This change is mainly due to the increase in dividends received, amounting to 6.0 million euro, compared to the previous year, and lower write-downs made in 2024 (+13.4 million euro), partially offset by lower capital gains on disposals (-7.9 million euro).

Net income and expenses from the investment of liquid assets, on the other hand, increased by 30.7 million euro, mainly due to the positive performance of the investment and private equity funds.

Other income and expenses are negative for 28.8 million euro, improving compared to the previous year, which was impacted by higher operating expenses of 6.4 million euro relating to the LTI disbursement for the previous three-year period and management incentives amounting to 2.6 million euro.

Taxes are positive for 6.5 million euro as they were positive for 4.0 million euro in 2023.

Equity of 1,335.5 million euro decreased by 7.9 million euro compared with the previous year, mainly due to the effect of dividends distributed to shareholders (126.9 million euro) and the negative change in the FVTOCI reserve for 1.1 million euro, partially offset by the profit for the year of 104.8 million euro and FVTOCI disposals during the year for 15.4 million euro.

The Company has invested in a portfolio of selected Italian and international Private Equity funds with a view to diversifying sectors and geographical areas, including several Clessidra funds (CCP3, CCP4, Restructuring, Private Debt, and CRF Parallel), BDT Capital Partners Funds II and III, Isomer Capital I, II and III, Isomer Capital Opportunities, Connect Ventures 3 and 4, Iconiq IV and V; Lindsay Goldberg Fund V and IV, Lindsay Aspire, Lauxera Growth I, 8-Bit Capital I, Expedition Growth Capital Fund I, Famiglia Fonds III GmbH (liquidated during the period), JAB Consumer, Visionaries Club Seed Fund II GmbH & Co. KG, Visionaries Club Growth Fund II GmbH & Co. KG, FOF Impact Investing, and Lakestar Growth II and IV. At December 31, 2024, the Private Equity funds showed an overall increase in value of 19.0 million euro, of which 19.8 million euro for the positive change in fair value and 24.3 million euro of new investments, and 6.0 million euro of positive exchange rate changes, partially offset by 31.1 million euro repaid on disinvestment.

NET FINANCIAL POSITION

(in millions of euro)	December 31, 2024	December 31, 2023
Current financial assets	232.0	191.2
Current financial liabilities	(2.3)	(4.7)
Current net financial position	229.6	186.5
Non-current financial assets	44.7	18.2
Non-current financial liabilities	(0.6)	(0.4)
Non-current net financial position	44.1	17.8
Net financial position	273.8	204.3

At December 31, 2024 the positive net financial position of Italmobiliare S.p.A. is showing an increase of 69.5 million euro, going from 204.3 million at December 31, 2023 to 273.8 million euro at December 31, 2024, allocated 33.9% to the Vontobel Fund, a multi-asset portfolio with a conservative risk profile in line with the Company's investment policies. Among the main outflows are: the net flow between payment of the ordinary dividend and dividends received (-75.6 million euro) and investments in portfolio companies, net of capital repayments (-19.1 million euro). These outflows were more than offset by the sales of AGN Energia (+100 million euro) and KKR Teemo Co-Invest (+20.9 million euro); the sale of Heidelberg Materials AG shares (+18.4 million euro); repayments, net of investments, from the private equity funds (3.1 million euro); tax refunds, net of overheads, taxes and incentive plans (5.1 million euro). Lastly, cash management was positive, generating 12.2 million euro.

The composition of the "Net financial position" is shown in the notes to the separate financial statements in the section dedicated to IFRS 7.

SIGNIFICANT EVENTS OF THE PERIOD

On February 28, 2024, the sale of AGN Energia was completed, a company in which Italmobiliare held 32.02%. As a result of the sale, Italmobiliare received 100 million euro, with a capital gain of 40 million euro and a money-on-money return of 1.8x.

On August 16, 2024, the sale of KKR Teemo Co-Invest, co-investor vehicle in the FiberCop project, was completed. As a result of the sale, Italmobiliare received 21 million euro, with a money-on-money return of 2.0x.

RISKS AND UNCERTAINTIES

As in previous years, an integrated analysis of the main risk factors and related mitigation measures was again carried out in 2024. A number of analyses were performed, specifically:

- a quantitative analysis of the risk level and correlation among the various companies belonging of the Italmobiliare investment portfolio as a whole;
- analysis of risk factors specific to individual companies and widespread for the Group and related mitigation measures;
- a specific analysis to assess the actual exposure of the investment portfolio to the various geographical areas.

As regards the investment portfolio, an analysis of the main risks and trends of the Group made it possible to identify the most widespread and relevant issues as a whole and at the level of the individual portfolio companies and, for the priority risks and trends, to identify precise supervision/risk mitigation actions to be monitored over time.

Holding Company risks

In the process of managing shareholdings and selecting further investments, particular attention was given to the analysis and management of risks, to sectoral diversification, also based on the acceleration of macro-trends, and to particular scrutiny of the aspects of technological evolution and sustainability of business models over time.

Italmobiliare S.p.A., directly and through its subsidiaries, carries out investment activities involving natural risks arising from the difficulty of identifying new investment opportunities that respond to its objectives, or difficulty in divesting, especially in non-listed companies.

The results of Italmobiliare S.p.A. also depend on:

- gains and losses on equity investments, if any, which characteristically are not of a periodical and/or recurring nature;
- consideration of dividends from non-controlling equity investments, whose distribution and payment policies are independent of the shareholder.

Consequently, business performance may not follow a linear and/or significantly comparable trend from one year to the next.

Italmobiliare S.p.A. also holds investments in listed securities. Exposure to this type of investment is part of following a core business as a long-term investor. Risk is monitored constantly; nevertheless, any significant contraction in the share prices of its equity investments could affect its financial position and results of operations.

Italmobiliare S.p.A. is active in a variety of segments and is therefore exposed to the risks typical of the markets and segments in which its investees operate.

Financing risks

Access to the capital market and to other forms of financing, and related costs, depends on the company's creditworthiness and on general macro-financial conditions. Any downgrade in creditworthiness and/or a general credit squeeze can restrict access and raise the cost of borrowing, with negative repercussions on the financial position and results of operations of the company or its portfolio companies.

The liquidity of the equity and bond portfolio may be influenced by contingent market situations that reduce market variety and efficiency. The Group is committed to maintaining a high level of liquidity in its portfolio by diversifying investments, using financial instruments with systematic pricing, daily evaluation of resources using prudential approaches, and selection of counterparties on the basis of their creditworthiness and reliability. However, in the face of acute tensions and situations of market dislocation, which imply a significant contraction in trading volumes, there is no guarantee that it will be possible to divest as expected in terms of timing, methods and conditions. As part of the risk analysis and management process, the sustainability of the portfolio companies' debt, as well as their ability to generate cash, is constantly monitored by the Company, which makes specific interventions whenever necessary.

Risks of fluctuation in interest and exchange rates

A significant portion of cash is invested in bonds: although the interest-rate risk is contained by low average duration, a rise in interest rates could have a negative impact on the value of the bond portfolio. There is limited exposure to currency risk: even though the exposure constitutes a factor in diversifying the overall NAV risk, sudden fluctuations in exchange rates could still have a negative impact on the Company's results.

Legal and tax risks

Appropriate provisions have been made to cover legal risks, essentially connected to the risk of having to pay compensation to buyers following extraordinary operations for the sale of shareholdings, as well as fiscal risks that already exist and the economic effects related to them. Estimates and measurements are based on available information and are in any case regularly reviewed, with immediate recognition of any effects in the financial statements. Nonetheless, it is not possible to exclude future negative impacts connected with these risks on the financial positions and results of operations of Italmobiliare S.p.A. and/or of its subsidiaries and associates.

LITIGATION AND DISPUTES PENDING

A description of the main legal and tax disputes involving Italmobiliare S.p.A. is provided in the relevant section on page B279, to which you are referred.

OUTLOOK

The business outlook for Italmobiliare S.p.A. is explained in the relevant section on page B282, to which you are referred.

Social information

The data and information reported below, relating to the Company and used for the preparation of the Sustainability Report, are not part of it and are therefore not subject to limited assurance. These data and information are included solely for informational purposes. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the Group's sustainability reporting. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

HUMAN CAPITAL DEVELOPMENT

ESRS S1 – Own Workforce

At the end of 2024, Italmobiliare has a team of 44 motivated and specialised people, all covered by a collective bargaining agreement. 46% of managerial positions are held by women.

The selection of human resources aims only to find the required skills and aptitudes, the most suitable types of contracts and the correct timing, without any discrimination or constraints. The hiring of resources is assisted by a dedicated *induction* programme. Correctness, loyalty, transparency, and mutual respect are the guiding elements of personnel management, well beyond the contractual aspects and the regulations in force on labour matters. Consistently with this approach, the remuneration policy is based on a *merit matrix* that matches performance and benchmarks with the outside market. A renewal of the *performance appraisal* system is underway, integrating the already-existing MBO system for management functions and formalizing the interactions between the Human Resources Director and the other functional managers and between the managers and their collaborators.

Middle managers and office workers can join the Fondo Fonte supplementary pension plan, while the managers the Fondo Previp. In both cases, the participation of the Company becomes mandatory as the employees register. In 2023, the contribution paid by Italmobiliare was 2.2% for members of the Fondo Fonte and 4% for members of the Fondo Previp.

	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	23	24	47	25	20	45	24	20	44
Managers	6	14	20	7	13	20	7	13	20
Middle managers	6	4	10	7	3	10	6	2	8
Office workers	11	6	17	11	4	15	11	5	16
Turnover	--	--	4	--	--	-2	--	--	-1
+ Hirings	--	--	4	--	--	2	--	--	3
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	0	--	--	1	--	--	2
- Non-voluntary exits	--	--	0	--	--	1	--	--	0
- Divestments	--	--	0	--	--	2	--	--	2
% contract: permanent	100%	96%	98%	100%	100%	100%	96%	95%	95%
% contract: full time	96%	96%	96%	96%	100%	98%	96%	95%	95%
Training									
Hours per capita	28	24	26	30	34	32	27	32	29
Managers	42	21	27	46	30	36	40	32	35
Middle managers	29	40	33	46	81	57	44	66	50
Office workers	21	22	21	9	11	10	10	18	12
% hours of voluntary training	--	--	--	97%	100%	98%	93%	93%	93%
Managers	--	--	--	100%	100%	100%	94%	92%	93%
Middle managers	--	--	--	93%	100%	96%	92%	98%	94%
Office workers	--	--	--	100%	100%	100%	96%	92%	94%

% with at least one training session	--	--	--	100%	88%	94%	96%	95%	96%
Managers	--	--	--	100%	86%	90%	100%	100%	100%
Middle managers	--	--	--	100%	75%	91%	88%	100%	91%
Office workers	--	--	--	100%	100%	100%	100%	80%	94%
% with performance appraisal	30%	58%	45%	28%	75%	49%	38%	80%	57%
Managers	100%	86%	90%	100%	100%	100%	100%	100%	100%
Middle managers	17%	50%	30%	0%	67%	20%	33%	100%	50%
Office workers	0%	0%	0%	0%	0%	0%	0%	20%	6%

Thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which are progressively being included in development plans.

	2022	2023	20241
Gender pay gap	65%	85%	74%
<i>Difference between men's and women's average pay compared with men's average pay</i>			
Managers*	57%	80%	63%
Middle managers	-37%	-30%	-14%
Office workers	-17%	-17%	-8%
Workers	--	--	--

* In 2023, the variable compensation of the three-year Long Term Incentive plan was paid.

HEALTH, SAFETY AND WELLBEING

ESRS S1 - Own Workforce

Italmobiliare promotes the health, safety and wellbeing of all employees, creating and maintaining safe offices and other workplaces as an essential condition for the professional growth and enhancement of its resources.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. A dedicated professional contact, the presence of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

Injuries	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	--	--	0	0	0	0	0	0	0
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	0	0	0	0	0	0	0
Frequency rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Severity rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The psychological and physical wellbeing of people is promoted through the offer of health and social security benefits. For middle managers, office workers and intermediate staff, the Company provides a health plan for medical examinations and specialist tests, which covers all or part of the expense. As for management staff, a free annual check-up is provided at accredited facilities. Furthermore, Italmobiliare has activated for all its employees and their families a virtual primary care service accessible at any time of the week.

Furthermore, Italmobiliare offers its employees: remote working and flexibility of working hours, a portal dedicated to corporate welfare offering the possibility of purchasing goods and services for themselves and their families, such as health care, leisure, tuition and book reimbursement; the company restaurant, entirely free for all employees, designed as a people-friendly space that offers healthy food, respects the environment and inspires collaboration.

Section 5

PORTFOLIO COMPANIES

The data and information reported below, relating to individual companies and used for the preparation of the Sustainability Report, are not part of it and are therefore not subject to limited assurance. These data and information are included solely for informational purposes regarding the individual companies.

Caffè Borbone

(60% INTEREST)



Highlights



REVENUE
334.5 mn €
(300.4 mn € in 2023)



334
PEOPLE



GOLD MEDAL
ECOVADIS



EBITDA
67.5 mn €
(79.7 mn € in 2023)



2.6 billion
NUMBER OF PIECES/YEAR
OF SINGLE-SERVE COFFEE



97% process
75% packaging
RENEWABLE ORIGIN



PROFIT
36.9 mn €
(48.0 mn € in 2023)



1°
LEADER IN ITALY
IN SINGLE-SERVE
COFFEE PODS



~6,800
TRAINING HOURS
(+43% vs 2023)

Strategic Objectives



To consolidate its leadership in Italy in the single-serve coffee sector.



To bring the excellence, taste and quality of Neapolitan coffee to the rest of the world.



To make the single-serve coffee experience fully sustainable.

Profile

THE COMPANY

Founded in 1999 as a small roastery inspired by the centuries-old tradition of Neapolitan coffee, Caffè Borbone quickly became one of the leading Italian producers of single-serve coffee. The company's growth was fuelled by the quality of a product that was in constant evolution, one that was able to attract and retain different types of consumers looking for an authentic flavour. Over the years, Caffè Borbone has created a brand that is much loved and easily recognised, progressively expanding thanks to a widespread presence in all of the main distribution channels. Today, the company is market leader in Italy in the compostable pod sector and second in the compatible capsule segment. It has also begun a process of internationalisation, initially in Europe and then in the United States.

The company's headquarters are located in Caivano, in the province of Naples, where the original production plant is also located. It extends over an area of more than 50,000 square metres, employs more than 300 people and is powered by 100% renewable energy. Every year, over 30,000 tons of coffee are processed here, combining tradition with the search for new flavours to satisfy changing consumer habits. The result is a range of high-quality products and formats to suit every taste and use, compatible with all of the major dispensing systems on the market.

For Caffè Borbone, adding sustainable value to a product of recognised quality is a strategic choice: excellent coffee, produced while pursuing global and local social responsibility objectives, through initiatives to monitor the coffee's supply chain and thanks to a wide range of compostable or recyclable products and packaging. The company is also strongly committed to promoting Italy and Italian cultural and artistic values through important partnerships, such as those with the Teatro alla Scala in Milan, the Teatro San Carlo in Naples and the Teatro del Maggio Musicale Fiorentino in Florence.

RECENT DEVELOPMENTS

Italmobiliare Group acquired a majority stake in Caffè Borbone in 2018, with the aim of helping it to develop its full potential. This led to a more intense use of all sales channels available on the Italian market, the start of internationalisation and development of the product range, further consolidating the strength of the brand. Turnover has more than tripled, from 93 million in 2017 to 300 million in 2023, and the personnel has increased significantly, to over 300 employees.

A crucial element in the company's growth was the plan to reinforce the management team. Over the years, many experienced professionals have joined the team, integrating and completing the first managerial lines. The strong growth in results was achieved thanks to development of the large-scale retail trade and online sales channels, while at the same time strengthening the organisation dedicated to the professional channel (coffee specialist). Caffè Borbone acquired its American distributor, establishing the newco Caffè Borbone America Corp, which has been operating directly on the US market since 2023. The company also activated distribution channels in a number of select European markets, rapidly building up foreign sales.

Since the entry of Italmobiliare, more than 70 million euro has been invested, most of it destined to increase production capacity, efficiency, sustainability and safety of the plant. In Caivano, the existing structures have been expanded and new warehouses for green coffee beans and the finished product have been built, as well as new silos for the automatic selection and unloading of coffee, new cutting-edge sorters capable of identifying and discarding non-compliant beans and two photovoltaic systems with 1.5 MW of installed capacity, capable of producing around 10% of the plant's electricity needs and since 2022 it has only been using renewable electricity.

Numerous product innovations have been developed over the years, with the aims of expanding the range and adding sustainable value to a product of renowned quality. Caffè Borbone was the first player in the sector to introduce the compostable pod to the market, which can be disposed of in organic waste and with a wrapping that is recyclable in the paper collection. Today, it is the company's flagship product. The product range has also been expanded with the launch of aluminium capsules that are compatible with the Nespresso system, others that are compatible with Bialetti and Caffitaly, new blends, an innovative line of soluble products and coffee creamers.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	334.5	300.4	11.4
Gross operating profit (EBITDA)	67.5	79.7	(15.3)
% of revenue	20.2	26.5	
Amortisation and depreciation	(12.2)	(11.5)	
Operating profit (EBIT)	55.3	68.2	(18.9)
% of revenue	16.5	22.7	
Net finance income (costs)	(1.5)	(1.4)	n.s.
Profit/(loss) before tax	53.8	66.8	(19.4)
% of revenue	16.1	22.2	
Income tax	(16.9)	(18.8)	(10.0)
Profit/(loss) for the period	36.9	48.0	(23.1)

The figures in the table refer to Caffè Borbone S.r.l. and Caffè Borbone American Corp.

n.s. not significant

(in millions of euro)	December 31, 2024	December 31, 2023 (*)
Cash flows from investing activities	13.1	9.7
Free Cash Flow	(36.0)	69.2
Net financial position	(68.9)	17.1
Total equity	374.2	387.2
Employees (headcount) at the end of the year	334	304

(*) The 2023 figures have been restated to allow their comparability.

In 2024, Caffè Borbone gave a further boost to its development path, taking various steps to prepare for future growth and consolidating its market position in a context made extremely challenging by the continuous increase in the cost of its raw material, namely coffee. In particular, during the year:

- The new 2025-2028 strategic plan was defined with a view to further consolidation of the company's leadership in the single-serve coffee segment in Italy and growth in international markets, particularly in Europe and the United States.
- The organisational structure was further strengthened, reinforcing the Research and Development and Trade Marketing Divisions and appointing a Business Development Manager.
- Caffè Borbone continued its ESG journey by joining the Science Based Targets initiative (SBTi) and obtaining the Gold Medal in the EcoVadis Sustainability Rating. For further details, please refer to the section on "General and Governance Information".
- Marketing activities to support brand growth continues. Specifically, Caffè Borbone is the second most spontaneously recognised brand in Italy and won three awards at the Branded Content & Entertainment Awards 2024 for the communication campaign developed as part of the *Stasera C'è Cattelan* programme on Rai 2. The company also won two awards at the Brands Award 2024, recognitions dedicated to the best brands in consumer goods.
- The company completed construction work on the new logistics hub, which became operational in the second half of 2024.

Caffè Borbone ended 2024 with revenue up to 334.5 million euro, an increase of 11.4% compared with the previous year. Looking at volumes, single-serve coffee, the company's key product, turned in growth of 6%. There was a good performance on the part of coffee beans, which grew by 25% during the year, driven by foreign markets.

In terms of channels, the large-scale retail trade posted a 32% increase and led the company's growth, which also recorded good performances in the digital channel - which includes direct e-commerce, Amazon and specialist portals - and on foreign markets.

Section 5 | PORTFOLIO COMPANIES

During the year, the company's income statement was penalised by the high cost of coffee at source. In particular, the increase in the price of Robusta coffee, which again reached all-time highs, rising to 6 dollars per kilo, resulting in an increase in the cost of coffee on the income statement of 44.8 million euro compared with the previous year. In this challenging context, the company has proven itself capable of maintaining a good margin, which stands at 20.2% of revenue, with a gross operating profit (EBITDA) of 67.5 million euro.

Net of amortisation and depreciation, which are up slightly, the operating profit comes to 55.3 million euro. Income tax for the year amounts to 16.9 million euro (compared with 18.8 million euro at 31 December 2023), net of which the profit for 2024 comes to 36.9 million euro.

Capital investment amounts to 13.1 million euro, mainly for the new logistics hub.

The net financial position at December 31, 2024 is negative for 68.9 million euro, already net of the distribution of dividends for 50.0 million euro made during the period. If we eliminate the payment of dividends, cash generation¹ during the year was negative for 36.0 million euro, which is more than justified by the absorption of 53.7 million euro of working capital mainly caused by the growth in value of green coffee stocks. This is partly due to an increase in volumes and days of coverage to counteract the growing complexity of the market, partly due to longer procurement times and partly due to the increasing unit cost of the raw material itself.

LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

The scenario continues to suffer a high level of uncertainty due to the cost of coffee. In terms of margins, a further increase in the price of Robusta coffee was posted in early 2025, reaching a new all-time high. Management will continue to monitor this evolution in the cost of raw materials in general and of coffee in particular, reserving the right to increase prices if this proves necessary.

1. Free Cash Flow (cash generation) is the difference between the net financial position at December 31, 2024 and at the end of the previous year, gross of any dividends distributed, increases or repayments of capital, non-recurring transactions and the effects of applying IFRS 16.

General and governance information

REPORTING

ESRS 2 - General information - Basis for preparation

The reporting includes performance, data and information on the holding company Caffè Borbone and its subsidiary in the USA, as consolidated in the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 - General information - Governance

ESRS G1 - Business Conduct

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

Position	Name and Surname	Gender
Chairman	Massimo Renda	M
Deputy Chairman	Carlo Pesenti	M
CEO / General Manager	Marco Schiavon	M
Director	Sara Ciavarella	F
Director	Giuliano Palermo	M
Director	Antonio Sala	M

The **Board of Statutory Auditors** consists of three independent members, a chairman and two statutory auditors. One member is female.

The Board of Directors, which also benefits from the presence of independent directors and directors representing the Holding, defines the strategic guidelines of the company and is responsible for its management with a view to sustainable success. It is vested with all powers of ordinary and extraordinary administration of the company, as all matters deriving from the law, the By-laws and the instructions received from the parent company fall under its remit.

Each Board of Directors meeting includes on its agenda an update on the progress of ESG action plans, which are defined and refined annually based on identified impacts, risks, and opportunities, as well as any other relevant considerations to implement a business strategy that is consistent with the company's Vision and Mission and aligned with the Italmobiliare Group's expectations, ensuring full integration of economic, governance, social, and environmental components. The annual ESG plans are monitored continuously by management and consolidated in monthly meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plans are included in the variable remuneration of the CEO and of top and middle managers.

In line with the approach of the Italmobiliare Group, Caffè Borbone has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world's largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPS)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments shape the company's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, distributors, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with Caffè Borbone in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The **Sustainability Policies** extend and integrate the Code of Ethics: the "Guiding Principles" are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The **Partnership Charter** aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

Caffè Borbone adopts an **Organisation, Management and Control Model (Model 231)** which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents. The Supervisory Body, appointed with criteria of autonomy and independence, has been identified as the body for control activities, including the reception of whistleblowing reports.

The Code of Ethics, the Sustainability Policies, the Partnership Charter and the general part of the Model 231 are published on the company's website.

More generally, Caffè Borbone implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows for the identification, measurement, monitoring and management of risks. This approach also gives rise to the procedures and internal controls on integrated financial and sustainability reporting.

At an operational level, the **management systems** adopted and certified (ISO 9001 for quality, ISO 14001 for environmental management, ISO 45001 for health and safety, ISO 50001 for energy management, IFS for food safety) - being formalised processes and procedures - are another tool to ensure that activities are fully aligned with the company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

Moreover, in 2024 Caffè Borbone received a Gold Medal from Ecovadis, one of the most important international sustainability rating platforms.

The quality of the sustainable governance system has also been recognised by obtaining the Legality Rating issued by the Competition and Market Authority (AGCM in Italian), a synthetic indicator of compliance with high standards of legality by companies.

Confirming the overall effectiveness of the integrity and compliance measures adopted, in 2024 there were no cases of corruption, anti-competitive behaviour or non-compliance with socio-economic and environmental regulations. The Supervisory Body has not received any reports of alleged illicit or anti-governance behaviour.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business conduct

With the Partnership Charter, an evolution of the previous Supplier Charter, Caffè Borbone aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency. This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Implementation requires additional steps to those already adopted on the basis of the previous charter according to a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Suppliers	unit	2022	2023	2024
Number of active suppliers	#	785	868	622
Purchase of products and services		228.6	302.3	281.9
national suppliers	M€	180.4	221.5	178.7
foreign suppliers		48.2	80.8	103.2
Spending on local suppliers (headquarters on national territory)	%	79%	73%	63%

		2022		2023		2024
Environmental and social qualification	#	%	#	%	#	%
Suppliers assessed during the year according to environmental and social criteria	--	--	608	100%	72	100%

The main areas in the supply chain are the procurement of green coffee, packaging materials and logistics and distribution services, which together account for over 60% of the total spending.

In 2024, the main countries of origin of the coffee used were Uganda, Vietnam, Brazil, and India. Coffee supplies require particular attention to the risks associated with respect for human and labour rights, as well as for environmental aspects such as deforestation and those of *business integrity*. To this end, Caffè Borbone creates partnerships with coffee suppliers, relying on selected international intermediaries committed to sustainability, who offer ample guarantees to align with international standards and to actively promote a sustainable coffee supply chain. Caffè Borbone aims at combining quality with responsibility and integrity in the supply chain to favour agricultural practices in balance with ecosystems, resilient to climate change and attentive to social needs, women, indigenous peoples, and farmers' families.

Caffè Borbone has continued sourcing **certified supply lots** from third-party verified traceability and integrity systems, which in 2024 accounted for approximately 45% of the coffee used. 80% of certified coffee purchased by 2026 remains the leading objective. Furthermore, in-depth sessions have been scheduled throughout the year with the most relevant coffee suppliers in order to share sustainability plans and actions, most importantly covering the fight against deforestation and climate change, in accordance with the ambitious decarbonisation goals of Caffè Borbone.

This engagement activity is also extended to the main suppliers of production and packaging materials.

OBJECTIVES

ESRS 2 - General information - Strategy

The table below outlines the key pillars of Caffè Borbone's sustainability strategy and the corresponding medium-term objectives.











Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	75%	2027	--	--	--
Climate strategy	Validation of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	2025	--	--	✓ *
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	0	2025	4.4	8.0	1.8
Gender and human capital development	Training hours per employee	30	2027	12	14	20

* Targets validated by SBTi on March 2025. Details can be found in the "Low-Carbon Transition" section.

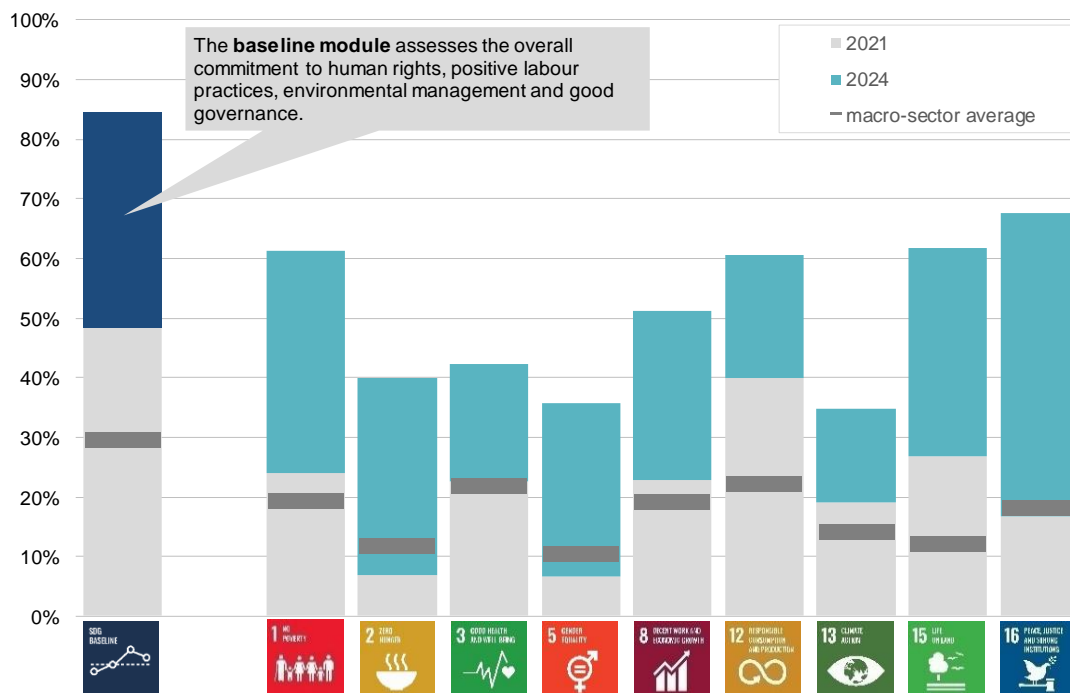
Section 5 | PORTFOLIO COMPANIES

Furthermore, Caffè Borbone integrates the Italmobiliare Group's sustainability strategy by adhering to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. Additionally, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

Caffè Borbone: Commitment to the SDGs

Environment		Ensure sustainable production and consumption models.
		Promote actions at all levels to combat climate change.
		Protect, restore and promote sustainable use of the earth's ecosystem.
Society		End all forms of poverty worldwide.
		End hunger, achieve food security, improve nutrition, and promote sustainable agriculture.
		Ensure health and well-being for all at all ages.
		Achieve gender equality and empower all women and girls.
		Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance		Peace, justice, and strong institutions.
		Strengthen implementation means and revitalise the global partnership for sustainable development.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



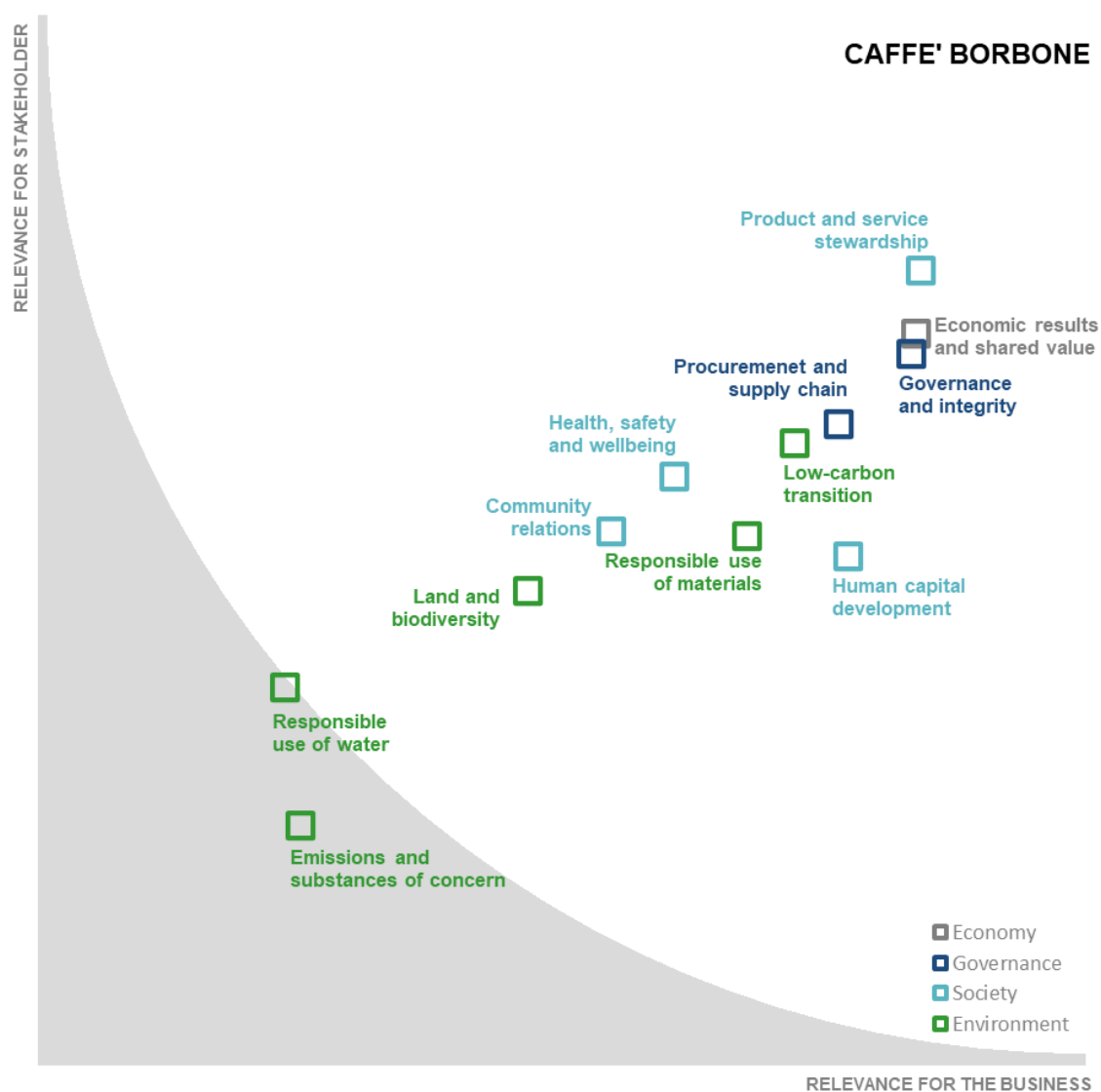
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas




Section 5 | PORTFOLIO COMPANIES

In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.


	Negative ▼ and positive ▲ Impacts	Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	M • Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance & integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	M • Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-respect for human rights, labour rights and equal opportunities along the raw material supply chain especially in coffee producing countries. ▲ A supply chain that respects basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities. ▲ Develop R&D partnerships and projects based on innovation and sustainability.	M • Activation of a protected system of whistleblowing that is open to all stakeholders. • Sharing governance documents with all partners and stakeholders. S • ESG pre-qualification and qualification of business partners. • A progressive increase in the purchase of certified coffee lots. • Progressive modernisation of production machinery.
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	S • Continuous and differentiated training for the various professional roles • Gradual adoption of incentive plans • Corporate welfare
Health, safety and well-being	▼ Possibility of accidents at work that could cause injury. ▲ Duty of care towards employees, collaborators, visitors and anyone else who enters the premises.	S • Continuous promotion of a safety culture. • Safety Audit.
Community relations	▲ Projects along the value chain aimed at developing skills and promoting entrepreneurial initiatives of women and young people.	S • Continuation of the Mwanyi project and development of a new edition with updated objectives.
Product and service stewardship	▲ Safe products that can support sustainable choices for customers, consumers and users. ▲ Product communication aimed at promoting equal opportunities and practices for the correct management of the product's "end of life".	S • Alignment with food standards of the various markets served and a progressive improvement in packaging. • IFS certification. • New system for handling incoming coffee and feeding it to roasters using an optical sorting system. • Communication initiatives for the correct recovery of pods and flow packs.
Low-carbon transition	▼ Greenhouse gas emissions along the entire value chain. ▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement.	L • Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. • Adherence to the Science Based Targets initiative and definition of validated medium-term (2030) and net-zero (2050) reduction targets. S • New photovoltaic system for a total installed capacity of over 1.5 MW. • Sourcing coffee lots with decarbonisation specifications.
Emissions and substances of concern	▲ Particular attention to the control and monitoring of atmospheric emissions connected to the production process (roasting)	S • Monitoring and control plan, improvement of abatement systems
Responsible use of water	▲ Particular attention to the use of water as the company is well aware that it operates in an area subject to water stress.	S • Attention and modernisation of the water treatment plant.
Land and biodiversity	▲ Promotion of practices aimed at a better use of land to avoid resorting to deforestation to guarantee the production required by the market	M • Direct involvement of coffee traders for an increase in certified lots and early commitment to EUDR (European Anti-Deforestation Regulation).
Responsible use of materials	▲ Product and packaging design with responsible selection and use of materials and waste minimisation, promoting correct end-of-life and reduction of environmental footprint.	S • ESG pre-qualification and qualification of suppliers, with the inclusion of ESG clauses in contracts. • Eco-design of products and packaging. • A progressive increase in the range of products with single-material or compostable packaging.

S = Short term M = Medium term L = Long term

Risks ▼ and Opportunities ▲		Mitigations and initiatives adopted
Economic results and shared value	▼ Possible difficulties in entering foreign markets. Entering foreign markets is an opportunity; however, the dynamics involved in new and different markets can create critical aspects with respect to the development plan.	<ul style="list-style-type: none"> • Projects and staff dedicated to new markets. • Brand strengthening. • International development in Europe and the USA.
	▲ Possibility of a growth trajectory on foreign markets	
	▼ Variability of the cost of coffee* and the related possibility of implementing the necessary pricing policies even in a highly competitive context.	<ul style="list-style-type: none"> • Flexibility of green coffee stocks • Systematic contacts with strategic suppliers and diversification of supply sources/areas. • Evaluation of hedging strategies. • Widespread coverage of sales channels by strengthening both the sales network and the central structures. • Continuous monitoring of margins and pricing policies.
Governance and integrity	▼ Partial implementation of the ESG strategy, also because of dependence on third parties.	<ul style="list-style-type: none"> • Investment in human resources and in-house training. • Request to share objectives for strategic suppliers by supporting and stimulating activities. • Adhesion to SBTi (2024), target validation (2025) and ESG plans.
Procurement and supply chain	▼ Risk** of increases in the cost of coffee, packaging material and logistics for a value chain that is considerably exposed to industry regulations, including: <ul style="list-style-type: none"> • Anti-deforestation (EUDR). • Supply Chain Due Diligence (CSDDD). • Packaging Requirements Regulation (PPWR). • ETS and fuel regulations (Green Mobility - FuelEU Maritime Regulation). 	 <ul style="list-style-type: none"> • ESG qualification of suppliers • Purchase of certified coffee (target 80% by 2026), EUDR-compliant and connected to decarbonisation projects, also to retain trader loyalty. • Purchase of packaging and packaging materials tied to decarbonisation projects, also to retain supplier loyalty • Logistics optimisation • R&D for product evolution
	▲ Strengthening the sustainable supply chain.	
Health, safety and well-being	▼ Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.	 <ul style="list-style-type: none"> • Continuous promotion of a safety culture starting from visible and perceived leadership on the part of management. • Continuous safety training at all levels of the company. • Safety Audit.
Product and service stewardship	▼ Risk of product quality and safety levels not fully in line with company standards.	<ul style="list-style-type: none"> • Complete product traceability system, from production to distribution, which makes it possible to isolate any critical issues. • Periodic analyses of raw materials and finished products, aimed at food defence. • Certification of management systems according to IFS and ISO45001. • Optical sorting system at raw coffee feed-in silos. • Strengthening of the organisational structure and introduction of further controls, particularly in the R&D area.
	▲ Development of new sustainable products and expansion of the product portfolio/range.	
Low-carbon transition	▼ Reduction in demand (single-serve) due to the growing sensitivity of distributors and consumers to product sustainability with particular attention to the carbon footprint, which depends on: <ul style="list-style-type: none"> • Origin of the coffee from sustainable and low-carbon footprint crops. • Use of primary packaging that is compostable and/or with a lower plastic content. • Use of secondary packaging from low-carbon supply chains. • Mix of beans/ground coffee/single-serve. 	 <ul style="list-style-type: none"> • SBTi implementation: coffee supply contracts tied to decarbonisation projects • SBTi implementation: supply contracts for packaging and packaging materials linked to decarbonisation projects • Increase in single-serve compostable products • Communication of the intrinsic sustainability of the main product (pods) • Elimination of non-recyclable plastics and reduction of plastic packaging. • Effective communication of the decarbonisation strategy and SBTi commitments • Monitoring of the biogas/biomethane market and carbon credits from biogas/biomethane (in relation to SBTi) • Active role towards roasting machine suppliers to stimulate the introduction of low carbon technologies • Active role towards suppliers of packaging materials and machines to stimulate the introduction of low carbon technologies
	▲ Increase in the purchase cost of machinery and packaging in the long term, due to the evolution of technologies adopted by suppliers to address decarbonisation (e.g. electric coffee roasters)	
	▲ Evolution of primary and secondary packaging ahead of regulations (e.g. the Packaging Regulation) and market trends through consolidation of the pod market, a progressive increase in compostable capsules, a reduction in the use of plastic and other aspects.	
	▲ Growing sensitivity of sales channels (large-scale retail trade) to product sustainability with possible effects on volumes sold	

* Also physical climate risk, due to extreme weather events at the plantations.

** Also climate transition risk.

 = positive outlook in the medium to long term.

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 Caffè Borbone joined the Science Based Targets initiative (SBTi). The targets that have been identified have been validated by the SBTi team of experts. Caffè Borbone has taken a commitment to mitigate the climate-altering effects of its activity along the entire value chain. In line with the impacts, risks and opportunities identified, the main levers are: selection and involvement of suppliers, streamlining of production processes, eco-design of the product and packaging. Furthermore, from 2022 Caffè Borbone has been using only renewable electricity, partly self-produced.

The following table shows details of the decarbonisation objectives validated by SBTi.

Objectives validated by SBTi

Scope	Objective	Status 2024
Scope 1+2 fuels and electricity	To reduce absolute Scope 1 and 2 emissions by 42% before the end of 2030 and by 90% before the end of 2050 compared with the base year 2022.	+32%
	To continue buying 100% renewable electricity every year until 2030	100%
Scope 3 Forest, Land and Agriculture (FLAG) emissions	Reduce absolute FLAG emissions by 30.3% before the end of 2030 and by 72% by the end of 2050 compared with the base year 2022.	+56%*
Scope 3 non-FLAG emissions	To reach 50% of spending (purchasing of goods, services, energy and upstream logistics) with validated SBTi objectives by the end of 2029 .	13%**
Scope 3	To reduce absolute Scope 3 emissions by 90% before the end of 2050 compared with the base year 2022.	+42%
Scope 1+2+3	To reach Net Zero emissions along the entire value chain by the end of 2050 .	+41% *

* Results influenced by forward purchases of green coffee, well beyond annual requirements, aimed at mitigating price/availability risk. Without the purchased surplus, the values would essentially be in line with the base year.

** An additional 11% of spending has already formalised its SBTi commitment and is entering the target validation process.

The energy consumption and energy mix of Caffè Borbone are reported in detail in the following table.

	unit	2022	2023	2024
Thermal energy consumption from fossil fuels		26,091	28,772	34,017
Natural gas	MWh	25,666	24,522	30,954
Diesel and LPG, for process		0	3,713	2,364
Automotive fuels		425	537	699
Thermal energy consumption from renewable sources		0	0	15
Biodiesel		0	0	15
Energy consumption from renewable sources		8,244	9,115	10,642
Hydroelectric	MWh	8,244	8,529	9,745
Solar		0	536	629
Wind		0	0	0
Other/Mix		0	49	268
Consumption of purchased renewable electricity		8,244	8,578	10,013
Consumption of self-produced renewable electricity		0	536	629
Total energy consumption	MWh	34,335	37,887	44,674
% of fossil fuels on total energy consumption		76%	76%	76%
% of renewable sources on total energy consumption		24%	24%	24%
Energy intensity	MWh/M€ Revenue	131	126	134
Electricity self-produced from renewable sources		113	701	796
Solar	MWh	113	701	796
Renewable electricity self-produced and fed into the grid		113	164	168

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. To consolidate its subsidiaries, Caffè Borbone adopts the “financial control” approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint	unit	2022	2023	2024
Market Based		259,309	259,117	375,631
Location based	t CO2e	262,038	261,960	379,933
Carbon Intensity – Market based		987	863	1,123
Carbon Intensity – Location based		997	872	1,136
Scope 1	t CO2e / M€ Revenue	20	20	21
Scope 2 – Location Based		10	9	13
Scope 2 – Market Based		0	0	0
Scope 3		967	843	1,102

Avoided emissions (location based)	unit	2022	2023	2024
Avoided emissions	t CO2e	37	54	72
From photovoltaic production fed into the grid		37	54	72

Carbon footprint Details *	unit	2022	2023	2024	2024
Carbon footprint – Market based	t CO2e	259,309	259,117	375,631	
Scope 3 - Upstream		204,072	200,358	298,731	79.5%
1 Purchased products and services **		177,323	171,188	260,242	69.3%
of which FLAG		134,228	128,028	216,430	57.6%
2 Capital goods		1,530	5,898	12,653	3.4%
3 Fuel-and energy-related activities		1,056	1,110	1,325	0.4%
4 Upstream transportation and distribution	t CO2e	23,374	21,330	23,701	6.3%
5 Waste generated by the sites		148	73	31	0.0%
6 Business travel		67	132	196	0.1%
7 Employee commuting		574	627	580	0.2%
8 Upstream leased assets		--	--	--	
Scope 1		5,304	5,961	7,004	1.9%
Scope 2 – Market Based		0	0	0	0.0%
Scope 2 – Location Based		2,729	2,843	4,302	
Scope 3 - Downstream		49,933	52,798	69,896	18.6%
9 Downstream transportation and distribution		138	147	196	0.1%
10 Processing of sold products		--	--	--	
11 Use of sold products		48,121	50,931	67,998	18.1%
Direct use		1,867	1,142	2,600	0.7%
Indirect use		46,254	49,789	65,398	17.4%
12 End-of-life treatment of sold products		1,675	1,720	1,702	0.5%
13 Downstream leased assets		--	--	--	
14 Franchises		--	--	--	
15 Investments		--	--	--	

* The carbon footprints for 2022 and 2023 were refined during SBTi's validation process of decarbonisation targets.

** The significant increase recorded in 2024 includes at least 80 kt of CO2 due to forward purchases of green coffee, well above annual requirements, aimed at mitigating price/availability risk.

In line with the Italmobiliare Group, Caffè Borbone applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Physical climate risks are identified with respect to the “Current Policies” scenario, again as defined by the Network for Greening the Financial System (NGFS).

EMISSIONS AND SUBSTANCES OF CONCERN

ESRS E2 - Pollution

The production plant in Caivano (NA) has channelled emissions covered by specific authorisations. The typical emission is that of volatile organic substances naturally present in coffee which can be released during roasting and other related operations.

The annual emission figures are calculated from sampling at emission points carried out by accredited laboratories.

Emissions of Volatile Organic Substances (VOCs)		2022	2023	2024
Caffè Borbone, Caivano plant (NA)	t	5.9	3.0	1.1

RESPONSIBLE USE OF WATER

ESRS E3 - Water and marine resources

No material impacts, risks or opportunities have been highlighted in this area. Withdrawals and discharges from Caffè Borbone's activities do not affect marine resources in any way. Water withdrawal is mainly intended for sanitary uses. The resource is managed with particular attention as the Caivano (NA) plant is in an area at risk of water stress.

Water balance	Unit	2022	2023	2024
Withdrawals		12,544	13,216	18,411
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		12,544	13,216	18,411
of which in water stressed areas		12,544	13,216	18,356
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		12,544	13,216	18,356
Water discharge		12,544	13,216	18,411
Surface water	m ³	12,544	13,216	18,356
Groundwater		0	0	0
Sewage		0	0	55
of which in water stressed areas		12,544	13,216	18,356
Surface water		12,544	13,216	18,356
Groundwater		0	0	0
Sewage		0	0	0
Water consumption		0	0	0
of which in water stressed areas		0	0	0
Intensity	m ³ / M€ Revenue	0	0	0

LAND AND BIODIVERSITY

ESRS E4 - Biodiversity and ecosystems

Caffè Borbone does not have direct activities with potential negative impacts on biodiversity and ecosystems. In any case, Caffè Borbone promotes anti-deforestation practices among its coffee suppliers in all countries of origin, in advance of industry regulations.

RESPONSIBLE USE OF MATERIALS

ESRS E5 - Resource use and circular economy

The management of raw materials begins with the selection of suppliers, through a process that includes an ESG prequalification and the definition of purchasing criteria aligned with decarbonisation objectives and the eco-design of formulations and packaging.

Raw materials and energy are sourced responsibly, with the aim of minimising waste. Already during the roasting process, the silverskins, the film that surrounds the coffee bean, and the under-sieve powders are recovered and sent for composting or other types of re-use. Computerised management of the entire process makes it possible to monitor the use of resources and improve traceability, which is also essential for guaranteeing food safety. The environmental management system adopted at the Caivano (NA) plant is certified according to the ISO 14001 standard.

Main Resource Inflows

Biological origin		unit	2022	2023	2024
Process materials	Green coffee		29,299	29,773	44,437
	Compostable paper for pods	t	341	510	600
	Compostable plastic for capsules		2	10	4
Packaging materials	Paper and cardboard *		6,072	6,996	6,917
	Polylaminate (paper prevalence)		2,242	2,219	1,393
	EPAL (European Pallet Association) wooden pallets	t	1,666	1,791	1,697
	Non-EPAL (European Pallet Association) wooden pallets		1,866	1,959	2,284
Extractive or fossil origin					
Process materials	Plastic for capsules	t	2,568	2,561	728
	Aluminium for capsules		5	177	462
Packaging materials	Aluminium		189	30	1,336
	Polylaminate (plastic prevalence)	t	1,657	1,771	1,786
	Plastic		284	338	398

* May contain fractions originating from by-products or waste streams.

Resource Inflows		2022		2023		2024	
		t	%	t	%	t	%
Production materials, semifinished goods and ancillaries		31,573		33,152		46,234	
of which recycled		0	0%	0	0%	0	0%
Renewable or organic		28,489	90%	30,404	92%	45,040	97%
of which recycled		0	0%	0	0%	0	0%
Non-renewable or technical		3,084	10%	2,748	8%	1,194	3%
of which recycled		0	0%	0	0%	0	0%
Packaging materials		13,975		15,110		15,814	
of which recycled		6,910	49%	8,807	58%	10,136	64%
Renewable or organic		9,603	69%	12,304	81%	11,868	75%
of which recycled		6,858	71%	8,787	71%	9,201	78%
Non-renewable or technical		4,372	31%	2,806	19%	3,946	25%
of which recycled		52	1%	21	1%	935	24%
Total materials		45,548		48,262		62,047	
of which recycled		6,910	15%	8,807	18%	10,136	16%
Renewable or organic		38,092	84%	42,708	88%	56,908	92%
of which recycled		6,858	18%	8,787	21%	9,201	16%
of which from sustainable supply chain		9,343	25%	16,438	38%	20,366	36%
Non-renewable or technical		7,456	16%	5,554	12%	5,140	8%
of which recycled		52	1%	21	0,4%	935	18%

Section 5 | PORTFOLIO COMPANIES

	2022		2023		2024	
Resource Outflows	t	%	t	%	t	%
Total waste	1,829		1,979		1,938	
Recycled	--	--	4	0.2%	0	0.0%
Non-recycled	--	--	1,975	99.8%	1,938	100.0%
Non-hazardous waste	1,829	100.0%	1,978	99.9%	1,922	99.2%
Recycled	--	--	4	0.2%	0	0.0%
Non-recycled	--	--	1,974	99.8%	1,922	100.0%
Hazardous waste	--	0.0%	1	0.1%	15	0.8%
Recycled	--	--	0	0.0%	0	0.0%
Non-recycled	--	--	1	100.0%	15	100.0%

Resource Outflows	Unit	2022	2023	2024
Non-hazardous		-	1,982	1,922
Material recovery		-	1,921	1,899
Recycling (R3; R4; R5)		-	4	0
of which composting (R3)		-	0	0
of which other forms of recycling (R4; R5)		-	4	0
Preparation for re-use (R2; R6; R9)	t	-	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		-	1,913	1,899
Disposal		-	61	24
Landfill (D1)		-	0	0
Incineration (D10; D11)		-	0	0
Other disposal operations (D2-D9; D12-D15)		-	61	24
Hazardous		-	1	15
Material recovery		-	0	2
Recycling (R3; R4 ;R5)		-	0	0
of which composting (R3)		-	0	0
of which other forms of recycling (R4; R5)		-	0	0
Preparation for re-use (R2; R6; R9)	t	-	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		-	0	2
Disposal		-	1	13
Landfill (D1)		-	0	0
Incineration (D10; D11)		-	0	0
Other disposal operations (D2-D9; D12-D15)		-	1	13

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own workforce

Caffè Borbone benefits from the value of more than 300 specialised and motivated people. The new American branch is growing, counting 10 people at the end of 2024. Direct employees in Italy, by choice mainly of local origin, are all covered by collective bargaining agreements. 10% of managerial positions are held by women. 80 temporary workers, self-employed, project workers and agents add up to the total headcount.

	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	22	256	278	34	270	304	41	293	334
Managers	1	7	8	2	12	14	1	14	15
Middle managers	2	7	9	4	13	17	3	21	24
Office workers	19	31	50	28	34	62	36	47	83
Production workers	0	211	211	0	211	211	1	211	212
Turnover	--	--	44	--	--	62	--	--	64
+ Hirings	--	--	31	--	--	43	--	--	47
+ Acquisitions	--	--	0	--	--	1	--	--	0
- Voluntary exits	--	--	11	--	--	8	--	--	9
- Non-voluntary exits	--	--	2	--	--	10	--	--	8
- Divestments	--	--	0	--	--	0	--	--	0
% contract: permanent	86%	93%	93%	85%	96%	94%	85%	97%	96%
% contract: full time	86%	97%	96%	88%	98%	97%	100%	100%	100%
Training									
Hours per capita	35	10	12	42	11	14	39	18	20
Managers	33	37	37	37	27	29	18	21	21
Middle managers	20	15	16	45	29	33	17	31	30
Office workers	36	19	25	41	30	35	42	45	44
Production workers	--	8	8	--	6	6	0	10	10
% hours of voluntary training	--	--	--	39%	37%	38%	42%	34%	36%
Managers	--	--	--	98%	93%	94%	90%	76%	77%
Middle managers	--	--	--	47%	69%	62%	60%	60%	60%
Office workers	--	--	--	34%	41%	37%	40%	46%	44%
Production workers	--	--	--	--	8%	8%	0%	9%	9%
% with at least one training session	--	--	--	86%	86%	86%	90%	71%	74%
Managers	--	--	--	100%	92%	93%	100%	93%	94%
Middle managers	--	--	--	75%	100%	94%	100%	100%	100%
Office workers	--	--	--	87%	92%	90%	90%	94%	92%
Production workers	--	--	--	--	83%	83%	0%	62%	62%
% with performance appraisal	36%	13%	14%	91%	23%	30%	83%	26%	33%
Managers	100%	100%	100%	100%	100%	100%	100%	86%	87%
Middle managers	100%	86%	89%	100%	85%	88%	100%	86%	88%
Office workers	26%	48%	40%	89%	79%	84%	83%	89%	87%
Production workers	--	2%	2%	--	5%	5%	0%	1%	1%

Section 5 | PORTFOLIO COMPANIES

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

Fixed and variable remuneration	2022	2023	2024
Gender pay gap	-32%	-27%	-18%
<i>Difference between women's and men's average pay compared with men's average pay</i>			
Managers	-53%	-21%	-4%
Middle managers	24%	-24%	14%
Office workers	12%	32%	7%
Production workers	--	--	24%

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

Caffè Borbone promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

In line with the adopted Sustainability Policies, Caffè Borbone intends to further develop the safety management, starting from management leadership that supports a motivational, organisational, and operational system. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

Since 2023, the safety management system implemented by Caffè Borbone has been rewarded with the ISO 45001 certification. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement.

Injuries	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	--	--	2	0	4	4	0	1	1
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	2	0	4	4	0	1	1
Lost days	--	--	314	0	304	304	0	5	5
Frequency rate	--	--	4.42	0.00	8.78	7.98	0.00	2.07	1.84
Severity rate	--	--	0.69	0.00	0.67	0.61	0.00	0.01	0.01
Non-Employees	--	--	0	0	2	2	0	0	0
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	2	2	0	0	0
Lost days	--	--	0	0	27	27	0	0	0
Frequency rate	--	--	0.00	0.00	31.38	30.52	0.00	0.00	0.00

COMMUNITY RELATIONS

ESRS S3 - Affected communities

Caffè Borbone is aware that some activities in the value chain can have significant potential and actual negative impacts on local communities. Promoting sustainability also means taking care of those who, at the origin of the coffee supply chain, are committed to improving the yield and quality of crops, supporting fair and inclusive ways of working and contributing to global challenges by adopting sustainable agricultural practices.

In 2022 Caffè Borbone launched a project in Uganda in partnership with Olam Food Ingredients (OFI), called **Mwany** (coffee in the local language). Thanks to a contribution of €100k per year for five years, the project aims to increase the participation of young people and women in the sustainable production of coffee, increasing employment, providing better product quality, improving profitability for small producers and fighting precariousness and rural exodus in selected districts in south-western Uganda. The main levers are represented by training of young people and women aged between 23 and 59 years on key issues such as financial and management skills, agronomic and nursery management techniques, monitoring of soil erosion and methods to improve soil fertility, harvesting techniques and post-harvest soil processing, hygiene and sanitation of plants, methods of drying and storage.

Since 2023, 500 participants (of which 345 women) have been involved in 24 training courses during which each person received between 15 and 20 hours of training. An additional 500 participants will be added in 2025. In order to encourage maximum participation, the courses were held in the areas where farmers operate and taking into account the agricultural seasonal cycle. Among the most innovative elements of the project there is "VSLA - Village Savings and Loan Associates", a program which favoured the birth of 14 associations of saving and loan managed directly from the members of the local community and through which the farmers involved have the opportunity to access financial instruments to invest in the quality of their products and increase the profitability of their own farm.

In Italy Caffè Borbone supports with scholarships, donations, in-kind activities and the provision of people, non-profit organisations committed to the recovery of complicated quarters of five Italian cities selected according to commitment and need, to combat early school leaving. Moreover, Caffè Borbone chooses the most active universities in the field of research to start collaborations aimed at improving the circularity of its production, for example by enhancing the use of coffee as a raw material for the production of bioplastics and pallets.

PRODUCT STEWARDSHIP

ESRS S4 - Consumers and end-users

Caffè Borbone creates, produces and markets coffee in capsules, pods, beans or ground coffee following specifications aimed to quality, customer service and mitigation of environmental footprint. Adding sustainable value to a recognised quality product is a clear line of strategy for Caffè Borbone. In addition to the responsible procurement of raw materials and the efficient management of the production site, particular attention is paid to the choice of materials used for production and packaging.

In 2024, 43% of single-serve coffee production volume consists of coffee in pods certified as compostable and distributed in packaging, easily recyclable as paper. In addition, the product range includes growing shares of coffee in compostable capsules or solutions that allow for easier post-consumer valorisation. Finally, the coffee sold as ground or in beans through e-commerce qualifies as "Climate Pledge Friendly" thanks to packaging with an efficient design for shipping. Further developments are under investigation.

The paper and cardboard used for packaging are FSC MIX certified, with at least 70% FSC certified or recycled materials.

Officina Profumo-Farmaceutica di Santa Maria Novella

(95% INTEREST
THROUGH FT2 S.R.L.)



Highlights



REVENUE
70.0 mn €
(56.2 mn € in 2023)



314
PEOPLE
(242 in 2023)



76% process
45% packaging
RENEWABLE ORIGIN



EBITDA
19.2 mn €
(15.7 mn € in 2023)



+400
STORES



5,300+
TRAINING HOURS
(55% non-mandatory)



PROFIT
7.5 mn €
(6.5 mn € in 2023)



+30
COUNTRIES
GLOBAL DISTRIBUTION



100%
RENEWABLE
ELECTRICITY

Strategic Objectives



To enhance the company's unique heritage, elevating the brand to be an absolute point of reference for authenticity and Florentine craftsmanship in the world.



To bring the Officina's iconic products to the main international luxury markets through a dynamic presence in all distribution channels.



To continue the centuries-old tradition of products based on natural ingredients with a responsible approach along the entire value chain.

Profile

THE COMPANY

Founded in 1221 by Dominican friars, the Officina Profumo-Farmaceutica di Santa Maria Novella is considered the oldest pharmacy in the world. Located inside the monumental complex of Santa Maria Novella, the heart of the religious, artistic and cultural splendour that made Florence famous, it still operates today in the same places where the friars with great mastery used aromatic herbs and medicinal plants to prepare medicines, balms, ointments, soaps and perfumes. Thanks to the Officina, the secrets of these preparations have been preserved and enriched over time with new techniques and applications.

Its legacy in the art of the apothecary is deeply intertwined with the history, personalities and social fabric of Florence, creating an alchemy of stories that is continually renewed. The archives contain a sales receipt dating back to the 14th century, with an indication of one of the products that still make the Officina stand out around the world: Rose Water. About two centuries later, the Officina played a fundamental role in the spread of perfume in Europe, when Catherine de' Medici brought this discovery to the court of France for the first time, revolutionising the tastes and customs of the time.

The history and timeless charm of the Officina attract hundreds of thousands of visitors every year to the boutique-museum inside the monumental complex of Via della Scala in Florence. The city, guardian of the Officina's history and protagonist of the present day, still hosts the organisational and production headquarters, as well as research and development and the selection of raw materials.

Rooted in the past but constantly renewed and enriched, the product portfolio of the Officina Profumo-Farmaceutica di Santa Maria Novella includes personal items, such as perfumes and cosmetics, home fragrances, liqueurs and ancient preparations, as well as some iconic products, such as the terracotta pomegranate, the pot-pourri and the Acqua della Regina fragrance, known and appreciated throughout the world.

RECENT DEVELOPMENTS

In 2020, Officina Profumo-Farmaceutica di Santa Maria Novella became part of the Italmobiliare Group, which took up the challenge of preserving and enhancing the history of a unique and unparalleled Italian excellence.

The Officina has experienced a renewed creative impulse, continuing the age-old search for the delicate balance between tradition and innovation, and infusing new energy and a propensity for international growth. In particular, the business is focusing on the development of distribution partnerships and the direct sales network: on the one hand it has started to operate directly in some strategic international markets, on the other it has signed important distribution agreements in key countries for the sale of luxury products, such as China and the Middle East, and strengthened its presence in Korea and the United States. The online sales channel, which is strategic for growth, has also been developed.

The company has been the protagonist of a strong growth path, more than tripling its revenues to 70 million euro in 2024, the number of stores and the headcount. Today, Officina Profumo-Farmaceutica di Santa Maria Novella has a presence in more than 30 countries with a distribution network of around 400 points of sale. The direct sales channel is joined by the wholesale channel and the e-commerce website.

Product innovation, always 100% Made in Florence, is paying more and more attention to the selection of raw materials and expansion of the product line. In 2021, to celebrate the 800th anniversary of the Officina, eight historic fragrances were relaunched with the 1221 line. Subsequently, the Idralia cosmetics line was extended, the first *eaux de parfum* in the history of the Officina (*I Giardini Medicei* line) were presented and the famous *Acqua di Rose* was further refined.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	70.0	56.2	24.6
Gross operating profit (EBITDA)	19.2	15.7	22.1
% of revenue	27.4	28.0	
Amortisation and depreciation	(7.3)	(5.6)	
Operating profit (EBIT)	11.9	10.1	17.2
% of revenue	17.1	18.0	
Net finance income (costs)	(0.5)	(0.5)	n.s.
Profit/(loss) before tax	11.4	9.6	18.9
% of revenue	16.3	17.1	
Income tax	(3.9)	(3.1)	25.0
Profit/(loss) for the period	7.5	6.5	15.9

The figures refer to the consolidation of Officina Profumo-Farmaceutica di Santa Maria Novella S.p.A. and its subsidiaries without including the vehicle FT2 S.r.l.

(in millions of euro)	December 31, 2024	December 31, 2023
Cash flows from investing activities	7.6	8.0
Free Cash Flow	5.6	(1.2)
Net financial position	(5.9)	(1.9)
Total equity	179.0	171.3
Employees (headcount) at the end of the year	314	242

2024 was a very positive year for Officina Profumo-Farmaceutica di Santa Maria Novella, both in terms of financial results and in the development of its main markets. Specifically, it should be noted that:

- In January, the acquisition of the distributor of Officina Profumo-Farmaceutica di Santa Maria Novella in Japan was completed. The company is now present on the Japanese market with a dedicated branch and a team focused on market development, particularly the retail channel.
- The development of the direct retail channel continues, with the opening of seven new sales outlets in strategic markets during the year: Europe (Venice, Paris and London), the United States (Boston and Los Angeles) and Japan (Tokyo and Kobe).
- During the year the company launched four new Eaux de Parfum from the “I Giardini Medicei” collection (Acqua, Quercia, Ambra and Incenso).

Officina Profumo-Farmaceutica di Santa Maria Novella had an excellent performance in 2024, with revenue up by 24.6% on the previous year. The result was positively affected by the company's entry into the Japanese market, particularly through direct-to-consumer sales. Overall, retail proved to be the best-performing channel, with 42.0% growth on the previous year, driven by expansion in Japan, the important contribution of the Florence area, and new store openings. The e-commerce channel performed excellently (+29.4% compared with 2023), growing in all markets thanks above all to more effective investment in performance marketing. The wholesale channel closed the year with a slight increase on the previous year.

On the product side, all categories turned in good performances during the year. Fragrances in particular are growing, also due to the launch of the four new Eaux de Parfum, as mentioned earlier, and products for the home and the environment, thanks to the excellent results of recently launched products, such as the Florence 1221 edition candles, and of Officina's traditional products, such as the Pot Pourri and the Scented Terracotta Pomegranate.

EBITDA comes to 19.2 million euro, up by 22.1%. The result was affected by non-recurring costs of 1.5 million euro incurred during the financial year, mainly to set up a provision for risks and charges, contributions to distributors for the opening of stores in APAC and severance pay. The recurring gross operating profit comes to 20.7 million euro, up compared with the previous year thanks to the increase in turnover and an improvement in industrial margins, due to the increase in volumes and a better product and channel mix. In line with the expectations of the brand development plan, both retail and commercial costs increased during the year, mainly due to investments in new stores, as well as personnel costs and overheads to strengthen the organisation and to enter the Japanese market.

Amortisation and depreciation was recorded for 7.3 million euro, with a rise of 31% compared with the previous year, mainly due to investments in new direct stores opened in Europe and the United States. Net of this item, the operating profit came to 11.9 million euro. The 2024 profit increased to 7.5 million euro, net of taxes of 3.9 million euro.

Investments during the period amounted to 7.6 million euro and mainly refer to investments for the renovation and setting up of stores.

At December 31, 2024, the net financial position showed borrowings of 5.9 million euro, negatively influenced by 26.4 million euro of lease liabilities for the rent of direct stores, accounted for in accordance with IFRS 16. Neutralising the effects of the acquisition in Japan made at the beginning of the year, cash generation for the period was positive for 5.6 million euro.

LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section."

OUTLOOK

In the first half of the current year, Officina Profumo-Farmaceutica di Santa Maria Novella will launch a process aimed at further elevating the brand positioning and enhancing the company's unique heritage, with impacts on the long-term strategy. On the commercial front, the company will work on further developing the performance of the directly operated stores and the e-commerce site, on the one hand; and on the other, it will continue to strengthen relationships with distributors and partners around the world. The company's organisational structure continues to be reinforced and during the year it plans to further strengthen the management team with the entry of new skills.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

In January, the Chief Executive Officer and General Manager, Giovanna Paoloni, left the Group. Giampiero Pesenti was appointed as General Manager.

General and governance information

REPORTING

ESRS 2 - General information - Basis for preparation

The reporting includes performance, data and information on the holding company Officina Profumo-Farmaceutica di Santa Maria Novella and all of its subsidiaries in Italy, France, the United Kingdom, the USA and Japan, as consolidated in the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 - General information - Governance

ESRS G1 - Business conduct

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

Position (*)	Name and Surname	Gender
Chairman	Carlo Pesenti	M
Director / General Manager*	Giampiero Pesenti	M
Director	Allegra Antinori	F
Director	David Manuel De Giglio	M
Director	Mirko Massignan	M
Director	Leonardo Senni	M
Director	Laura Zanetti	F

* Effective January 17, 2025, Giovanna Paoloni stepped down from her role, and Giampiero Pesenti assumed the position of General Manager.

The **Board of Statutory Auditors** consists of three independent members, a chairman and two statutory auditors. One member is female.

The Board of Directors, which also benefits from the presence of independent directors and directors representing the Holding, defines the strategic guidelines of the company and is responsible for its management with a view to sustainable success. It is vested with all powers of ordinary and extraordinary administration of the company, as all matters deriving from the law, the By-laws and the instructions received from the parent company fall under its remit.

Each Board of Directors meeting includes on its agenda an update on the progress of ESG action plans, which are defined and refined annually based on identified impacts, risks, and opportunities, as well as any other relevant considerations to implement a business strategy that is consistent with the company's Vision and Mission and aligned with the Italmobiliare Group's expectations, ensuring full integration of economic, governance, social, and environmental components. The annual ESG plans are monitored continuously by management and consolidated in monthly meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plans are included in the variable remuneration of the CEO and of top and middle managers.

In line with the approach of the Italmobiliare Group, Officina Profumo-Farmaceutica di Santa Maria Novella has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world's largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPs)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments shape the company's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability

Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, distributors, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with Officina Profumo-Farmaceutica di Santa Maria Novella in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The **Sustainability Policies** extend and integrate the Code of Ethics: the “Guiding Principles” are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The **Partnership Charter** aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

Officina Profumo-Farmaceutica di Santa Maria Novella adopts an **Organisation, Management and Control Model (Model 231)** which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents. The Supervisory Body, appointed with criteria of autonomy and independence, has been identified as the body for control activities, including the reception of whistleblowing reports.

The Code of Ethics, the Sustainability Policies, the Partnership Charter and the general part of the Model 231 are published on the company's website.

More generally, Officina Profumo-Farmaceutica di Santa Maria Novella implements and strengthens the Enterprise Risk Management system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows for the identification, measurement, monitoring and management of risks. This approach also gives rise to the procedures and internal controls on integrated financial and sustainability reporting.

At an operational level, the **management systems** adopted - being formalised processes and procedures - are another tool to ensure that activities are fully aligned with the Company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

Confirming the overall effectiveness of the integrity and compliance measures adopted, in 2024 there were no cases of corruption, anti-competitive behaviour or non-compliance with socio-economic and environmental regulations. The Supervisory Body has not received any reports of alleged illicit or anti-governance behaviour.

Section 5 | PORTFOLIO COMPANIES

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business Conduct

With the Partnership Charter, an evolution of the previous Supplier Charter, Officina Profumo-Farmaceutica di Santa Maria Novella aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency.

This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Implementation requires additional steps to those already adopted on the basis of the previous charter according to a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Suppliers	unit	2022	2023	2024
Number of active suppliers	#	156	788	647
Purchase of products and services		14.1	24.2	25.4
national suppliers	M€	13.5	23.1	22.8
foreign suppliers		0.5	1.1	2.6
Spending on local suppliers (headquarters on national territory)	%	96%	96%	90%

Environmental and social qualification	#	2022	2023	2024
		%	%	%
Suppliers assessed during the year according to environmental and social criteria	--	--	173 100%	- 0%

OBJECTIVES

ESRS 2 - General Information - Strategy








The table below outlines the key pillars of Officina Profumo-Farmaceutica di Santa Maria Novella's sustainability strategy and the corresponding medium-term objectives.

Medium-term objectives	Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	75%	2027	--	--
Climate strategy	Validation of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	2025	--	✓ *
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	0	2025	3.4 11.1	8.0
Gender and human capital development	Training hours per employee	40	2027	31 24	17

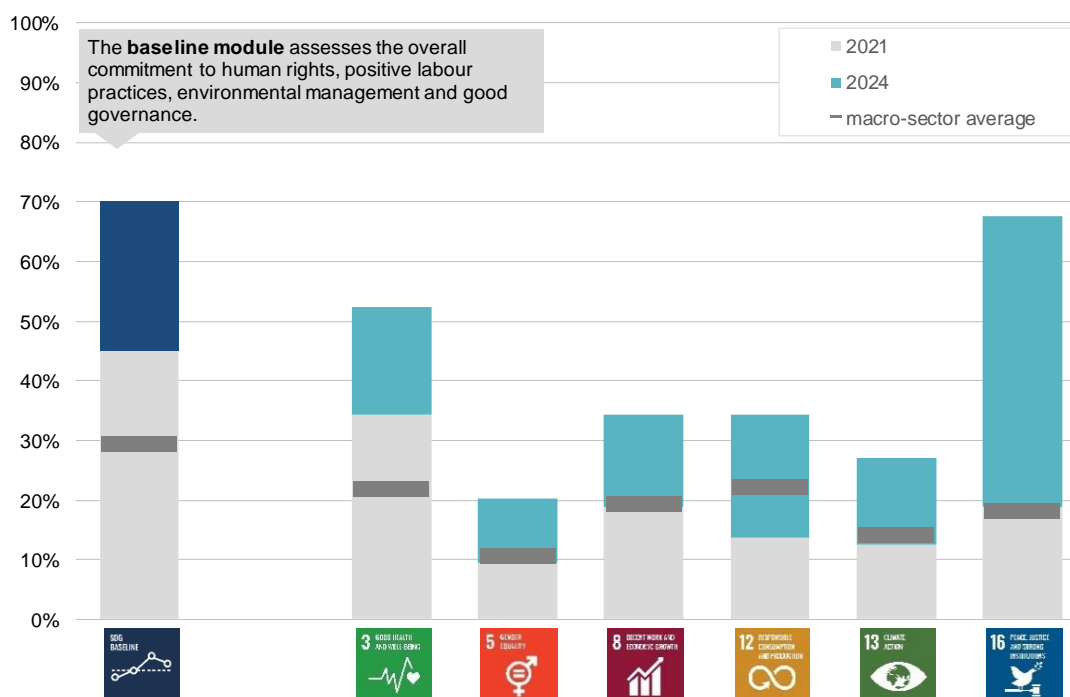
* Objectives validated by SBTi on February 2025. Details can be found in the "Low-Carbon Transition" section.

Furthermore, Officina Profumo-Farmaceutica di Santa Maria Novella integrates the Italmobiliare Group's sustainability strategy by adhering to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. Additionally, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

Officina Profumo-Farmaceutica di Santa Maria Novella: Commitment to the SDGs

Environment		Ensure sustainable production and consumption models.
		Promote actions at all levels to combat climate change
Society		Ensure health and well-being for all at all ages.
		Achieve gender equality and empower all women and girls.
		Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance		Peace, justice, and strong institutions.
		Strengthen implementation means and revitalise the global partnership for sustainable development.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



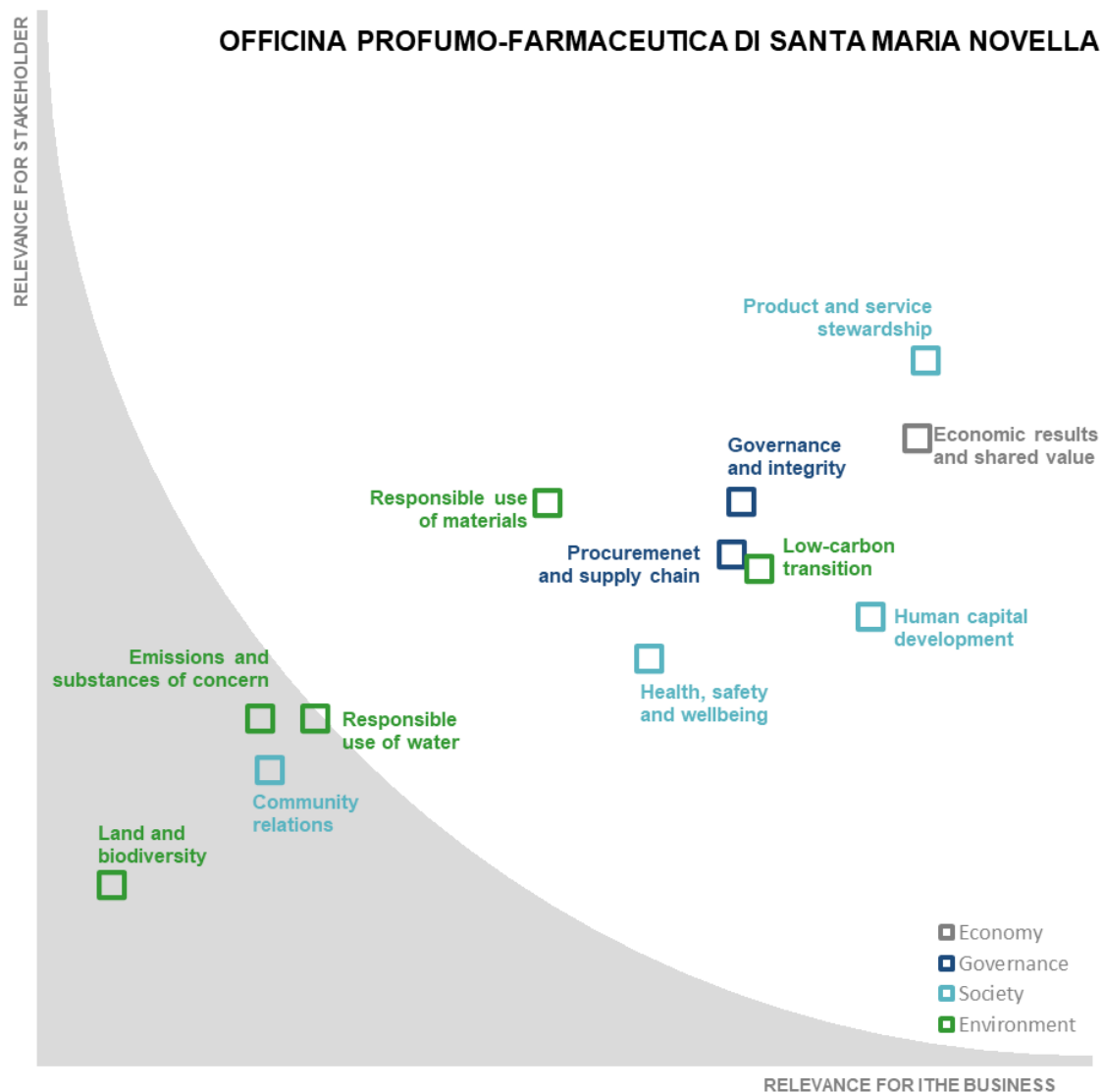
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas








In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and positive ▲ Impacts		Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	ML	• Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance & integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	S	• Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-compliance with human rights, labour rights and equal opportunities along the raw material supply chain, particularly for those originating outside Europe.	M	• Activation of a protected system of whistleblowing that is open to all stakeholders. • Sharing governance documents with all partners and stakeholders. • ESG pre-qualification and qualification of business partners.
	▲ A supply chain that respects basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities.	M	
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	SM	• Continuous and differentiated training for the various professional roles. • Short- and medium-term incentive plans. • Corporate welfare.
Health, safety and well-being	▲ Duty of care towards employees, collaborators, visitors and any other person who accesses production sites and shops.	S	• Continuous promotion of a safety culture. • Safety Audit.
	▼ Possibility of accidents at work that could cause injury.	S	
Product and service stewardship	▲ Safe products that can support sustainable choices for customers, consumers and users.	SM	• Adoption of the most restrictive regulatory requirements among those currently in force in the various geographical markets served. • Progressive upgrade of formulations and packaging, with innovative and ESG criteria.
Low-carbon transition	▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement.	ML	• Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. • Adherence to the Science Based Targets initiative and definition of validated medium-term (2030) and net-zero (2050) reduction targets.
	▼ Greenhouse gas emissions along the entire value chain.	ML	
Emissions and substances of concern	▲ Controlled use of "substances of concern", beyond mere compliance with industry regulations.	SM	• Progressive phase-out in new formulations or reformulations
Responsible use of water	▲ Attention to consumption and correct management of water balance, especially in areas with water stress	S	• Accurate monitoring of withdrawals, uses and discharges.
Responsible use of materials	▲ Product and packaging design with responsible selection and use of materials, waste minimisation and facilitation of disassembly and reuse of individual components.	ML	• ESG pre-qualification and qualification of suppliers, with the inclusion of ESG clauses in contracts. • Eco-design of products and packaging.

S = Short term M = Medium term L = Long term

Section 5 | PORTFOLIO COMPANIES

Risks ▼ and Opportunities ▲		Mitigations and initiatives adopted
Economic results and shared value	▼ Failure to achieve expected business objectives in a context of evolution.	 <ul style="list-style-type: none"> Updating plans and closely monitoring initiatives. Reinforcement and consolidation of the management team with additional specialist skills. Further strengthening in the channels and markets already active.
	▲ Development of the brand's potential, leading to growth across various channels and markets.	
	▼ Risks of cyber-attacks with potential damage to retail processes and e-commerce services.	<ul style="list-style-type: none"> Strengthening the organisation by bringing in new resources and skills in the field of cyber-security. Adoption and implementation of a security governance framework according to the Italmobiliare Group guidelines. Activation of various projects aimed at replacing and/or improving the software currently in use (e.g. IT tools for use in shops).
Governance and integrity	▼ Partial implementation of the ESG strategy, also because of dependence on third parties.	 <ul style="list-style-type: none"> Investment in human resources and in-house training. Request to share objectives for strategic suppliers by supporting and stimulating activities. Adhesion to SBTi (2024), target validation (2025) and ESG plans.
Human capital development	▼ Slowdown in the execution of transformational projects due to changes in corporate leadership and organisational structure.	<ul style="list-style-type: none"> Strengthening internal processes and better definition and communication of roles and responsibilities. Office redesign to improve common spaces. Human resources initiatives for the development, attraction and retention of resources. An appraisal and feedback project at all levels is currently underway. Consolidation of the second line.
Health, safety and well-being	▼ Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.	 <ul style="list-style-type: none"> Continuous promotion of a safety culture starting from visible and perceived leadership on the part of management. Continuous safety training at all levels of the company.
Product and service stewardship	▲ Increased competitiveness thanks to more sustainable products in terms of formulation and packaging.	<ul style="list-style-type: none"> Selection of certified suppliers. Development of new formulations and reformulations of existing products, which reduce and/or eliminate the presence of raw materials subject to supply restrictions. Continuous improvement of formulations to increase natural ingredients and the traceability of raw materials. Continuous optimisation of packaging to reduce volume and increase the use of recycled and recyclable materials. More refill options.
Low-carbon transition	▲ Progressive reduction in air shipments in favour of more sustainable and economical options.	<ul style="list-style-type: none"> Better planning for the replenishment of ongoing products and new launches in directly managed overseas markets (USA and Japan). Better coordination with non-European partners in managing order supply.

  = positive / negative Outlook in the medium to long term.

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 Officina Profumo-Farmaceutica di Santa Maria Novella also joined the Science Based Targets initiative (SBTi) and received validation of its objectives - both identified and proposed - from the SBTi team of experts.

Officina Profumo-Farmaceutica di Santa Maria Novella has taken a commitment to mitigate the climate-altering effects of its activities along the entire value chain. In line with the impacts, risks and opportunities identified, the main levers are: selection and involvement of suppliers, streamlining of production processes, eco-design of the product and packaging, continuous R&D activities and optimisation of logistics. Moreover, since 2021, Officina Profumo-Farmaceutica di Santa Maria Novella only uses renewable electricity, part of it self-produced.

The following table shows details of the decarbonisation objectives, pending validation by SBTi.

Objectives validated by SBTi

Scope	Objective	Status 2024
Scope 1+2 fuels and electricity	To reduce absolute Scope 1 and 2 emissions by 42% before the end of 2030 and by 90% before the end of 2050 compared with the base year 2023.	+1%
	To continue buying 100% renewable electricity every year until 2030	100%
Scope 3 Value chain	To reduce absolute Scope 3 emissions by 42% before the end of 2030 and by 90% before the end of 2050 compared with the base year 2023.	-16%
Scope 1+2+3	To reach Net Zero emissions along the entire value chain by the end of 2050.	-15%

The energy consumption and energy mix of Officina Profumo-Farmaceutica di Santa Maria Novella are shown in detail in the following table.

	Unit	2022	2023	2024
Thermal energy consumption from fossil fuels		1,997	1,808	1,542
Natural gas		1,922	1,614	1,290
Diesel and LPG, for process		0	0	0
Automotive fuels		75	194	252
Thermal energy consumption from renewable sources		0	0	0
Biodiesel		0	0	0
Energy consumption from renewable sources		1,160	1,132	1,378
Hydroelectric	MWh	1,040	596	1,086
Solar		120	106	96
Wind		0	0	0
Other/Mix		0	430	196
Consumption of purchased renewable electricity		1,040	1,026	1,282
Consumption of self-produced renewable electricity		120	106	96
Total energy consumption		3,157	2,941	2,920
% of fossil fuels on total energy consumption		63%	61%	53%
% of renewable sources on total energy consumption		37%	39%	47%
Energy intensity	MWh / M€ Revenue	68	52	42
Electricity self-produced from renewable sources		120	107	96
Solar	MWh	120	107	96
Renewable electricity self-produced and fed into the grid		0	1	0

Section 5 | PORTFOLIO COMPANIES

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. To consolidate its subsidiaries, Officina Profumo-Farmaceutica di Santa Maria Novella adopts the “financial control” approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint	unit	2022	2023	2024
Market Based	t CO ₂ e	9,843	11,031	9,945
Location based		10,187	11,368	10,485
Carbon Intensity - Market based	t CO ₂ e / M€ Revenue	211	195	142
Carbon Intensity - Location based		219	201	150
Scope 1		9	8	6
Scope 2 - Location Based		7	6	8
Scope 2 - Market Based		0	0	0
Scope 3		202	187	136

Avoided emissions (location based)	unit	2022	2023	2024
Avoided emissions	t CO ₂ e	0	0	0
From photovoltaic production fed into the grid		0.05	0.17	0.00

Carbon footprint Details*	unit	2022	2023	2024	2024
Carbon footprint - Market based	t CO ₂ e	9,843	11,031	9,945	
Scope 3 - Upstream	t CO ₂ e	1,673	4,090	4,483	45.1%
1 Purchased products and services		1,507	2,825	2,909	29.3%
2 Capital goods		--	199	53	0.5%
3 Fuel-and energy-related activities		89	85	82	0.8%
4 Upstream transportation and distribution		--	89	56	0.6%
5 Waste generated by the sites		2	2	0	0.0%
6 Business travel		75	757	1,194	12.0%
7 Employee commuting		--	124	172	1.7%
8 Upstream leased assets		--	8	17	0.2%
Scope 1		409	436	442	4.4%
Scope 2- Market Based		0	0	0	0.0%
Scope 2 - Location Based		344	337	541	
Scope 3 - Downstream		7,761	6,505	5,020	50.5%
9 Downstream transportation and distribution		6,212	5,073	3,192	32.1%
10 Processing of sold products		--	--	--	
11 Use of sold products		1,501	1,291	1,669	16.8%
Direct use		101	85	80	0.8%
Indirect use		1,400	1,206	1,589	16.0%
12 End-of-life treatment of sold products		49	48	26	0.3%
13 Downstream leased assets		--	--	--	
14 Franchises		--	93	132	1.3%
15 Investments		--	--	--	

* The carbon footprints for 2022 and 2023 were refined during SBTi's validation process of decarbonisation targets.

In 2024, emissions relating to downstream logistics were significantly reduced thanks to improved production planning, which allowed major customers in the Far East to significantly reduce air shipments.

In line with the Italmobiliare Group, Officina Profumo-Farmaceutica di Santa Maria Novella applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Physical climate risks are identified with respect to the “Current Policies” scenario, again as defined by the NGFS (Network for Greening the Financial System).

EMISSIONS AND SUBSTANCES OF CONCERN

ESRS E2 - Pollution

In the formulation of some home fragrance products, Officina Profumo-Farmaceutica di Santa Maria Novella also uses ingredients that, in accordance with European legislation, have characteristics that fall within the generic definition of “substances of concern” according to a specification chart that includes both environmental and human sensitivity aspects. These are substances permitted by current regulations, perfectly suited to their specific function and currently used in the sector, which are managed by the company in a conscious and controlled manner.

In most cases, these are substances that would only pose a risk to aquatic environments if accidentally released into natural bodies of water. The indication is aimed above all at those who transport them and those who, like Officina Profumo-Farmaceutica di Santa Maria Novella, use them. This risk becomes irrelevant once the products leave the plant, where handling takes place with maximum care for operators and the environment, well beyond the legal requirements.

In any case, the marketing of products containing them is always accompanied by the necessary classifications, labelling and suggestions for the best way to use them.

RESPONSIBLE USE OF WATER

ESRS E3 - Water and marine resources

No material impacts, risks or opportunities have been highlighted in this area. Withdrawals and discharges by the activities of Officina Profumo-Farmaceutica di Santa Maria Novella do not affect marine resources in any way. Water withdrawal is mainly intended for sanitary uses, but also for the production of cosmetic water through dedicated chemical-physical treatments before being used in formulations. The resource is managed with particular attention, given that the Florence plant is in an area at risk of water stress.

Water balance	unit	2022	2023	2024
Withdrawals		4,211	3,052	3,174
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		4,211	3,052	3,174
of which in water stressed areas		4,211	3,052	3,131
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		4,211	3,052	3,131
Water discharge	m³	42	83	100
Surface water		0	0	0
Groundwater		0	0	0
Sewage		42	83	100
of which in water stressed areas		42	83	57
Surface water		0	0	0
Groundwater		0	0	0
Sewage		42	83	57
Water consumption		4,169	2,969	3,074
of which in water stressed areas		4,169	2,969	3,074
Intensity	m³ / M€ Revenue	89	52	44

Section 5 | PORTFOLIO COMPANIES

RESPONSIBLE USE OF MATERIALS

ESRS E5 - Resource use and circular economy

The management of raw materials begins with the selection of suppliers, through a process that includes an ESG prequalification and the definition of purchasing criteria aligned with decarbonisation objectives and the eco-design of formulations and packaging.

Water of cosmetic quality and agricultural ethyl alcohol are the main raw materials used. Vegetable soap and dried herbs for pot-pourri are the other main renewable bases for the products made. Paraffin and waxes used in the production of candles are the main non-renewable bases. Added to these is a wide variety of ingredients, fragrances and essences mainly of natural origin.

Main Resource Inflows

		unit	2022	2023	2024
Biological origin					
Process materials	Water		134	108	94
	Ethanol	t	34	27	35
	Other natural ingredients		184	155	150
Packaging materials	Paper and cardboard *		362	324	204
	Wood	t	64	94	77
Extractive or fossil origin					
Process materials	Various ingredients	t	80	80	87
	Glass		326	261	244
	Ceramics		30	23	27
Packaging materials	Plastics	t	39	26	25
	Metals		24	25	28
	Other		59	54	14

* May contain fractions originating from by-products or waste streams.

Resource Inflows	2022		2023		2024	
	t	%	t	%	t	%
Production materials, semifinished goods and ancillaries	432		371		367	
of which recycled	0	0%	0	0%	0	0%
Renewable or organic	352	81%	291	78%	280	76%
of which recycled	0	0%	0	0%	0	0%
Non-renewable or technical	80	19%	80	22%	87	24%
of which recycled	0	0%	0	0%	0	0%
Packaging materials	974		809		619	
of which recycled	48	0%	49	6%	135	22%
Renewable or organic	455	47%	419	52%	281	45%
of which recycled	32	7%	35	8%	135	48%
Non-renewable or technical	519	53%	389	48%	338	55%
of which recycled	16	3%	14	4%	0	0%
Total materials	1,406		1,179		986	
of which recycled	48	3%	49	4%	135	14%
Renewable or organic	807	57%	710	60%	561	57%
of which recycled	32	4%	35	5%	135	24%
of which from sustainable supply chain	275	34%	246	35%	193	34%
Non-renewable or technical	599	43%	469	40%	425	43%
of which recycled	16	3%	14	3%	0	0%

Resource Outflows	2022		2023		2024	
	t	%	t	%	t	%
Total waste	96		90		64	
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	90	100%	64	100%
Non-hazardous waste	62	65%	53	59%	28	44%
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	53	100%	28	100%
Hazardous waste	34	35%	37	41%	36	56%
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	37	100%	36	100%

Resource Outflows	unit	2022	2023	2024
Non-hazardous		-	53	28
Material recovery		-	51	27
Recycling (R3; R4; R5)		-	0	0
of which composting (R3)		-	0	0
of which other forms of recycling (R4; R5)		-	0	0
Preparation for re-use (R2; R6; R9)	t	-	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		-	51	27
Disposal		-	2	1
Landfill (D1)		-	0	0
Incineration (D10; D11)		-	0	0
Other disposal operations (D2-D9; D12-D15)		-	2	1
Hazardous		-	37	36
Material recovery		-	17	16
Recycling (R3; R4; R5)		-	0	0
of which composting (R3)		-	0	0
of which other forms of recycling (R4; R5)		-	0	0
Preparation for re-use (R2; R6; R9)	t	-	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		-	17	16
Disposal		-	20	20
Landfill (D1)		-	0	0
Incineration (D10; D11)		-	0	0
Other disposal operations (D2-D9; D12-D15)		-	20	20

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own workforce

Officina Profumo-Farmaceutica di Santa Maria Novella is going through a progressive increase in its geographical perimeter and in the complexity of its production and distribution. At the end of 2024, Officina Profumo-Farmaceutica di Santa Maria Novella had a workforce of 314 people, of which 199 in Italy distributed between the headquarters and plant in Florence and numerous stores managed by direct staff. Overseas business activities employ 58 people in Japan, 34 in the US, 15 in the UK and 8 in France. Workers in Italy and France are covered by collective bargaining agreements. 56% of management positions are held by women. The workforce is supplemented by 57 temporary workers.

	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	131	56	187	174	68	242	222	92	314
Managers	2	5	7	3	3	6	5	5	10
Middle managers	12	10	22	13	15	28	30	22	52
Office workers	97	19	116	125	22	147	141	30	171
Production workers	20	22	42	33	28	61	46	35	81
Turnover	--	--	46	--	--	55	--	--	72
+ Hirings	--	--	86	--	--	108	--	--	136
+ Acquisitions	--	--	0	--	--	2	--	--	54
- Voluntary exits	--	--	21	--	--	28	--	--	69
- Non-voluntary exits	--	--	19	--	--	27	--	--	47
- Divestments	--	--	0	--	--	0	--	--	2
% contract: permanent	82%	88%	83%	83%	91%	86%	92%	91%	92%
% contract: full time	66%	96%	75%	67%	99%	76%	72%	97%	79%
Training									
Hours per capita	27	41	31	27	17	24	17	16	17
Managers	19	10	12	3	9	6	12	4	8
Middle managers	25	11	18	30	16	23	10	10	10
Office workers	28	28	28	30	28	29	19	22	20
Production workers	25	72	50	15	10	13	16	17	16
% hours of voluntary training	--	--	--	86%	81%	85%	58%	46%	55%
Managers	--	--	--	65%	100%	92%	72%	100%	79%
Middle managers	--	--	--	94%	77%	87%	58%	67%	62%
Office workers	--	--	--	86%	89%	86%	66%	61%	65%
Production workers	--	--	--	49%	65%	74%	29%	19%	24%
% with at least one training session	--	--	--	86%	75%	83%	63%	68%	65%
Managers	--	--	--	25%	75%	50%	80%	57%	67%
Middle managers	--	--	--	94%	88%	91%	47%	61%	53%
Office workers	--	--	--	85%	78%	84%	66%	73%	67%
Production workers	--	--	--	94%	67%	81%	61%	71%	65%
% with performance appraisal	8%	13%	10%	9%	18%	11%	14%	28%	18%
Managers	100%	60%	71%	33%	67%	50%	100%	100%	100%
Middle managers	67%	30%	50%	92%	47%	68%	50%	73%	60%
Office workers	1%	5%	2%	2%	14%	3%	8%	17%	9%
Production workers	0%	0%	0%	0%	0%	0%	0%	0%	0%

* Mainly retirements and expiration of fixed-term contracts.

The selection of human resources aims to find the required skills and aptitudes, the most suitable types of contracts and the correct timing, without any discrimination or constraints. The hiring of resources at any level is assisted by a dedicated induction programme. Correctness, loyalty, transparency and mutual respect are the guiding elements of personnel management, well beyond the contractual aspects and the regulations in force on labour matters.

An MBO bonus system with company and individual objectives has been introduced for top and middle management. Retail staff benefit from an incentive plan with individual monthly targets at store level. Lastly, for all other employees the remuneration scheme includes a performance bonus linked to the welfare system based on company financial metrics.

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2022	2023	2024
Gender pay gap	34%	23%	29%
<i>Difference between women's and men's average pay compared with men's average pay</i>			
<i>Managers</i>	11%	-6%	4%
<i>Middle managers</i>	1%	4%	25%
<i>Office workers</i>	29%	13%	19%
<i>Production workers</i>	10%	18%	-1%

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

Officina Profumo-Farmaceutica di Santa Maria Novella promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The management approach adopted starts with alignment to applicable national regulations and evolves towards building a true culture of safety, based on management leadership supporting a motivational, organisational, and operational system. Far beyond mere legislative compliance, this approach aims to protect the safety of anyone involved in operational activities and, at the same time, to improve managerial skills and motivations for achieving broader results objectives.

To enhance well-being and work-life balance, smart working has been introduced for all compatible functions.

	2022			2023			2024		
Injuries	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	--	--	1	2	2	4	4	0	4
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	1	2	2	4	4	0	4
Lost days	--	--	85	17	19	36	48	56	104
Frequency rate	--	--	3.43	8.06	17.88	11.11	11.64	0.00	8.03
Severity rate	--	--	0.29	0.07	0.17	0.10	0.14	0.36	0.21
Non-Employees	--	--	0	0	0	0	0	0	0
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	0	0	0	0	0	0	0
Frequency rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00

PRODUCT STEWARDSHIP

ESRS S4 - Consumers and end-users

Officina Profumo-Farmaceutica di Santa Maria Novella is committed to consistently producing and marketing products that are not only safe but also enable customers, consumers, and users to make sustainable choices.

To achieve this goal, it operates in full compliance with the complex regulatory system applicable to the sector, adopting the most restrictive regulatory requirements among those in force in the various geographical markets served. Furthermore, the launch of new products, which includes the progressive upgrade of formulations and packaging according to ESG criteria, is subjected to rigorous testing procedures that also concern the effects on health and those deriving from incorrect use.

The R&D activity of Officina Profumo-Farmaceutica di Santa Maria Novella has among its main objectives a reduction in the environmental footprint generated by the production, use and end-of-life management of its products. Formulations are progressively updated, with the aim of improving the customer experience and increasing the presence of ingredients of natural origin, with a shorter supply chain, a higher environmental value, such as a lower carbon or water footprint and low water consumption during use, or originating from countries with higher social security. Similar attention is reserved for the development of primary and secondary packaging.

More generally, Officina Profumo-Farmaceutica di Santa Maria Novella designs formulations and packaging with an approach that assesses their social and environmental footprint to verify their alignment with the company's objectives for products being developed and launched and better results in the case of existing products that are being updated.

Compliance with the regulations, quality and, for some product lines, even food safety, are ensured throughout the entire production process with management systems that are evolving constantly. The company considers customer satisfaction a key success metric. To this end, it actively monitors customer feedback and complaints across all physical and digital channels as a continuous stimulus for improvement.

CDS-Casa della Salute

(87.85% INTEREST)



Highlights



REVENUE
63.2 mn€
(42.8 mn € in 2023)



549
PEOPLE
(418 in 2023)



100%
RENEWABLE ENERGY



EBITDA
7.5 mn€
(5.1 mn € in 2023)



35
OUTPATIENT CLINICS
(26 in 2023)



23,000+
TRAINING HOURS



MEDICAL SERVICES
>1.1 mn €



931
PHYSICIANS



CERTIFICATION
B Corp

Strategic Objectives



To help protect people's health by bringing accessible, inclusive and higher quality healthcare to more and more patients in Italy.



To become a leader in prevention, assistance and first-level care in the regions where it operates, supporting and integrating the national health service.



To use the most innovative and sustainable technologies for diagnosis and treatment, from the most advanced machinery to AI, to offer the best possible service to patients.

Profile

THE COMPANY

Founded in 2013 in Busalla, in the province of Genoa, CDS-Casa della Salute is a network of specialist, diagnostic, dental and physiotherapy polyclinics, developed with the aim of protecting the right to health and guaranteeing all citizens a high-quality, accessible health service with low waiting lists. Today, CDS is present in Liguria and Piedmont with 34 facilities, employing approximately 546 employees and 931 doctors, and providing almost one million healthcare services per year to more than 200,000 patients.

The company's growth is based on an innovative business model, which uses advanced IT systems and cutting-edge equipment to ensure maximum operational efficiency, highly competitive prices, optimisation of internal processes and a reduction in environmental footprint. CDS aims to be a point of reference for the prevention and promotion of health in all its aspects, offering a service that is characterised by the professionalism and competence of the staff and doctors, by the attention given to the patient and by the adoption of the most advanced technologies for diagnosis and treatment.

Scientific partner of major global companies such as Siemens and Esaote, CDS has inaugurated a state-of-the-art surgery centre in Genoa (at the MSC Towers). Among the company's strong points are its widespread presence throughout the territory, with numerous clinics opened in small towns, when possible by redeveloping abandoned buildings, and its accessible prices, often in line with those of the National Health System and much lower than those of the main private operators in the sector.

RECENT DEVELOPMENTS

In 2020, Italmobiliare acquired a majority stake in CDS, giving a significant boost to the company's development, which saw its turnover triple, going from 8 to 35 clinics.

Over the last five years, a total of approximately 95 million euro has been invested in opening new clinics from scratch and for strategic acquisitions, consolidating its presence in Liguria, where CDS is now a point of reference for patients, and expanding growth in Piedmont. All of the polyclinics have been equipped with the most advanced technologies available on the market. CDS was the first operator to introduce Esaote's Magnifico magnetic resonance imaging in Liguria, an innovative machine without a cover, ideal for claustrophobic patients and children. In 2022, the company inaugurated the Genoa San Benigno surgery centre (MSC Towers), a national excellence, equipped with latest-generation technologies, refractive surgery machines and a highly automated analysis laboratory.

CDS has dedicated a lot of energy and resources to communication projects and activities to increase the recognition of its network and communicate its mission: to offer excellent healthcare with advanced technologies and prices close to the NHS prescription charge. In 2023, a rebranding exercise was carried out involving all the facilities and the company became the medical partner of Sampdoria and Genoa Football Clubs and, in 2024, also of the Giro d'Italia. There have been numerous initiatives for communication and territorial cooperation, such as the "Casa della Salute Village" set up in 2022 in the centre of Genoa and the "CDS Meetings Project", which in 2024 led to the organisation of 21 conferences in 6 different cities, with the aim of disseminating scientific knowledge on various topics and offering growth paths to doctors, also responding to the need to obtain the Continuing Medical Education Credits required by law.

The growth path continues, supported by important investments, replicating in Piedmont the development strategy that has allowed CDS to become a point of reference in healthcare in Liguria, and expanding the Group's presence in other Italian regions, first of all Sardinia, where work on the opening of new clinics is already at an advanced stage.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	63.2	42.8	47.7
Gross operating profit (EBITDA)	7.5	5.1	47.8
% of revenue	11.8	11.8	
Amortisation and depreciation	(12.2)	(7.6)	
Operating profit (EBIT)	(4.7)	(2.5)	n.s.
% of revenue	(7.4)	(5.8)	
Net finance income (costs)	(4.6)	(2.6)	
Profit/(loss) before tax	(9.3)	(5.1)	n.s.
% of revenue	(14.7)	(11.9)	
Income tax	1.4	1.4	
Profit/(loss) for the period	(7.9)	(3.7)	n.s.

The figures in the table refer to the Casa della Salute Group.

n.s. not significant

(in millions of euro)	December 31, 2024	December 31, 2023
Cash flows from investing activities	37.3	25.1
Free Cash Flow	(32.8)	(24.2)
Net financial position	(78.2)	(66.3)
Total equity	42.8	23.7
Employees (headcount) at the end of the year	549	418

During the course of 2024, CDS-Casa della Salute consolidated its leadership in Liguria and strengthened its position in Piedmont, laying the foundations for entry into Sardinia in 2025. In particular, it should be noted that:

- The company inaugurated two new outpatient clinics in Alba (CN) and Sestri Levante (GE), and a new surgery theatre at the Biella clinic. Six new outpatient clinics have also been completed and are awaiting authorisation at the date of approval of the financial statements. They are in Vercelli (VC), Nichelino (TO), Sassari (SS), Novara (NO), Cagliari (CA) and Molassana (GE).
- Six acquisitions were finalised in Liguria, giving the company a presence in three more cities (Bordighera, Ventimiglia and Alassio) and boosting the revenue of the facilities already operating in Genoa and Cairo Montenotte. These companies were merged on February 1, 2025, into Casa della Salute S.p.A., with the aim of making the organisational structure more efficient.
- To finance growth, increases in capital totalling 25.0 million euro were approved during the year, after which Italmobiliare's share increased slightly to 87.85%. CDS also took out two medium/long-term bank loans for a total of 20.0 million euro.
- The corporate structure was simplified by merging Oggero Srl, with clinics in Ventimiglia (IM) and Bordighera (IM), with CDS Medical. Furthermore, with a view to rationalising the corporate structure and to optimise the management of acquisitions concluded in recent years, on 10 October 2024 the merger plan for the absorption of "DOGMA Srl" in Genoa, "PLV Srl" in Vinovo (Turin), "SA.LU.COM. Srl" in Savigliano (Cuneo), "Cairo Medical Srl" in Cairo Montenotte (Savona), "Polo Dentale Studio Odontoiatrico Srl" in Genoa, "Cairo in Salute Specialistica Srl" in Cairo Montenotte (Savona) and "Centro Medico Ippocrate Srl" in Alassio (Savona) into "Casa della Salute SpA" was presented and approved.
- Development of brand awareness and reputation of the CDS brand continued through partnerships with the Sampdoria and Genoa Football Clubs and the new medical partnership signed in 2024 with the Giro d'Italia.
- The company's sustainable development path continues, having obtained the UNI/PdR 125:2022 gender equality certification and completed the B Corp certification process, an international certification standard awarded to companies that meet high standards of performance, transparency, and social and environmental responsibility.

Section 5 | PORTFOLIO COMPANIES

- To support growth and development in Italy, the company's organisational structure has been further strengthened with the addition of 6 new front-line managers.

CDS-Casa della Salute's closed 2024 with revenue of 63.2 million euro, an increase of 20.4 million euro (47.7%). This growth is attributable for 4.6 million euro to the new clinics opened during the year and the M&A deals explained above. The performance of the facilities opened before 2023 was positive, recording a like-for-like growth of 16%, despite the fact that many of the new ones were in geographical areas already served, which confirms that the CDS model is functioning. Looking at the geographies where the company is present, Liguria confirms itself as the main area, but Piedmont has been growing at a rate of 85%. In terms of individual services, diagnostics and dentistry are growing faster than the average. Surgery is stable, due to the decision to accredit the surgical theatres in Genoa with the NHS, which meant doing without the turnover generated by the services of "intramural doctors".

Gross operating profit comes to 7.5 million euro and includes non-recurring costs of 5.7 million euro, mainly associated with the development activities mentioned above. If we normalise these costs, the operating profit comes to 13.2 million euro. Comparison with the previous year, again normalised for non-recurring costs of 3.6 million euro, shows an increase of 52%.

Amortisation and depreciation have risen to 12.2 million euro due to the investments made by the company in new clinics.

Finance costs amount to 4.6 million euro, of which 1.3 million euro relates to interest accounted for in accordance with IFRS 16.

The pre-tax result is negative for 9.3 million euro, affected by the non-recurring costs to support growth and by the fact that the recently opened clinics have not yet expressed their full potential. The net result for 2024 is a loss of 7.9 million euro.

The net financial position at December 31, 2024 shows net borrowings of 78.2 million euro, of which 34.8 million are lease liabilities, as required by IFRS 16. If we neutralise the effect of the increases in capital to support the company's growth, cash generation during the period was negative for 32.8 million euro, net of 37.3 million in capital expenditure. Cash generation before capex was positive at 4.4 million euro.

LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

The company expects significant growth in turnover in 2025, both from new clinics and from the those opened most recently, which have not yet expressed their potential and which should come up to speed during the year. In terms of margins, the company expects significant growth in the gross operating profit, mainly linked to the increasing operations of the more recently opened outpatient clinics and the efficiency of the organisational structure.

General and governance information

REPORTING

ESRS 2 - General Information - Basis for preparation

The reporting includes performance, data and information on the holding company CDS-Casa della Salute and its subsidiaries, as consolidated in the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 - General information - Governance

ESRS G1 - Business conduct

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

Position	Name and Surname	Gender
Chairman	Rosario Bifulco	M
CEO	Marco Fertonani	M
Director	Tiziana Lazzari	F
Director	Alarico Melissari	M
Director	Piero Michele Provasoli	M
Director	Alberto Riboni	M

The **Board of Statutory Auditors** consists of three independent members, a chairman and two statutory auditors. One member is female.

The Board of Directors, which also benefits from the presence of independent directors and directors representing the Holding, defines the strategic guidelines of the company and is responsible for its management with a view to sustainable success. It is vested with all powers of ordinary and extraordinary administration of the company, as all matters deriving from the law, the By-laws and the instructions received from the parent company fall under its remit.

Each Board of Directors meeting includes on its agenda an update on the progress of ESG action plans, which are defined and refined annually based on identified impacts, risks, and opportunities, as well as any other relevant considerations to implement a business strategy that is consistent with the company's Vision and Mission and aligned with the Italmobiliare Group's expectations, ensuring full integration of economic, governance, social, and environmental components. The annual ESG plans are monitored continuously by management and consolidated in monthly meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plans are included in the variable remuneration of the CEO and of top and middle managers.

In line with the approach of the Italmobiliare Group, CDS-Casa della Salute has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world's largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPS)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments shape the company's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, distributors, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with CDS-Casa della Salute in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The Sustainability Policies extend and integrate the Code of Ethics: the "Guiding Principles" are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The Partnership Charter aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

CDS-Casa della Salute adopts an Organisation, Management and Control Model (Model 231) which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents. The Supervisory Body, appointed with criteria of autonomy and independence, has been identified as the body for control activities, including the reception of whistleblowing reports.

The Code of Ethics, the Sustainability Policies, the Partnership Charter and the general part of the Model 231 are published on the company's website.

More generally, CDS-Casa della Salute implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows for the identification, measurement, monitoring and management of risks. This approach also gives rise to the procedures and internal controls on integrated financial and sustainability reporting.

At an operational level, the **management systems** adopted and certified (ISO 9001 for quality, UNI/PdR 125 for gender equality) - being formalised processes and procedures - are another tool to ensure that activities are fully aligned with the company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

Furthermore, in January 2025 CDS-Casa della Salute received B Corp recognition, which recognises its commitment to measure and consider its environmental and social performance with the same attention traditionally reserved for economic results and that believe in business as a positive force that is committed to producing value for the biosphere and society.

The quality of the sustainable governance system has also been recognised by obtaining the Legality Rating issued by the Competition and Market Authority (AGCM in Italian), a synthetic indicator of compliance with high standards of legality by companies.

Confirming the overall effectiveness of the integrity and compliance safeguards adopted, in 2024 there were no cases of corruption, anti-competitive behaviour or non-compliance with socioeconomic and environmental regulations. However, following some violations of the Model 231, the company activated its own sanctions system and provided appropriate training.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business conduct

CDS-Casa della Salute's supply chain includes suppliers of medical-surgical devices, diagnostic systems (managed on the basis of global service contracts), IT solutions and maintenance, cleaning and sanitising services for the premises.

In the selection process, in addition to the quality and safety requirements of the products, offers are preferentially evaluated that guarantee supply conditions and timing that align with the company targets. With the same technical requirements, interaction with realities rooted in the area is also preferred. At present, the environmental and social criteria evaluated during the selection process concern the presence of environmental certifications for consumables and data security certifications for IT solutions. Scientific partnerships are active with *imaging* equipment suppliers for testing and improving solutions.

With the Partnership Charter, an evolution of the previous Supplier Charter, CDS-Casa della Salute aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency.

This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Implementation requires additional steps to those already adopted on the basis of the previous charter according to a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Suppliers	unit	2022	2023	2024
Number of active suppliers	#	739	788	1.201
Purchase of products and services		38.1	38.6	68.3
national suppliers	M€	37.8	38.3	67.6
foreign suppliers		0.3	0.3	0.8
Spending on local suppliers (headquarters on national territory)	%	99%	99%	99%

		2022	2023	2024
Environmental and social qualification	#	%	#	%
Suppliers assessed during the year according to environmental and social criteria	--	--	23 100%	- 0%

OBJECTIVES

ESRS 2 - General information - Strategy

The table below outlines the key pillars of CDS-Casa della Salute's sustainability strategy and the corresponding medium-term objectives.








Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	75%	2027	--	--	--
Climate strategy	Validation of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	2025	--	--	✓ *
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	0	2025	2,6	1,8	5,3
Gender and human capital development	Training hours per employee	45	2027	61	58	42

* Objectives under validation by the SBTi expert team. Details can be found in the "Low-Carbon Transition" section.

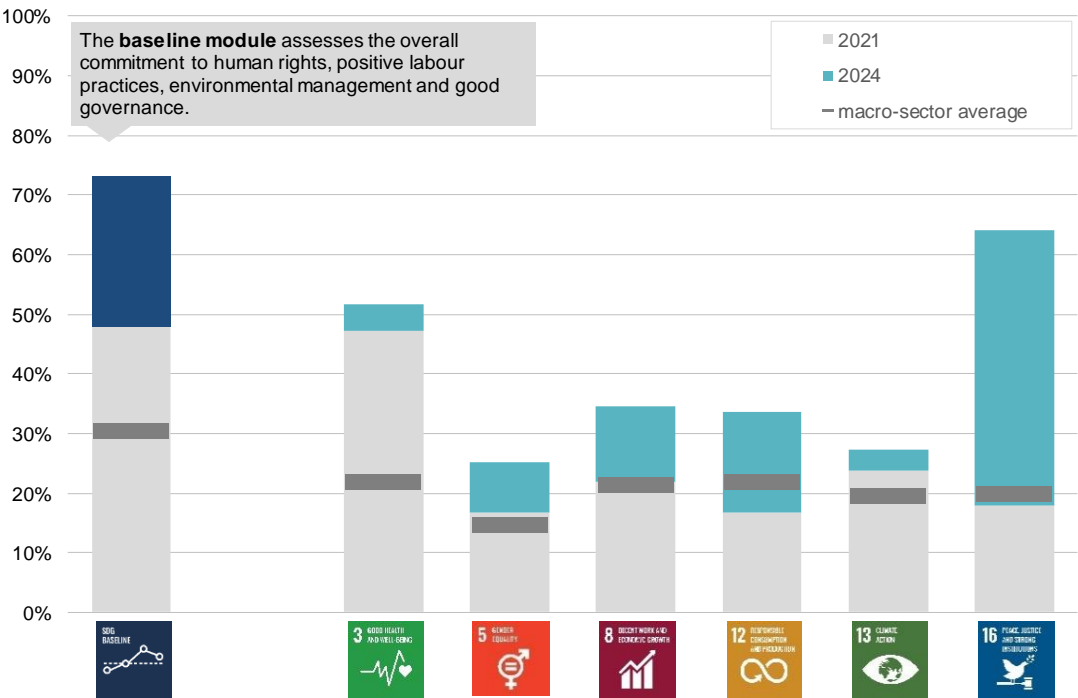
Furthermore, CDS-Casa della Salute integrates the Italmobiliare Group's sustainability strategy by adhering to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. Additionally, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

Section 5 | PORTFOLIO COMPANIES

CDS-Casa della Salute: Commitment to the SDGs

Environment		Ensure sustainable production and consumption models.
		Promote actions at all levels to combat climate change.
		Ensure health and well-being for all at all ages.
Society		Achieve gender equality and empower all women and girls.
		Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance		Peace, justice, and strong institutions.
		Strengthen implementation means and revitalise the global partnership for sustainable development.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



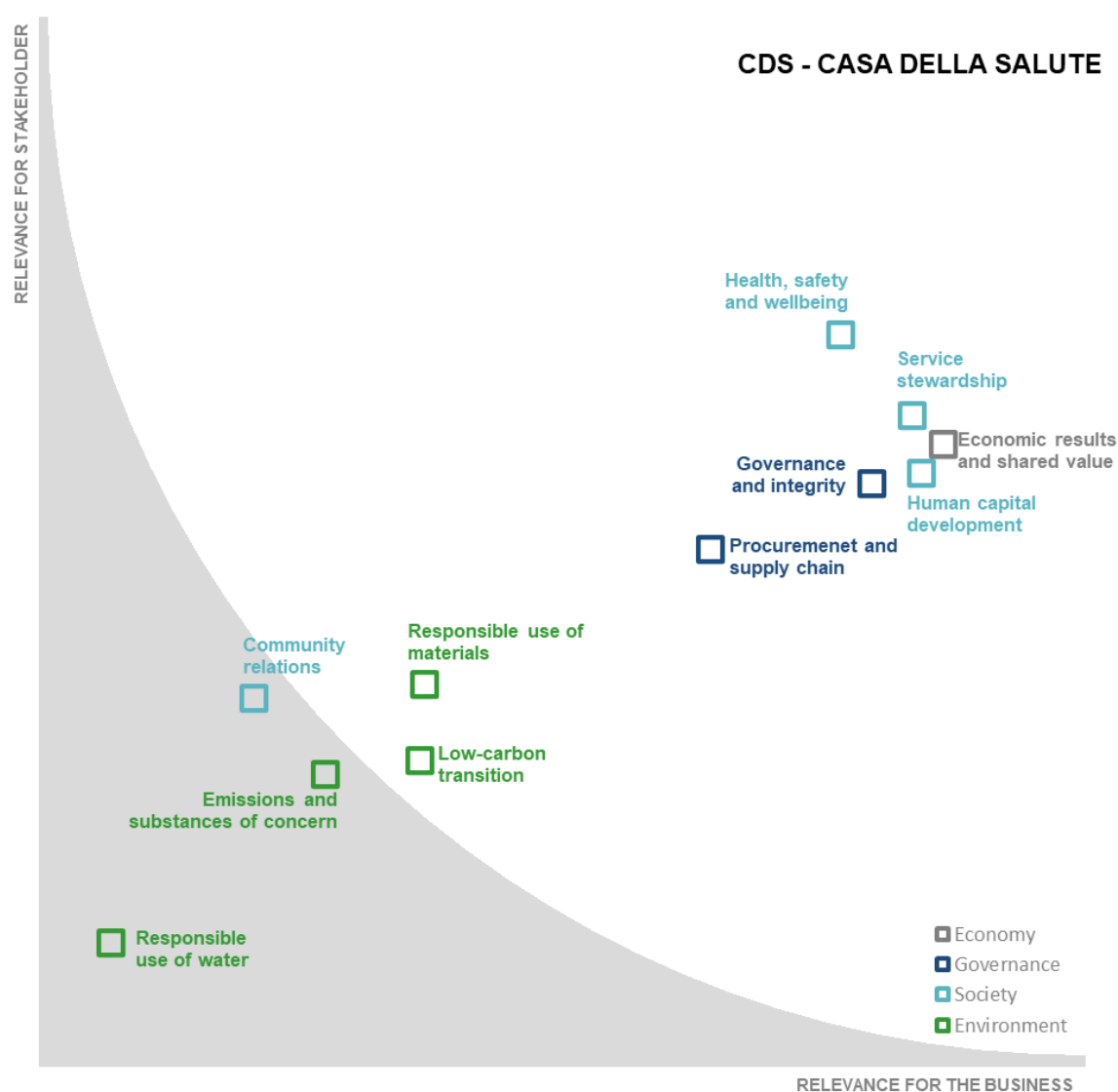
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas










Section 5 | PORTFOLIO COMPANIES

In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and Positive ▲ Impacts	Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	M <ul style="list-style-type: none"> Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance & integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	M <ul style="list-style-type: none"> Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-respect for human rights, labour rights and equal opportunities along the supply chain of medical technology equipment and consumables. ▲ A supply chain that respects basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities. ▲ Develop R&D partnerships and projects based on innovation and sustainability.	M <ul style="list-style-type: none"> Activation of a protected system of whistleblowing that is open to all stakeholders. Sharing governance documents with all partners and stakeholders. ESG pre-qualification and qualification of business partners.
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	S <ul style="list-style-type: none"> Continuous and differentiated training for the various professional roles Gradual adoption of incentive plans Corporate welfare
Health, safety and well-being	▼ Possibility of accidents at work that could cause injury. ▲ Duty of care towards employees, collaborators, visitors and anyone else who enters the premises.	S <ul style="list-style-type: none"> Continuous promotion of a safety culture. Safety audit
Product and service stewardship	▲ Provision of services aimed at prevention and awareness of customers and the promotion of responsible lifestyles in the communities in which CDS operates. ▲ Marketing communications and business practices aimed at promoting equal opportunities and inclusivity.	S <ul style="list-style-type: none"> Sponsorship of initiatives and awareness campaigns in the communities in which CDS operates.
Low-carbon transition	▼ Greenhouse gas emissions along the entire value chain. ▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement.	L <ul style="list-style-type: none"> Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. Adherence to the Science Based Targets initiative and definition of validated medium-term (2030) and net-zero (2050) reduction targets.

S = Short term M = Medium term L = Long term

	Risks ▼ and Opportunities ▲	Mitigations and initiatives adopted
Economic results and shared value	▼ Significant investments in the opening and acquisition of new centres may generate temporary tensions in liquidity and sustainability of bank debt. ▲ Competitive advantage and consequent market penetration thanks to accessible positioning in terms of pricing. ▲ Allocation of additional National Health Service budgets to accredited centres.	 <ul style="list-style-type: none"> Continuous focus on measures for planning, efficiency and monitoring of cash flows. Close monitoring of the profitability of the clinics, especially those just opened. Careful monitoring of margins and possible repricing. Parent Company support through financing and/or capital increases.
Economic results and shared value	▼ Risks of cyber attacks with violation of sensitive information and/or unavailability of data with reputational consequences; loss of confidentiality of patient data; and/or unavailability of information relating to the management of clinics, operating theatres and patient data. ▼ Relations with the PA: inadequate interactions with the public administration in a sensitive and highly regulated sector. ▲ Use of AI to increase efficiency and reduce the risk of error.	 <ul style="list-style-type: none"> Introduction of Cyber Security function. Implementation of continuous technical and organisational interventions to constantly strengthen and update the defence system.
Health, safety and well-being	▼ Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.	 <ul style="list-style-type: none"> Adoption of the Code of Ethics and Model 231. Whistleblowing system. Training and awareness activities and strengthening of the structure with specific skills.
Human capital development	▼ Difficulty in finding and retaining qualified staff (technicians, nurses) and doctors. ▼ Business growth outpaces organisational structure	 <ul style="list-style-type: none"> Remuneration and incentive systems for staff/doctors. Performance management processes. Mapping of professionalism in the regions where CDS has a presence. Strengthening the first and second line management structure. Strengthening internal processes and better definition and communication of roles and responsibilities.
Product and service stewardship	▼ Risk of malpractice, especially in the surgical field, with potential effects on people and reputational impacts.	 <ul style="list-style-type: none"> Continuous strengthening of quality control including: ISO 9001 certification active on all facilities and training and continuous improvement systems; Risk Management Committee and specialised scientific committees.

  = positive / negative outlook in the medium to long term.

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 CDS-Casa della Salute also joined the Science Based Targets initiative (SBTi). The identified objectives are currently under validation by the SBTi expert team.

CDS-Casa della Salute has taken a commitment to mitigate the climate-altering effects of its activities along the entire value chain. In line with the impacts, risks and opportunities identified, the main levers are: selection and involvement of suppliers, streamlining of production processes, eco-design of the product and packaging. Moreover, since 2022, CDS-Casa della Salute only uses renewable electricity, part of it self-produced.

The following table shows details of the decarbonisation objectives, pending validation by SBTi.

Objectives submitted for SBTi validation

Scope	Objective	Status 2024
Scope 1+2 fuels and electricity	To reduce absolute Scope 1 and 2 emissions by 42% before the end of 2030 and by 90% before the end of 2050 compared with the base year 2023.	-18%
	To continue buying 100% renewable electricity every year until 2030	100%
Scope 3 non-FLAG emissions	To reduce absolute Scope 3 emissions by 42% before the end of 2030 and by 90% before the end of 2050 compared with the base year 2023.	+14%
Scope 1+2+3	To reach Net Zero emissions along the entire value chain by the end of 2050 .	+13%

The energy consumption and energy mix of CDS-Casa della Salute are shown in detail in the following table.

	unit	2022	2023	2024
Thermal energy consumption from fossil fuels		273	412	482
Natural gas		2	39	6
Diesel and LPG, for process		0	0	0
Automotive fuels		272	372	476
Thermal energy consumption from renewable sources		0	0	0
Biodiesel		0	0	0
Energy consumption from renewable sources		2,214	2,960	3,698
Hydroelectric	MWh	2,214	2,960	3,698
Solar		0	0	0
Wind		0	0	0
Other/Mix		0	0	0
Consumption of purchased renewable electricity		2,214	2,960	3,698
Consumption of self-produced renewable electricity		0	0	0
Total energy consumption		2,487	3,371	4,180
% of fossil fuels on total energy consumption		11%	12%	12%
% of renewable sources on total energy consumption		89%	88%	88%
Energy intensity	MWh / M€ Revenue	78	79	66
Electricity self-produced from renewable sources		0	0	0
Solar	MWh	0	0	0
Renewable electricity self-produced and fed into the grid		0	0	0

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. To consolidate its subsidiaries, CDS-Casa della Salute adopts the "financial control" approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Section 5 | PORTFOLIO COMPANIES

Carbon footprint *	unit	2022	2023	2024
Market Based		2,345	3,029	3,419
Location based	t CO2e	3,078	4,009	5,013
Carbon Intensity - Market based		74	71	54
Carbon Intensity - Location based		97	94	79
Scope 1	t CO2e / M€ Revenue	2	3	2
Scope 2 - Location Based		23	23	25
Scope 2 - Market Based		0	0	0
Scope 3		72	68	52

Carbon footprint Details *	unit	2022	2023	2024	2024
Carbon footprint - Market based	t CO2e	2,345	3,029	3,419	
Scope 3 - Upstream		2,273	2,881	3,298	96%
1 Purchased products and services		1,788	1,167	1,703	50%
2 Capital goods		13	1,213	1,056	31%
3 Fuel-and energy-related activities		18	78	98	3%
4 Upstream transportation and distribution		158	2	2	0%
5 Waste generated by the sites		0	1	0	0%
6 Business travel		31	46	49	1%
7 Employee commuting		265	375	389	11%
8 Upstream leased assets		--	--	--	
Scope 1	t CO2e	72	148	121	4%
Scope 2- Market Based		0	0	0	0%
Scope 2 - Location Based		733	980	1,594	
Scope 3 - Downstream		0	0	0	0%
9 Downstream transportation and distribution		--	--	--	
10 Processing of sold products		--	--	--	
11 Direct use		--	--	--	
12 End-of-life treatment of sold products		--	--	--	
13 Downstream leased assets		--	--	--	
14 Franchises		--	--	--	
15 Investments		--	--	--	

* The carbon footprints for 2022 and 2023 were refined during SBTi's validation process of decarbonisation targets.

In line with the Italmobiliare Group, CDS-Casa della Salute applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Physical climate risks are identified with respect to the "Current Policies" scenario, again as defined by the NGFS (Network for Greening the Financial System).

RESPONSIBLE USE OF WATER

ESRS E3 - Water and marine resources

Water withdrawals are carried out for the operation of magnetic resonance imaging systems or for health and hygiene purposes and are of modest size. Similarly, the discharges exclusively concern domestic waste water.

Water balance	unit	2022	2023	2024
Withdrawals		6,847	4,950	5,529
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		6,847	4,950	5,529
of which in water stressed areas		0	0	0
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		0	0	0
Water discharge	m³	6,847	4,950	5,529
Surface water		0	0	0
Groundwater		0	0	0
Sewage		6,847	4,950	5,529
of which in water stressed areas		0	0	0
Surface water		0	0	0
Groundwater		0	0	0
Sewage		0	0	0
Water consumption		0	0	0
of which in water stressed areas		0	0	0
Intensity	m³/ M€ Revenue	0	0	0

RESPONSIBLE USE OF MATERIALS

ESRS E5 - Resource use and circular economy

Casa della Salute uses drugs, medical-surgical aids, health protection devices and other consumables.

Healthcare activities generate hazardous and non-hazardous waste characterised by health risks, which are managed according to a specific procedure and entrusted to a specialised company with the aim of maximising the possibilities of recovery. The offices also generate solid urban waste, which is separated on site and collected by local disposal services.

	2022		2023		2024	
Resource Outflows	t	%	t	%	t	%
Total waste	17		27		40	
Recycled	--	--	0	0.0%	0	0.0%
Non-recycled	--	--	27	100.0%	40	100.0%
Non-hazardous waste	1	3.2%	6	23.9%	14	33.9%
Recycled	--	--	0	0.0%	0	0.0%
Non-recycled	--	--	6	100.0%	14	100.0%
Hazardous waste	16	96.8%	21	76.1%	27	66.1%
Recycled	--	--	0	0.0%	0	0.0%
Non-recycled	--	--	21	100.0%	27	100.0%

Section 5 | PORTFOLIO COMPANIES

Resource Outflows	unit	2022	2023	2024
Non-hazardous		-	6	14
Material recovery		-	6	14
Recycling (R3, R4, R5)		-	0	0
of which composting (R3)		-	0	0
of which other forms of recycling (R4, R5)		-	0	0
Preparation for re-use (R2, R6, R9)	t	-	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		-	6	14
Disposal		-	0	0
Landfill (D1)		-	0	0
Incineration (D10, D11)		-	0	0
Other disposal operations (D2-D9, D12-D15)		-	0	0
Hazardous		-	21	27
Material recovery		-	19	26
Recycling (R3, R4, R5)		-	0	0
of which composting (R3)		-	0	0
of which other forms of recycling (R4, R5)		-	0	0
Preparation for re-use (R2, R6, R9)	t	-	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		-	19	26
Disposal		-	1	0
Landfill (D1)		-	0	0
Incineration (D10, D11)		-	0	0
Other disposal operations (D2-D9, D12-D15)		-	1	0

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own workforce

For CDS-Casa della Salute, making use of competent and qualified collaborators is an essential condition for the success of the company. At the end of 2024, the staff of CDS-Casa della Salute numbered 549 motivated and specialised people, all covered by collective bargaining agreements. 30% of managerial positions are occupied by women. Furthermore, in line with the sector specificity, the use of non-employees was significant. In 2024, there were 922 self-employed workers and interns, largely represented by specialized and loyal medical personnel.

The dialogue with the social partners, even in the absence of trade unions, flows in an open and constructive way, ensuring the protection of the health of workers and the continuity of the service and supporting the provision of an intense training program at all levels, in the classroom and in the field. A week of intensive training is provided for the call centre and acceptance personnel, carried out by the heads of the *business unit* and the main company functions, aimed at providing a transversal knowledge of the activities and procedures of Casa della Salute, followed by a period of coaching *on-the-job* of at least three weeks. For technical professionals, the theoretical training relating to the management of equipment and *on-the-job* takes place alongside the staff in force at the clinics, for a duration of not less than three weeks. In order to allow for adequate organisational flexibility, the laboratory technicians are prepared to use all the equipment in use at the centres. The people involved in administrative activities follow a similar path to that of the technical figures. Continuing training is provided following the induction period, planned on the basis of the needs of the *business unit*.

Since 2023, a system to evaluate performance and to verify individual objectives was formalised for administrative staff as well, with the aim to better support remuneration policies, training and the identification of professional growth opportunities. The employee opinion survey has the same purpose. During 2024, a new functional unit called People Empowerment was established, with the aim of creating value and attracting, developing and retaining talent in the company.

In terms of welfare, employees enjoy free health insurance and discounts on services provided by CDS-Casa della Salute for themselves and for first-degree relatives.

	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	237	59	296	337	81	418	448	101	549
Managers	0	0	0	0	6	6	2	6	8
Middle managers	6	12	18	6	9	15	6	13	19
Office workers	215	39	254	312	63	375	410	72	482
Production workers	16	8	24	19	3	22	30	10	40
Turnover	--	--	91	--	--	122	--	--	131
+ Hirings	--	--	129	--	--	170	--	--	171
+ Acquisitions	--	--	39	--	--	7	--	--	31
- Voluntary exits	--	--	40	--	--	43	--	--	47
- Non-voluntary exits	--	--	37	--	--	12	--	--	24
- Divestments	--	--	0	--	--	0	--	--	0
% contract: permanent	83%	85%	83%	82%	93%	84%	88%	95%	89%
% contract: full time	36%	83%	45%	36%	88%	46%	34%	88%	44%
Training									
Hours per capita	68	49	64	61	44	58	43	38	42
Managers	--	--	--	--	5	5	5	5	5
Middle managers	11	34	26	30	31	31	45	38	40
Office workers	74	59	71	65	51	62	46	42	45
Production workers	20	18	20	13	-	11	11	29	15

Section 5 | PORTFOLIO COMPANIES

	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
% hours of voluntary training	--	--	--	93%	97%	94%	96%	96%	96%
Managers	--	--	--	--	100%	100%	100%	100%	100%
Middle managers	--	--	--	87%	100%	95%	99%	98%	99%
Office workers	--	--	--	93%	97%	94%	97%	97%	97%
Production workers	--	--	--	59%	--	93%	72%	91%	81%
% with at least one training session	--	--	--	65%	62%	64%	66%	71%	67%
Managers	--	--	--	--	67%	67%	100%	86%	89%
Middle managers	--	--	--	71%	58%	63%	71%	86%	81%
Office workers	--	--	--	67%	65%	67%	67%	70%	67%
Production workers	--	--	--	31%	0%	28%	56%	50%	54%
% with performance appraisal	98%	95%	98%	21%	7%	19%	0%	5%	1%
Managers	--	--	--	--	0%	0%	0%	83%	63%
Middle managers	100%	100%	100%	0%	0%	0%	0%	0%	0%
Office workers	99%	95%	98%	22%	10%	20%	0%	0%	0%
Production workers	94%	88%	92%	21%	0%	18%	0%	0%	0%

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2022	2023	2024
Gender pay gap	31%	41%	42%
<i>Difference between women's and men's average pay compared with men's average pay</i>			
Managers	--	--	8%
Middle managers	38%	21%	36%
Office workers	15%	26%	28%
Production workers	17%	34%	20%

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

CDS-Casa della Salute promotes the health, safety and wellbeing of all employees and collaborators, including companies, suppliers, visitors, patients, and the local community in the approach.

The management adopted is in line with the applicable national regulations, starting with a solid risk assessment, periodically updated with the support of qualified third parties. The main source of risk for workers is the potential malfunction of medical systems and equipment, which are subject to an intense program of periodic checks and maintenance. A dedicated internal structure, the presence of the doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the reference organisation. The preventive reporting by everyone of anomalous or risk conditions, the accurate analysis of accidental events, even if not serious, and adequate training support continuous improvement. It should be noted the adoption of a radiation protection program with a higher profile than the regulatory classification of radio-exposed workers and a ticketing system that allows you to report risk situations due to the state of surfaces or furnishings and to request maintenance. The entire workforce is covered by an occupational health and safety management system.

In line with the adopted Sustainability Policies, CDS-Casa della Salute intends to further develop the safety management, starting from management leadership that supports a motivational, organisational, and operational system. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

Injuries	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	--	--	1	1	0	1	3	1	4
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	1	1	0	1	3	1	4
Lost days	--	--	12	13	0	13	110	16	126
Frequency rate	--	--	2.60	2.35	0.00	1.83	5.07	6.31	5.33
Severity rate	--	--	0.03	0.03	0.00	0.02	0.19	0.10	0.17
Non-Employees	--	--	0	0	0	0	0	0	0
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	--	0	0	0	0	0	0
Frequency rate	--	--	0	0	0	0	0	0	0

PRODUCT STEWARDSHIP

ESRS S4 - Consumers and end-users

The offer of a high quality and accessible health service is based on the Vision and Mission of CDS-Casa della Salute. In order to allow a timely and regular assessment of patient satisfaction from 2021 a Mystery Client system is operational, managed by a private investigation company, which carries out the entire cycle of care undercover, providing monthly monitoring of the quality of patient acceptance and management and of the punctuality and courtesy of professionals. Customer satisfaction is a strategic element for CDS-Casa della Salute, evaluated also with public questionnaires to be filled after the provision of the service.

Following the increase in activity and the expansion of the specialties covered by CDS-Casa della Salute in recent years, starting from 2022 a formalisation and standardisation of the intervention models and reporting processes has been initiated, in order to combine objectives of effectiveness and efficiency.

Technological innovation is a key element in providing patients with high quality services at a low cost. Thanks to strategic partnerships with leading manufacturers of non-invasive imaging and diagnostic solutions, CDS-Casa della Salute benefits from the best technologies available and actively contributes to equipment testing and improvement activities.

Italgen

(100% INTEREST)



Highlights



REVENUE
66.8 mn €
(56.8 mn € in 2023)



36
OPERATING PLANTS



GOLD MEDAL
ECOVADIS



EBITDA
31.9 mn €
(12.6 mn € in 2023)



82 MW
OPERATING CAPACITY



100%
RENEWABLE PRODUCTION



PROFIT
19.4 mn €
(3.1 mn € in 2023)



300 km
PRIVATELY-OWNED
POWER LINES



ENVIRONMENT
ISO 14001
HEALTH AND SAFETY
ISO 45001

Strategic Objectives



To grow in the renewable energy production sector, diversifying sources and seizing the opportunities offered by the energy transition.



To contribute to the decarbonisation of businesses through supply partnerships and the installation of facilities for the production of renewable energy.



To create a deep and lasting bond with the local communities where the company is present, building solid roots and contributing to the well-being of the area.

Profile

THE COMPANY

Italgen is a benefit company based in Villa di Serio, in the province of Bergamo. It operates in Italy in the production and transport of electricity exclusively from renewable sources, currently with an installed generation capacity of approximately 82 MW. Although the company was formally established in 2001 as a spin-off of the energy branch of the Italcementi Group, the birth of Italgen can be traced back to the construction of the Dezzo hydroelectric power station in the early twentieth century, when the “Ditta Pesenti” of Alzano Lombardo launched an ambitious plan for the construction of renewable energy production plants to power cement factories. For this reason, it is possible to affirm that Italgen is a “native renewable” company that is over one hundred years old.

The company today manages, directly or through subsidiaries, 30 hydroelectric concessions (including 5 large diversions) in Lombardy, Piedmont, Tuscany and Veneto, as well as 6 photovoltaic systems in Lombardy, Piedmont, Marche and Puglia. Italgen also owns a network of 300 km of power lines between the provinces of Bergamo and Brescia. The energy produced (about 325 GWh per year) corresponds to the needs of around 120,000 typical family equivalents. Part of it is sold with long-term Power Purchase Agreements (PPA) to a select group of industries operating in Italy with clear decarbonisation strategies, while the rest is sold to wholesalers and on the National Electricity Exchange.

RECENT DEVELOPMENTS

Italgen entered the direct perimeter of Italmobiliare in 2016, after the sale of Italcementi, assuming a strategic role within the Group and starting a path of profound transformation backed by substantial investments.

In the first stage, between 2016 and 2020, assets abroad were enhanced by selling the power plants that served Italcementi plants outside the national territory, with the aim of focusing the activity on Italy. At the same time, investments were made in the automation and remote control of the systems, creating an operations centre in Villa di Serio, from which all systems are monitored 24 hours a day, 365 days a year. Once a scalable platform was created to expand the business, Italgen started a growth and diversification plan for energy production sources.

Over the next four years, approximately 60 million euro was invested in M&A deals, revamping existing plants and new photovoltaic projects. A selective acquisition plan in the hydroelectric sector has allowed the integration of 13 new diversions into Italgen's perimeter. In 2022, Italgen began developing greenfield photovoltaic projects, most of which do not consume land as they are built on the roofs of production plants or in former industrial areas. In just three years, the company has inaugurated six new photovoltaic plants in Bollate (MI), Valdaro (MN), Tortona (PV), Matelica (MC) and Modugno (BA), where two separate plants were built.

This process has led to significant and diversified growth in both the energy mix and geographical presence: Italgen has expanded its portfolio from 17 to 30 hydroelectric diversions and built six new photovoltaic plants, increasing from 57 to 82 MW of installed capacity (+45%), of which photovoltaic represents almost 20%. In addition to being sold on the open market, the energy produced is sold to customers who have signed long-term agreements for the supply of 100% renewable energy. Since 2022, over 30 industrial customers, including major companies such as L'Oréal and WIIT, have signed a PPA with Italgen.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	66.8	56.8	17.6
Gross operating profit (EBITDA)	31.9	12.6	>100
% of revenue	47.8	22.2	
Amortisation and depreciation	(6.6)	(6.2)	
Impairment losses on non-current assets	(0.7)	0.0	
Operating profit (EBIT)	24.7	6.4	>100
% of revenue	37.0	11.3	
Net finance income (costs)	(2.3)	(1.6)	
Share of profit (loss) of equity-accounted investees	3.0	(0.2)	
Profit/(loss) before tax	25.4	4.6	>100
% of revenue	38.1	8.1	
Income tax	(6.0)	(1.5)	
Profit/(loss) for the period	19.4	3.1	>100

The figures in the table refer to the Italgen Group

(in millions of euro)	December 31, 2024	December 31, 2023
Cash flows from investing activities	9.5	16.6
Free Cash Flow	14.8	(0.8)
Net financial position	(30.5)	(34.4)
Total equity	46.5	35.4
Employees (headcount) at the end of the year	62	60

During the year, Italgen continued to develop its strategic investment plan, with the aim of consolidating its position in the renewable energy sector. This path also includes the diversification of production sources, with a particular focus on photovoltaics. It should be noted that:

- two photovoltaic plants with a total capacity of 4.2 MW have entered into operation;
- on June 5, Italgen finalised the acquisition of two new hydroelectric power plants: Idrolima, in the municipality of Bagni di Lucca (LU), and Dal Sass, in Costa dè Nobili (Pavia) for a total of 0.72MW.
- The investments involved in revamping the Olmo al Brembo (BG) hydroelectric power plant and reinforcing the Cassiglio (BG) dam have been completed. The construction site for the modernisation of the Dezzo power plant in Val di Scalve (BG), a historical Italgen power plant completely rebuilt in 1926 following the Gleno disaster, has been opened. The intervention will allow the automation of the entire plant, with an installed power in excess of 3MW, improving its operational efficiency.
- The necessary permits have been obtained for the construction of two photovoltaic plants with a total power of approximately 15MW. Work will begin in the first quarter of 2025, with the aim of completing them by the end of the year.
- On September 30, 2024, Gardawind S.r.l., 49% owned by Italgen, completed the sale of 100% of two wind farms operating in Bulgaria with a total installed power of 18MW. For Italmobiliare, the transaction generated a positive impact on Italgen's Net Asset Value of approximately 5.2 million euro. Looking at the 2024 financial statements at Italgen level, the transaction had a one-off impact on the net profit for the period related to Gardawind's pro-rata profit of 3.0 million euro and no impact on the net financial position, which in 2025 will benefit from a positive effect of approximately 6.4 million euro.
- In October, Italgen participated in the Lombardy Region tender for the reassignment of the large hydroelectric diversion concession called "Resio".
- In November, the project for the construction of the hydroelectric plant on the San Giovanni Bianco DMV was contracted out, with an estimated production capacity of around 1.3 GWh per year.

In 2024, Italgen Group's hydroelectric energy production reached 386.8 GWh, a record result for the Group, with an increase of 44.7% compared with the 267.4 GWh of the previous year. Photovoltaic has doubled compared with 2023 and represents just under 5% of total production in 2024.

In 2024 Italgen recorded revenue of 66.8 million euro, growing by 10.0 million euro compared with 2023. Neutralising both the effect of pass-through revenues and the impact of the Sostegni Ter Decree and the Price Cap legislation, which negatively affected the 2023 results, normalised revenue shows growth of 22.2 million euro, due to the increase in volumes of 15.0 million euro and a positive price effect of 7.0 million euro, thanks to sales made at a fixed price, which more than offset the reduction in the variable national unit price (PUN).

The gross operating profit at December 31 is 31.9 million euro, an increase of 19.3 million euro, mainly as a result of the aforementioned increase in revenues partially reduced by approximately 3.0 million in non-recurring charges, largely attributable to the allocation of the amount requested by the Lombardy Region for previous years in relation to free energy and the related variable fees (as explained in greater detail in the paragraph below "Litigation and Disputes Pending").

Considering amortisation and depreciation of 6.6 million euro and impairment losses of 0.7 million euro, the operating result for 2024 comes to 24.7 million euro and is attributable to the situations explained above. In 2024, the Italgen Group's net profit stands at 19.4 million euro, up 16.3 million compared with the previous year due to the situations mentioned above.

The investments made during the period amount to 9.5 million euro and mainly refer to the project development mentioned in the introduction.

The net financial position of the Italgen Group at December 31, 2024 is negative for 30.5 million euro. Neutralising the payment of 8.0 million euro of dividends made in the first quarter and the costs relating to the acquisitions carried out in the first half of the year, cash generation is positive for 14.8 million euro, thanks to the excellent result for the period.

LITIGATION AND DISPUTES PENDING

During 2024, there was a fatal accident involving an employee working at the Poirée Dam in Concesa di Trezzo d'Adda (MI). Following the investigations carried out after the event, the ATS of the Metropolitan City of Milan contested some violations of Legislative Decree 81/08, issuing a number of provisions. These were promptly complied with and the related fines were paid. At the same time, the Public Prosecutor's Office of Milan began an investigation to ascertain if there was any responsibility on the part of those in charge of safety in the workplace, in relation to the offence envisaged in art. 589, paragraphs 1 and 2 of the Criminal Code. This investigation has not yet been concluded and it is impossible to say when it will be finished. Italgen has not been accused of any offence under the legislation on administrative liability of legal persons pursuant to Legislative Decree 231/01.

The main law suits currently pending concern disputes of an administrative nature with which Italgen has, over time: (i) contested the provisions issued by the Lombardy Region to regulate the continuation, under a provisional regime, of the concessions called "large diversions" of water for hydroelectric use even after the relevant deadline, to introduce "additional" fees for said provisional operation, review the fee calculation mechanism from fixed to "binomial", and provide for the monetisation of so-called "free energy"; as well as (ii) challenged the measures introduced by the Government, and regulated by ARERA, to deal with so-called "expensive energy" with the "Sostegni ter Decree" (art. 15-bis, DL 4/22, converted by Law 25/22) with the provision, for companies active in the energy sector, of a two-way refund mechanism on the price of electricity produced by certain types of renewable plants. For these various disputes, the company has set aside a risk fund equal to 100% of the potential liabilities.

RISKS AND UNCERTAINTIES

The Group is exposed to uncertainties linked to changes in the regulatory scene, which is carefully monitored by management in order to promptly identify any market threats or opportunities. The Vaprio, Mazzunno and Mezzoldo power plants (with installed power of 33 MW, out of a Group total of 75 MW) have an average annual nominal power of more than 3,000 kW and are therefore among the power plants subject to the regulations contained in the so-called "Simplification Decree" and the so-called "Competition Bill" definitively approved in 2022. It regulates the conditions of large-scale hydroelectric concessions and provides for tendering as a generalised method for awarding the concession upon expiry. While waiting for more precise indications from the legislator, the company has started in-depth discussions with the region to explain some specific aspects of Italgen's power plants, such as the fact that they own a network of power lines.

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

The company expects 2025 to continue being affected by high energy price volatility. Volumes to likely to decline compared with the exceptional results of 2024, which were boosted by record rainfall during the period. This effect will be partially offset by expanding the perimeter following the entry into operation of new plants and by any new development opportunities that may arise. Management remains highly attentive to decisions made by the Government and the European Commission regarding the reassignment of expired hydroelectric concessions.

General and governance information

REPORTING

ESRS 2 - General Information - Basis for preparation

The reporting includes performance, data and information on the holding company Italgem and its subsidiaries, as consolidated in the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 - General information - Governance ESRS G1 - Business conduct

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

Position	Name and Surname	Gender
Chairman	Carlo Giuseppe Bianchini	M
CEO / General Manager	Luca Musicco	M
Director	Stefania Danzi	F
Director	Luigi Michi	M
Director	Leonardo Senni	M

The **Board of Statutory Auditors** consists of three independent members, a chairman and two statutory auditors. One member is female.

The Board of Directors, which also benefits from the presence of independent directors and directors representing the Holding, defines the strategic guidelines of the company and is responsible for its management with a view to sustainable success. It is vested with all powers of ordinary and extraordinary administration of the company, as all matters deriving from the law, the By-laws and the instructions received from the parent company fall under its remit.

Each Board of Directors meeting includes on its agenda an update on the progress of ESG action plans, which are defined and refined annually based on identified impacts, risks, and opportunities, as well as any other relevant considerations to implement a business strategy that is consistent with the company's Vision and Mission and aligned with the Italmobiliare Group's expectations, ensuring full integration of economic, governance, social, and environmental components. The annual ESG plans are monitored continuously by management and consolidated in monthly meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plans are included in the variable remuneration of the CEO and of top and middle managers.

In line with the approach of the Italmobiliare Group, Italgem has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world's largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPS)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments shape the company's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, distributors, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with Italgem in all internal and external

Section 5 | PORTFOLIO COMPANIES

relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The **Sustainability Policies** extend and integrate the Code of Ethics: the “Guiding Principles” are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The **Partnership Charter** aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

Italgen adopts an **Organisation, Management and Control Model (Model 231)** which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents. The Supervisory Body, appointed with criteria of autonomy and independence, has been identified as the body for control activities, including the reception of whistleblowing reports.

The Code of Ethics, the Sustainability Policies, the Partnership Charter and the general part of the Model 231 are published on the company's website.

More generally, Italgen implements and strengthens the Enterprise Risk Management system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows for the identification, measurement, monitoring and management of risks. This approach also gives rise to the procedures and internal controls on integrated financial and sustainability reporting.

At an operational level, the management systems adopted and certified (ISO 14001 for environmental management, ISO 45001 for health and safety) - being formalised processes and procedures - are another tool to ensure that activities are fully aligned with the company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

The quality of the sustainable governance system has been recognised by the “**Gold Medal**” certification of **Ecovadis**, one of the main ESG rating platforms, by the **Cribis** ratings and also with the acknowledgement of the **Legality Rating**, received from the Competition Market Authority (AGCM) and proving the compliance with very high legality standards.

Confirming the overall effectiveness of the integrity and compliance measures adopted, in 2024 there were no cases of corruption, anti-competitive behaviour or non-compliance with socio-economic and environmental regulations. The Supervisory Body has not received any reports of alleged illegal behaviour or conduct contrary to the Governance.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business conduct

Italgen uses suppliers mainly for the construction, installation, commissioning and maintenance of mechanical, electrical and instrumental equipment for power plants, for the renovation or repair of buildings, intake and diversion works and for design, technical, and engineering consulting activities. The supply chain involves almost exclusively national operators.

The choice of suppliers starts with gathering information on the ethical, dimensional, product and technical profile, including the necessary certifications, reserving the right to carry out direct audits. In the contract, all suppliers are required to sign the compliance clause of the Code of Ethics and the Organisation, Management and Control Model adopted by Italgen. In any case, the type and geography of the subjects involved in Italgen's value chain do not highlight specific risks of violation of human and workers' rights.

With the Partnership Charter, an evolution of the previous Supplier Charter, Italgen aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency.

This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Implementation requires additional steps to those already adopted on the basis of the previous charter according to a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Suppliers	unit	2022	2023	2024
Number of active suppliers	#	389	373	454
Purchase of products and services		37.1	43.5	28.8
national suppliers	M€	37.1	43.5	28.7
foreign suppliers		0.03	0.02	0.02
Spending on local suppliers (headquarters on national territory)	%	99.9%	100.0	99.9%

		2022	2023	2024
Environmental and social qualification	#	%	#	%
Suppliers assessed during the year according to environmental and social criteria	--	--	10 100%	-- --

OBJECTIVES

ESRS 2 - General information - Strategy

The table below outlines the key pillars of Italgen's sustainability strategy and the corresponding medium-term objectives.









Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	75%	2027	--	--	--
Climate strategy	Validation of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	2025	--	--	✓ *
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	0	2025	0,0	0,0	9,3
Gender and human capital development	Training hours per employee	40	2027	21	17	18

* Objectives validated by the SBTi expert team in January 2025. Details can be found in the "Low-Carbon Transition" section.

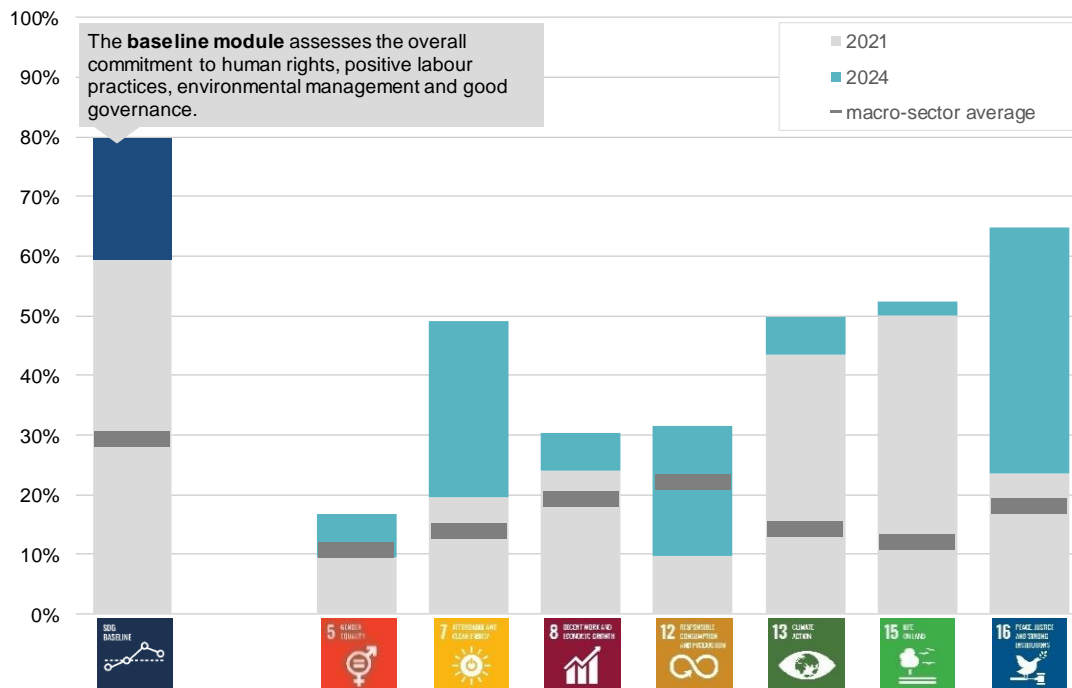
Section 5 | PORTFOLIO COMPANIES

Furthermore, Italgas integrates the Italmobiliare Group's sustainability strategy by adhering to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. Additionally, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

Italgas: Commitment to the SDGs

Environment		Ensure access to affordable, reliable, sustainable, and modern energy for all.
		Ensure sustainable production and consumption models.
		Promote actions at all levels to combat climate change
		Protect, restore and promote sustainable use of the earth's ecosystem.
Society		Achieve gender equality and empower all women and girls.
		Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance		Peace, justice, and strong institutions.
		Strengthen implementation means and revitalise the global partnership for sustainable development.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



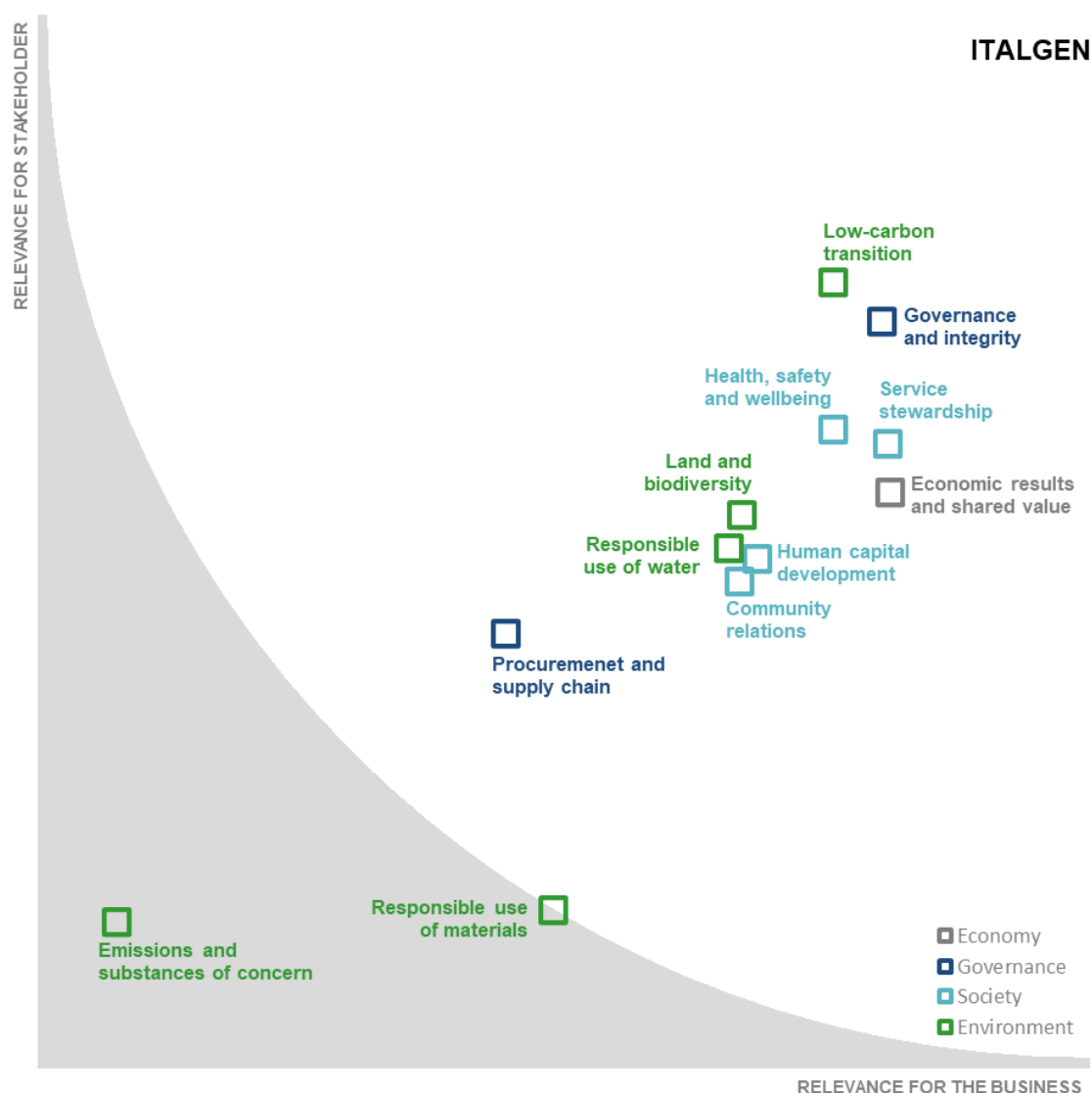
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas






Section 5 | PORTFOLIO COMPANIES

In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and Positive ▲ Impacts	Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	ML • Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance and integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	S • Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-compliance with human rights, labour rights and equal opportunities along the raw material supply chain, especially in countries that produce photovoltaic panels.	M • Activation of a protected system of whistleblowing that is open to all stakeholders.
	▲ A supply chain that respects basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities.	• Sharing governance documents with all partners and stakeholders.
	▲ Develop R&D partnerships and projects based on innovation and sustainability.	M • ESG pre-qualification and qualification of business partners. • Progressive modernisation of production machinery.
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	SM • Continuous and differentiated training for the various professional roles. • Short- and medium-term incentive plans. • Corporate welfare.
Health, safety and well-being	▼ Possibility of accidents at work that could cause injury.	S • Continuous promotion of a safety culture.
	▲ Duty of care towards employees, collaborators, visitors and anyone else who enters the premises.	S • Safety audit
Community relations	▲ Initiatives and projects for the local community.	S • Projects for communities near Italgen power plants.
Product and service stewardship	▲ Providing products and services that give sustainable choices to customers, consumers and users.	SM • Role of decarbonisation enabler of energy sources (Power Purchase Agreement, sale of guaranteed renewable energy or Guarantees of Origin), on the national grid, on the private and intercompany market.
Low-carbon transition	▼ Greenhouse gas emissions along the entire value chain.	ML • Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts.
	▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement.	• Adherence to the Science Based Targets initiative and definition of validated medium-term (2030) and net-zero (2040) reduction targets.
	▲ Differentiation of sources to increase flexibility and enhance the injection of renewable electricity into the grid.	ML
Land and biodiversity	▲ Protection of the balance of the ecosystem in which the power plants are located, of biodiversity with interventions to repopulate fish species in waterways.	M • Development and plans for ecosystem protection and repopulation of fish species.

S = Short term M = Medium term L = Long term

	Risks ▼ and ▲ Opportunities	Mitigations and initiatives adopted
Economic results and shared value	▼ In October, Italgen participated in the Lombardy Region tender for the reassignment of the large hydroelectric diversion concession called "Resio".	• Legislative monitoring and promotion of continuous dialogue with institutional interlocutors, also to explain Italgen's unique situation (above all, the fact that it owns a power distribution network).
	▼ Potential negative economic impacts due to the reduction/volatility of the electricity exchange price	• Price risk hedging strategy on energy production and sales, also through multi-year Purchase Power Agreements (PPAs) with select counterparties.
	▲ Increase in power through the assignment of concessions currently held by third parties through auction.	• Participation in the tender announced in April 2024 by the Lombardy Region for the reassignment of the large hydroelectric diversion concession called "Resio."
Human capital development	▼ Organisational structure not fully aligned with the way that the business is evolving.	 • Strengthening the organisation with new hires.
Health, safety and well-being	▼ Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.	 • Continuous promotion of a safety culture starting from visible and perceived leadership on the part of management. • Continuous safety training at all levels of the company. • Safety audit • ISO 45001 certification.
Low-carbon transition Physical risks	▼ Increase in the variability/intensity of expected precipitation near hydroelectric power plants with effects on energy production.	• Development strategy with focus on source diversification (photovoltaic)
	▲ Diversification of renewable sources: hydroelectric, photovoltaic and others.	• Careful planning of periodic maintenance and prudent management of forward sales. Investments in technology for efficiency and business continuity.

 = positive outlook in the medium to long term.

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 Italgas also joined the Science Based Targets initiative (SBTi) and received validation of its objectives - both identified and proposed - from the SBTi team of experts. The following table shows details of the decarbonisation objectives.

Objectives validated by SBTi

Scope	Objective	Status 2024
Scope 1+2 fuels and electricity	To reduce absolute Scope 1 and 2 emissions by 42% before the end of 2030 and by 90% before the end of 2040 compared with the base year 2023.	-30%
	To continue buying 100% renewable electricity every year until 2030	100%
Scope 3 Category 3	To reduce emissions per MWh sold by 72% before the end of 2030 and by 91.3% before the end of 2040 compared with the base year 2023	-98%
Scope 3 Other categories	To reduce absolute Scope 3 emissions (other categories) by 90% before the end of 2040 .	-69%
Scope 1+2+3	To reach Net Zero emissions along the entire value chain by the end of 2040 .	-69%

Italgas actively contributes to the low-carbon transition with hydroelectric plants in Lombardy, Piedmont and Veneto and a growing availability of photovoltaic plants. At the end of 2024, 6 photovoltaic plants were active in Lombardy, Piedmont, Marche and Puglia.

Self-consumption is extremely limited and decreasing constantly thanks to the continuous updating of the facilities and the installation of photovoltaic systems to power the auxiliary services of the hydroelectric power plants. Full implementation of the centralised system for automation and remote control of the plants and the progressive modernisation of the company's car pool further reduces its carbon footprint. The purchase of energy on the Power Exchange integrates contractual commitments that exceed production. Hydroelectric and photovoltaic production sent to the grid and sold makes it possible to avoid the emission of significant quantities of greenhouse gases compared with the average output currently available on the market. The energy consumption and energy mix of Italgas are shown in detail in the following table.

	unit	2022	2023	2024
Thermal energy consumption from fossil fuels		212	247	209
Natural gas		0	0	0
Diesel and LPG, for process		36	44	17
Automotive fuels		176	203	192
Thermal energy consumption from renewable sources		0	0	0
Biodiesel		0	0	0
Energy consumption from renewable sources		7,832	9,577	12,641
Hydroelectric	MWh	7,832	9,577	12,411
Solar		0	0	0
Wind		0	0	0
Other/Mix		0	0	230
Consumption of purchased renewable electricity		233	220	230
Consumption of self-produced renewable electricity		7,832	9,577	12,411
Total energy consumption		8,044	9,824	12,850
% of fossil fuels on total energy consumption		3%	3%	2%
% of renewable sources on total energy consumption		97%	97%	98%
Energy intensity	MWh / M€ Revenue	167	175	192
Electricity self-produced from renewable sources		179,853	267,003	386,839
Hydroelectric	MWh	179,780	258,984	369,669
Solar		73	8,019	17,171
Renewable electricity self-produced and fed into the grid		172,021	257,426	374,429

Section 5 | PORTFOLIO COMPANIES

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. To consolidate its subsidiaries, Italgas adopts the “financial control” approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint	unit	2022	2023	2024
Market Based		19,619	37,448	11,615
Location based	t CO ₂ e	19,696	37,521	11,714
Carbon Intensity - Market based		407	668	174
Carbon Intensity - Location based		409	669	175
Scope 1	t CO ₂ e / M€ Revenue	1	1	1
Scope 2 - Location Based		2	1	1
Scope 2 - Market Based		0	0	0
Scope 3		406	666	173

Avoided emissions (location based)	unit	2022	2023	2024
Avoided emissions		59,714	82,200	161,430
From hydroelectric production fed into the grid	t CO ₂ e	59,714	80,603	154,027
From photovoltaic production fed into the grid		0	1,597	7,403

Carbon footprint Details *	unit	2022	2023	2024	2024
Carbon footprint - Market based	t CO ₂ e	19,619	37,448	11,615	
Scope 3 - Upstream		19,562	37,371	11,561	99.5%
1 Purchased products and services		--	5,325	602	5.2%
2 Capital goods		--	3,680	2,079	17.9%
3 Fuel-and energy-related activities		19,543	28,063	8,687	74.8%
4 Upstream transportation and distribution		--	191	114	1.0%
5 Waste generated by the sites		12	7	2	0.0%
6 Business travel		7	46	25	0.2%
7 Employee commuting		--	59	54	0.5%
8 Upstream leased assets		--	--	--	
Scope 1	t CO ₂ e	57	77	54	0.5%
Scope 2- Market Based		0	0	0	0.0%
Scope 2 - Location Based		77	73	99	
Scope 3 - Downstream		0	0	0	0.0%
9 Downstream transportation and distribution		--	--	--	
10 Processing of sold products		--	--	--	
11 Direct use		--	--	--	
12 End-of-life treatment of sold products		--	--	--	
13 Downstream leased assets		--	--	--	
14 Franchises		--	--	--	
15 Investments		--	--	--	

* The carbon footprints for 2022 and 2023 were refined during SBTi's validation process of decarbonisation targets.

In line with the Italmobiliare Group, Italgas applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Physical climate risks are identified with respect to the “Current Policies” scenario, again as defined by the NGFS (Network for Greening the Financial System).

RESPONSIBLE USE OF WATER

ESRS E3 - Water and marine resources

The main natural resource used by Italgas is the water that passes through the turbines at its hydroelectric plants. It is a process in which water is neither consumed nor modified in its chemical and physical characteristics.

The company's production and administrative structures consume limited quantities of thermal and electrical energy and well water.

Water balance	unit	2022	2023	2024
Withdrawals		5,404	5,145	3,680
Surface water		0	0	0
Groundwater		4,525	4,183	2,959
Aqueduct		879	962	721
of which in water stressed areas		0	0	0
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		0	0	0
Water discharge	m³	879	962	721
Surface water		0	0	0
Groundwater		0	0	0
Sewage		879	962	721
of which in water stressed areas		0	0	0
Surface water		0	0	0
Groundwater		0	0	0
Sewage		0	0	0
Water consumption		4,525	4,183	2,959
of which in water stressed areas		0	0	0
Intensity	m³/ M€ Revenue	94	75	44

LAND AND BIODIVERSITY

ESRS E4 - Biodiversity and ecosystems

Given the number of areas of interest present in Italy, within 50 kilometres of all the sites there are protected areas, key areas for biodiversity and potential presence of species in the Red List of the IUCN (International Union for Conservation of Nature). None of Italgas's activities specifically hit threatened species. In any case, Italgas takes care of the possible impacts on aquatic ecosystems. Moreover, some hydroelectric plants are located in protected geographical areas.

Italgas power plants within protected areas

Vaprio d'Adda	Located within the Adda Nord Regional Park and subject to the conservation regulations of Protected Natural Areas.
Cassiglio	
Dezzo / Povo	Located within the Orobic Bergamasche Regional Park, subject to compliance with the Park Plan regulations.
Ponte dell'Acqua	
Ponte Piazzolo	
Ponte Nembro	Located within the Serio Nord Park, subject to compliance with the Park Plan regulations.
Palazzolo	Located within the Oglio Nord Regional Park, subject to compliance with the Park Plan regulations.

Since ever, Italgas undertakes to ensure that its plants do not alter the balance of the ecosystem in which they are located, in particular by not hindering the movements and migrations of fish fauna.

The release of a quantity of water called Minimum Vital Flow (DMV) near the intake structures guarantees that the fauna maintains the characteristics suitable for its growth and for the preservation of the watercourses. The construction of fish ladders allows fish to move freely along the riverbed. Furthermore, Italgas carries out interventions to repopulate fish species in the waterways where the power plants are located.

Italgas also manages 6 photovoltaic plants. Of these, 4 are built on the roofs of third-party industrial warehouses, without any land consumption or impact on biodiversity and ecosystems, while 2 are on the ground on a reclaimed former industrial site. The construction of the latter was born from the collaboration between Italgas and the

Section 5 | PORTFOLIO COMPANIES

Municipality of Modugno (BA) and is part of the redevelopment project of the industrial area of Modugno, home to the former limestone quarry next to the Italcementi cement plant, already reclaimed previously. Italgel, owner of the area, built the photovoltaic park on the area of approximately 6 hectares once occupied by industrial plants, without any new land consumption, ceding to the Municipality an area of over 20 hectares for the creation of a naturalistic area for public use, which increases the green surface of Modugno by 5 times. As part of the project, Italgel also built a pedestrian and bicycle path which winds through the park with a viewpoint looking out over the lake that has formed in the ex-quarry. These too have been given to the Municipality.

RESPONSIBLE USE OF MATERIALS

ESRS E5 - Resource use and circular economy

The operation of the plants produces limited quantities of waste. The main type of waste originates from the cleaning of waterways at the intakes by means of grids installed at the entrance to the plants to hold back the various materials carried by the current, such as wood, plants, leaves, plastic and other organic or inorganic matter, that are collected in special bins waiting to be sent for recovery or disposal according to specific procedures.

Resource Outflows	2022		2023		2024	
	t	%	t	%	t	%
Total waste	318		344		251	
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	344	100%	251	100%
Non-hazardous waste	256	80%	337	98%	235	93%
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	337	100%	235	100%
Hazardous waste	63	20%	7	2%	17	7%
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	7	100%	17	100%

Resource Outflows	unit	2022	2023	2024
Non-hazardous		--	337	235
Material recovery		--	337	235
Recycling (R3, R4, R5)		--	0	0
of which composting (R3)		--	0	0
of which other forms of recycling (R4, R5)		--	0	0
Preparation for re-use (R2, R6, R9)	t	--	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		--	337	235
Disposal		--	0	0
Landfill (D1)		--	0	0
Incineration (D10, D11)		--	0	0
Other disposal operations (D2-D9, D12-D15)		--	0	0
Hazardous		--	7	17
Material recovery		--	7	17
Recycling (R3, R4, R5)		--	0	0
of which composting (R3)		--	0	0
of which other forms of recycling (R4, R5)		--	0	0
Preparation for re-use (R2, R6, R9)	t	--	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		--	7	17
Disposal		--	0	0
Landfill (D1)		--	0	0
Incineration (D10, D11)		--	0	0
Other disposal operations (D2-D9, D12-D15)		--	0	0

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own workforce

Italgel benefits from the value of more than 62 specialised and motivated people. Direct employees in Italy, by choice mainly of local origin, are all covered by collective bargaining agreements. 7% of managerial positions are held by women.

	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	4	61	65	5	55	60	5	57	62
Managers	0	4	4	0	3	3	0	3	3
Middle managers	1	10	11	1	11	12	1	10	11
Office workers	3	11	14	4	12	16	4	17	21
Production workers	0	36	36	0	29	29	0	27	27
Turnover	--	--	-3	--	--	-5	--	--	2
+ Hirings	--	--	2	--	--	5	--	--	6
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	0	--	--	2	--	--	0
- Non-voluntary exits	--	--	5	--	--	8	--	--	4
- Divestments	--	--	0	--	--	0	--	--	0
% contract: permanent	100%	100%	100%	100%	100%	100%	100%	98%	98%
% contract: full time	75%	98%	97%	60%	100%	97%	60%	98%	95%
Training									
Hours per capita	37	20	21	19	16	17	39	17	18
Managers	--	18	18	--	39	39	--	48	48
Middle managers	66	26	30	25	28	28	39	30	31
Office workers	27	26	26	18	23	22	38	15	20
Production workers	--	17	17	--	7	7	--	9	9
% hours of voluntary training	--	--	--	100%	71%	74%	98%	57%	64%
Managers	--	--	--	--	100%	100%	--	85%	85%
Middle managers	--	--	--	100%	87%	88%	100%	80%	82%
Office workers	--	--	--	100%	59%	68%	98%	45%	65%
Production workers	--	--	--	--	46%	46%	--	26%	26%
% with at least one training session	--	--	--	100%	68%	70%	100%	85%	86%
Managers	--	--	--	--	100%	100%	--	100%	100%
Middle managers	--	--	--	100%	100%	100%	100%	90%	92%
Office workers	--	--	--	100%	93%	94%	100%	94%	95%
Production workers	--	--	--	--	44%	44%	--	77%	77%
% with performance appraisal	100%	41%	45%	100%	49%	53%	80%	53%	55%
Managers	--	100%	100%	--	100%	100%	--	100%	100%
Middle managers	100%	100%	100%	100%	91%	92%	0%	100%	91%
Office workers	100%	100%	100%	100%	117%	113%	100%	100%	100%
Production workers	--	0%	0%	--	0%	0%	--	0%	0%

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

Section 5 | PORTFOLIO COMPANIES

Fixed and variable remuneration	2022	2023	2024
Gender pay gap	14%	13%	14%
<i>Difference between women's and men's average pay compared with men's average pay</i>			
Managers	--	--	--
Middle managers	26%	17%	15%
Office workers	12%	4%	6%
Production workers	--	--	--

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

2024 was a dramatic year for Italgen, as in June it lost one of its expert collaborators in a fatal accident that occurred while working on the "Poirée" dam on the Adda River in Concesa di Trezzo d'Adda (MI).

From this tragic event, all the people of Italgen and the Group, supported by the parent company, have gained further momentum to promote the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

In line with the adopted Sustainability Policies, Italgen intends to further develop the safety management, starting from management leadership that supports a motivational, organisational, and operational system. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

Since 2024, the safety management system implemented by Italgen for the production, transmission, and commercialisation of hydroelectric energy has been rewarded with the ISO 45001 certification.

Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement.

Injuries	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	--	--	0	0	0	0	0	1	1
Fatalities	--	--	0	0	0	0	0	1	1
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	0	0	0	0	0	0	0
Frequency rate	--	--	0.00	0.00	0.00	0.00	0.00	10.07	9.29
Severity rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-Employees	--	--	0	0	0	0	0	0	0
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	0	0	0	0	0	0	0
Frequency rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00

COMMUNITY RELATIONS

ESRS S3 - Affected communities

Italgen cultivates ties with the local area and local community, by promoting responsible lifestyles and initiatives to support social and cultural values.

SIDI Sport

(100% INTEREST)



Highlights



REVENUE

31.7 mn €
(23.8 mn € in 2023)



247

PEOPLE
(260 in 2023)



100%

RENEWABLE ELECTRICITY



EBITDA

0.4 mn €
(-2.7 mn € in 2023)



106 MOTORBIKE
WORLD CHAMPIONSHIP

116 BIKE WORLD
CHAMPIONSHIP



100%

RECYCLABLE
PACKAGING



INVESTIMENTI

2.0 mn €



280,000

PAIRS OF SHOES
PRODUCED



ENVIRONMENT

ISO 14001

HEALTH AND SAFETY

ISO 45001

Strategic Objectives



To be the point of reference for athletes and enthusiasts from all over the world, who aim to maximise their performance on bicycles and motorbikes.



To consolidate the brand's presence in the main international markets, collaborating with the best athletes and participating in the main competitions, rallies and events.



To ensure a perfect balance between performance, ergonomics and safety, reducing the environmental footprint through product innovation and material selection.

Profile

THE COMPANY

SIDI Sport is famous for the production and sale of cycling and motorcycling footwear, appreciated by the most illustrious professional athletes and enthusiasts from all over the world. Founded in 1960 in Maser, in the province of Treviso, in the heart of the Montebelluna sports footwear industrial district, the company still maintains its production plant, offices and R&D centre there today. With approximately 250 employees between the headquarters in Maser and the production site in Romania, SIDI develops and produces high-end technical footwear, which is distributed in over 60 countries. At the end of 2022, Italmobiliare acquired 100% of the company, with the aim of preserving the excellence of this iconic technical sportswear brand and enhancing its growth internationally.

Born with a vision of creating solutions that allow athletes to excel, SIDI has established itself over the years as a world leader in the sector, combining tradition and innovation, performance and design, gaining massive recognition and loyalty among enthusiasts all over the world. For over sixty years, the company has pushed the boundaries of innovation, defining new standards and combining research, craftsmanship and ergonomics to create products that transcend time and allow athletes to reach the pinnacle of sports performance and unleash their potential. Thanks to the constant collaboration with the best athletes in the world, SIDI has developed and brought to market many innovations that have become standards, such as adjustable cleats on shoes, rotors, carbon soles, hyperextension control systems, the SRS system and many others.

RECENT DEVELOPMENTS

In 2022, Italmobiliare acquired 100% of SIDI Sport, starting a profound process of transformation and evolution of the company aimed at developing the growth potential of the brand at an international level, respecting the tradition and history that are undoubtedly one of the brand's strong points.

The organisational structure has been completely revised, starting with the appointment of a CEO with vast experience in the sporting goods sector and a solid first management line composed of professionals with experience in all key corporate functions: Finance, Operations, Marketing, Commercial and Product Development. At the same time, structured plans have been launched for the training and enhancement of the professional figures already present in the company. Davide Cassani, former professional cyclist and former technical commissioner of the Italian national cycling team, has also joined the Board of Directors.

The product range has been completely revised with two objectives: on the one hand, to update it with the inclusion of new models and new, more modern colours in line with customer expectations; on the other, to integrate it to cover segments in which the company was not present in the past, such as urban riding shoes (motorcycles) and gravel footwear (bikes).

There have been numerous initiatives to strengthen the brand. Partnerships with leading athletes on the world scene have been strengthened in all the sports segments in which SIDI operates and strategic collaborations have been initiated with the sporting events most likely to attract passionate participants. A content factory has been created inside the Maser headquarters for faster production of effective and emotional content, and the communication strategy has been strengthened. In order to accelerate commercial development, the distribution network has been optimised to provide better coverage of the markets in which SIDI is present and the digital channel, which is strategic for the company, has been strengthened, also with the creation of the new website.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023)	Change %
Revenue and income	31.7	23.8	33.1
Gross operating profit (EBITDA)	0.4	(2.7)	n.s.
% of revenue	1.4	(11.3)	
Amortisation and depreciation	(1.7)	(1.4)	
Impairment losses on non-current assets	(0.2)	(1.2)	
Operating profit (EBIT)	(1.5)	(5.3)	72.3
% of revenue	(4.7)	(22.4)	
Net finance costs	(0.8)	(2.1)	
Profit/(loss) before tax	(2.3)	(7.5)	69.1
% of revenue	(7.3)	(31.5)	
Income tax	0.5	1.0	
Profit/(loss) for the period	(1.8)	(6.5)	72.0

(*) The income statement figures for 2023 are drawn up according to international accounting standards.

(in millions of euro)	December 31, 2024	December 31, 2023
Cash flows from investing activities	2.0	1.2
Free Cash Flow	(4.8)	6.3
Net financial position	(15.1)	(10.6)
Total equity	61.0	62.9
Employees (headcount) at the end of the year	247	260

For SIDI, 2024 was an extremely positive year, with higher sales in both the motorbike and bicycle sectors and better margins. Specifically, it should be noted that:

- Over the course of the year, Sidi completed an R&D project to innovate and expand its product range for both bicycles and motorbikes. New models and colours were presented, in line with customers' expectations, and products were launched in segments where the company did not have a presence.
- The sales network was optimised for better coverage of strategic markets and the digital channel was strengthened, also with the creation of a new e-commerce site.
- An internal content factory was created to optimise the production of content to support marketing, partnerships with important athletes were strengthened in all segments in which the company operates and strategic collaborations were initiated with the sporting events of greatest appeal for fans.

SIDI posted revenue of 31.7 million euro in 2024, up 33.1% on the previous year. A very positive trend continues in the most important geographical areas for the company: in particular, there were excellent performances in Europe and North America, also thanks to the commercial actions taken by management. Growth was also driven by the introduction of new products in terms of categories and in terms of models and colours, leading to an increase in turnover compared with the previous year for both the motorbike sector (+32.7%) and for bicycle products (+32.7%).

The gross operating profit came to 0.4 million euro, an improvement of 3.1 million euro on the previous year. The company incurred non-recurring expenses of 0.4 million euro related to managerial and industrial consultancy, bringing the current operating profit to 0.8 million euro, an improvement on 2023. This positive result is due to the increase in sales volumes, partly offset by the increase in costs related to the development strategy. In particular, the organisational structure has been strengthened and this has led to an increase in the cost of indirect personnel.

The item "Impairment losses on non-current assets", equal to 0.2 million euro in 2024, included -1.2 million euro in the previous financial year, related to the write-down of the goodwill recognised by the company following verification of its recoverability through the impairment test carried out at December 31, 2023.

Considering the finance costs for the period of 0.8 million euro, and positive taxes for 0.5 million euro, the loss for the year comes to 1.8 million euro.

Section 5 | PORTFOLIO COMPANIES

During the year, capital expenditure amounted to 2.0 million euro, mainly for the development of new products, both bicycles and motorbikes.

The net financial position is negative for 15.1 million euro and includes approximately 6 million euro of liabilities in accordance with IFRS 16, linked to the rental of the offices and factories in Italy and Romania. A negative cash generation of 4.8 million euro was recorded in the period, mainly due to the trend in working capital.

LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would need to be mentioned in this report.

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

In a dynamic context for the bicycle sector and a generally stable one for the motorbike sector, Sidi is concentrating on projects linked to business development.

In the marketing and commercial fields, the path of strengthening brand awareness continues through participation in the main sporting and exhibition events and collaborations with some of the best pilots and athletes in the world. Among the new partnerships, the one started at the beginning of the year with the Brad Binder stands out, marking Sidi's return to MotoGP after many years. In order to make the most of these initiatives, the company will multiply its communication and marketing efforts with the ever-increasing support of the content factory, which was established at the Maser headquarters during 2024.

On the product side, investment continues to renew the range, in particular the focus in 2025 will be on further development of the motorbike area. On the industrial front, efforts will be made to further streamline operations.

General and governance information

REPORTING

ESRS 2 - General Information - Basis for preparation

The reporting includes performance, data and information on the holding company SIDI Sport and its subsidiary in Romania, as consolidated in the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 - General information - Governance

ESRS G1 - Business conduct

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

Position (*)	Name and Surname	Gender
Chairman	Matteo Sam Benusiglio	M
CEO / General Manager	Davide Rossetti	M
Director	Anna Claudia Boiani	F
Director	Davide Cassani	M
Director	Giuliano Palermo	M

The **Sole Auditor**, who is independent, is female.

The Board of Directors, which also benefits from the presence of independent directors and directors representing the Holding, defines the strategic guidelines of the company and is responsible for its management with a view to sustainable success. It is vested with all powers of ordinary and extraordinary administration of the company, as all matters deriving from the law, the By-laws and the instructions received from the parent company fall under its remit.

Each Board of Directors meeting includes on its agenda an update on the progress of ESG action plans, which are defined and refined annually based on identified impacts, risks, and opportunities, as well as any other relevant considerations to implement a business strategy that is consistent with the company's Vision and Mission and aligned with the Italmobiliare Group's expectations, ensuring full integration of economic, governance, social, and environmental components. The annual ESG plans are monitored continuously by management and consolidated in monthly meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plans are included in the variable remuneration of the management.

In line with the approach of the Italmobiliare Group, SIDI Sport has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world's largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPs)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments shape the company's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, distributors, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with SIDI Sport in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The **Sustainability Policies** extend and integrate the Code of Ethics: the "Guiding Principles" are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The **Partnership Charter** aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

SIDI Sport adopts an **Organisation, Management and Control Model** (Model 231) which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents. The Supervisory Body, appointed with criteria of autonomy and independence, has been identified as the body for control activities, including the reception of whistleblowing reports.

The Code of Ethics, the Sustainability Policies, the Partnership Charter and the general part of the Model 231 are published on the Company's website.

More generally, SIDI Sport implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows for the identification, measurement, monitoring and management of risks. This approach also gives rise to the procedures and internal controls on integrated financial and sustainability reporting.

At an operational level, the **management systems** adopted (ISO 14001 for environmental management and ISO 45001 for health and safety) - being formalised processes and procedures - are another tool to ensure that activities are fully aligned with the Company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

Confirming the overall effectiveness of the integrity and compliance measures adopted, in 2024 there were no cases of corruption, anti-competitive behaviour or non-compliance with socio-economic and environmental regulations. The Supervisory Body has not received any reports of alleged illicit or anti-governance behaviour.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business Conduct

With the Partnership Charter, an evolution of the previous Supplier Charter, SIDI Sport aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency.

This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Implementation requires additional steps to those already adopted on the basis of the previous charter according to a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Suppliers	unit	2022	2023	2024
Number of active suppliers	#	--	638	645
Purchase of products and services		--	21.1	30
national suppliers	M€	--	17.7	18.5
foreign suppliers		--	3.4	11.3
Spending on local suppliers (headquarters on national territory)	%	--	84%	62%

		2022		2023		2024
Environmental and social qualification	#	%	#	%	#	%
Suppliers assessed during the year according to environmental and social criteria	--	--	-	0%	-	0%

OBJECTIVES

ESRS 2 - General information - Strategy

The table below outlines the key pillars of SIDI Sport's sustainability strategy and the corresponding medium-term objectives.








Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	75%	2027	--	--	--
Climate strategy	Validation of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	2025	--	--	*
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	0	2025	0.0	0.0	2.1
Gender and human capital development	Training hours per employee	25	2027	7	9	2

* Objectives have been identified and will be sent to the validation of Science Based Targets initiative in March 2025. Details can be found in the "Low-Carbon Transition" section.

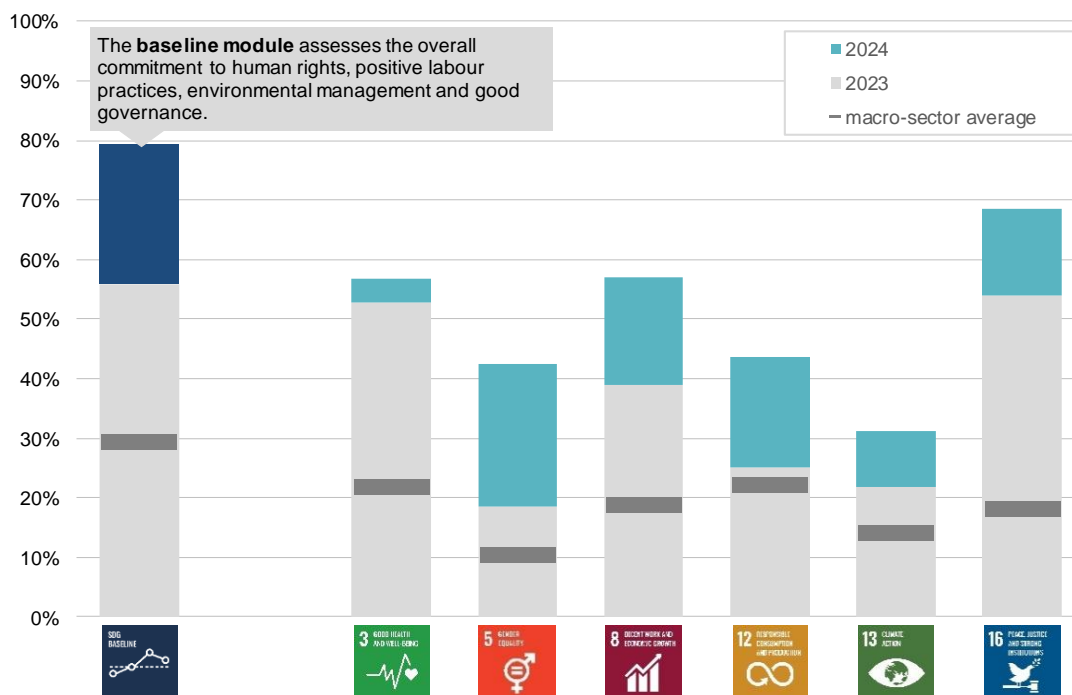
Section 5 | PORTFOLIO COMPANIES

Furthermore, SIDI Sport integrates the Italmobiliare Group's sustainability strategy by adhering to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. Additionally, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

SIDI Sport: Commitment to the SDGs

Environment		Ensure sustainable production and consumption models.
		Promote actions at all levels to combat climate change.
Society		Ensure health and well-being for all at all ages.
		Achieve gender equality and empower all women and girls.
		Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance		Peace, justice, and strong institutions.
		Strengthen implementation means and revitalise the global partnership for sustainable development.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



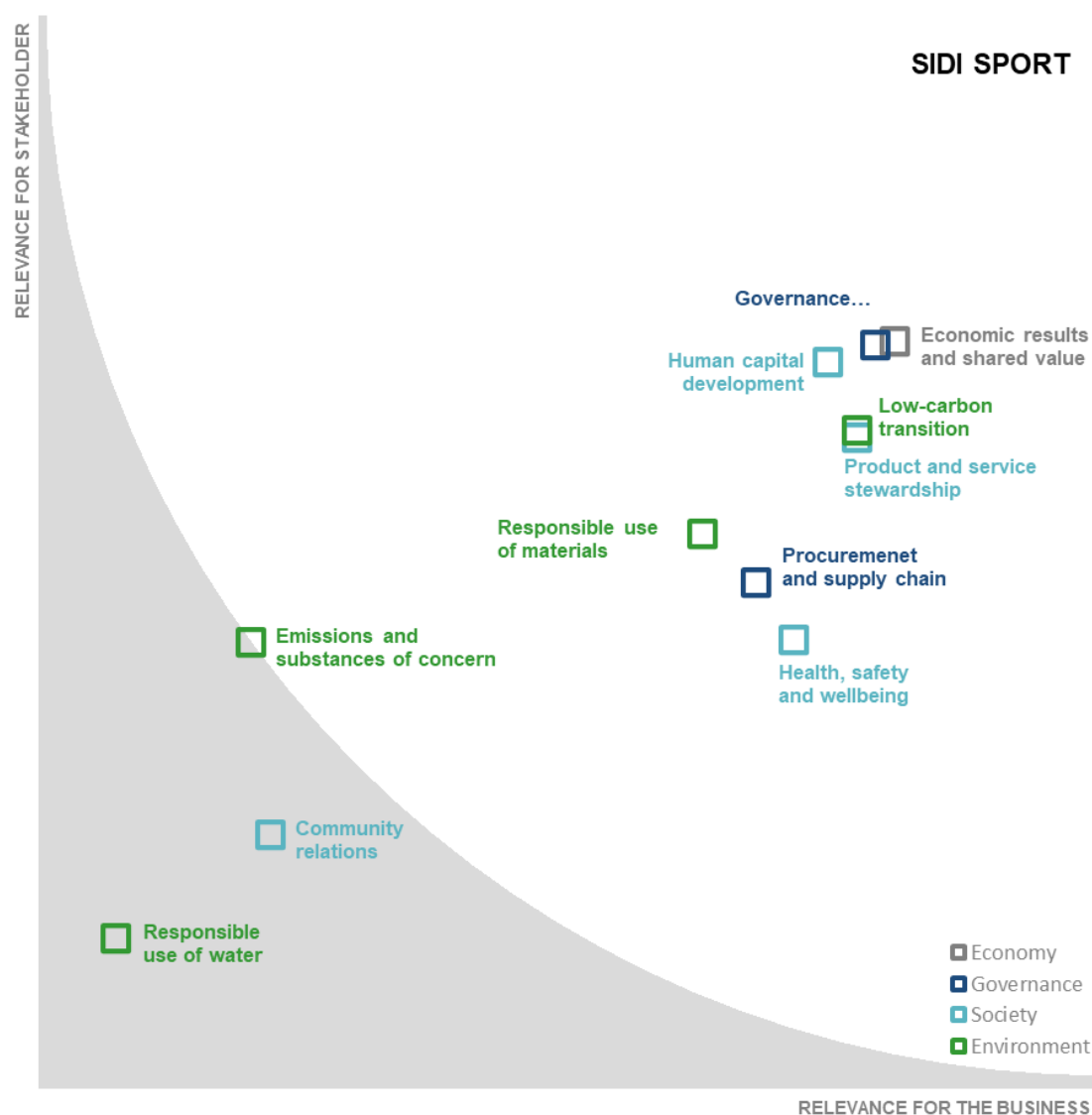
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas









Section 5 | PORTFOLIO COMPANIES

In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

Negative ▼ and Positive ▲ Impacts		Initiatives adopted	
Economic results and shared value	▲ Generating shared value for stakeholders.	ML	• Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance and integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	M	• Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-compliance with human rights, labour rights and equal opportunities along the raw material supply chain, particularly for those originating outside Europe.	S	• Start of monitoring at suppliers' premises. • Sharing governance documents with all partners and stakeholders. • ESG pre-qualification and qualification of business partners.
	▲ A supply chain that respects basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities. ▲ Develop R&D partnerships and projects based on innovation and sustainability	M	
Human capital development	▲ Creating an attractive and motivating work environment in offices and production.	S	• Continuous and differentiated training for the various professional roles. • Short- and medium-term incentive plans. • Corporate welfare.
Health, safety & well-being	▼ Possibility of accidents at work that could cause injury.	S	• Continuous promotion of a safety culture. • Safety audit
	▲ Duty of care towards employees, collaborators, visitors and any other person who accesses production sites and shops.	S	
Product and service stewardship	▲ Marketing of safe and high-performance footwear, depending on the specific sport for which they are intended (road cycling, motocross, etc).	S	• In the motorbike sector, introduce materials to increase the safety of urban mobility (i.e. D30) without compromising the comfort and style of the footwear. • Prepare for the implementation of regulatory requirements (e.g. Digital Product Passport) that will gradually come into force for specific sectors. • Communication focused on an active and healthy lifestyle. Sidi is a brand that respects life: athletes, brand ambassadors and content are chosen on the basis of this principle.
	▲ Promoting responsible lifestyles among current and prospective customer communities.	S	
Low-carbon transition	▼ Greenhouse gas emissions along the entire value chain.	L	• Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. • Adherence to the Science Based Targets initiative and definition of validated medium-term (2030) and net-zero (2050) reduction targets.
	▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement.	L	
Emissions and critical substances	▲ Controlled use of "substances of concern", beyond mere compliance with industry regulations.	SM	• Replace the production line exhaust air extraction and effluent treatment system. • Evaluate the progressive phase-out in new productions.
Responsible use of materials	▲ Product and packaging design with responsible selection and use of materials, waste minimisation and facilitation of shoe repair (vs replacement/repurchase) and subsequent recycling/disposal.	S	• ESG pre-qualification and qualification of suppliers, with the inclusion of ESG clauses in contracts. • Evaluate the use of recycled and/or recyclable materials. • Separate sale of spare parts to extend the useful life of the product. • Eco-design of products and packaging.

S = Short term M = Medium term L = Long term

Risks ▼ and Opportunities ▲		Mitigations and initiatives adopted	
Economic results and shared value Economic results and shared value	▼ Operations model to be adapted to implement the development plan that includes the launch of multiple new footwear models and an increase in volumes.		<ul style="list-style-type: none"> Review of the production footprint of the company's own plants with the use of select third parties for specific processes and models Greater automation of internal production processes
	▼ Failure to achieve development objectives due to the macroeconomic context, which could generate a reduction in demand and further intensification of competition between market players.		<ul style="list-style-type: none"> Strengthen the distribution network for greater distribution capillarity Investments in communication and product development Expand and strengthen the organisation (people and processes) with external support.
	▼ Debt sustainability		<ul style="list-style-type: none"> Close monitoring of financial management.
	▲ Greater production efficiency (in terms of costs and waste) and product quality thanks to greater automation and innovation of production processes.		<ul style="list-style-type: none"> Plan to invest in new machinery at the company's own plants (in Italy and Romania) to support the main production processes
Governance and integrity	▼ Partial implementation of the ESG strategy, also because of dependence on third parties.		<ul style="list-style-type: none"> Investment in human resources and in-house training. Active involvement of strategic suppliers. Adhesion to SBTi (2024), target validation (2025) and ESG plans.
Health, safety and well-being	▼ Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.		<ul style="list-style-type: none"> Safety audit Continuous promotion of a safety culture starting from visible and perceived leadership on the part of management Continuous safety training at all levels of the company A new safety organisation
Product and service stewardship	▲ More competitiveness thanks to increasingly sustainable products		<ul style="list-style-type: none"> Selection of certified suppliers. Evaluate the use of recycled and/or recyclable materials. Separate sale of spare parts to extend the useful life of the product. Eco-design of products and packaging.
Low-carbon transition	▲ Growing consumer awareness of sustainability for sports footwear		<ul style="list-style-type: none"> Boosting R&D activities to use more sustainable materials, such as recycled and/or recyclable materials Extensive training activities and use of specialised consultants

  = positive / negative outlook in the medium to long term.

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 SIDI Sport also joined the Science Based Targets initiative (SBTi), has defined its reduction targets and has scheduled the submission to the SBTi expert team for validation.

SIDI Sport has taken a commitment to mitigate the climate-altering effects of its activities along the entire value chain. In line with the impacts, risks and opportunities identified, the main levers are: selection and involvement of suppliers, streamlining of production processes, eco-design of the product and packaging, continuous R&D activities and optimisation of logistics. Moreover, since 2023, SIDI Sport only uses renewable electricity, part of it self-produced.

The following table shows details of the decarbonisation objectives, which will be submitted to SBTi for validation.

Objectives to be submitted for SBTi validation

Scope	Objective	Status 2024
Scope 1+2 fuels and electricity	To reduce absolute Scope 1 and 2 emissions by 42% before the end of 2030 and by 90% before the end of 2050 compared with the base year 2023.	--
	To continue buying 100% renewable electricity every year until 2030	100%
Scope 3 Value chain	To reduce absolute Scope 3 emissions by 42% before the end of 2030 and by 90% before the end of 2050 compared with the base year 2024.	--
Scope 1+2+3	To reach Net Zero emissions along the entire value chain by the end of 2050 .	--

The energy consumption and energy mix of SIDI Sport are shown in detail in the following table.

	unit	2022	2023	2024
Thermal energy consumption from fossil fuels		--	2,036	2,166
Natural gas		--	1,894	1,970
Diesel and LPG, for process		--	0	1
Automotive fuels		--	141	195
Thermal energy consumption from renewable sources		--	0	0
Biodiesel		--	0	0
Energy consumption from renewable sources		--	1,207	1,465
Hydroelectric	MWh	--	657	1,361
Solar		--	0	0,00
Wind		--	0	0
Other/Mix		--	550	104
Consumption of purchased renewable electricity		--	1,207	1,465
Consumption of self-produced renewable electricity		--	0	0
Total energy consumption		--	3,243	3,631
% of fossil fuels on total energy consumption		--	63%	60%
% of renewable sources on total energy consumption		--	37%	40%
Energy intensity	MWh / M€ Revenue	--	141	115
Electricity self-produced from renewable sources		--	0	0
Solar	MWh	--	0	0
Renewable electricity self-produced and fed into the grid		--	0	0

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. To consolidate its subsidiary, SIDI Sport adopts the “financial control” approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint	unit	2022	2023	2024
Market Based	t CO2e	--	2,678	3,904
Location based		--	3,045	4,415
Carbon Intensity - Market based	t CO2e / M€ Revenue	--	116	123
Carbon Intensity - Location based		--	132	139
Scope 1		--	18	14
Scope 2 - Location Based		--	16	16
Scope 2 - Market Based		--	0	0
Scope 3		--	98	109

Carbon footprint Details*	unit	2022	2023	2024	2024
Carbon footprint - Market based	t CO2e	--	2,678	3,904	
Scope 3 - Upstream	t CO2e	--	1,534	2,893	74.1%
1 Purchased products and services		--	1,084	2,019	51.8%
2 Capital goods		--	--	--	
3 Fuel-and energy-related activities		--	94	105	2.7%
4 Upstream transportation and distribution		--	7	286	7.3%
5 Waste generated by the sites		--	2	1	0.0%
6 Business travel		--	117	111	2.8%
7 Employee commuting		--	230	371	9.5%
8 Upstream leased assets		--	--	--	
Scope 1		--	419	450	11.5%
Scope 2- Market Based		--	0	0	0.0%
Scope 2 - Location Based		--	367	510	
Scope 3 - Downstream		--	725	561	14.4%
9 Downstream transportation and distribution		--	442	282	7.2%
10 Processing of sold products		--	--	--	
11 Use of sold products		--	--	--	
12 End-of-life treatment of sold products		--	283	279	7.2%
13 Downstream leased assets		--	--	--	
14 Franchises		--	--	--	
15 Investments		--	--	--	

* The carbon footprints for 2022 and 2023 were refined during SBTi's validation process of decarbonisation targets.

In line with the Italmobiliare Group, SIDI Sport applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Physical climate risks are identified with respect to the “Current Policies” scenario, again as defined by the NGFS (Network for Greening the Financial System).

EMISSIONS AND SUBSTANCES OF CONCERN

ESRS E2 - Pollution

During the production and assembly of its products, SIDI Sport uses some substances that have characteristics that fall within the generic definition of “substances of concern” according to specific regulations that include both environmental and human sensitivity aspects.

When in use, primers, adhesives and hardeners for the assembly of sports footwear components polymerise or otherwise change their properties, effectively losing their hazardous characteristics once integrated into the products. Thinners and solvents, on the other hand, are used in production for surface treatments or cleaning of semi-finished products along the assembly line and do not leave any residue in the products. All of these substances are used in environments and systems capable of aspirating the volatile fraction to treat it in an abatement system, which has an efficiency of at least 98%.

Section 5 | PORTFOLIO COMPANIES

Volatile organic compounds (VOCs)		2022	2023	2024
Total		--	6.0	0.4
SIDI Sport, plant in Maser (TV)	t	--	5.2	0.1
SIDI Sport, plant in Popești-Leordeni (Romania)		--	0.8	0.3

The emissions from the SIDI Sport plant in Maser decreased significantly in 2024 thanks to the modernisation of the extraction and treatment system for effluents from the production line, which uses adhesives, solvents and other products with volatile components.

RESPONSIBLE USE OF WATER

ESRS E3 - Water and marine resources

Water withdrawal is mainly for sanitary uses.

Water balance	unit	2022	2023	2024
Withdrawals		--	3,426	3,299
Surface water		--	0	0
Groundwater		--	2,773	2,722
Aqueduct		--	653	577
of which in water stressed areas		--	0	0
Surface water		--	0	0
Groundwater		--	0	0
Aqueduct		--	0	0
Water discharge	m ³	--	3,297	3,172
Surface water		--	0	0
Groundwater		--	0	0
Sewage		--	3,297	3,172
of which in water stressed areas		--	0	0
Surface water		--	0	0
Groundwater		--	0	0
Sewage		--	0	0
Water consumption		--	129	127
of which in water stressed areas		--	0	0
Intensity	m ³ / M€ Revenue	--	6	4

RESPONSIBLE USE OF MATERIALS

ESRS E5 - Resource use and circular economy

Natural and synthetic fabrics, plastics and rubbers, metals and carbon fibre are the main materials used.

Main Resource Inflows

Biological origin		unit	2022	2023	2024
Process materials	Natural fabrics	t	--	17	19
	Paper and cardboard *		--	38	88
Extractive or fossil origin					
Process materials	Synthetic fabrics		--	171	248
	Plastic	t	--	82	101
	Rubber		--	38	55
	Metal		--	9	11
	Carbon	t	--	3	6

* May contain fractions originating from by-products or waste streams.

Resource Inflows	2022		2023		2024	
	t	%	t	%	t	%
Production materials, semifinished goods and ancillaries	--	--	320		439	
of which recycled	--	--	0	0%	0	0%
Renewable or organic	--	--	17	5%	19	4%
of which recycled	--	--	0	0%	0	0%
Non-renewable or technical	--	--	303	95%	420	96%
of which recycled	--	--	0	0%	0	0%
Packaging materials	--	--	39		88	
of which recycled	--	--	0	0%	0	0%
Renewable or organic	--	--	39	99%	88	100%
of which recycled	--	--	0	0%	0	0%
Non-renewable or technical	--	--	0.4	1%	0	0%
of which recycled	--	--	0	0%	0	0%
Total materials	--	--	359		527	
of which recycled	--	--	0	0%	0	0%
Renewable or organic	--	--	56	24%	106	20%
of which recycled	--	--	0	0%	0	0%
of which from sustainable supply chain	--	--	38	68%	87	82%
Non-renewable or technical	--	--	304	76%	421	80%
of which recycled	--	--	0	0%	0	0%

Resource Outflows	2022		2023		2024	
	t	%	t	%	t	%
Total waste	--	--	78		112	
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	78	100%	112	100%
Non-hazardous waste	--	--	75	96%	109	97%
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	75	100%	109	100%
Hazardous waste	--	--	3	4%	3	3%
Recycled	--	--	0	0%	0	0%
Non-recycled	--	--	3	100%	3	100%

Resource Outflows	unit	2022	2023	2024
Non-hazardous		--	75	109
Material recovery		--	75	108
Recycling (R3; R4; R5)		--	0	0
of which composting (R3)		--	0	0
of which other forms of recycling (R4; R5)		--	0	0
Preparation for re-use (R2; R6; R9)		--	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		--	75	108
Disposal		--	0	1
Landfill (D1)		--	0	0
Incineration (D10; D11)		--	0	0
Other disposal operations (D2-D9; D12-D15)		--	0	1
Hazardous	t	--	3	3
Material recovery		--	3	3
Recycling (R3; R4 ;R5)		--	0	0
of which composting (R3)		--	0	0
of which other forms of recycling (R4; R5)		--	0	0
Preparation for re-use (R2; R6; R9)		--	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		--	3	3
Disposal		--	0	0
Landfill (D1)		--	0	0
Incineration (D10; D11)		--	0	0
Other disposal operations (D2-D9; D12-D15)		--	0	0

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own workforce

At the end of 2024, Sidi Sport benefited from the value of 247 specialised and motivated people, 75 in the headquarters and productive plant in Maser (TV) and 172 in the Romanian production plant located in Bucharest. Direct employees in Italy, by choice mainly from the local area, are all covered by collective bargaining agreements. 58% of managerial positions are held by women. The use of non-employee workers is marginal.

	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	--	--	--	194	66	260	184	63	247
Managers	--	--	--	1	5	6	1	5	6
Middle managers	--	--	--	9	4	13	10	3	13
Office workers	--	--	--	19	7	26	21	11	32
Production workers	--	--	--	165	50	215	152	44	196
Turnover	--	--	--	--	--	260	--	--	-13
+ Hirings	--	--	--	--	--	15	--	--	16
+ Acquisitions	--	--	--	--	--	272	--	--	0
- Voluntary exits	--	--	--	--	--	26	--	--	27
- Non-voluntary exits *	--	--	--	--	--	1	--	--	2
- Divestments	--	--	--	--	--	0	--	--	0
% contract: permanent	--	--	--	100%	98%	100%	99%	98%	99%
% contract: full time	--	--	--	98%	98%	98%	97%	98%	98%
Training									
Hours per capita	--	--	--	7	13	9	1	5	2
Managers	--	--	--	2	9	8	0	19	16
Middle managers	--	--	--	2	17	7	1	17	4
Office workers	--	--	--	28	27	28	5	6	5
Production workers	--	--	--	5	11	7	0	2	0
% hours of voluntary training	--	--	--	18%	20%	19%	62%	28%	38%
Managers	--	--	--	0%	36%	35%	0%	33%	33%
Middle managers	--	--	--	0%	71%	57%	20%	36%	35%
Office workers	--	--	--	43%	43%	43%	61%	14%	42%
Production workers	--	--	--	2%	6%	3%	74%	28%	39%
% with at least one training session	--	--	--	100%	100%	100%	12%	34%	17%
Managers	--	--	--	100%	100%	100%	0%	80%	67%
Middle managers	--	--	--	100%	100%	100%	10%	67%	23%
Office workers	--	--	--	95%	100%	96%	63%	77%	68%
Production workers	--	--	--	100%	100%	100%	4%	16%	6%
% with performance appraisal	--	--	--	2%	9%	3%	3%	14%	6%
Managers	--	--	--	0%	60%	50%	0%	80%	67%
Middle managers	--	--	--	0%	75%	23%	10%	67%	23%
Office workers	--	--	--	16%	0%	12%	19%	27%	22%
Production workers	--	--	--	0%	0%	0%	0%	0%	0%

* Retirements.

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

Fixed and variable remuneration	2022	2023	2024
Gender pay gap			
<i>Difference between women's and men's average pay compared with men's average pay</i>	--	54%	45%
<i>Managers</i>	--	47%	47%
<i>Middle managers</i>	--	70%	59%
<i>Office workers</i>	--	26%	34%
<i>Production workers</i>	--	40%	35%

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

Sidi Sport promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. Process machines with moving mechanical parts are the prevailing risk conditions identified. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

In line with the adopted Sustainability Policies, Sidi Sport intends to further develop the safety management, starting from management leadership that supports a motivational, organisational, and operational system. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives. In 2024, SIDI Sport obtained certification for its health and safety management system according to the ISO 45001 standard.

Injuries	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	--	--	--	0	0	0	0	1	1
Fatalities	--	--	--	0	0	0	0	0	0
Injuries	--	--	--	0	0	0	0	1	1
Lost days	--	--	--	0	0	0	0	3	3
Frequency rate	--	--	--	0.00	0.00	0.00	0.00	8.14	2.06
Severity rate	--	--	--	0.00	0.00	0.00	0.00	0.02	0.01
Non-Employees	--	--	--	0	0	0	0	0	0
Fatalities	--	--	--	0	0	0	0	0	0
Injuries	--	--	--	0	0	0	0	0	0
Lost days	--	--	--	0	0	0	0	0	0
Frequency rate	--	--	--	0.00	0.00	0.00	0.00	0.00	0.00

PRODUCT STEWARDSHIP

ESRS S4 - Consumers and end-users

The launch of new products is subject to strict testing procedures before being placed on the market. All safety data sheets and technical data sheets relating to the components and the finished product are acquired from the suppliers, based on the parameters defined by the technical standards of the sector. The continuous research, development and design activity of Sidi Sport focuses on the choice of materials and designs that meet the primary needs of safety and ergonomics and has, as main objectives, the reduction of the environmental footprint generated from the procurement, the production and the management of the end-life of the commercialised products.

Capitelli




(80% INTEREST)



Highlights



Strategic Objectives

-  To enhance and promote the uniqueness, taste and quality of San Giovanni, for years the "best cooked ham in Italy".
-  To offer Capitelli culinary excellence to enthusiasts and restaurateurs through a cross-distribution, from haute cuisine to the large-scale retail trade.
-  To build a Capitelli supply chain model in Italy that is sustainable and capable of guaranteeing the best selection of ingredients.

Profile

THE COMPANY

Founded in 1976 in Borgonovo Val Tidone in the province of Piacenza, Capitelli is renowned for the production and sale of cooked and smoked cured meats. Its products stand out for the careful selection of the various types of meat used and an artisanal and original manufacturing process, which makes them sought-after and niche, positioning them as one of Italy's food excellences. Recognised and appreciated by consumers, who are looking more and more for products of authentic quality, Capitelli cured meats are distributed throughout Italy both in the "Ho.Re.Ca." sector and through traditional retailers and a growing number of large-scale retail outlets. More and more frequently, they are also appearing among the ingredients of refined recipes in gourmet restaurants and gourmand venues, gaining the favour of both traditional restaurateurs and Michelin-starred chefs.

The flagship of the company's production is the San Giovanni cooked ham, created in 1994 by Capitelli and today unanimously recognised as the precursor of the so-called "cooked out-of-mould" production line. San Giovanni is the only cooked ham to have obtained the highest recognition ("5 pins") in all six editions of the Guida Salumi d'Italia, the first sector guide created with the aim of cataloguing and describing Italian high-quality cured meats, which voted it the "Best cooked ham in Italy" in 2025 as well. In 2024 it also obtained, for the third consecutive year, the prestigious "Top Italian Food 2024" award from Gambero Rosso, a point of reference for the evaluation of culinary excellence in Italy.

RECENT DEVELOPMENTS

Italmobiliare acquired a majority stake in Capitelli in December 2019. When Capitelli joined the Group, it could already vaunt a high-quality, artisanal and innovative product, but its production capacity was almost saturated. In five years, approximately 4 million euro has been invested to expand the plant and adapt it to the most advanced production and safety standards, obtaining the most important certifications in the field. Production has been optimised by outsourcing the production of "in-mould products", which have a lower added value, to allocate the plant's production capacity to "out-of-mould" products, produced and packaged by hand, which represent the company's strong point.

New products have been launched, such as mortadella, raw ham and shank, and some excellent products have been further enhanced, such as Giovanna pancetta and Proibita shoulder, obviously in addition to the flagship product, San Giovanni cooked ham. A huge amount of work has been done on the supply chain, selecting the best Italian suppliers who respect the highest genetic and feeding standards. The entire organisational structure of the company has been revised with the aim of enhancing the staff's work-related skills, structuring the company so that it can handle growth more effectively. Sales and marketing was reorganised and in 2023 the first television commercial in the company's history was produced and broadcast on the main channels to further strengthen brand recognition.

The combined effect of these actions made it possible to increase production capacity without affecting quality, which has actually improved thanks to work on the supply chain, investment in the plant and improvements in production processes. Today, the Borgonovo Val Tidone plant has spare production capacity of 40% and, since joining the Italmobiliare Group, Capitelli has seen its turnover grow by over 60%.

In line with the Group's sustainability objectives, Capitelli, in partnership with Italgen, has launched a project for the construction of a photovoltaic system linked to the Borgonovo Val Tidone plant able to satisfy the company's entire energy needs.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	23.2	22.4	3.7
Gross operating profit (EBITDA)	4.0	3.5	15.1
% of revenue	17.1	15.4	
Amortisation and depreciation	(1.2)	(1.1)	
Operating profit (EBIT)	2.8	2.4	19.5
% of revenue	12.0	10.6	
Net finance income (costs)	0.0	(0.1)	n.s.
Profit/(loss) before tax	2.8	2.3	20.6
% of revenue	12.2	10.5	
Income tax	(0.8)	(0.6)	n.s.
Profit/(loss) for the period	2.0	1.7	16.6

n.s. not significant

(in millions of euro)	December 31, 2024	December 31, 2023
Cash flows from investing activities	0.1	1.3
Free Cash Flow	2.8	3.1
Net financial position	0.4	0.0
Total equity	16.9	17.4
Employees (headcount) at the end of the year	37	42

During 2024, the company consolidated its growth path. Specifically:

- San Giovanni cooked ham, the company's flagship product, has been awarded the Gambero Rosso Top Italian Food 2025 seal for the fourth consecutive year. Furthermore, for the seventh consecutive time, it has obtained the maximum rating of "5 pins" from the prestigious Guida Salumi d'Italia, a point of reference for enthusiasts, operators and producers who want to orient themselves among the best food excellences in the sector.
- At the beginning of 2024 the company won an important award with its Mortadella Capitelli, which was considered the best craft mortadella in the special ranking drawn up by Gambero Rosso. This recognition is further confirmation of the excellence of Capitelli brand products.
- During the year, the company has launched an energy project together with Italgen (Italmobiliare Group), which involves building a photovoltaic system of approximately 5 MW of installed power on the land next to the production plant in Borgonovo Val Tidone, which will satisfy most of the company's electricity and heat requirements. The authorisation process has been completed, work has begun, and the plant is expected to come into operation in 2025.

In 2024, the sector's performance was negatively affected by the persistence in Italy of the African Swine Fever virus, a serious disease that, after having affected wild boars, has spread to many pig farms. This phenomenon has led on the one hand to an increase in the price of pork meat, which was already very high at the beginning of the year and which further increased in the second half of the year, and on the other to growing difficulties in the process of obtaining raw materials. The emergency has negatively affected exports, following the bans on cross-border sales imposed on companies operating in areas affected by the virus.

Despite operating in this difficult market context, Capitelli recorded excellent performances during the year, with revenue of 23.2 million euro, up by 3.7% compared with 2023. The figure is even more positive if we consider that the Normal Trade channel recorded a general decline, whereas all of the company's core products (above all San Giovanni cooked ham) grew by 8.23%.

The gross operating profit came to 4.0 million euro, up 15.1% on last year. The profit margin on revenue has grown by approximately 2 percentage points, an excellent result despite an all-time high average cost (6.09 euro/kilo).

After amortisation and depreciation, which were more or less constant, the operating profit (EBIT) came to 2.8 million euro.

After the payment of taxes amounting to 0.8 million euro, up 16.6% compared to the previous year, Capitelli's net profit increased to 2.0 million euro.

Net divestments amounted to 0.1 million euro, driven by the sale of the previously mentioned photovoltaic plant to Italgas.

The net financial position at December 31, 2024 is positive for 0.4 million euro. Net of the payment of dividends of 2.5 million euro, cash generation is positive, equal to 2.8 million euro, also thanks to careful management of working capital.

LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

In the first few months of 2025, the African Swine Fever problem appears to be under control, with infections decreasing and meat prices falling, to the benefit of profit margins. Encouraging signs come from the results of the first few weeks of 2025, which show rising volumes.

General and governance information

REPORTING

ESRS 2 - General Information - Basis for preparation

The reporting includes performance, data and information on Capitelli with the same scope of consolidation of the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 - General information - Governance

ESRS G1 - Business conduct

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

Position	Name and Surname	Gender
Chairman	Angelo Capitelli	M
CEO	Marcello Balzarini	M
Director	Alberto Riboni	M

The Sole Auditor, who is independent, is male.

The Board of Directors, which also benefits from the presence of independent directors and directors representing the Holding, defines the strategic guidelines of the company and is responsible for its management with a view to sustainable success. It is vested with all powers of ordinary and extraordinary administration of the company, as all matters deriving from the law, the By-laws and the instructions received from the parent company fall under its remit.

Each Board of Directors meeting includes on its agenda an update on the progress of ESG action plans, which are defined and refined annually based on identified impacts, risks, and opportunities, as well as any other relevant considerations to implement a business strategy that is consistent with the company's Vision and Mission and aligned with the Italmobiliare Group's expectations, ensuring full integration of economic, governance, social, and environmental components. The annual ESG plans are monitored continuously by management and consolidated in monthly meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plans are included in the variable remuneration of the CEO and of top and middle managers.

In line with the approach of the Italmobiliare Group, Capitelli has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world's largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPs)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments shape the company's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, distributors, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with Capitelli in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The **Sustainability Policies** extend and integrate the Code of Ethics: the “Guiding Principles” are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The **Partnership Charter** aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

Capitelli adopts an **Organisation, Management and Control Model (Model 231)** which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents. The Supervisory Body, appointed with criteria of autonomy and independence, has been identified as the body for control activities, including the reception of whistleblowing reports.

The Code of Ethics, the Sustainability Policies, the Partnership Charter and the general part of the Model 231 are published on the Company's website.

More generally, Capitelli implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows for the identification, measurement, monitoring and management of risks. This approach also gives rise to the procedures and internal controls on integrated financial and sustainability reporting.

At an operational level, the **food safety management system (International Food Standard-IFS)** is another tool to ensure that activities are fully aligned with the Company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

Confirming the overall effectiveness of the integrity and compliance measures adopted, in 2024 there were no cases of corruption, anti-competitive behaviour or non-compliance with socio-economic and environmental regulations. The Supervisory Body has not received any reports of alleged illicit or anti-governance behaviour.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business conduct

With the Partnership Charter, an evolution of the previous Supplier Charter, Capitelli aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency.

This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Implementation requires additional steps to those already adopted on the basis of the previous charter according to a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Section 5 | PORTFOLIO COMPANIES

Suppliers	unit	2022	2023	2024
Number of active suppliers	#	396	353	275
Purchase of products and services		15.9	17.2	17.44
national suppliers	M€	15.7	17.1	17.43
foreign suppliers		0.2	0.1	0.01
Spending on local suppliers (headquarters on national territory)	%	99%	99%	99.95%

		2022	2023	2024
Environmental and social qualification	#	%	#	%
Suppliers assessed during the year according to environmental and social criteria	--	--	68 65%	48 67%

The procurement of quality pork constitutes over 60% of Capitelli's total spending, buying largely from national suppliers, chosen on the basis of quality and certified food safety standards.

Starting from 2020 the "Filiera Capitelli" project was launched in. In 2022, the **"Filiera Capitelli" Policy** was defined, with which Capitelli shares the highest ethical, social, environmental and animal welfare standards with all partners along the value chain, guaranteeing qualitative excellence and respect for the most advanced food safety standards. To this end, Capitelli intends to guide the active commitment of each partner with training, managerial and economic support, all essential conditions for obtaining a raw material that meets the quality standards sought for premium-range products. Thanks to this approach, Capitelli also intends to mitigate the dependence of farmers on consolidated market logics which require the adaptation of the offer to the trend in price lists, in favour of direct negotiation between the processing company, the farmers and the slaughterhouses. At the end of 2023 the **Supply Chain Disciplinary** has been defined, on the basis of which partners will increasingly be engaged.

OBJECTIVES

ESRS 2 - General information - Strategy










The table below outlines the key pillars of Capitelli's sustainability strategy and the corresponding medium-term objectives.

Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	75%	2027	--	--	--
Climate strategy	Validation of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	2025	--	--	✓ *
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	0	2025	16.5	33.9	52.2
Gender and human capital development	Training hours per employee	20	2027	20	8	8

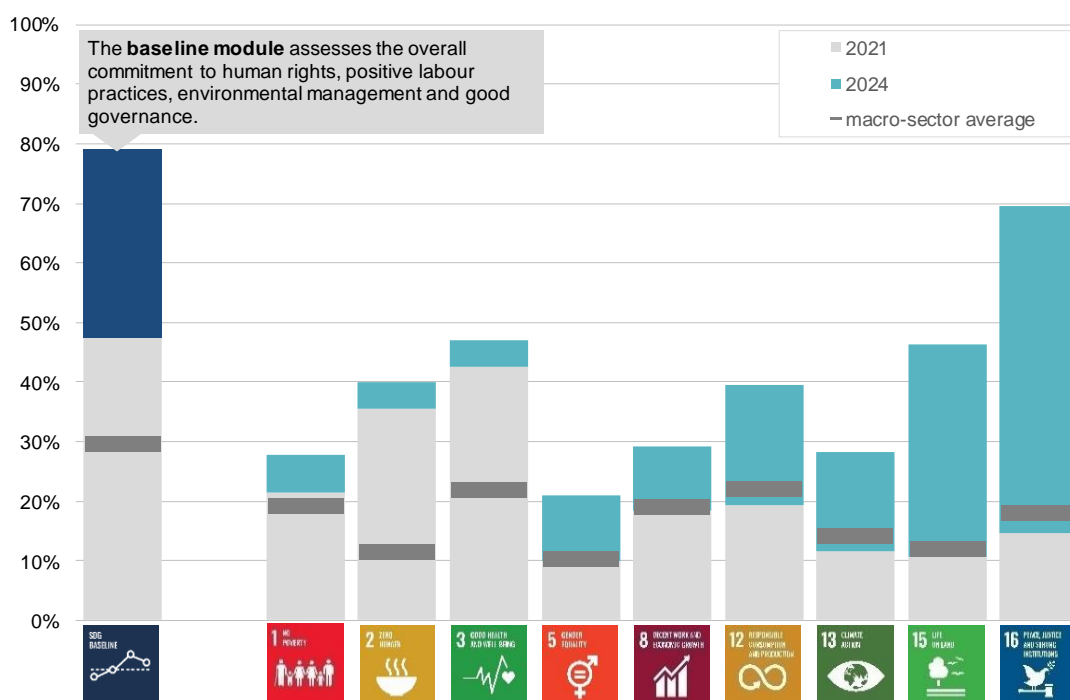
* Objectives validated by SBTi in March 2025. Details can be found in the "Low-Carbon Transition" section.

Furthermore, Capitelli integrates the Italmobiliare Group's sustainability strategy by adhering to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. Additionally, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

Capitelli: Commitment to the SDGs

Environment		Ensure sustainable production and consumption models..
		Promote actions at all levels to combat climate change
		Protect, restore and promote sustainable use of the earth's ecosystem.
Society		End hunger, achieve food security, improve nutrition, and promote sustainable agriculture.
		Ensure health and well-being for all at all ages.
		Achieve gender equality and empower all women and girls.
		Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance		Peace, justice, and strong institutions.
		Strengthen implementation means and revitalise the global partnership for sustainable development.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



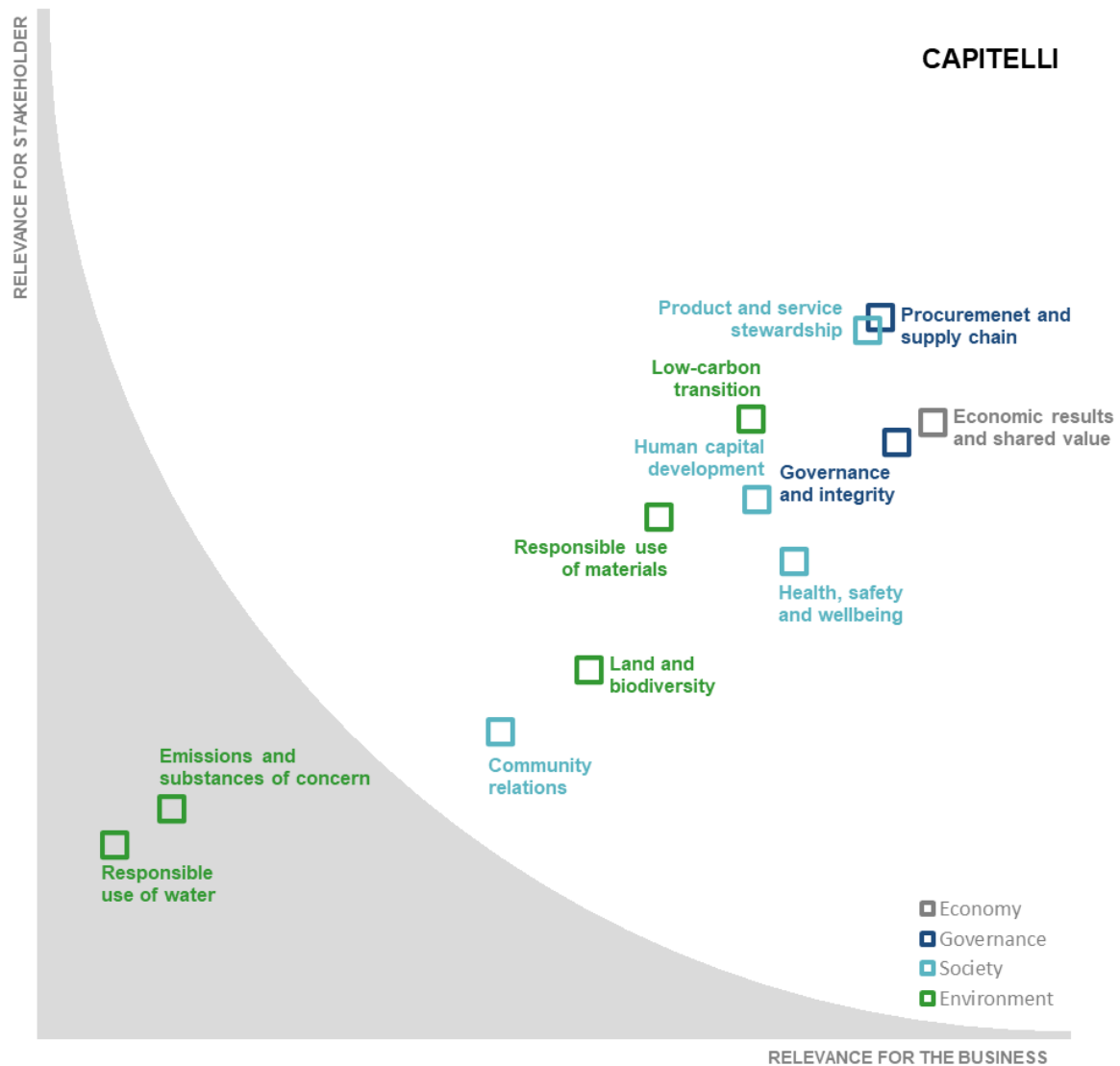
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas




In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and Positive ▲ Impacts	Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	M • Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance and integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	M • Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-compliance with human rights, labour rights and equal opportunities along the raw material supply chain, particularly the one for pork meat.	S • Sharing governance documents with all partners and stakeholders. • ESG pre-qualification and qualification of business partners. • Activation of a protected system of whistleblowing that is open to all stakeholders.
	▲ Sharing the highest operational standards, including animal welfare, with partners along the value chain.	S • Promotion of the Capitelli Supply Chain based on the supply chain protocol defined by Capitelli and aimed at innovation, sustainability and fair redistribution of economic value along the value chain.
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	S • Continuous and differentiated training for the various professional roles. • Short- and medium-term incentive plans. • Corporate welfare.
Health, safety and well-being	▼ Possibility of accidents at work that could cause injury.	S • Continuous promotion of a safety culture. • Safety audit
	▲ Duty of care towards employees, collaborators, visitors and any other person who accesses production sites and shops.	S
Product and service stewardship	▲ Safe products that can support sustainable choices for customers, consumers and users. ▲ Production and packaging based on the selection and responsible use of raw materials, ingredients and packaging, minimising food waste, promoting correct disposal and reducing the impact on the environment	S • Excellent food standards and production rule books • IFS certification • ESG pre-qualification and qualification of suppliers, with the inclusion of ESG clauses in contracts. • Eco-design of the packaging.
Low-carbon transition	▼ Greenhouse gas emissions along the entire value chain.	L • Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. • Adherence to the Science Based Targets initiative and definition of validated medium-term (2030) and net-zero (2050) reduction targets.
	▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement	M • Within the Capitelli Supply Chain, contracts with breeders to promote the concept of reducing their carbon footprint.

S = Short term M = Medium term L = Long term

	Risks ▼ and Opportunities ▲	Mitigations and initiatives adopted
Economic results and shared value	▼ The spread of swine fever in Italy may have repercussions on the price and availability of raw materials, as well as on consumption.	• Geographical diversification of pork supplies. • Increased storage capacity
	▲ Rising volumes thanks to the premium sector and an ESG strategy that meets the growing sensitivity of consumers to product sustainability, with a possible boost to volumes.	• Investment in human resources and in-house training. • Request to share objectives for strategic suppliers by supporting and stimulating activities.
Governance and integrity	▼ Partial implementation of the ESG strategy, also because of dependence on third parties	• Adhesion to SBTi (2024), target validation (2025) and ESG plans.
Procurement and supply chain	▼ Increased supply costs due to more stringent regulations, with a focus on decarbonisation: • Regulations relating to the protection of biodiversity/deforestation (EUDR for the origin of feed ingredients) • Packaging Regulations (PPWR) • Regulations relating to the value chain (CSDDD)	• Promotion and consolidation of the Capitelli Supply Chain. • ESG qualification of suppliers • SBTi implementation: decarbonised supply chain
Health, safety and well-being	▼ Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.	• Continuous promotion of a safety culture starting from visible and perceived leadership on the part of management. • Continuous safety training at all levels of the company. • Safety audit
Low-carbon transition	▼ Reduction in the availability of raw materials and increase in prices due to higher average temperatures and/or droughts caused by climate change.	• Geographical diversification of pork supplies. • Increased storage capacity
	▼ Growing sensitivity of distributors and consumers to the sustainability and carbon footprint of the product (pork meat) with possible effects on the volumes sold.	• SBTi implementation: decarbonised supply chain with focus on animal feed • Promotion and consolidation of the Capitelli Supply Chain. • Possibility of a gradual switch to single-material packaging, removing aluminium also for outsourcers.
	▲ Decarbonisation of production by maximising the use of renewable energy sources.	• Effective communication of the decarbonisation strategy and SBTi commitments. • New photovoltaic park (SUN Giovanni project), built by Italgas on adjacent land, with installed power capable of satisfying most of the plant's energy needs. The activity is coupled with the launch of a study to improve the efficiency of steam production and replace gas boilers with electric boilers.

 = positive outlook in the medium to long term.

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 Capitelli also joined the Science Based Targets initiative (SBTi). The identified objectives have been validated by the SBTi expert team. Capitelli has taken a commitment to mitigate the climate-altering effects of its activities along the entire value chain. selection and involvement of suppliers, streamlining of production processes and optimisation of logistics are key focus areas.

Since 2022, Capitelli has only been using renewable electricity, partially self-produced. In addition, an agreement has been reached with Italgas for the construction of a photovoltaic park adjacent to the Capitelli plant with a power of approximately 4 MW, capable of satisfying most of the company's electrical and thermal needs.

The following table shows details of the decarbonisation objectives validated by SBTi.

Objectives validated by SBTi

Scope	Objective	Status 2024
Scope 1+2 fuels and electricity	To reduce absolute Scope 1 and 2 emissions by 42% before the end of 2030 and by 90% before the end of 2050 compared with the base year 2023.	-44%
	To continue buying 100% renewable electricity every year until 2030	100%
Scope 3 Forest, Land and Agriculture (FLAG) emissions	To reduce absolute FLAG emissions by 30.3% before the end of 2030 and by 72% before the end of 2050 compared with the base year 2023.	-6%
Scope 3 non-FLAG emissions	To reduce absolute Scope 3 emissions by 42% before the end of 2030 and by 90% before the end of 2050 compared with the base year 2023.	-4%
Scope 1+2+3	To reach Net Zero emissions along the entire value chain by the end of 2050 .	-7%

The energy consumption and energy mix of Capitelli are shown in detail in the following table.

	unit	2022	2023	2024
Thermal energy consumption from fossil fuels		1,561	1,509	1,526
Natural gas		1,406	455	560
Diesel and LPG, for process		0	980	940
Automotive fuels		155	74	26
Thermal energy consumption from renewable sources		0	0	0
Biodiesel		0	0	0
Energy consumption from renewable sources		1,128	1,093	1,030
Hydroelectric	MWh	926	902	885
Solar		202	190	145
Wind		0	0	0
Other/Mix		0	0	0
Consumption of purchased renewable electricity		926	902	898
Consumption of self-produced renewable electricity		202	190	132
Total energy consumption		2,688	2,602	2,557
% of fossil fuels on total energy consumption		58%	58%	60%
% of renewable sources on total energy consumption		42%	42%	40%
Energy intensity	MWh / M€ Revenue	140	116	110
Electricity self-produced from renewable sources		204	192	134
Solar	MWh	204	192	134
Renewable electricity self-produced and fed into the grid		2	2	2

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. Capitelli adopts the “financial control” approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint	unit	2022	2023	2024
Market Based		25,593	28,863	26,958
Location based	t CO2e	25,899	29,162	27,345
Carbon Intensity - Market based		1,333	1,288	1,160
Carbon Intensity - Location based		1,349	1,301	1,177
Scope 1	t CO2e / M€ Revenue	19	27	15
Scope 2 - Location Based		16	13	17
Scope 2 - Market Based		0	0	0
Scope 3		1,314	1,261	1,146

Avoided emissions (location based)	unit	2022	2023	2024
Avoided emissions		1	1	1
From photovoltaic production fed into the grid	t CO2e	0.70	0.59	0.72

Carbon footprint Details*	unit	2022	2023	2024	2024
Carbon footprint - Market based	t CO2e	25,593	28,863	26,958	
Scope 3 - Upstream		25,226	27,969	26,273	97.5%
1 Purchased products and services		24,960	27,147	25,645	95.1%
of which FLAG		--	23,772	22,429	83.2%
2 Capital goods		--	197	42	
3 Fuel-and energy-related activities		74	63	63	0.2%
4 Upstream transportation and distribution		26	407	432	1.6%
5 Waste generated by the sites		165	121	50	0.2%
6 Business travel		0	7	3	0.0%
7 Employee commuting		0	28	38	0.1%
8 Upstream leased assets		--	--	--	
Scope 1	t CO2e	365	601	339	1.3%
Scope 2- Market Based		0	0	0	0.0%
Scope 2 - Location Based		306	299	387	
Scope 3 - Downstream		2	293	346	1.3%
9 Downstream transportation and distribution		--	165	225	
10 Processing of sold products		--	125	121	
11 Use of sold products		--	--	--	
12 End-of-life treatment of sold products		2	3	1	0.0%
13 Downstream leased assets		--	--	--	
14 Franchises		--	--	--	
15 Investments		--	--	--	

* The carbon footprints for 2022 and 2023 were refined during SBTi's validation process of decarbonisation targets.

In line with the Italmobiliare Group, Capitelli applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Physical climate risks are identified with respect to the “Current Policies” scenario, again as defined by the NGFS (Network for Greening the Financial System).

Section 5 | PORTFOLIO COMPANIES

RESPONSIBLE USE OF WATER

ESRS E3 - Water and marine resources

The water from internal wells is used mainly for the daily sanitisation of the factory. Capitelli is also well aware that its supply chain has a significant water footprint.

Water balance	unit	2022	2023	2024
Withdrawals		14,365	14,335	13,928
Surface water		0	0	0
Groundwater		14,365	14,335	13,928
Aqueduct		0	0	0
of which in water stressed areas		0	0	0
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		0	0	0
Water discharge	m³	13,842	13,813	12,844
Surface water		13,398	13,370	12,403
Groundwater		0	0	0
Sewage		444	443	441
of which in water stressed areas		0	0	0
Surface water		0	0	0
Groundwater		0	0	0
Sewage		0	0	0
Water consumption		523	522	1,084
of which in water stressed areas		0	0	0
Intensity	m³ / M€ Revenue	27	23	47

RESPONSIBLE USE OF MATERIALS

ESRS E5 - Resource use and circular economy

In addition to pork legs, Capitelli consumes packaging materials, during cooking and pasteurisation, as well as during moulding and packing. Trimmings, bones, fat and gelatine are entrusted to specialist operators for direct commercial use or for transformation into animal feed, for the chemical industry, for the production of biofuels and for the production of fertilizers.

For the “out of mould” cooking and pasteurisation of the legs, bags made of temperature-resistant polymeric materials are required, currently available only in virgin material and not recyclable except as energy recovery.

Capitelli's finished products are packaged in bags made of poly laminates in virgin materials, which can be sent for material recovery after differentiation or for energy recovery. The packaged products are delivered to the carrier in FSC MIX certified cardboard packaging, which is partially recycled and fully recyclable.

Main Resource Inflows

Biological origin	unit	2022	2023	2024
Process materials				
Pork meat	t	1,951	2,017	1,999
Other ingredients		93	97	115
Packaging materials				
Paper and cardboard *	t	78	84	83
Extractive or fossil origin				
Process materials				
Plastic for production	t	0	4	6
Packaging materials				
Aluminium	t	1	1	1
Plastic		16	16	17

* May contain fractions originating from by-products or waste streams.

Resource Inflows	2022		2023		2024	
	t	%	t	%	t	%
Production materials, semifinished goods and ancillaries	2,044		2,119		2,120	
of which recycled	0	0%	0	0%	0	0%
Renewable or organic	1,951	95%	2,115	100%	2,114	100%
of which recycled	0	0%	0	0%	0	0%
Non-renewable or technical	93	5%	4	0%	6	0%
of which recycled	0	0%	0	0%	0	0%
Packaging materials	95		101		101	
of which recycled	56	58%	0	0%	68	67%
Renewable or organic	78	82%	84	83%	83	82%
of which recycled	55	70%	0	0%	67	81%
Non-renewable or technical	17	18%	17	17%	19	18%
of which recycled	1	6%	0	0%	1	4%
Total materials	2,140		2,220		2,221	
of which recycled	56	3%	0	0%	68	3%
Renewable or organic	2,029	95%	2,198	99%	2,197	99%
of which recycled	55	3%	0	0%	67	3%
of which from sustainable supply chain	78	4%	84	4%	83	4%
Non-renewable or technical	110	5%	21	1%	24	1%
of which recycled	1	1%	0	0%	1	3%

Capitelli does not generate hazardous waste.

Resource Outflows	2022		2023		2024	
	t	%	t	%	t	%
Total waste	264		847		715	
Recycled	--	--	83	9.8%	0	0.0%
Non-recycled	--	--	764	90.2%	715	100.0%
Non-hazardous waste	264	100%	847	100%	715	100%
Recycled	--	--	83	9.8%	0	0.0%
Non-recycled	--	--	764	90.2%	715	100.0%

Resource Outflows	unit	2022		2023		2024	
Non-hazardous		-	847		715		
Material recovery		-	773		618		
Recycling (R3; R4; R5)		-	83		0		
of which composting (R3)		-	83		0		
of which other forms of recycling (R4; R5)		-	0		0		
Preparation for re-use (R2; R6; R9)	t	-	0		0		
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		-	607		618		
Disposal		-	157		97		
Landfill (D1)		-	0		0		
Incineration (D10; D11)		-	4		9		
Other disposal operations (D2-D9; D12-D15)		-	153		88		

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own workforce

Capitelli benefits from the value of 37 specialised and motivated people, by choice mainly from the local area, including a fair number of non-EU citizens. A significant use of non-employee workers was made. In 2023, they were 64, mostly agents.

An incentive system is active, anchored to an assessment of performance at company, function/area and individual level. The results obtained by the figures with organisational responsibilities include qualitative parameters regarding food safety and sustainability, based on a model which is currently under development.

	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	11	34	45	9	33	42	9	28	37
Managers	0	1	1	0	1	1	0	1	1
Middle managers	0	0	0	0	1	1	0	1	1
Office workers	8	3	11	9	3	12	9	3	12
Production workers	3	30	33	0	28	28	0	23	23
Turnover	--	--	-2	--	--	-3	--	--	-5
+ Hirings	--	--	8	--	--	6	--	--	4
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	1	--	--	2	--	--	5
- Non-voluntary exits	--	--	9	--	--	7	--	--	4
- Divestments	--	--	0	--	--	0	--	--	0
% contract: permanent	73%	74%	73%	100%	79%	83%	100%	96%	97%
% contract: full time	45%	79%	71%	67%	85%	81%	67%	93%	86%
Training									
Hours per capita	17	21	20	11	7	8	16	6	8
Managers	--	13	13	--	17	17	--	17	17
Middle managers	--	--	--	--	22	22	--	22	22
Office workers	23	54	31	11	5	10	16	9	14
Production workers	--	18	17	--	7	7	--	4	4
% hours of voluntary training	--	--	--	75%	29%	42%	63%	30%	46%
Managers	--	--	--	--	100%	100%	--	100%	100%
Middle managers	--	--	--	--	70%	70%	--	91%	91%
Office workers	--	--	--	75%	86%	76%	63%	33%	59%
Production workers	--	--	--	--	13%	13%	--	2%	2%
% with at least one training session	--	--	--	75%	79%	78%	70%	75%	74%
Managers	--	--	--	--	100%	100%	--	100%	100%
Middle managers	--	--	--	--	100%	100%	--	100%	100%
Office workers	--	--	--	100%	100%	100%	78%	67%	75%
Production workers	--	--	--	0%	76%	69%	--	74%	72%
% with performance appraisal	73%	82%	80%	100%	85%	88%	100%	100%	100%
Managers	--	100%	100%	--	100%	100%	--	100%	100%
Middle managers	--	--	--	--	100%	100%	--	100%	100%
Office workers	100%	100%	100%	100%	100%	100%	100%	100%	100%
Production workers	--	80%	73%	--	82%	82%	--	100%	100%

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2022	2023	2024
Gender pay gap			
<i>Difference between women's and men's average pay compared with men's average pay</i>	10%	28%	8%
Managers	--	--	--
Middle managers	--	--	--
Office workers	18%	-5%	-16%
Production workers	--	--	--

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

Capitelli promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. The use of cutting tools, potentially slippery surfaces, interaction between people and moving vehicles and process machines with moving mechanical parts are the prevailing risk conditions identified. A dedicated internal structure, the presence of the company doctor and the formal involvement of the social partners constitute the reference organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

In line with the Sustainability Policies adopted, Capitelli intends to develop the management method, finding a foundation in the managerial leadership that supports the motivational elements, the organisational structures and the necessary operational tools, such as risk assessment and the analysis of accidental events. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

	2022			2023			2024		
Injuries	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	--	--	1	0	2	2	0	3	3
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	1	0	2	2	0	3	3
Lost days	--	--	8	0	62	62	0	40	40
Frequency rate	--	--	16.5	0.0	42.3	33.9	0.0	66.8	52.2
Severity rate	--	--	0.1	--	--	1.1	--	--	0.7
Non-Employees	--	--	0	0	0	0	0	0	0
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	--	0	0	0	0	0	0
Frequency rate	--	--	--	--	0	0	--	0	0

In order to improve well-being, a reorganization of the office spaces has begun, and construction work is scheduled for the expansion of the changing rooms.

PRODUCT STEWARDSHIP

ESRS S4 - Consumers and end-users

The ultimate goal of Capitelli's entire business is quality excellence, repeatedly appreciated by the market. Also in 2024, the "San Giovanni" cooked ham was confirmed with the assignment of five pins by the Guide to Salumi d'Italia de L'Espresso, the only cooked ham in Italy to obtain this result since the first edition. These awards are the result of careful research conducted in the field since the foundation of the company by Angelo Capitelli, starting from the rediscovery of traditional processing methods to pursue a progressive refinement of the individual phases.

The sustainable value of the products arises from the supply chain, with responsible choices for procurement that will be further consolidated with the full implementation of the "Capitelli Supply Chain". It continues with initiatives aimed at reducing the environmental footprint of production, from renewable energy to the search for business partners for the enhancement of processing waste. In addition, thanks to the close relationship with suppliers, Capitelli monitors the technological opportunities for the introduction of recycled and recyclable packaging and subsidiary materials.

For Capitelli, the pursuit of qualitative excellence is inextricably combined with compliance with the highest food safety standards.

The main suppliers of pork used by the company have certifications in the field of food safety (BRC / IFS). Capitelli obtained in 2023 certification in accordance with the IFS standard – International Food Standard and planned the necessary adjustments. Compliance with the HACCP system of the individual processing stages carried out in the plant is ensured by analytical plans for controlling the physical, chemical and biological characteristics of the meat and by the bimonthly carrying out of sample analyses on the finished product by an external analysis laboratory. Furthermore, every two months, analyses are carried out on incoming meat samples and swabs on processing surfaces, cold rooms and technical equipment. For the "San Giovanni" terracotta line, an additional analysis of sample unit for the search for bacteria and pathogens is also provided on a six-monthly basis, as well as checks for determining the nitrite and nitrate content. The pork legs are subjected to pasteurization, ensuring a better shelf life.

In addition to direct production, for a marginal portion of its business volume, Capitelli distributes national cured meats made by selected producers and with the highest guarantees of quality and food safety.

The company actively participates in the audits carried out periodically by large-scale distribution chains, whose specific evaluation parameters are integrated from time to time into the HACCP self-control protocol. In order to ensure greater control of the distribution phase, the company has introduced a digital system that allows timely tracking of batches.

Callmewine

(80.72% INTEREST
THROUGH FT3 S.r.l.)



Highlights



REVENUE
11.6 mn €
(13.5 mn € in 2023)



26
PEOPLE
(23 in 2023)



**Carbon
Neutral**
SINCE 2023



LABELS
10,000



SUSTAINABILITY IN THE
CHOICE OF WINERIES
+1,700
Organic, certified
biodynamic and craft wines



100%
RECYCLABLE PACKAGING



BOTTLES SOLD
700,000



ACTIVE SALES AREAS
4
Italy, France, Germany,
United Kingdom



~500
TRAINING HOURS
(84% non-mandatory)

Strategic Objectives



To consolidate the company's positioning as a reference website in Italy for the purchase of wine and spirits for sommeliers and enthusiasts.



To leverage new technologies and AI to offer innovative and personalised services, improving customers' shopping experience.



To ensure a wide selection of wines with a rising share of artisanal and more sustainable products.

Profile

THE COMPANY

Founded in 2010 and controlled by Italmobiliare since 2020, Callmewine is an e-commerce platform that specialises in the sale of wines and spirits, positioning itself among the market leaders in Italy. Its extensive catalogue includes over 10,000 labels, ranging from the big names on the global wine scene to small producers, from spirits from the best-known brands to more niche ones, up to a selection of sought-after products such as kombucha, non-alcoholic re-fermented beverages, sake, olive oil, and soft drinks.

Callmewine's wide and varied selection aims to have a "bottle for everyone", guiding users in a conscious choice without disorienting them, just like a real "personal sommelier" would do. This ambition has led to the creation of "Sparkly", a virtual sommelier, powered by Artificial Intelligence, who helps customers navigate the vast Callmewine catalogue, ensuring a personalised, fluid and intuitive purchasing experience at all times.

The Callmewine website is aimed at a broad audience, offering rich and engaging content, written by a team of young sommeliers and food and wine enthusiasts. The product data sheets are detailed, but informal in tone, especially for artisanal wines, where the emphasis is more on the producers' human aspects. Ample space is in fact given to the cellars, which the Callmewine experts describe through anecdotes linked to their history, terroir, the owners, their philosophy and the production processes that they have adopted.

RECENT DEVELOPMENTS

Thanks to a combination of digital skills and a profound knowledge of Italian excellence in the wine sector, Callmewine has grown to become one of the main, best-known Italian platforms for the online sale of wine. The company became part of the Italmobiliare Group at the end of 2020, coinciding with the significant changes in purchasing and consumption methods introduced during the Covid lockdown, when online wine sales showed a strong growth potential. Italmobiliare initiated a solid path of sustainable development, accompanying the company in a programme of managerialisation and organisational evolution, professionalising what at the time was still a start-up.

A pillar of the company's business development plan was the evolution of its online platform and IT systems. The workforce has been strengthened with advanced IT skills, which have enabled the migration from the old, non-scalable proprietary platform to the world's leading e-commerce platform, which allows for extreme customisation and maximum flexibility of use. In 2023, the new Callmewine web portal and app were launched. The digital ecosystem thus constructed integrates the most innovative technologies of user experience and user interface with content produced by Callmewine's personal sommeliers. This path has also allowed us to invest in artificial intelligence, giving life in 2024 to "Sparkly", the virtual personal sommelier who supports customers' choices by taking into account their tastes and specific needs, further improving the browsing experience.

To distinguish itself even more from its competitors, Callmewine has expanded its selection of natural producers, who do not use pesticides, systemic or cryptogamic treatments and generally not even adjuvants in the cellar, and has added more and more labels from all over the world to its catalogue. The company has also started collaborating with a number of high-quality, but still little-known artisanal wineries, promoting and marketing them exclusively on the Callmewine portal. Thanks to new packaging, numerous initiatives adopted to mitigate the environmental footprint and offsetting any residual CO2 emissions, Callmewine was one of the first Italian e-commerce portals to reach carbon neutrality in early 2023.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	11.6	13.5	(14.5)
Gross operating profit (EBITDA)	(2.2)	(1.8)	(24.0)
% of revenue	(19.3)	(13.3)	
Amortisation and depreciation	(0.6)	(0.5)	
Impairment losses on non-current assets	0.0	0.0	
Operating profit (EBIT)	(2.8)	(2.3)	(27.3)
% of revenue	(24.6)	(17.0)	
Net finance income (costs)	(0.1)	0.0	
Profit/(loss) before tax	(2.9)	(2.3)	(26.5)
% of revenue	(25.4)	(17.0)	
Income tax	0.7	0.6	
Profit/(loss) for the period	(2.3)	(1.7)	(29.5)

The figures refer to the consolidation of Callmewine and Callmewine UK and do not include the vehicle FT3 S.r.l.

(in millions of euro)	December 31, 2024	December 31, 2023
Cash flows from investing activities	0.6	1.2
Free Cash Flow	(1.8)	(2.2)
Net financial position	(1.4)	(1.1)
Total equity	0.1	1.0
Employees (headcount) at the end of the year	26	23

2024 was characterised by continuation of the extreme uncertainty that hit the Wine & Spirits sector, in particular the e-commerce vertical related to wine. In a shrinking market, Callmewine recorded revenue in 2024 of 11.6 million euro, down by 14.5% on the previous year, but with a fourth quarter that improved compared with the trend seen in previous months.

At gross operating level, the result was negative for 2.2 million euro, lower than the previous year. It should be remembered that during the year the company incurred non-recurring costs for 0.2 million euro; neutralising this impact the contraction comes to 11%.

Taking into account amortisation and depreciation of 0.6 million euro, substantially in line with 2023, the operating result is negative for 2.8 million euro.

Taxes are positive for 0.7 million euro due to the effect of joining the Italmobiliare Group's tax consolidation. The net loss for 2024 therefore comes to 2.3 million euro.

The net financial position at December 31, 2024 is negative by 1.4 million euro, with a negative cash generation during the period of 1.8 million euro. Bear in mind that Callmewine carried out an increase in capital of 1.2 million during the year. Moreover, in the first half of the year, management finalised its entry into the company's capital. As a result of both these operations, Italmobiliare's interest rose slightly to 80.717%.

LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

The 2025 forecast is characterised by the persistence of the uncertainty that has affected the market in recent years. In terms of margins, the company is planning to take measures designed to contain fixed costs.

General and governance information

REPORTING

ESRS 2 - General information - Basis for preparation

The reporting includes performance, data and information on the holding company Callmewine and its subsidiary in the UK, as consolidated in the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 – General information - Governance

ESRS G1 – Business conduct

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

Position	Name and Surname	Gender
Chairman	Roberto Pesenti	M
CEO	Mario Lanzarone	M
Director	Alice Ghezzi	F
Director	Alberto Riboni	M
Director	Paolo Vittorio Zanetti	M

The Board of Directors, which also benefits from the presence of independent directors and directors representing the Holding, defines the strategic guidelines of the company and is responsible for its management with a view to sustainable success. It is vested with all powers of ordinary and extraordinary administration of the company, as all matters deriving from the law, the By-laws and the instructions received from the parent company fall under its remit.

Each Board of Directors meeting includes on its agenda an update on the progress of ESG action plans, which are defined and refined annually based on identified impacts, risks, and opportunities, as well as any other relevant considerations to implement a business strategy that is consistent with the company's Vision and Mission and aligned with the Italmobiliare Group's expectations, ensuring full integration of economic, governance, social, and environmental components. The annual ESG plans are monitored continuously by management and consolidated in monthly meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plans are included in the variable remuneration of the CEO and of top and middle managers.

In line with the approach of the Italmobiliare Group, Callmewine has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world's largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPs)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments shape the company's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, distributors, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with Callmewine in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers

have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The **Sustainability Policies** extend and integrate the Code of Ethics: the “Guiding Principles” are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The **Partnership Charter** aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

Callmewine adopts an **Organisation, Management and Control Model (Model 231)** which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents. The Supervisory Body, appointed with criteria of autonomy and independence, has been identified as the body for control activities, including the reception of whistleblowing reports.

The Code of Ethics, the Sustainability Policies, the Partnership Charter and the general part of the Model 231 are published on the company's website.

More generally, Callmewine implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows for the identification, measurement, monitoring and management of risks. This approach also gives rise to the procedures and internal controls on integrated financial and sustainability reporting.

At an operational level, the **management procedures** adopted are another tool to ensure that activities are fully aligned with the company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

Confirming the overall effectiveness of the integrity and compliance measures adopted, in 2024 there were no cases of corruption, anti-competitive behaviour or non-compliance with socio-economic and environmental regulations. The Supervisory Body has not received any reports of alleged illicit or anti-governance behaviour.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business conduct

The company purchases products, primarily wines, from selected suppliers through strong personal relationships, making them available for purchase on its online platform. A third-party logistics system ensures retail delivery within the timeframes specified at the time of purchase.

With the Partnership Charter, an evolution of the previous Supplier Charter, Callmewine aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency.

This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Implementation requires additional steps to those already adopted on the basis of the previous charter according to a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Suppliers	units	2022	2023	2024
Number of active suppliers	#	798	851	619
Purchase of products and services		11.4	11.5	7.4
national suppliers	M€	11.1	11.1	6.9
foreign suppliers		0.4	0.5	0.5
Spending on local suppliers (headquarters on national territory)	%	97%	96%	93%

		2022	2023	2024
Environmental and social qualification	#	%	#	%
Suppliers assessed during the year according to environmental and social criteria	--	--	227 68%	0 0%

OBJECTIVES

ESRS 2 - General information - Strategy

The table below outlines the key pillars of Callmewine's sustainability strategy and the corresponding medium-term objectives.

Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	75%	2027	--	--	--
Climate strategy	Validation of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	2025	--	--	✓ *
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	0	2025	0.0	0.0	0.0
Gender and human capital development	Training hours per employee	40	2027	30	20	19

* Objectives under internal validation. Details can be found in the "Low-Carbon Transition" section.

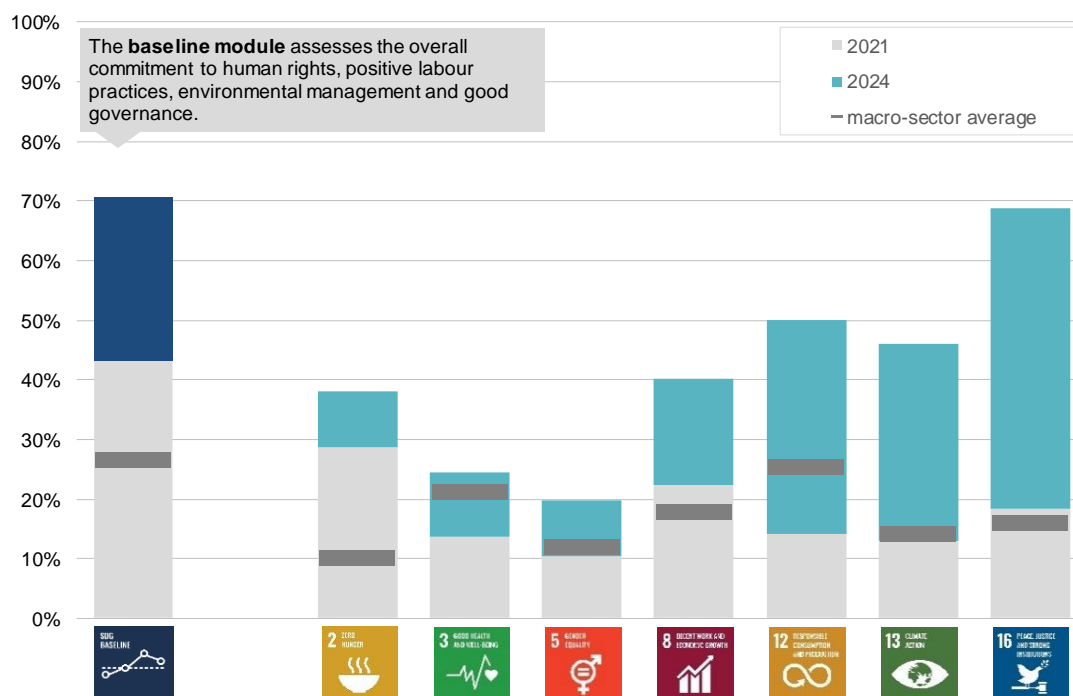
Section 5 | PORTFOLIO COMPANIES

Furthermore, Callmewine integrates the Italmobiliare Group's sustainability strategy by adhering to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. Additionally, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

Callmewine: Commitment to the SDGs

Environment		Ensure sustainable production and consumption models.
		Promote actions at all levels to combat climate change
		Protect, restore and promote sustainable use of the earth's ecosystem.
Society		End hunger, achieve food security, improve nutrition, and promote sustainable agriculture.
		Ensure health and well-being for all at all ages.
		Achieve gender equality and empower all women and girls.
		Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance		Peace, justice, and strong institutions.
		Strengthen implementation means and revitalise the global partnership for sustainable development.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



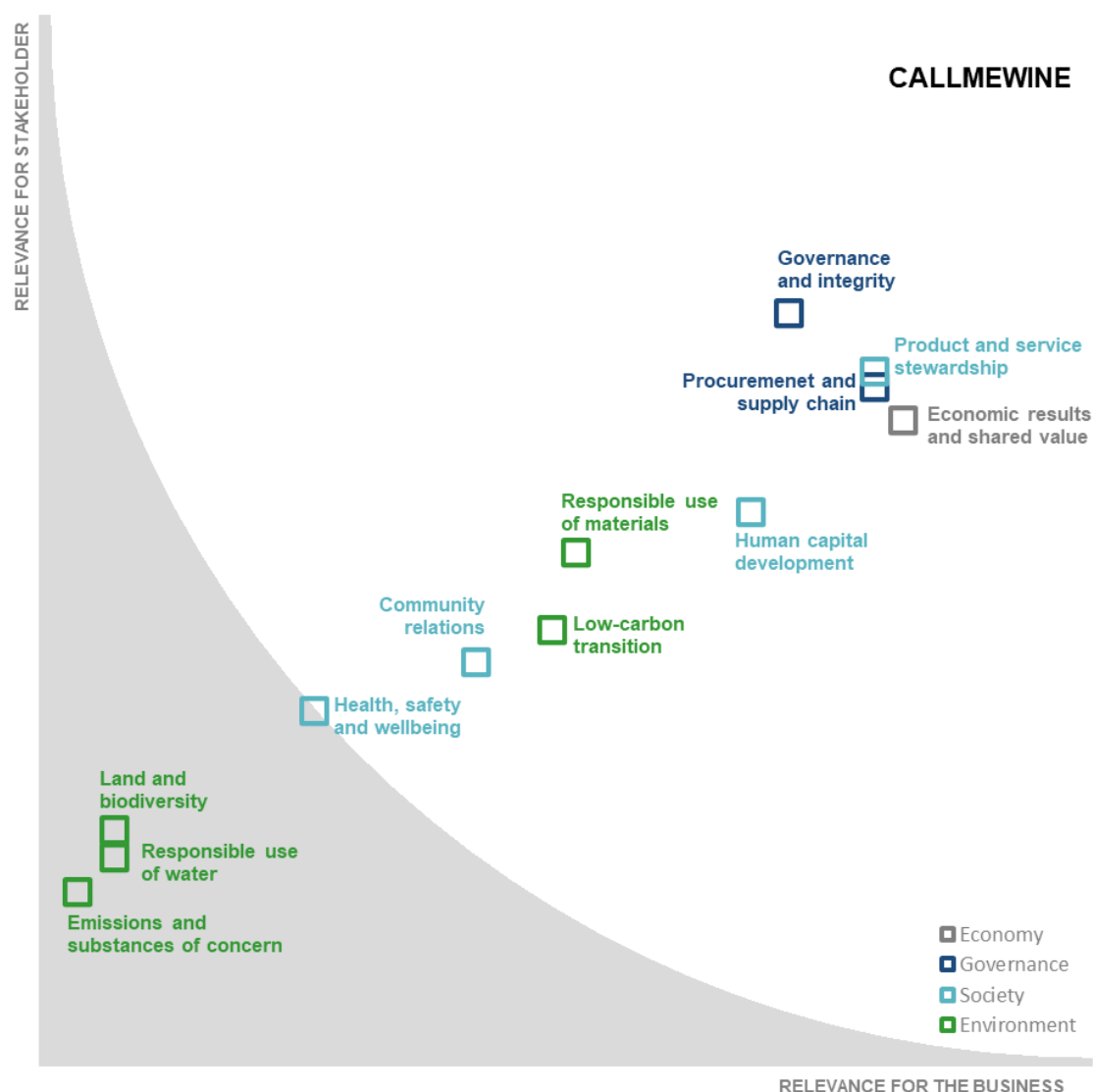
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas





Section 5 | PORTFOLIO COMPANIES

In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and Positive ▲ Impacts	Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	M • Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance and integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	M • Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-compliance with human rights, labour rights and equal opportunities along the raw material supply chain, particularly the agri-food one.	S • Activation of a protected system of whistleblowing that is open to all stakeholders.
	▲ Supply chain that respects the basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities for everyone.	M • Sharing governance documents with all partners and stakeholders.
	▲ Development of supply chain contracts aimed at promoting correct product enhancement	M • ESG pre-qualification and qualification of business partners.
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	S • Exclusive contracts with wineries.
Health, safety and well-being	▼ Possibility of accidents at work that could cause injury.	S • Organisation of Supplier Day to promote sustainable practices in the value chain.
	▲ Duty of care towards employees, collaborators, visitors and anyone else who enters the premises.	S • Continuous and differentiated training for the various professional roles.
Product and service stewardship	▲ Marketing of new lines of safe products to help customers, consumers and users make sustainable choices.	S • Short- and medium-term incentive plans.
Responsible use of materials	▲ Packaging design and logistics organisation with material selection aimed at minimising the use of materials, selecting more sustainable last mile logistics materials and carriers.	S • Corporate welfare.
Low-carbon transition	▼ Greenhouse gas emissions along the entire value chain.	S • Carbon neutrality since 2023 thanks to decarbonisation initiatives and carbon credits.
	▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement	S • List with a wide choice of organic, biodynamic and artisanal wines in general.

S = Short term M = Medium term L = Long term

	Risks ▼ and Opportunities ▲	Mitigations and initiatives adopted
Economic results and shared value	▼ Risk of no growth in customer consumption, in a context of evolving business dynamics.	• Continuous monitoring of the market with on-going work on positioning and diversification.
	▼ High competition on margins due to low barriers to entry.	• Building customer loyalty and customer experience.
	▼ Cash absorption with liquidity stress.	• Development of the B2B channel
	▲ Growth of the e-commerce segment for wine.	• Geographical diversification.
Procurement and supply chain	▼ Risk of delays and quality of service not in line with company standards for services entrusted to third parties (warehouse, transport).	• Parent Company support through financing and/or increases in capital.
Health, safety and well-being	▼ Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.	• Careful management of working capital.
Low-carbon transition	▲ Evolution of primary packaging, managed by suppliers, and above all secondary packaging, managed directly, in line with regulations and market trends.	• Going upstream in the supply chain, through the stipulation of purchase contracts directly with the wineries.
		• Increased importance of products sold exclusively on the Callmewine platform, with less pressure on pricing.

  = positive / negative outlook in the medium to long term.

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 Callmewine also joined the Science Based Targets initiative (SBTi) and set targets aligned with the criteria of this commitment.

Callmewine has taken a commitment to mitigate the climate-altering effects of its activities along the entire value chain. Supplier selection and engagement, packaging eco-design and logistics optimisation are the areas of greatest attention.

Since 2022, Callmewine has exclusively relied on renewable electricity. Since 2023, also the warehouse leasing responsible for the storage and shipping of commercial products exclusively relies on renewable electricity.

Since 2023, anticipating its SBTi commitment, Callmewine is a carbon neutral company, having purchased CO₂ credits for a total of 3000 tons to offset the entire carbon footprint at least for the next two years. The credits derive from a project developed in Ethiopia by the Italian NGO COOPI in collaboration with Carbonsink. The project involves the construction of solar energy systems for the supply of safe drinking water for domestic use, with positive effects on hygienic, social, economic and environmental conditions.

The following table shows details of the defined decarbonisation objectives.

Objectives defined in accordance with SBTi criteria

Scope	Objective	Status 2024
Scope 1+2 fuels and electricity	To reduce absolute Scope 1 and 2 emissions by 42% before the end of 2030 and by 90% before the end of 2050 compared with the base year 2023.	+10%
	To continue buying 100% renewable electricity every year until 2030	100%
Scope 3	To reduce absolute Scope 3 emissions by 42% before the end of 2030 and by 90% before the end of 2050 compared with the base year 2023.	-24%
Scope 1+2+3	To reach Net Zero emissions along the entire value chain by the end of 2050.	-23%

The energy consumption and energy mix of Callmewine are shown in detail in the following table.

	unit	2022	2023	2024
Thermal energy consumption from fossil fuels		0	19	21
Natural gas		0	0	0
Diesel and LPG, for process		0	0	0
Automotive fuels		0	19	21
Thermal energy consumption from renewable sources		0	0	0
Biodiesel		0	0	0
Energy consumption from renewable sources		6	8	9
Hydroelectric	MWh	6	8	9
Solar		0	0	0
Wind		0	0	0
Other/Mix		0	0	0
Consumption of purchased renewable electricity		6	8	9
Consumption of self-produced renewable electricity		0	0	0
Total energy consumption		6	27	30
% of fossil fuels on total energy consumption		0%	71%	69%
% of renewable sources on total energy consumption		100%	29%	31%
Energy intensity	MWh / M€ Revenue	0	2	3
Electricity self-produced from renewable sources		0	0	0
Solar	MWh	0	0	0
Renewable electricity self-produced and fed into the grid		0	0	0

Section 5 | PORTFOLIO COMPANIES

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. To consolidate its subsidiary, Callmewine adopts the “financial control” approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint*	unit	2022	2023	2024
Market Based		1,003	964	739
Location based	t CO ₂ e	1,004	967	743
Carbon Intensity - Market based		62	70	64
Carbon Intensity - Location based		62	71	64
Scope 1	t CO ₂ e / M€ Revenue	0	0	0
Scope 2 - Location Based		0	0	0
Scope 2 - Market Based		0	0	0
Scope 3		62	70	63

Carbon footprint Details*	unit	2022	2023	2024	2024
Carbon footprint - Market based	t CO ₂ e	1,003	964	739	
Scope 3 - Upstream		964	917	710	96.1%
1 Purchased products and services		963	783	645	87.4%
2 Capital goods		--	--	--	
3 Fuel-and energy-related activities		--	1	1	0.2%
4 Upstream transportation and distribution		--	126	55	7.5%
5 Waste generated by the sites		--	--	--	
6 Business travel		1	2	1	0.1%
7 Employee commuting		--	3	6	0.8%
8 Upstream leased assets		0	1	1	0.2%
Scope 1		0	5	5	0.7%
Scope 2- Market Based	t CO ₂ e	0	0	0	0.0%
Scope 2 - Location Based		2	3	4	
Scope 3 - Downstream		39	43	24	3.2%
9 Downstream transportation and distribution		21	28	21	2.8%
10 Processing of sold products		--	--	--	
11 Use of sold products		--	--	--	
12 End-of-life treatment of sold products		18	15	3	0.4%
13 Downstream leased assets		--	--	--	
14 Franchises		--	--	--	
15 Investments		--	--	--	

* The carbon footprints for 2022 and 2023 were refined during SBTi's validation process of decarbonisation targets.

In line with the Italmobiliare Group, Callmewine applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Physical climate risks are identified with respect to the “Current Policies” scenario, again as defined by the NGFS (Network for Greening the Financial System).

RESPONSIBLE USE OF MATERIALS

ESRS E5 - Resource use and circular economy

Callmewine pays particular attention to packaging, using exclusively cardboard, and no polystyrene or other plastics. In 2024, 86 tons of cardboard packaging were used, of which 100% comes from recycling.

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own workforce

Callmewine benefits from the value of 23 motivated and specialised people. Direct employees are covered by a collective bargaining agreement. 25% of managerial positions are occupied by women.

A performance appraisal system including top levels and key people has been adopted, also aimed at increasing the level of *attraction* and *retention*. A corporate welfare plan introduced in 2021 allows each employee to take advantage of the bonus linked to company results on the DoubleYou platform. Furthermore, employees benefit from special discounts on the purchase of company products. The possibility to do *remote working* once a week has been regulated in 2023. Furthermore, to facilitate off-site workers, during the summer break workers can decide to anticipate or postpone the holiday period with one week of *remote working*.

	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	10	11	21	11	11	22	11	15	26
Managers	0	1	1	0	1	1	0	1	1
Middle managers	1	3	4	1	2	3	1	2	3
Office workers	9	7	16	10	8	18	10	12	22
Turnover	--	--	8	--	--	1	--	--	4
+ Hirings	--	--	10	--	--	5	--	--	12
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	1	--	--	3	--	--	7
- Non-voluntary exits	--	--	1	--	--	1	--	--	1
- Divestments	--	--	0	--	--	0	--	--	0
% contract: permanent	50%	100%	76%	55%	100%	77%	73%	93%	85%
% contract: full time	100%	100%	100%	100%	100%	100%	100%	100%	100%
Training									
Hours per capita	39	21	30	28	11	20	22	18	19
Managers	--	19	19	--	8	8	--	16	16
Middle managers	25	19	20	14	20	18	17	1	6
Office workers	41	22	33	29	10	21	22	21	21
% hours of voluntary training	--	--	--	56%	94%	66%	70%	97%	84%
Managers	--	--	--	--	100%	100%	--	100%	100%
Middle managers	--	--	--	100%	100%	100%	100%	100%	100%
Office workers	--	--	--	54%	90%	60%	68%	97%	83%
% with at least one training session	--	--	--	100%	100%	100%	81%	72%	76%
Managers	--	--	--	--	100%	100%	--	100%	100%
Middle managers	--	--	--	100%	100%	100%	100%	100%	100%
Office workers	--	--	--	100%	100%	100%	86%	83%	85%
% with performance appraisal	10%	36%	24%	45%	64%	55%	9%	13%	12%
Managers	--	100%	100%	--	100%	100%	--	0%	0%
Middle managers	100%	100%	100%	100%	100%	100%	100%	100%	100%
Office workers	0%	0%	0%	40%	50%	44%	0%	0%	0%

Section 5 | PORTFOLIO COMPANIES

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2022	2023	2024
Gender pay gap	47%	47%	13%
<i>Difference between women's and men's average pay compared with men's average pay</i>			
<i>Managers</i>	--	--	--
<i>Middle managers</i>	21%	21%	3%
<i>Office workers</i>	17%	24%	4%

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

Callmewine promotes the health, safety and wellbeing of all employees, creating and maintaining safe offices and other workplaces as an essential condition for the professional growth and enhancement of its resources.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. A dedicated professional contact, the presence of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

Also in 2024, there have been no accidents of any kind to employees or non-employee workers.

	2022			2023			2024		
Injuries	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	--	--	0	0	0	0	0	0	0
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	0	0	0	0	0	0	0
Frequency rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Severity rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00

PRODUCT STEWARDSHIP

ESRS S4 - Consumers and end-users

Callmewine is an e-commerce platform designed to be a sort of personal sommelier, stimulating, simple and intuitive, available 24 hours a day, 7 days a week, able to guide all wine lovers, expert tasters or simple enthusiasts, to the discovery of new wines and perfect combinations.

In this role, it is important to gain and maintain the customer's trust, dedicating a lot of time to tasting and selecting the products on sale, whose quality and food safety are ensured by advanced and integrated management systems, which thanks to the proven effectiveness and verified over time, they have obtained the formal third-party certification.

The shopping experience is also important: the products that can be bought on Callmewine are all actually available and are stored at a controlled temperature in suitable places. The technical and organoleptic characteristics of the product, as well as the possible presence of potential allergens, provided directly by the production companies or distributors, are widely described on the site.

In order to foster dialogue and alignment on sustainability challenges and with the aim of finding solutions, projects and common ideas, Callmewine, together with University of Gastronomic Sciences of Pollenzo, organised a conference on sustainability in the wine production chain which addressed mainly suppliers and producers of wine, experts and students of the industry took part to the conference.

Tecnica Group

(40% INTEREST)



Highlights



REVENUE
516.9 mn €
(540.3 mn € in 2023)



3,722
PEOPLE
(3,829 in 2023)



Commitment to the
UN GLOBAL COMPACT



EBITDA
74.5 mn €
(79.9 mn € in 2023)



**10 SUBSIDIARIES AND
DIRECT AGENCIES
> 40 DISTRIBUTION
PARTNERS**



**SUSTAINABILITY REPORT
SINCE 2022**
It tells and reports on the
commitment to sustainable
business development



PROFIT
25.2 mn €
(25.9 mn € in 2023)



>80
COUNTRIES IN THE WORLD



RECYCLE YOUR BOOTS
A fully integrated project
to recycle ski boots

Strategic Objectives



Consolidate leadership in the outdoor technical footwear and sports equipment segment by continuing to develop the multi-brand platform in all the main reference markets.



Strengthen digital systems and platforms, with a focus on process optimisation, higher operational efficiency and development of the online sales channel.



Develop sustainable and recyclable products, with protocols based on maximum transparency and new collaborations with important players in the sector and the supply chain.

Profile

THE COMPANY

Tecnica Group, a world leader in outdoor footwear and ski equipment, has in its catalogue some of the most historic brands in the sector: LOWA (hiking and outdoor shoes), Tecnica (ski boots and footwear), Nordica (skis and boots), Moon Boot (footwear), Blizzard (skis) and Rollerblade (inline skates).

Founded in 1963 in Giavera del Montello, in the province of Treviso, by Giancarlo Zanatta, the company has evolved into a highly innovative international firm. Among his ground-breaking creations were the first double-injection plastic ski boot, which transformed the industry, and the legendary Moon Boot, which is featured in the permanent collections of the MoMA in New York and the Triennale in Milan.

In 1985, Tecnica entered the world of outdoor footwear with its own brand, and in 1993 it acquired the prestigious LOWA brand, a point of reference in Germany and throughout Europe, establishing itself as one of the main players in the sector worldwide.

The acquisition of the renowned ski equipment brand Nordica in 2002 made Tecnica Group the world's leading ski boot manufacturer. In 2003, the product range was further expanded with the entry of Rollerblade, the inventor of inline skates, known by the name of their first and most famous manufacturer. The last to join the Group, in 2006, was Blizzard, the legendary Austrian brand.

Today, Tecnica Group is present in over 80 countries worldwide, with 10 branches and direct agencies and over 40 distribution partners. The Group employs approximately 4,000 people.

RECENT DEVELOPMENTS

In 2017, Italmobiliare acquired 40% of Tecnica Group with the aim of assisting the Zanatta family and supporting the ambitious industrial plan aimed at developing all of the brands in its portfolio.

In 2019, the Group brought its outdoor footwear production in-house by acquiring Riko Sport, LOWA's main supplier, with the aim of controlling the supply chain, optimising margins and giving new impetus to product development.

The Moon Boot brand has undergone a profound evolution, achieving significant results. The headquarters has been moved to Milan and a General Manager with experience in the fashion and luxury sector has been appointed to lead the repositioning of the brand from the slopes to the city. Collaborations have been started with fashion brands and influencers, and new products have been created that are also suitable for urban style, aimed at a young audience and distributed through fashion industry channels. Central to this journey was the first sportswear collection, launched in collaboration with Adidas at the end of 2024.

Tecnica-Blizzard and Nordica, which together represent the winter sports soul of Tecnica Group, have strengthened their presence in the main reference markets, including the United States, strategic for both brands. Rollerblade has continued to consolidate its leadership in the inline skate industry.

The numerous initiatives that the Group has implemented have allowed important results to be achieved in terms of the development and growth of all of its brands, with consolidated turnover up from 365.0 million in 2017 to 516.9 million in 2024.

Thanks to the support of Italmobiliare, Tecnica Group has intensified its ESG commitment, adopting an approach that embraces every stage of the product life cycle: from design to production, all the way to disposal. An example is the "Recycle Your Boots" project, launched in 2021 initially with the Tecnica brand and subsequently extended to Nordica, which aims to create a virtuous cycle for ski boots, transforming them from waste to resource. The goal is simple and ambitious: to collect used boots and recycle them, then bring them back into use in the form of new products or materials, with significant energy savings and a reduction in CO₂ emissions.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023 (*)	Change %
Revenue and income	516.9	540.3	(4.3)
Gross operating profit (EBITDA)	74.5	79.9	(6.8)
% of revenue	14.4	14.8	
Amortisation and depreciation	(27.0)	(24.2)	11.7
Operating profit (EBIT)	47.5	55.7	(14.8)
% of revenue	9.2	10.3	
Net finance income (costs)	(13.0)	(16.9)	(22.9)
Share of profit (loss) of equity-accounted investees	0.2	(2.8)	n.s.
Profit/(loss) before tax	34.6	36.0	(3.8)
% of revenue	6.7	6.7	
Income tax	(9.4)	(10.1)	(6.8)
Profit/(loss) for the period	25.2	25.9	(2.6)

(*) The 2023 figures have been restated to allow their comparability.

(in millions of euro)	December 31. 2024	December 31. 2023
Cash flows from investing activities	25.8	33.7
Free Cash Flow	16.2	(7.3)
Net financial position	(147.1)	(156.0)
Total equity	160.7	151.8
Equity attributable to owners of the parent company	127.8	121.5
Employees (headcount) at the end of the year	3.722	3.829

Key events in 2024 include the fact that, during the last quarter of the year, Tecnica Group finalised the acquisition of its Austrian distributor, LOWA, with the aim of managing the market directly.

In 2024 Technical Group posted revenue of 516.9 million euro, a slight decrease on the previous year (-4.3%). Looking at the outdoor footwear segment, LOWA is slightly up, also thanks to the contribution of Austria and the development of North America, while Moon Boot is substantially stable despite being impacted by a contraction in the luxury sector. In the winter sports footwear and technical equipment sector, the brands Nordica and Blizzard/Tecnica are experiencing a single-digit contraction.

The Group's gross operating profit comes to 74.5 million euro showing a slight decrease compared to the previous year. During the year, the company incurred non-recurring costs related to management consultancy, staff compensation and non-recurring expenses related to the digital project for 4.4 million euro; if we neutralise this impact the recurring gross operating profit comes to 79.0 million euro. The industrial margin has improved in percentage terms, but the contraction in volumes has led to a slight decrease in the absolute amount. Structure costs remain stable, thanks in part to the measures implemented by management, while indirect personnel costs to support the multi-year development plan for the multi-brand platform are up slightly.

Amortisation and depreciation amount to 27.0 million euro, showing a slight increase compared to the previous year due to the investments in the digital platform and factories in the last three years. The operating profit came to 47.5 million euro.

Financial income and expenses were negative for 13.0 million euro, lower than the previous year, mainly due to the exchange rate effect.

The consolidated profit of the Tecnica Group in 2024 was 25.2 million euro, decreasing due to the effects of the various matters discussed above.

Capital expenditure is down compared with the previous year as the digital project and a number of important investments in production facilities for both winter and outdoor products came to an end.

Section 5 | PORTFOLIO COMPANIES

The net financial position at December 31, 2024 was negative for 147.1 million euro. If we neutralise the effect of the dividend distribution for 6.0 million euro and the extraordinary transactions mentioned above, cash generation is positive for 16.2 million euro, better than the previous year thanks to better management of working capital.

LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

2025 will be a challenging year for the company. In a dynamic global context, the group's objective is to implement the business plan which aims to strengthen the multi-brand platform, looking for growth in both revenue and volumes which should benefit profit margins.

The company also continues to work on the development of the outdoor sector. LOWA will focus on projects of marketing and sales, as well as on the optimisation of operations. Moon Boot will continue its brand development path, working on commercial expansion, marketing activities and new products. The focus also remains high on footwear and technical equipment. In particular, the commercial development projects of the Nordica and Blizzard/Tecnica brands will be continued during the year.

Sustainability information

Tecnica Group pro-actively embraces the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in the integrity of every aspect of the business. Italmobiliare and Tecnica Group recognize the sensitive aspects of the sector, from the procurement of raw materials to the end-of-life of the products marketed, and share the commitment to contribute positively to global challenges.

In confirmation of this, Tecnica Group adheres to the United Nations Global Compact, adopting policies and operational management in support of the Ten Principles and committing to actively contribute to the Sustainable Development Goals. It signed the Women's Empowerment Principles in February 2025 and formalised its commitment to decarbonisation by adhering to the Science Based Targets initiative.

The group's industrial strategy puts people at the centre. On the market, the reference is the consumer to whom the group offers extraordinary experiences through exceptional products, inspiring an active life in the open air. Internally, the focus is on human capital, through the promotion of health, safety and well-being in an inclusive and evolutionary work environment and on the supply chain, preferring goods and services with social value.

The measures that the Group has decided to take to strengthen the portfolio brands focus on innovation to come up with highly differentiated products, new distribution channels and programmes to make production and logistics more efficient. Investments to reduce energy consumption, the installation of photovoltaic systems, the updating of industrial lighting systems and the promotion of electric mobility reflect the Group's commitment in favour of the climate. Other targeted actions include optimising the use of non-renewable resources, such as plastics, using recycled materials, biodegradable packaging and reducing single-use packaging. The durability of the products in itself mitigates the environmental footprint. Outdoor footwear is designed and built to last, thanks to the quality of the raw materials used, virgin or recycled, to the technology and the competence and passion of the Group's people. Dedicated repair laboratories enable further creation of sustainable value, extending the life cycle of products.

Moreover, Tecnica Group is working to create the first recycling valley in the sports system district, where competing companies work together to successfully implement environmental sustainability projects. The goal is to create the first recycling hub in the sector with a network to resolve issues related to the sustainability and recyclability of products. This initiative is consistent with the "Recycle your boots" project, already active for all customers, which allows you to return your ski boots to recycle them with a transparent and sustainable process.

Lastly, the group considers the awareness and involvement of all its stakeholders to be fundamental, also by making its activities and performance fully transparent: Tecnica Group has been publishing a Sustainability Report since 2022.

ISEO

(39.246% INTEREST)



Highlights



REVENUE
153.9 mn€
(159.7 mn € in 2023)



1,109
PEOPLE
(1,101 in 2023)



**1° SUSTAINABILITY
REPORT 2023**



EBITDA
16.6 mn€
(16.9 mn € in 2023)



4.1%
OF REVENUE INVESTED
IN RESEARCH



ISO 45001
CERTIFIED SAFETY
MANAGEMENT



PROFIT
2.4 mn€
(4.2 mn € in 2023)



14 COMPANIES
IN 11 COUNTRIES
AROUND THE WORLD



ISO 14001
CERTIFIED ENVIRONMENTAL
MANAGEMENT

Strategic Objectives



Consolidate positioning in strategic markets.



Continue developing mechatronic and digital solutions for intelligent access management.



To continually advance the meaning of security, creating innovative and sustainable solutions that meet the needs of businesses and individuals.

Profile

THE COMPANY

Founded in 1969 in Pisogne, in the province of Brescia, ISEO is one of the leading European multinationals in mechanical, mechatronic and digital solutions for intelligent access management. For over 50 years, the company has contributed to the evolution of the concept of security, responding in an innovative way to the needs of families, companies, designers and installers. ISEO's mission to "Unlock your freedom to move" aims to give safety a new dimension: freedom of movement.

ISEO employs over 1,100 people and operates on four continents through 14 commercial branches and 4 production sites located in Italy, France, Germany and Romania. Its international distribution network covers more than 70 countries worldwide.

Since 2010, ISEO has expanded its offering of mechanical locks with innovative digital solutions and access control systems based on proprietary software and firmware, developed by an internal research centre. The product portfolio includes traditional locking systems and access management solutions that combine mechanics and electronics, usable via smartphone, fingerprints, card and tag.

RECENT DEVELOPMENTS

In the second half of 2018, Italmobiliare acquired a 40% stake in ISEO, supporting the Facchinetti and Faustini families in their business development and evolution of the governance and organisational structure to face the challenges of international markets.

Italmobiliare's entry into ISEO's capital has given further impetus to the strategy of managerialisation and handling of the generational transition within the company. At the beginning of 2020, a new CEO was appointed with vast experience gained at the top of some of the most important multinationals in the sector. In the same year, an ambitious five-year industrial plan was prepared and launched, aimed at growth in the most relevant markets and the development of mechatronic and digital solutions for intelligent access management. And it was precisely to strengthen itself in this strategic segment that in 2021 ISEO acquired the majority of Sofia Locks, a company that specialises in cloud native access control solutions, and launched a new brand identity to reposition it from a traditional mechanical lock sector to the more advanced electronic access segment.

The business plan was supported by important investments in plants, both in Italy and abroad. In particular, in 2022 a new research centre was inaugurated in Pisogne, with laboratories and offices dedicated to the development and strengthening of technological skills. And in 2023 a new logistics hub of approximately 4,000 m² was completed in Costa Volpino, an initiative that allowed the entire company logistics chain to be reorganised, optimising productivity and the ability to manage shipping and delivery activities.

In order to make its presence in the main markets even more effective, ISEO has reorganised its commercial structure and takes part in some of the main international trade fairs in the sector to promote recognition of the company's brand and products.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	153.9	159.7	(3.6)
Gross operating profit (EBITDA)	16.6	16.9	(1.8)
% of revenue	10.8	10.6	
Amortisation and depreciation	(11.7)	(7.7)	51.9
Operating profit (EBIT)	4.9	9.2	(46.7)
% of revenue	3.2	5.8	
Net finance income (costs)	(2.3)	(2.5)	(8.0)
Profit/(loss) before tax	2.6	6.7	(61.2)
% of revenue	1.7	4.2	
Income tax	(0.2)	(2.5)	(92.0)
Profit/(loss) for the period	2.4	4.2	(42.9)

The figures in the table refer to the Iseo Group.

(in millions of euro)	December 31, 2024	December 31, 2023
Cash flows from investing activities	8.4	13.8
Free Cash Flow	(7.5)	0.4
Net financial position	(45.5)	(43.4)
Total equity	72.4	71.6
Equity attributable to owners of the parent company	71.3	68.9
Employees (headcount) at the end of the year	1,109	1,101

As mentioned in its quarterly reports, Iseo's 2024 was negatively affected by the critical issues generated by the adoption of a new ERP system, implementation of which forms part of an extensive programme of digitalisation of the main processes launched by the company in 2022. In January 2024, the date of the Go-live of the new ERP system in the Italian company, contingent complexities emerged on the core production and logistics processes that prevented the company's good order portfolio from being fully fulfilled, with impacts on turnover that were only partially recovered in the following quarters. Furthermore, resolution of these critical issues resulted in non-recurring costs which have weighed down the income statement.

ISEO closed 2024 with a turnover of 153.9 million euro, a decrease of 3.6% compared with the previous year, also due to the impact of the critical issues mentioned above. The electronics business is growing, recording an +4% increase compared with 2023, while the mechanical business is down by 4%.

The gross operating margin is equal to 16.6 million euro, more or less constant compared with the previous year, already characterised by a lower profitability than the company's historical average. After a difficult first quarter, which saw a contraction in EBITDA of more than 5 million euro compared with 2023, with the impact of the go-live of the new ERP, the following 9 months were characterised by higher profitability than the previous year.

Net of depreciation and amortisation of 11.7 million euro, the operating result came to 4.9 million euro.

The profit for the period comes to 2.4 million euro, down on the 6.7 million euro in 2023.

At December 31, 2024, ISEO's net financial position shows net borrowing of 45.5 million euro. Cash generation during the period was negative to the tune of 7.5 million euro, with investments amounting to 8.4 million euro.

LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

The company expects growth in 2025 in terms of both turnover and margins, despite the uncertainty linked to the evolution of the macroeconomic scenario.

Sustainability information

Iseo mirrors the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote an healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity.

Italmobiliare and Iseo recognise the sensitive aspects of the sector and share a passion for safety, with a vision that extends from the technical aspects of the products marketed to the perception of the value of people and the environment in which they live and work.

For Iseo, sustainability is a commitment built on values that unite ethics, environment, energy, safety and respect for the interests of all parties involved in the quality and reliability of innovative products. Advanced and participatory management systems constitute not only a guarantee of environmental, energy, health, safety and quality performances for the benefit of the market and the community, but also a continuous stimulus for the professional and motivational growth of the people in the group, at all levels. Thanks to an effectively integrated management policy, Iseo has ISO 9001 (Quality), ISO 14001 (Environment), ISO 50001 (Energy) and ISO 45001 (Health and Safety) certifications.

Attention to the people in the group is also important, with training plans for the development of human capital, the promotion of corporate welfare or the creation of a solidarity fund dedicated to staff and family members to support expenses related to health, study, physical activities and other individual needs.

With the support of the Italmobiliare sustainability team, the management's expertise and awareness of ESG aspects are continuously being strengthened and updated. Since 2023, it has been publishing the Sustainability Report. The adoption of the Science Based Targets initiative is currently under evaluation.

Bene Assicurazioni

(19.996% INTEREST)



Highlights



REVENUE
290,2 mn€
(222.1 mn€ in 2023)



454
AGENCIES



70
PEOPLE
(60 in 2023)



BENEFIT COMPANY
since 2022



THE FARBENE FUND
to support solidarity
initiatives in Africa



ARTE IN BENE
workplaces as temporary
art galleries

Strategic Objectives



Increase brand awareness of Bene Assicurazioni as a premium insurance technology company.



Improve operational performance to increase technical profitability, particularly in the motor third-party liability segment.



Consolidate the Company's digital leadership by investing in the further development of the technological platform and portal.

Profile

THE COMPANY

Bene Assicurazioni S.p.A. SB, founded in 2016 by Andrea Sabia, follows an approach that is strongly oriented towards process and product innovation, based on a truly multi-specialist business model, with an integrated omnichannel perspective, focusing on the digital insurer model or, rather, with a “full stack insurer” approach to enhance customer centrality and promote service to intermediaries, leveraging the most advanced technologies.

The company is characterised by the high level of automation and digitisation of all business processes and the flexibility of the application architecture that allows a lean, efficient, scalable and innovative business model.

Bene Assicurazioni has set up an omnichannel distribution model that combines the network of over 450 agencies present throughout Italy with direct online sales, both on its own website and through the main aggregators, allowing customers to interact with the company using the method that best suits their habits and needs. The company also operates in the “B2B” channel, through partnerships with companies and agreements with international operators.

RECENT DEVELOPMENTS

In 2022, Italmobiliare acquired 20% of Bene Assicurazioni with the aim of supporting the company's development, while strengthening the focus on security, transparency and simplicity which Bene offers its customers.

Over the last three years, the company has recorded excellent growth in volumes and significant expansion, made possible by the development of the company's omnichannel distribution model, achieving premium income of 290 million euro in 2024. For an increasingly widespread diffusion throughout Italy, the network of agencies has been strengthened, growing from 380 in 2022 to 454 at the end of 2024. New partnerships have been developed with important international companies and sector operators. Bene Assicurazioni, which operates in the insurance market through a technological approach based on continuous innovation, has also invested in further development of the technological platform and the online portal.

The automotive sector has grown significantly and remains predominant for the company's business. The company has recorded significant developments in all segments. In particular, the “sureties” segment has been strengthened and the “non-auto” accident segment has grown further, also thanks to expansion of the products on offer and the introduction of new policies such as “Bene Viaggi” and “Bene Pet”. To support brand awareness, the Company continued its advertising campaign in 2024, with two “car” and “home” spots that alternated on the most important national broadcasters, in addition to digital platforms, and broadcast in all time slots, with greater frequency in prime time and late evening to gain more visibility.

The company has invested in expanding and modernising its offices and headquarters, where around 70 people now work, doubling the spaces available to the Company, with the aim of creating a workplace that intends to be synonymous with well-being and tranquillity. The colours, furnishings and character of each area, with a balance between modern/post-industrial design and traditional elements, represent the new concept of work communication, aimed at stimulating creativity and dynamism.

There have been numerous initiatives dedicated to the well-being and training of employees, such as the Progetto Arte in Bene and the Bene Family Club, and to cultivate the talent of young people, such as the 30 under 30 thinking about 2030 initiative. The company's attention and commitment to supporting the growth of young people is recognised and appreciated; not by chance Bene was one of the companies that won an award at the Best Stage 2024 event.

Sustainability is central to the company's development path. In 2022, Bene Assicurazioni took on the legal form of a Benefit Company, formally integrating the purposes of common benefit into its business objectives, with the aim of creating value in a responsible, sustainable and transparent way towards people, communities, local areas and the environment.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023
Premiums	290,2	222,1
Employees (headcount) at the end of the year	70	60

Figures as of December 31, 2024 were still not available at the date of preparation of this report. The figures referring to 2024 are based on the information provided by the company.

Bene Assicurazioni achieved an excellent level of premium income in 2024, equal to 290.2 million euro, up 30.7% on the previous year with positive results in all sales channels. In particular, the agency channel is growing, confirming its position as the most important for the Company and also the one that has registered the greatest increase in absolute value, also thanks to the opening of 29 new points of sale during the year. Partnerships have performed well, driven by agreements for insurance coverage of company fleets and by management of policies related to agribusiness. The direct channel also showed slight growth on the previous year.

Looking at the individual segments, it is worth mentioning the excellent performance of the automotive sector, which represents approximately 70% of the Company's business: it turned in growth of more than 30% compared with the previous year, benefiting from the steps taken to revise tariffs with a view to containing the effects of the increase in the average cost of claims linked to current inflationary trends.

The development of all the other segments also continues, recording an increase of 26% overall, mainly influenced by the excellent performance of the non-auto accident sector.

With reference to margins, the loss ratio of the entire insurance sector has been negatively impacted by the new tables issued by the Milan Court for the liquidation of non-pecuniary damages from permanent injury to psychophysical integrity. The dynamics of inflation and frequency of third-party liability claims, as well as the increase in the importance of the car pool segment for Bene Assicurazioni, have had a negative influence on margins, but this will be partially reabsorbed by reinsurance. These trends have been offset by an improvement in the expense ratio.

LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

The Italian non-life insurance market is expected to maintain its growth momentum in 2025, thanks to the new regulatory requirements for companies in the field of catastrophe insurance and the increase in the average premium due to inflation.

Bene Assicurazioni expects to continue the growth trajectory of premium income, maintaining a high level of attention to the company's profit margins. The agency channel will remain the cornerstone of the company's growth strategy and will be further strengthened by opening new agencies and developing the existing agencies. The partnership channel will also continue to contribute significantly to Bene Assicurazioni's results.

Sustainability information

Bene Assicurazioni is well aware of the climate challenge. The company is moderately subject to physical risks, linked to the increase in claims paid as compensation for damages from extreme weather events, most of which were reinsured. Among the transition risks, legal risk is material, connected to transparency or information obligations on the climate (e.g. CSRD, IVASS requirements), as is reputational risk, connected to the adequacy of communication on the commitment to fight climate change.

In 2022, Bene Assicurazioni became a "Benefit Company". This decision has directed the company towards an innovative and virtuous way of doing business, with the aim of creating a widespread and shared culture of the values pursued and the commitments made, responding to the needs of all stakeholders who are increasingly attentive to sustainability.

People are a key factor in the success of Bene Assicurazioni, where the development of human capital is based on principles of equality, respect and inclusiveness. On the one hand, the commitment is aimed at creating new job opportunities, especially for young people, by promoting inclusive hiring policies and professional development programmes. At the same time, the focus on employee well-being continues, offering a safe, respectful and stimulating work environment that fosters the personal and professional growth of each individual, supported by corporate welfare policies.

In order to promote the Benefit Company culture and sustainability, the company supports philanthropic initiatives, contributing to the improvement of people's living conditions and protection of the environment. In 2017, the "FarBENE 3" charitable fund was created as a tool for the redistribution of wealth, within which priority is given to micro-entrepreneurship initiatives that can combine lasting development and training opportunities for young people in their first jobs.

Since 2018, the *Arte in Bene* initiative has also been launched, which includes the exhibition of works of art at the Company's headquarters, followed by solo exhibitions of young emerging artists. In addition to being in line with the SDGs objectives, this initiative aims to enhance the culture and well-being of employees and to concretely support emerging artists, contributing to the creation of a vibrant and inclusive cultural ecosystem.

Clessidra Group

(100% INVESTMENT)



Highlights



3.2 bn€
INVESTED CAPITAL



93
PEOPLE
(78 in 2023)



75%
ESG FUNDS
AMONG THOSE UNDER
MANAGEMENT



~1 bn€
FINANCING PROVIDED



4
GROUP COMPANIES



100%
EMPLOYEES INCLUDED
IN TRAINING COURSES



80+
INVESTMENTS
OF THE SGRs



5
MANAGED FUNDS



Zero
CO2 EMISSIONS SCOPE 2
SINCE 2022

Profile

THE COMPANY

Clessidra Group is an independent platform focused on the Italian alternative investment market, which provides small and medium-sized enterprises with financial resources, qualified skills, full membership and experience in ESG integration, generating rising and sustainable value for its investors.

Established in 2003 as an asset management company operating in private equity, Clessidra has undergone rapid development, quickly becoming one of the leading operators in the sector in Italy. In 2016 it was acquired by Italmobiliare and since 2019 it has started a development and diversification strategy, progressively expanding its business into other sectors with a view to offering a wide range of products and services for institutional investors and Italian medium-sized companies.

Today the Group employs around 100 people and operates through a holding company and three specialist companies, each with its own operational autonomy: Clessidra Private Equity SGR, Clessidra Capital Credit SGR and Clessidra Factoring.

Clessidra Private Equity builds diversified portfolios, investing in companies that are leaders in their particular sector with a high growth potential. The company works in close collaboration with the entrepreneurs and management of the businesses in its portfolio in order to pursue the shared growth plan in all phases of the investment management process, up to the identification of the most suitable exit path.

Clessidra Capital Credit is an independent asset management company that manages closed-end alternative investment funds. Clessidra Capital Credit operates in both the distressed and performing credit sectors and presents itself as a financial partner for small and medium-sized Italian companies with solid industrial fundamentals, supporting their growth, consolidation and turnaround projects.

Clessidra Factoring is a financial intermediary under art. 106 of the Consolidated Banking Law, established in November 2020 on the initiative of Clessidra SGR. Through dedicated financial solutions, it supports Italian SMEs in the management and guarantee of trade receivables, offering its customers a series of specialist services in the financing and management of receivables, such as credit financing and management, guarantees against insolvency and indirect factoring.

Clessidra Holding is the parent company of Clessidra Group. It coordinates the activities of Clessidra Group companies, while respecting the decision-making autonomy of the individual entities. It also plays a supporting role for the group in Operations, Compliance and Anti-Money Laundering activities, as well as coordinating the group's control functions. Clessidra fully recognises the importance of integrating environmental, social and governance (ESG) principles into its business and investment practices, acting in the long-term interest of investors, portfolio companies, the community and the environment.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Net interest income	4.2	2.5	71%
Net fees and commissions	33.0	29.8	11%
Income (expenses) from financial assets	-	0.2	(114%)
Brokerage margin	37.2	32.5	14%
Administrative expenses	(31.5)	(29.9)	(5%)
Other operating income and expenses	(1.9)	0.5	(524%)
Result of operations	3.8	3.1	22%
Income tax	(2.0)	(1.4)	(37%)
Profit/(loss) for the period	1.8	1.7	2%

The figures are presented according to the formats provided by the Bank of Italy and the comparative figures for 2021 have been reclassified on the same basis.

n.s. not significant

(in millions of euro)	December 31, 2024	December 31, 2023
Total equity	39.8	38.0

At December 31, 2024, the Clessidra Financial Group was made up of the parent company Clessidra Holding S.p.A., which has direct control over 100% of the shares of Clessidra Private Equity SGR S.p.A., Clessidra Capital Credit SGR S.p.A. and Clessidra Factoring S.p.A., as well as indirect control of Società Semplice Clessidra CRF G.P., in which it holds 51% directly with the other 49% held indirectly through the subsidiary Clessidra Capital Credit SGR S.p.A.

For the Clessidra Group 2024 closed with a positive brokerage margin of 37.2 million euro (32.5 million euro at December 31, 2023), which includes 20.2 million euro in management fees for the Clessidra Funds (19.9 million euro at December 31, 2023) and 12.7 million euro in commissions from the factoring business (11.4 million euro at December 31, 2023).

Administrative expenses in 2024 amount to 31.5 million euro (29.9 million euro at December 31, 2023) and are made up of personnel costs of 19.7 million euro (17.8 million euro at December 31, 2023) and consulting and operating costs, classified under other administrative expenses, which total 11.7 million (12.1 million euro at December 31, 2023).

The consolidated result of the Clessidra Group at December 31, 2024, net of taxes of 2 million euro, comes to 1.8 million euro (1.7 thousand euro at December 31, 2023).

During the period, the companies of the financial group continued their activities in various business segments, in particular:

- During the year, Clessidra Holding, as the group leader, continued its activity of managing investments, and, as outsourcer, it undertook a reorganisation process, strengthening its role as group leader and in the provision of centralised services, such as Corporate Administration and Fund Administration, HR Administration, Management Control and Budget, and outsourcing essential functions such as Compliance and Anti-Money Laundering on behalf of its subsidiaries. Lastly, the Company is structuring itself to accompany the Clessidra Group in its international expansion, with the aim of increasing its presence in foreign markets, exploiting growth opportunities, creating synergies and accessing new customer segments;
- Clessidra Private Equity SGR has consolidated its management of the Clessidra Capital Partners 4 Fund by concluding a new direct investment, signed in October 2024 with the Molino Nicoli group, reaching 47% of the equity invested. During the period, it signed another investment agreement (which is expected to be concluded during the first half of 2025). With regard to handling the Clessidra Capital Partners 3 fund, during the year, Clessidra continued its management and valorisation of the companies in its portfolio and, in July 2024, sold its investment in the L&S chain, distributing the proceeds;

Section 5 | PORTFOLIO COMPANIES

- Clessidra Capital Credit SGR continued its management of the Clessidra Restructuring Fund, which completed its investment period and closed the year with total assets of approximately 163 million euro. Management of the Clessidra Private Debt Fund continues with a view to satisfying the financing needs and supporting medium-sized Italian companies and their shareholders. As of December 31, 2024, the Fund has concluded 11 investments, 4 of which were concluded during the year. In December 2024, the 6 funds acquired by Value Italy SGR SpA were merged into a new fund called Clessidra Credit Recovery Fund, with new capital contributions of around 27 million euro during the year;
- Clessidra Factoring confirms the significant growth in terms of volumes (turnover, employment, outstanding) compared with the previous year, due to the consolidation of the customer portfolio acquired during the first four years of operation and the significant acceleration in commercial development, particularly with Large Corporate counterparts. At December 31, 2024, turnover for the year amounted to 952 million euro, total receivables amounted to 270 million euro, while gross loans at the end of the year amounted to 246 million euro. There were 284 active customers at December 31, 2024. In order to further strengthen the operational structure, the Company increased its workforce during the year, with the number of employees at the end of 2024 rising to 43. In December 2024, a 10 million euro increase in capital was completed; this strengthening of the capital is aimed at supporting growth and maximising the realisation of business opportunities.

RISKS AND UNCERTAINTIES

The companies' risk factors differ, depending on the activities they perform. In particular, through the funds that they manage, Clessidra Private Equity SGR and Clessidra Capital Credit SGR carry out activities that involve risks deriving both from the difficulty in identifying new investment opportunities with characteristics that meet their objectives and from the difficulties involved in carrying out disinvestments, especially in unlisted companies. The risks connected to effective management of these activities could have negative effects on the companies' financial position and results of operations.

OUTLOOK

During 2025, the Group will pursue its objectives in the various business segments, in particular:

- Clessidra Private Equity SGR will continue its scouting and investment activity for the CCP4 Fund, taking advantage of the current pipeline that offers a fair amount of visibility on possible new deals; the new art. 9 SFDR "Green Harvest" fund is in the fundraising phase - its focus will be on small-cap companies operating as part of the agri-food value chain;
- Clessidra Capital Credit SGR will continue its scouting and investment activity for the Clessidra PD Fund, evaluating the possibility of launching a new art. 9 SFDR fund with the same strategy as the current Clessidra PD fund, but with a greater focus on unitranche markets, sustainability issues and broader geographical diversification. At the same time, the management and valorisation activity of Clessidra CRF, Clessidra CRF Parallel and Clessidra Credit Recovery Fund will continue, evaluating, in light of the experience gained, the launch of a new fund that should be able to provide equity-like returns, dedicated to underperforming SMEs with limited access to financing sources and ongoing relaunch plans;
- Clessidra Factoring plans to continue increasing the volumes that it handles in consideration of a market presence that is gradually consolidating, while still benefiting from significant growth potential. The target product will remain that of factoring, alongside the traditional "Crossover" segment, aimed at SMEs with little access to bank credit, greater intervention and rising volumes in "Distressed" factoring, aimed at companies with good fundamentals, but affected by crisis settlement procedures in- or out-of-court. The company will also continue to strengthen and diversify its funding sources, as well as reinforce its structure.

General and governance information

REPORTING

ESRS 2 - General information - Basis for preparation

The reporting includes performance, data and information relating to the Clessidra Group, i.e. Clessidra Holding and its subsidiaries Clessidra Private Equity, Clessidra Capital Credit and Clessidra Factoring, as consolidated in the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 - General information - Governance

ESRS G1 - Business conduct

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

Position	Name and Surname	Gender
Chairman	Mirja Cartia d'Asero*	F
Executive Vice-Chairman	Federico Ghizzoni	M
Director	Francesca Bressani Doldi	F
Director	Carlo Pesenti	M
Director	Mario Fera	M
Director	Gabriele Piccini	M
Director	Andrea Ottaviano	M

* Filippo Macaluso until 23 January 2025

The **Board of Statutory Auditors** consists of three independent members, a chairman and two statutory auditors. Two members are female.

Women participation in the Board of Directors of Clessidra Holding is at 29% (2 directors out of 7). It is at 40% for Clessidra Private Equity SGR (2 directors out of 5), 14% for Clessidra Capital Credit SGR (1 director out of 7) and 40% for Clessidra Factoring (2 directors out of 5).

The Boards of Directors define the strategic guidelines of their respective companies and are responsible for management with a view to sustainable success. To this end, they are vested with all powers of ordinary and extraordinary administration, overseeing all matters deriving from the law, the By-laws and the instructions received from the parent company.

Every year, the Board of Directors approves the Group's ESG action plan and assesses its progress. The ESG action plan is based on the impacts, risks and opportunities that have been identified, along with any other consideration that may be useful for implementing a business strategy that is consistent with the Vision and Mission expressed by the Company, with full integration of economic, governance, social and environmental components. The annual ESG action plan is continuously monitored by management and consolidated at periodic meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plan are included in the variable remuneration of the CEO and of top managers.

Over the years, Clessidra Group has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world's largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPs)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

Section 5 | PORTFOLIO COMPANIES

Through the active participation of its subsidiaries in **AIFI**, the Italian Association of Private Equity, Venture Capital and Private Debt, and Invest Europe, the corresponding European sector association, and Assifact, the Italian Association for factoring, Clessidra Group supports numerous ESG-related initiatives and guidelines. In addition, Clessidra Group participates actively in the **Forum for Sustainable Finance**, a nonprofit association that promotes the knowledge and practice of responsible and sustainable investment.

All of these commitments shape the company's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships. In addition to these documents, which apply to the entire Clessidra Group, the Responsible Investment Policies adopted by the two SGRs and the Responsible Credit Policy adopted for factoring are also in place.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with the Clessidra Group in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The **Sustainability Policies** extend and integrate the Code of Ethics: the "Guiding Principles" are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The **Partnership Charter** aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

Each company within Clessidra Group adopts an **Organisation, Management and Control Model (Model 231)** which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents.

All the mentioned documents are published on the company's website.

In its investment activities, Clessidra undertakes to promote compliance with applicable regulations and the highest ethical standards at the portfolio companies. In particular, it collaborates with the portfolio companies in order to adopt or update their own Codes, Policies and Organisational, Management and Control Models.

Not being subject to the management and control powers of Italmobiliare, Clessidra Holding performs this role with respect to its subsidiaries. Within the two SGRs and the Factoring company, the **Risk Management Function** has an independent position with respect to the operational structures and answers directly to the Board of Directors. It evaluates, manages and controls all financial and operational risks inherent to the assets under management, as well as strategic, operational and reputational risks and, with the support of the ESG & Sustainability Manager, climate risks. Specifically, the Risk Management function:

- updates the Boards of Directors at least every six months on the adequacy and effectiveness of the management process and on any actual or foreseeable violation of the risk limits set, thus allowing the prompt adoption of corrective actions.
- reviews the policies and procedures adopted for the valuation of assets in the portfolio, ensuring consistency between the results of the valuation process and the measurement of the riskiness of the assets themselves.

Furthermore, for the two SGRs, the Function:

- implements effective policies and procedures to identify and monitor on an ongoing basis the risks inherent to the investment strategy envisaged in the Regulation of each fund and to which each fund is currently or potentially exposed;
- monitors compliance with the risk limits set in the Regulation of each fund and ensures that the risk profile communicated to investors during the marketing phase is compliant;

At an operational level, the **management procedures** adopted are another tool to ensure that activities are fully aligned with the company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

The integration of the ESG approach in the management processes of Clessidra Group's companies in itself constitutes an element of risk mitigation.

Risks mitigated through the ESG approach

Description	Adopted mitigation actions and opportunities
GOVERNANCE	
ESG integration into business strategy and implementation of action plans	Adhesion to UN Global Compact and UN Principles for Responsible Investment Code of Ethics, Sustainability Policies and Responsible Investments Policies, and Responsible Credit Policies Negative screening (exclusion) for investments Positive screening (value creation) for investments ESG Due Diligence for investments ESG Plans / ESG objectives for investments
SOCIETY	
Organisational structure, internal processes and knowledge	Continuous training of the Board of Directors, Investment Team, and workforce. Adherence to the Science Based Targets Initiative (SBTi).
Health and safety	Active health and safety promotion within the Clessidra Group's companies and the Portfolio Companies
Products and services in line with the expectations of the Group, investors, and customers	New funds at least art. 8 SFDR Transparency over ESG performances and well-beyond applicable normative requirements
ENVIRONMENT	
Climate risks	Exclusion of carbon intensive industries from investments. Systemic assessment of climate risks for Clessidra Group's companies and Portfolio Companies Adherence to the Science Based Targets Initiative (SBTi).
Evolutions of the regulatory framework (elements not included within climate risks)	Regulatory follow-up and anticipation of risks related to Clessidra Group' companies and Portfolio Companies

Confirming the overall effectiveness of the integrity and compliance measures adopted, in 2024 there were no cases of corruption, anti-competitive behaviour or non-compliance with socio-economic and environmental regulations. The Supervisory Body has not received any reports of alleged illicit or anti-governance behaviour.

RESPONSIBLE INVESTMENTS

ESRS 2 - General information - Governance
ESRS G1 - Business conduct

Clessidra Private Equity SGR's business involves investments in the private equity sector, with particular focus on the Italian upper-middle market segment. **Clessidra Capital Credit SGR's** business involves investments in the private credit sector, with a focus on turnaround funds, growth capital and credit recovery. **Clessidra Factoring** provides Italian SMEs with a wide range of services specialising in financing and in the sale and management of trade receivables.

All the managed activities require careful assessment of market counterparties with which to undertake investments, partnerships, and contractual relationships. Each component, managed according to specific internal procedures, helps to achieve the objectives of return on investment, risk diversification and value creation. Among the various elements to be assessed, the prospects for improving the ESG positioning and alignment with the adopted sustainable strategy play a significant role. To this end, Clessidra Private Equity SGR and Clessidra Capital Credit SGR refrain from any investment or involvement, whether direct or indirect, with entities involved in the production, marketing, use or trade of illegal products or activities. Other ascertained direct or indirect practices also lead to exclusion: for example, corruption, money laundering, violations of human rights, violations of the fundamental principles of labour, production of goods harmful to health, the environment and morality, an obstacle to sustainability in general.

Section 5 | PORTFOLIO COMPANIES

Clessidra Factoring adopts an approach aimed at ensuring the integration of ESG objectives into the strategies and policies pursued by the Company with reference to its portfolio. The Risk Management Function is actively involved in the process of defining and managing ESG risks, continuously monitoring the company's exposure to risk factors. In particular, ESG risk factors are integrated into the updated Risk Appetite Framework (RAF), monitored periodically and reported publicly.

Clessidra Private Equity SGR and Clessidra Capital Credit SGR assign priorities and mobilises financial resources in a targeted and selective manner, thereby contributing to global challenges and, at the same time, protecting and strengthening financial performance for the benefit of investors, shareholders, enterprises and all other stakeholders.

In line with the strategic vision of the entire Clessidra Group regarding responsible investment, the integration of environmental, social and governance (ESG) risks and opportunities is a fundamental element in all phases of the management process of all its investment activities of Clessidra Private Equity SGR and Clessidra Capital Credit SGR. In particular, in order to prevent or mitigate exposure to risks and benefit from opportunities of value creation, Clessidra Private Equity SGR and Clessidra Capital Credit SGR subjects all new investments to a verification of alignment with its own value references (Code of Ethics and Sustainability Policies), the requirements of its Responsible Investment Policy and the rules set by the Regulations of the Funds managed and a due diligence process which also assesses the environmental, social and governance aspects.

As a responsible investor, Clessidra Private Equity SGR and Clessidra Capital Credit SGR promote the evolution towards sustainable business models among all the companies in the portfolio of all the managed Funds, providing transformative capacity, specific expertise and full support in the management of risks and opportunities in ESG matters.

However, with reference to the level of detail and transparency required by the SFDR Regulation, Clessidra Private Equity SGR and Clessidra Capital Credit SGR adopt approaches differentiated by asset class of financial product, especially in consideration of the investment timeline of the individual Funds currently under management, as duly described in the SFDR Disclosure published on the web.

In 2024, significant ESG interactions took place with all the companies in the portfolio, in particular within Art.8 SFDR Funds. The ESG management methods differ according to the level of control, the maturity of the investee and the time spent in the portfolio.

Portfolio Companies at the end of 2024 Main ESG activities in 2024

Clessidra Private Equity SGR Funds (Art. 8 SFDR)

CCP3 Fund	Nexi	<ul style="list-style-type: none"> The stake held in the investee and the level of governance exercisable by Clessidra do not allow direct influence on sustainability issues. However, the company has a high-level commitment to sustainability and Clessidra records its progress annually. As a listed company, it fully complies with the obligations relating to non-financial transparency.
		<ul style="list-style-type: none"> ISO 14001 and ISO 45001 certifications for all sites
		<ul style="list-style-type: none"> "Supply Chain Pact", ESG qualification of wine's supply chain
CCP3 / CCP4 Funds	Argea	<ul style="list-style-type: none"> Membership in the UN Global Compact, Women's Empowerment Principles, and Science Based Targets initiative (SBTi).
		<ul style="list-style-type: none"> ESG Plan follow-up
		<ul style="list-style-type: none"> ESG metrics and data collection, upon SFDR requirements, and update of the Sustainability Report
	Viabizzuno	<ul style="list-style-type: none"> Membership in the UN Global Compact and Women's Empowerment Principles. Promotion of high-energy-efficiency lighting projects.
		<ul style="list-style-type: none"> ESG Plan follow-up
CCP4 Fund	Impresoft	<ul style="list-style-type: none"> ESG metrics and data collection, upon SFDR requirements
		<ul style="list-style-type: none"> Membership in the UN Global Compact and Women's Empowerment Principles.
		<ul style="list-style-type: none"> Participation in the Ecovadis rating
	Everton	<ul style="list-style-type: none"> ESG Plan follow-up
		<ul style="list-style-type: none"> ESG metrics and data collection, upon SFDR requirements
		<ul style="list-style-type: none"> Membership in the UN Global Compact, Women's Empowerment Principles, and Science Based Targets initiative (SBTi)
	Molino Nicoli	<ul style="list-style-type: none"> Participation in the Ecovadis rating
		<ul style="list-style-type: none"> ESG Plan follow-up
		<ul style="list-style-type: none"> ESG metrics and data collection, upon SFDR requirements
		<ul style="list-style-type: none"> Closing in October 2024 Start of the adoption of the 231 Model Improvements in worker and plant safety management Enhancement of wastewater management

Portfolio Companies at the end of 2024 Main ESG activities in 2024

Clessidra Capital Credit SGR Funds (art. 8 SFDR)		
<i>CPD Fund</i>	Candy Factory MGM/Rekord Trime Groupack Holding Righi Elettroservizi Bracchi La Piadineria Alveo Group	<ul style="list-style-type: none"> • Definition of contractual ESG targets • Support for ESG integration • ESG metrics and data collection, upon SFDR requirements
	Errevi	<ul style="list-style-type: none"> • Closing completed in December 2024 • ESG due diligence and definition of contractual ESG targets
<i>CRF Parallel Fund</i>	OMA Iscom SISMA	<ul style="list-style-type: none"> • Support for ESG integration • ESG metrics and data collection, according to SFDR requirements.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business conduct

With the Partnership Charter, Clessidra Group aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency.

This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter will be applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Clessidra Group promotes the same approach across all companies in its managed portfolios.

OBJECTIVES

ESRS 2 - General information - Strategy

The table below outlines the key pillars of Clessidra Group's sustainability strategy and the corresponding medium-term objectives.








Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	75%	2027	--	--	--
Climate strategy	Definition of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	2025	--	--	✓ *
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	0	2025	0.0	0.0	0.0
Gender and human capital development	Training hours per employee	40	2027	12	11	27

* Objectives validate by SBTi in March 2025. Details can be found in the "Low-Carbon Transition" section.

Furthermore, Clessidra Group adheres to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. This way, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

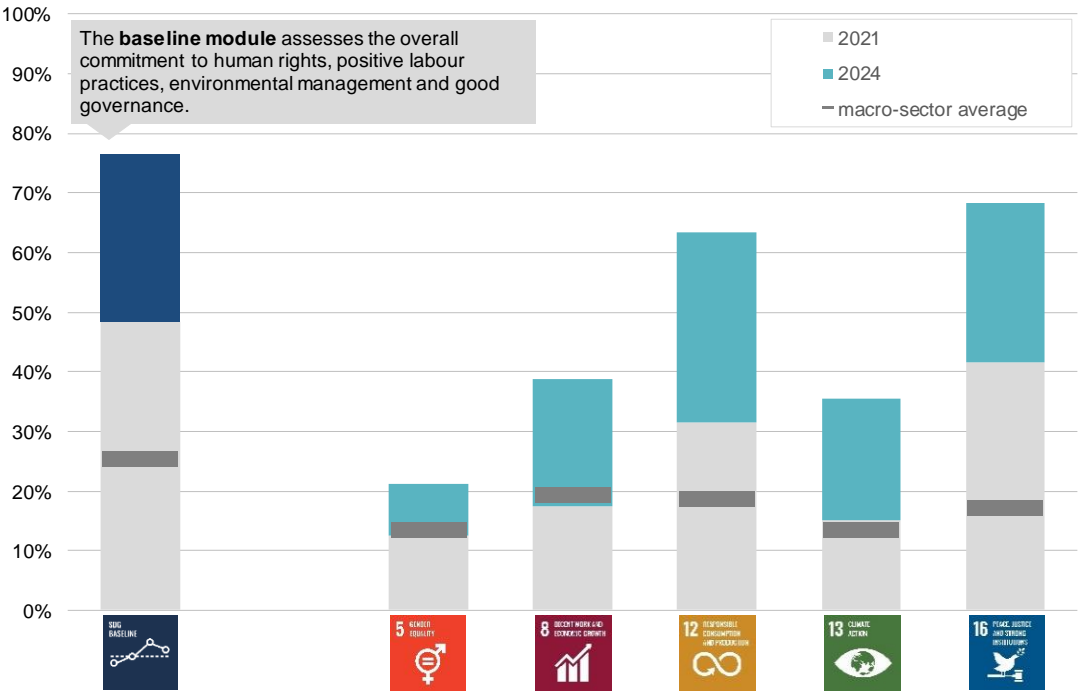
Section 5 | PORTFOLIO COMPANIES

Clessidra Group: Commitment to the SDGs *

Environment		Ensure sustainable production and consumption models.
		Promote actions at all levels to combat climate change.
		Protect, restore and promote sustainable use of the earth's ecosystem.
Society		Achieve gender equality and empower all women and girls.
		Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance		Peace, justice, and strong institutions.
		Strengthen implementation means and revitalise the global partnership for sustainable development.

* The portfolio companies set additional goals based on their specific business sectors.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



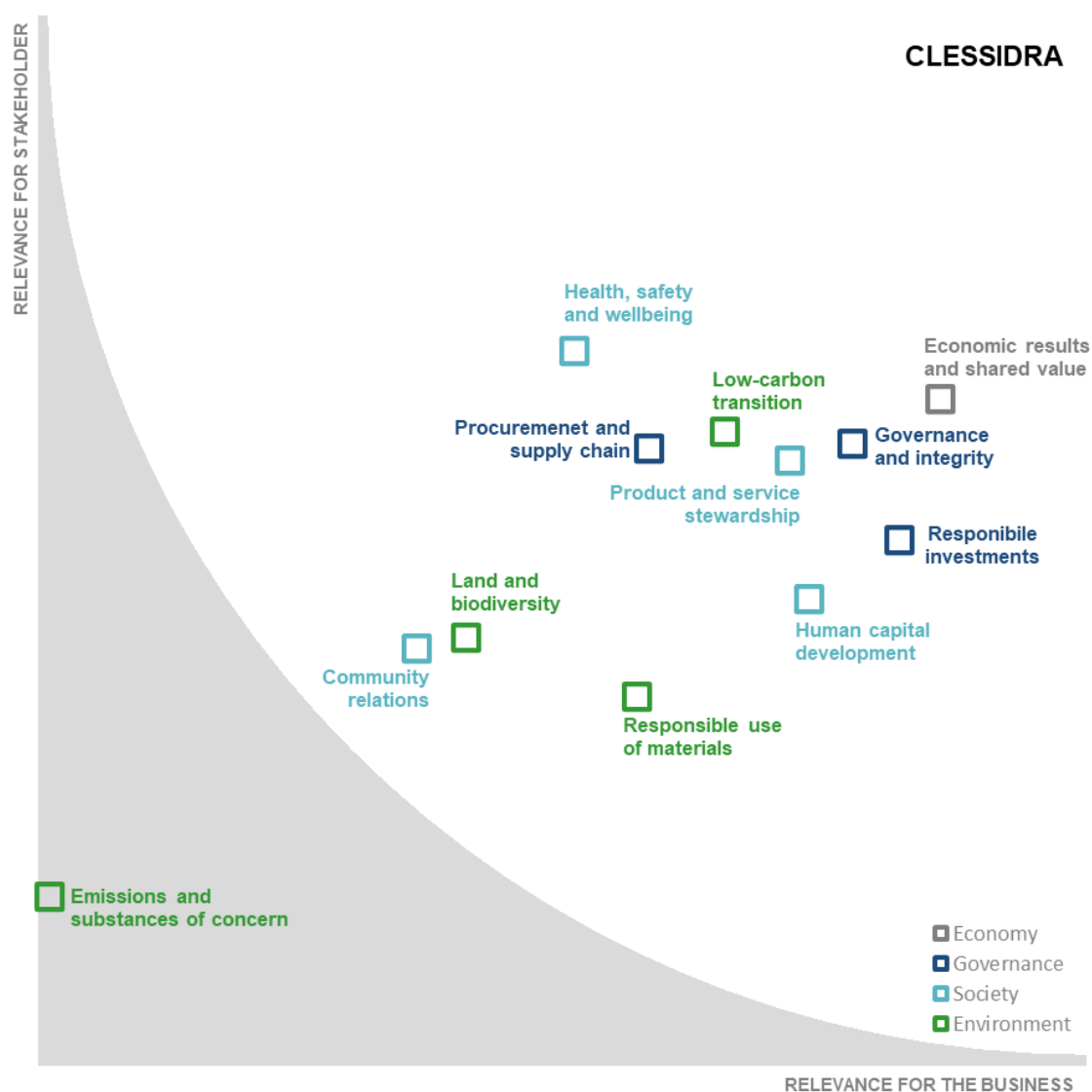
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management, the key management personnel and the majority shareholder, thanks to targeted questionnaires. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas



Section 5 | PORTFOLIO COMPANIES

In the second stage, all impacts relating to the individual macro-areas are systematically assessed, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and Positive ▲ Impacts	Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	M <ul style="list-style-type: none"> Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance and integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	M <ul style="list-style-type: none"> Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Responsible investments	▲ Effective implementation of transformative power starting from investment decisions, through active management of portfolio companies on to the search for a buyer who can continue the sustainable development of the companies.	M <ul style="list-style-type: none"> Adoption of Responsible Investment Policies aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-respect for human rights, labour rights and equal opportunities along the raw material supply chain, particularly in coffee producing countries.	M <ul style="list-style-type: none"> Promotion in portfolio companies of: <ul style="list-style-type: none"> ESG pre-qualification and qualification of business partners. Sharing governance documents with all partners and stakeholders. Activation of a protected system of whistleblowing that is open to all stakeholders.
	▲ Promotion in portfolio companies of supply chains that respect the basic conditions of worker protection, fundamental human rights, diversity, equity, inclusion and equal opportunities for all people.	
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	S <ul style="list-style-type: none"> Continuous and differentiated training for the various professional roles. Gradual adoption of incentive plans Corporate welfare
Health, safety and well-being	▼ Possibility of accidents at work that could cause injury.	S
	▲ Duty of care towards employees, collaborators, visitors and anyone else who enters the premises.	S <ul style="list-style-type: none"> Continuous promotion of a safety culture.
Low-carbon transition	▼ Greenhouse gas emissions along the entire value chain.	L <ul style="list-style-type: none"> Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts.
	▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement.	S <ul style="list-style-type: none"> Definition of validated medium-term (2030) and net-zero (2050) reduction targets in line with the requirements of the Science Based Targets initiative. Active investment selection and management.

S = Short term M = Medium term L = Long term

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 Clessidra Group also joined the Science Based Targets initiative (SBTi). The identified objectives have been validated by the SBTi expert team.

Clessidra Group has taken a commitment to mitigate the climate-altering effects of its activities along the entire value chain. In line with the impacts, risks and opportunities identified, the main levers are: selection and involvement of suppliers, streamlining of production processes, eco-design of the product and packaging. Moreover, since 2022 Clessidra Group and several portfolio companies of the managed funds only use renewable electricity, part of it self-produced.

The following table shows details of the decarbonisation objectives.

Objectives validated by SBTi (Near Term *)		Target	Year	2024
Scope 1+2 (MB)	Reduction of Scope 1 and Scope 2 emissions compared with 2023.	- 42%	2030	+ 3%
	Maintain annual renewable electricity supply from 2023.	100%	2030	100%
Scope 3 - Cat. 15 investments: • Direct or indirect investee companies with a total share >25%	Eligible Net Asset Value represented by companies with validated Science Based Targets.	50%	2027	3% **
	Eligible Net Asset Value represented by companies with validated Science Based Targets.	100%	2030	

* Clessidra has already formalised the Net-Zero 2050 commitment, but to validate the objective it has to wait for publication of the SBTi Guidelines for Financial Institutions.

** A further 50% of NAV has already formalised the SBTi commitment and is entering the process of validating the objectives.

The energy consumption and energy mix of Clessidra Group are shown in detail in the following table.

	Unit	2022	2023	2024
Therma energy consumption from fossil fuels		162	449	316
Natural gas	MWh	0	0	0
Diesel and LPG, for process		0	0	0
Automotive fuels		162	449	316
Thermal energy consumption from renewable sources		0	0	0
Biodiesel		0	0	0
Energy consumption from renewable sources		218	220	249
Hydroelectric		0	0	0
Solar		0	0	0
Wind		0	0	0
Other/Mix		218	220	249
Consumption of purchased renewable electricity		218	220	249
Consumption of self-produced renewable electricity		0	0	0
Total energy consumption		380	669	565
% of fossil fuels on total energy consumption		43%	67%	56%
% of renewable sources on total energy consumption		57%	33%	44%
Energy intensity	MWh / M€ Revenue	12	17	13
Electricity self-produced from renewable sources		0	0	0
Solar	MWh	0	0	0
Renewable electricity self-produced and fed into the grid		0	0	0

Section 5 | PORTFOLIO COMPANIES

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. To consolidate its emissions, Clessidra Group adopts the “financial control” approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint*	Unit	2022	2023	2024
Market Based		929,688	1,032,160	693,118
Location based	t CO2e	929,761	1,032,233	693,226
Carbon Intensity - Market based		30,382	26,809	15,350
Carbon Intensity - Location based		30,384	26,811	15,352
Scope 1	t CO2e / M€ Revenue	1	3	3
Scope 2 - Location Based		2	2	2
Scope 2 - Market Based		0	0	0
Scope 3		30,381	26,806	15,347

Carbon footprint Details*	Unit	2022	2023	2024	2024
Carbon footprint - Market based	t CO2e	929,688	1,032,160	693,118	
Scope 3 - Upstream		43	101	93	0.01%
1 Purchased products and services		--	--	--	
2 Capital goods		--	--	--	
3 Fuel-and energy-related activities		14	32	24	0.004%
4 Upstream transportation and distribution	t CO2e	--	--	--	
5 Waste generated by the sites		--	--	--	
6 Business travel		29	26	19	0.003%
7 Employee commuting		--	43	50	0.01%
8 Upstream leased assets		--	--	--	
Scope 1	t CO2e	44	112	116	0.02%
Scope 2 - Market Based		0	0	0	0%
Scope 2 - Location Based	t CO2e	72	73	107	
Scope 3 - Downstream		929,602	1,031,947	692,910	99.97%
9 Downstream transportation and distribution		--	--	--	
10 Processing of sold products		--	--	--	
11 Use of sold products		--	--	--	
12 End-of-life treatment of sold products	t CO2e	--	--	--	
13 Downstream leased assets		--	--	--	
14 Franchises		--	--	--	
15 Investments		929,602	1,031,947	692,910	99.97%

Clessidra Group assesses climate risk with reference to specific scenarios. Physical climate risks are identified with respect to the “Current Policies” scenario, as defined by the Network for Greening the Financial System (NGFS). Transition risks are identified with respect to the “Net-Zero 2050” scenario, again as defined by the NGFS, consistent with the SBTi commitment.

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own Workforce

Clessidra has a team of 93 motivated and specialized people. Direct employees are all covered by a collective bargaining agreement. 39% of managerial positions are held by women.

Clessidra has adopted a remuneration and incentive system in line with the long-term corporate strategy. This means that it integrates the objectives, values and interests of its Alternative Investment Funds and their investors with the financial and socio-environmental performance, corporate values, development and retention of professional skills.

In order to accompany the development of human capital, Clessidra has adopted an individual performance assessment system extended to all staff based on individual annual qualitative and quantitative objectives, to which the variable element of annual remuneration is related.

	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	25	41	66	33	45	78	41	52	93
Managers	4	16	20	3	17	20	5	17	22
Middle managers	9	18	27	17	19	36	21	23	44
Office workers	12	7	19	13	9	22	15	12	27
Turnover	--	--	16	--	--	12	--	--	15
+ Hirings	--	--	25	--	--	19	--	--	26
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	9	--	--	6	--	--	8
- Non-voluntary exits	--	--	0	--	--	1	--	--	3
- Divestments	--	--	0	--	--	0	--	--	0
% contract: permanent	100%	98%	98%	97%	98%	97%	98%	96%	97%
% contract: full time	100%	100%	100%	97%	100%	99%	93%	100%	97%
Training									
Hours per capita	11	13	12	12	9	11	27	27	27
Managers	11	13	13	8	4	5	15	28	25
Middle managers	11	13	12	12	15	14	28	27	27
Office workers	11	13	12	13	7	10	31	25	29
% hours of voluntary training	--	--	--	75%	63%	69%	77%	74%	75%
Managers	--	--	--	4%	50%	38%	57%	72%	70%
Middle managers	--	--	--	78%	67%	72%	77%	83%	80%
Office workers	--	--	--	82%	63%	77%	80%	60%	72%
	--	--	--	--	--	--	--	--	--
% with at least one training session									
Managers	--	--	--	63%	68%	66%	91%	96%	94%
Middle managers	--	--	--	75%	53%	57%	83%	95%	92%
	--	--	--	65%	82%	74%	96%	96%	96%
	--	--	--	57%	64%	60%	89%	100%	93%
% with performance appraisal									
Managers	100%	100%	100%	85%	91%	88%	100%	100%	100%
Middle managers	100%	100%	100%	100%	100%	100%	100%	100%	100%
Office workers	100%	100%	100%	76%	95%	86%	100%	100%	100%

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Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2022	2023	2024
Gender pay gap			
<i>Difference between men's and women's average pay compared with men's average pay</i>	54%	50%	49%
<i>Managers</i>	22%	14%	25%
<i>Middle managers</i>	30%	23%	22%
<i>Office workers</i>	24%	7%	13%

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

Clessidra Group promotes the health, safety and wellbeing of all employees and a safety culture that is also shared with the companies in its portfolio. The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. The main risk conditions that have been identified are external to the workplace and mainly concern the use of company cars. A dedicated internal contact, the availability of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

All employees benefit from health insurance: full cover for middle managers and white-collar workers and supplementary cover for managers. Managers are also entitled to an annual check-up at a leading hospital.

	2022			2023			2024		
Injuries	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	--	--	0	0	0	0	0	0	0
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	0	0	0	0	0	0	0
Frequency rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Severity rate	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00

PRODUCT STEWARDSHIP

ESRS S4 - Consumers and end-users

Clessidra Private Equity SGR and Clessidra Capital Credit SGR offer their investors quality services, creating and maintaining solid relationships built on transparency and trust. Communicating with subscribers guarantees an adequate and equal level of information for all investors, safeguards the confidentiality of processed information and protects the successful outcome of investments and divestment in progress.

Within 60 days from the end of each year, Clessidra Private Equity SGR and Clessidra Capital Credit SGR prepares a management report on each of its funds in accordance with the Bank of Italy's Collective Savings Management Regulation. The report includes a balance sheet, income statement, notes and directors' report and is subject to certification by the Independent Auditors. On a voluntary basis and in agreement with investors and according to international practice, the two companies also prepare a quarterly report called the LP Report which contains information based on official data similar to that of the management report. Those in charge of drafting respond jointly to requests for clarifications or insights about the communications sent, assessing the advisability of providing additional information to the general public of investors.

In addition to the communications due by law and voluntary reporting, Clessidra Private Equity SGR and Clessidra Capital Credit SGR convey information in response to specific requests from investors in the event that they express the need to be aware of foreseeable developments in investment management, also in order to allow them to assess potential sales of their shares. The information provided to investors is checked periodically by the independent auditors and by internal control bodies and functions.

Clessidra Private Equity SGR and Clessidra Capital Credit SGR fully adopt the principle of transparency also in the reporting of ESG performance, preparing the communications to the market and investors required by the SFDR Regulation, responding annually to the UN PRI questionnaire, and publishing the Transparency Report. Furthermore, to ensure transparency towards investors, in the financial reports prepared in accordance with the Bank of Italy's instructions, there is a specific paragraph about responsible investments. In addition, there is a quarterly report, based on guidelines for the presentation of financial information (IPEV Reporting Guidelines) and for valuations (International Private Equity and Venture Capital Valuation Guidelines), which highlights any critical issues and management's approach, also to issues of responsible investment.

Clessidra Factoring, as a supervised financial intermediary, fulfils the information requirements provided for in the set of rules that transpose in the European Union the standards defined by the Basel Committee for Banking Supervision. In particular, under the so-called "Third Pillar", it shall prepare and make available to the public an information document ensuring an adequate level of transparency on exposure, control and management of the risks taken, integrating the relevant ESG aspects.

Clessidra pays the utmost care and attention to data protection and the protection of the rights and freedoms of natural persons and to this end applies the technical and organisational measures needed to ensure implementation of the ruling regulations. In particular, the SGR implements appropriate and specific measures to avoid the violation of personal data, above all the risk of data loss or access by unauthorised parties. The Policy on the Protection of Personal Data and Data Breach is constantly updated with respect to regulatory changes and amendments to internal processes.