DEXELANCE

ANNUAL FINANCIAL REPORT

As at 31.12.2024

CRAFTING DESIGN FOR EXCELLENCE

MANAGEMENT REPORT, CONSOLIDATED AND ANNUAL FINANCIAL STATEMENT AS AT 31 DECEMBER 2024 - CONSOLIDATED SUSTAINABILITY STATEMENT

GENERAL INFORMATION – BASIS FOR PREPARATION – ESRS 2

METHODOLOGY NOTE

Consolidated Sustainability Statement (or also the "Statement" or "Disclosure") provides the reader with clear, accurate, transparent and comprehensible information on the environmental and social impacts generated by the Dexelance Group, as well as impacts regarding personnel, respect for human rights and supplier relations management caused directly or indirectly by the company, or to which it has contributed. It provides a thorough understanding of the main risks associated with the Group's business activities, as well as its achievements and performance in the area of sustainability.

The Dexelance Group, as an organisation already subject to the non-financial reporting obligation pursuant to Legislative Decree no. 254/2016, is subject to the obligations arising from the new EU Directive 2022/2464 (the "CSRD Directive"), transposed into Italian law by Legislative Decree 125/2024, which also expands the provisions of the Taxonomy Regulation as of the fiscal year 2024.

[BP-1] General basis for preparation of the sustainability statement

This Statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), specifically defined by EFRAG to meet EU regulatory requirements under the CSRD. The qualitative and quantitative data and information contained within this document refer to the financial year ended 31 December 2024. The reporting scope coincides with that of the Dexelance Group's Annual Consolidated Financial Statements, meaning that it includes the financial reporting data of the parent company (Dexelance S.p.A.) and the fully consolidated companies[4].

The information provided in this Sustainability Statement is prepared in such a way that it includes information on the Group's relevant impacts, risks and opportunities arising from its direct and indirect business relationships in the upstream and/or downstream value chain.

In this document, Dexelance has chosen not to report sensitive information of a strategic, product-related nature, while making sure not to compromise the overall relevance of the disclosure. The Group complies with its disclosure obligations by providing all other information requested and having made all reasonable efforts to ensure that the omission does not affect the Reporting's completeness and relevance of the report.

[4]For further details on this, please refer to the section "Operating Conditions and Business Development" in the "Management Report Consolidated and Separate Financial Statements as at 31 December 2024 – Economic and financial results", included in this document.

Dexelance did not make use of the exemption from the disclosure of information concerning upcoming developments or matters under negotiation, pursuant to Articles 19 bis, paragraph 3 and 29 bis, paragraph 3 of Directive 2013/34/EU.

[BP-2] Disclosures in relation to specific circumstances Time horizons

In preparing the Sustainability Statement, Dexelance adopts the short-, medium-, and long-term time horizons defined by ESRS 1, as follows:

- Short period: one year, the period adopted as the reference for its financial statements;
- Medium-term: up to five years after the end of the short-term reference period;
- Long term: more than five years.

The choice of time horizons was made to ensure a consistent assessment capable of integrating sustainability into the company's business. The short-term horizon, coinciding with the annual accounting cycle, makes it possible to combine sustainability information with financial data and to monitor the effectiveness of initiatives in a timely manner. The medium term, which covers up to five years from the end of the short term, allows for planning sustainable strategies, monitoring the achievement of relevant objectives and assessing risks and opportunities within a more predictable time frame. Finally, the long term, which exceeds five years, is crucial for considering long-term environmental, social and governance impacts, including emerging risks such as climate change.

Value chain estimation

As far as the organisation's GHG calculation is concerned, the collection of data, its processing and the subsequent quantification of emissions were based on the core principles of the reference standard UNI EN ISO 14064-1:2018, which has been adopted since the first year of this inventory's calculation and reporting, i.e. the financial year 2023.

For the purposes of the inventory calculation, data on significant direct and indirect emission sources were collected, as well as the data required to process them.

Regarding to indirect emissions, Dexelance has defined a set of criteria to identify the significant ones, which are subject to quantification and reporting. To do so, the following criteria were considered:

- **Magnitude:** This criterion assesses the magnitude/volume of emissions on the basis of already published studies for similar realities, or on the basis of qualitative-quantitative assessments that include expert opinions and/or quick estimates.
- **Level of influence and control:** This criterion assesses the organisation's ability to influence the specific emission source. The objective of this criterion is to circumscribe the indirect emissions on which the organisation can effectively intervene with reduction plans, thereby avoiding efforts in reporting on aspects on which the ability to influence is nil.
- **Access to information:** The aim of this criterion is to measure the availability of the information needed to quantify the emissions associated with the source, so that an assessment can be made of the effort-benefit ratio, cross-referencing it with information on magnitude and the capacity to influence.

For the purposes of this report, the categories found to be significant, following the application of the above criteria according to ISO 14064, have been transposed according to the nomenclature and clustering provided by the GHG Protocol. More information on the relevant categories and their associated GHG emissions can be found under the "Energy and Emissions" section of the chapter titled "Environmental Information".

The data for the emission factors were quantified by measuring the physical data, sampling or estimating the physical data, converting the economic data into physical data or, for unavailable physical quantities, measuring the economic data. The emission factors used consider all the main GHGs (i.e. CO_2, CH_4, N2O, HFCs, PFCs, SF6 and other fluorinated gases), which were then translated into CO2e units using the characterisation factors released by the IPCC (AR6 of 2021), the most authoritative institution on climate change.

Sources of estimation and outcome uncertainty

Where estimates have been made in the quantification of data with a high level of uncertainty, an appropriate indication is given at the bottom of the relevant figure included in the relevant section. The Group endeavours to monitor possible changes in regulations or reference standard used (e.g. ISO 14064) in order to reduce the level of uncertainty of reported information whenever possible.

Changes in preparation or presentation of sustainability information

Since this is data presented for the first year of reporting according to ESRS Standards, Dexelance chose not to state the comparative figure. Consequently, there is no change in the sustainability information compared to the previous reporting period.

Reporting errors in prior periods

In addition, it should be noted that the introduction of the new standards required the adoption of metrics and related reporting methods that do not allow for comparability with data from previous years and the consequent assessment of any material errors, the introduction of replacement metrics or other changes.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

Other than the information required by ESRS, Dexelance did not include information required by other legislation containing sustainability reporting requirements or generally accepted sustainability provisions. Therefore, there are no references to additional applied reporting principles or frameworks.

Incorporation by reference

The text includes, for each ESRS reporting obligation, a referral to the "Management Report of the Consolidated and Separate Financial Statements as at December 31, 2024 – Economic and financial results", with an indication of the corresponding section.

SUSTAINABILITY GOVERNANCE

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

The corporate governance system adopted by Dexelance is aimed at creating synergies between the different companies and is geared towards ensuring a responsible and transparent management of the Group. Since its listing, and as subsequently confirmed by the Board of Directors in their meeting on 7 February 2024, Dexelance has adhered to the Corporate Governance Code of listed companies approved in January 2020 by the Corporate Governance Committee of Borsa Italiana.

This disclosure requirement is not applicable to the Group, as the number of employees as of 31/12 is greater than 750.

Therefore, its governance model consists of a Board of Directors (BoD), which is responsible for managing the company, supported by the Board of Statutory Auditors, a supervisory body responsible for monitoring compliance with the law and company rules, in addition to ensuring the adequacy of the company's internal oversight systems and organisational departments that monitor the directors' compliance with the by-laws and the law.

The BoD pursues the objective of creating sustainable value for the long term by defining the strategies of the Group and its member companies and by monitoring, through regular update meetings, the implementation and impacts of its management on the company. The Board is also called upon to deliberate whenever the Company assesses an opportunity for external growth, to ensure its adherence and consistency with the Group's development strategy.

As of 31 December 2024, the Board of Directors of the Group, unanimously appointed by the ordinary shareholders' meeting on 9 May 2023 and which took office after the completion of the listing on 18 May 2023, consists of 11 members, six men (55%) and five women (45%), of which 36% belong to the age 30-50 group, and the remaining 64 %, to the 50+ age group. 27% of the members of the Board of Directors of the Group are independent. In addition to these 11 members of the Board, there is an Honorary Chairman, who has the right to participate in all Council meetings, but without the right to vote. The executive members within the bodies are Andrea Sasso (Chairman & CEO) and Giorgio Gobbi (Executive Director).

The Board of Statutory Auditors consists of three full members, one of whom is a woman, and two alternate auditors, one of whom is a woman. Considering the total membership, including full and alternate members, 20% of the members of the Board are in the 30-50 age bracket, and the remaining 80% are in the over-50 age bracket.

Andrea Sasso, Chairman of the Board of Directors, also holds the position of Executive Director and Chief Executive Officer. This position was confirmed unanimously at the meeting on 23 May 2023, the first meeting held after the effective appointment of the new Board of Directors. This meeting also confirmed the appointment of Giorgio Gobbi as Chief Executive Officer and Executive Director, the independence requirements of the independent directors, the appointment of the Lead Independent Director, and the composition and chairmanship of the Board's own internal committees.

The interests of the stakeholders, the diversity within the Board of Directors, and the competencies of its members were taken into account by the aforementioned shareholders' meeting to warrant the appointment of the current Board, which will remain in office until the approval of the financial statements as at 31 December 2025.

Further bodies established at the Shareholders' Meeting of 9 May 2023, also effective of downstream of the completion of the listing process are the Appointments Committee, the Human Resources and Remuneration Committee and the Control, Risk, Related Party Transactions, and Sustainability Committee.

There is no employee representation on administrative, management and supervisory bodies.

The members of the bodies have extensive and consolidated experience in the business sectors, the Group's products and Dexelance's target markets. Their careers have developed in leading roles in areas such as finance, investment, private equity, corporate governance, marketing, operations and strategic development, with across-the-board experience in leading national and international companies. With diverse and complementary backgrounds ranging from manufacturing, design and retail to strategic consulting and sustainability, each member brings distinctive skills that contribute to Dexelance's growth and innovation.

Table 1 Percentages of members of administration, management and supervisory bodies broken down by gender

	Men		Women		Total	
	N	%	N	%	N	%
CDA[5]	6	55%	5	45%	11	100%
Board of Statutory Auditors	2	66%	1	33%	3	100%
Hiring, Human Resources, and Remuneration Committee	1	33%	2	67%	3	100%
Control, Risk, Related Party Transactions, and Sustainability Committee	0	0%	3	100%	3	100%
Total	9	45%	11	55%	20	100%

[5]The average ratio of male to female members of the Board of Directors is approximately 1.3.

Management, sustainability team, and management of IROs

The Board of Directors plays a control and approval role, drawing on the support of the Board's own internal committees for operational assessments. In particular, the Control and Risk, Related Party Transactions and Sustainability Committee provides proposing and advisory functions, thereby guaranteeing an adequate preliminary activity to support the Board's decisions on the internal control, risk management and sustainability system. Given the key importance of sustainability, Dexelance has set up a central Sustainability Team, consisting of an ESG Manager and an ESG Specialist, who work in close synergy with the Group CFO, and with the ESG Ambassadors, who are the point persons at the subsidiaries involved in implementing the actions concerning the sustainability objectives. The ESG Ambassadors, supervised by the management of the subsidiaries, actively cooperate with the central Sustainability Team to implement ESG strategies, thereby ensuring coordinated and effective action on all sustainability issues.

On 17 December 2024, the Board of Directors approved the double materiality analysis carried out for the purpose of the 2024 Sustainability Statement according to the new Corporate Sustainability Reporting Directive (CSRD), which identifies relevant Impacts, Risks and Opportunities (IROs) for the Dexelance Group. Subsequently, on 29 January 2025, the Board of Directors examined the Group's ESG Manifesto, a policy document drawn up to identify and communicate to all stakeholders, the pillars of Dexelance's sustainability strategy and the strategic lines that will guide the actions planned for the coming years, and it approved the actions and objectives envisaged to this end in the Group's current Business Plan for the 2025-2027 three-year period. The planned actions encompass environmental, social and governance dimensions, and they involve all Group companies as a way to ensure an integrated and homogeneous approach.

The Business Plan was prepared in cooperation with the ESG Ambassadors, ensuring the concreteness and feasibility of the defined initiatives. The objectives, which were approved by Dexelance's top management and the Board of Directors, were carefully evaluated to ensure a close connection with the material IROs and to foster strategic synergies and effective supervision.

Monitoring progress, either quarterly or half-yearly depending on the specificity of the objectives, serves to continuously assess the progress of initiatives, mapping the achievement of predefined deadlines and consolidating the Group's commitment to sustainability.

The Board of Directors has a control and approval role on issues of impacts, risks and opportunities, and it receives support from the Control and Risk, Related Party Transactions and Sustainability Committee. This committee performs a proposing and advisory role, providing adequate preparatory work for the Board's evaluations. In particular, it supports the definition of sustainability guidelines, the periodic review of impacts, risks and opportunities, and the monitoring of actions taken to manage them. The central Sustainability Team is in charge of operationally supporting these processes, also with the involvement of any external advisors who may be appointed at any given time.

The Group's management manages impacts, risks and opportunities through a governance that takes place at two levels: top management[6], which is responsible for the overall strategy, and Group Management (i.e., the CEOs of subsidiaries), which is in charge of operational implementation. The central Sustainability Team works with the CFO to coordinate the integration of ESG strategies with the support of the ESG Ambassadors. Control and monitoring are entrusted to the BoD and the Control and Risk Committee, which oversee the effectiveness of the actions taken.

The effectiveness of the Group's governance mechanisms is supported by continuous training and focus on developing the skills of its management and directors in the area of sustainability. The company encourages the Group's management's participation in events dedicated to sustainable development, and/or Dexelance's participation in awards, calls, projects and communities whose areas of focus also touch on sustainability issues. In addition, the Control and Risk, Related Party Transactions and Sustainability Committee and the Board of Directors receive regular reports from management on the actions carried out by the Group with a view to sustainable development. At the same time, formal and informal meetings are held with members of the Group's management and their direct reports on sustainability issues, in which any external advisors identified at any given time who specialise in ESG issues may also take part. Lastly, starting with the first one in 2024, a workshop on ESG issues will now be held annually, with the involvement of certain roles and positions at the subsidiaries, the training material for which has been and will continue to be shared with the Committee and the BoD.

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

Dexelance's central management and the Board of Directors are routinely informed about relevant impacts, risks and opportunities as well as policies and objectives, which are reported to them by the Sustainability Team in the form of committees convened on an annual basis. Where necessary, the Board of Directors is aligned with the results and effectiveness of policies and actions carried out by the Group or individual subsidiaries.

The 2025-2027 Business Plan integrates the strategic lines in the field of sustainability that emerged from the double materiality analysis, ensuring consistent alignment with the pillars and strategic lines identified in the Group's ESG Manifesto and with the needs of the individual subsidiaries. In particular, the role of the Board of Directors is fundamental in identifying and pursuing the Group's strategic objectives and evaluating the general management performance, specifically taking into account the information received from the delegated bodies. In the quarterly meetings dedicated to defining and reviewing the corporate strategy, in conjunction with the assessments conducted for the Business Plan, the administrative, management, and supervisory bodies address the issues relevant to the Group arising from the identification of the most significant impacts, risks and opportunities (IROs) for Dexelance. This allows for a thorough and balanced assessment of any trade-offs between growth objectives, sustainability and long-term value creation.

The list of significant impacts, risks and opportunities faced by the administrative, management and supervisory bodies during the reporting period can be found in the section "Dexelance double materiality" in this chapter.

[6]CEO, Managing Director, CDO, Corporate Development, IR & ESG Manager, CFO.

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

No incentive schemes linked to sustainability goals are currently offered to members of the administrative, management and supervisory bodies. However, the Shareholders' Meeting of 22 April 2024 approved the 'Performance Shares Plan Italian Design Brands 2024-2029', an incentive plan based on financial instruments with a Vesting Period of 2024-2029 and as beneficiaries Dexelance's Strategic Managers, namely the CFO, the CDO, and the Corporate Development, IR & ESG manager, as well as the Executive Directors, Andrea Sasso and Giorgio Gobbi. 20% of the units accrued by the Plan's beneficiaries are linked to ESG performance objectives. This was confirmed following the approval of the 2025-2027 Business Plan, which, as described above, also includes actions and objectives regarding sustainability issues. In addition, starting in the year 2025, with reference to the objective "Implementation of an incentive system linked to ESG KPIs", provided for in the current Business Plan, for the Group management, as well as for the ESG Ambassadors, annual bonuses linked to sustainability goals will be provided.

[E1 GOV-3]] Integration of sustainability-related performance in incentive schemes

No sustainability-related incentive schemes are currently offered to members of the administrative, management and supervisory bodies. The executive members, Andrea Sasso and Giorgio Gobbi, Chairman and CEO and Executive Director respectively, will be offered incentive schemes linked to sustainability goals as described above.

[GOV-4] Statement on due diligence

At present, the Group does not have a formalised and active due diligence system for sustainability, but it implements various controls that, in fact, help to ensure the control and management of risks in relevant areas. The adoption of standards such as ISO 14064 complements the other management systems of some Group companies (ISO 14001, ISO 9001, and ISO 45001)[7]. This constitutes a real safeguard for the management and control of environmental and social impacts. These tools not only ensure compliance with applicable regulations, but also promote continuous improvement, the identification of risks and opportunities, and the implementation of corrective and preventive actions.

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

2025, Dexelance launched a procedure for drafting the Sustainability Statement to formalise processes and controls in relation to sustainability reporting.

Considering the changing regulatory landscape in sustainability, the Dexelance Group has worked to develop an internal control and risk management system for sustainability reporting (ICSR), which includes processes, procedures and controls to ensure the quality, reliability and transparency of the sustainability information. The system is integrated with the Enterprise Risk Management process and is supported by the Internal Audit Manager to verify the adequacy and effectiveness of all controls. The reporting work is coordinated by the Group's Sustainability Team, which manages the collection, analysis and validation of data with the involvement of the ESG Ambassadors and the Data Owners of the individual subsidiaries.

The Group uses the double materiality analysis to identify and prioritise sustainability risks. In particular, the development of the financial materiality process is based on the Enterprise Risk Management process and the annual updating of the Risk Register, thereby harmonising sustainability risks with financial risks. Working in collaboration with the CFO, the Sustainability Team conducts the assessments and presents the results to the CEO, the Executive Director, the Control and Risk Committee, and to the Board of Directors.

Some of the main risks that emerged involved physical climate risks that pose a significant threat to both corporate infrastructure and the value chain. Another critical element is the dependence on key raw materials, whose possible price increase or scarcity could affect the Group's production capacity and profitability. Waste management is also a significant risk, as non-compliance with environmental regulations could expose the company to financial penalties and damage its reputation, undermining the credibility of its sustainability commitments. In terms of safety and human capital, the Group has identified the risk of occupational accidents and illnesses, which could result from exposure to hazardous substances and lead to additional insurance costs, as well as repercussions on corporate reputation. Finally, dependence on key figures is a further critical factor; the absence of succession plans for the Group's management and strategic roles could lead to a skills shortage and thereby compromise the quality of management and competitiveness in the long run.

For each of these risks, Dexelance has identified mitigation strategies that will include the adoption of formal policies and specific procedures that establish clear and consistent guidelines for managing risks and defining roles and responsibilities to ensure that each risk is monitored and managed by specific and qualified company figures. Control procedures have been structured to ensure that business processes are carried out in compliance with internal and external regulations, through an effective separation of duties (SOD), avoiding conflicts of interest and improving the reliability of controls. In addition, periodic risk assessment through audits and continuous monitoring allows for the early detection of any areas of vulnerability and the adoption of corrective actions.

Risk analysis and internal controls are integrated into business functions through the process of collecting and validating sustainability data. The Group's Sustainability Team, with the support of the ESG Ambassadors, coordinates the involvement of the operational departments and the Data Owners, who are responsible for the accuracy and completeness of the information collected. The validation process involves the Group's Sustainability Team's annual review of data, including the analysis of deviations from the previous year through internal checks to ensure the information's consistency and reliability.

[7]ISO 14001 – Gervasoni; ISO 9001: Gervasoni, Saba Italia, Flexalighting,Cubo Design; ISO 45001: Gervasoni.

The results of the risk assessment and Sustainability Statement process are periodically presented to the Group CFO, the CEO, and the Executive Director, who review and approve the draft Sustainability Statement; to the Audit and Risk Committee, which provides an opinion on the double materiality analysis and the content of the report; to the Board of Directors, which approves the Sustainability Statement in conjunction with the Annual Report; and finally to the Board of Statutory Auditors and the Independent Auditors, which perform compliance checks on the sustainability information prior to publication.

SUSTAINABILITY STRATEGY

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

The Group's business area, products, and companies

Dexelance Group is active in the furniture and lighting sector. The 11 companies belonging to the Group are divided into four strategic business areas (SBAs): "Furniture", "Lighting", "Luxury Contract", and "Kitchen & Systems". Gervasoni, Meridiani, Saba Italia, Gamma Arredamenti and Turri work in the "Furniture" strategic business area, providing a wide range of products for interior and exterior furnishing; Davide Groppi, Flexalighting and Axo Light belong to the "Lighting" strategic business area; the "Luxury Contract" business area includes two companies, Modar and Cenacchi International, which focus on creating bespoke, prestigious furnishings for luxury shops, showrooms, residences, hotels, and offices; the "Kitchen & Systems" strategic business area features only Cubo, which is dedicated to the design, manufacture and marketing of modular kitchen solutions and systems through the brands Binova and Miton Cucine.

The operating segment mentioned above aligns with the information prepared in accordance with IFRS 8, as reported in the "Strategic business area information" section of the "Management Report, Consolidated and Separate Financial Statement as of December 31, 2024 – Economic and financial results", of the Dexelance Group.

STRATEGIC BUSINESS AREA	COMPANY	PRODUCTS[8]
Furniture	Gervasoni	Furniture, sofas, sofa beds, rockers, lamps, beds, benches, armchairs, poufs, chairs, stools, tables, end tables
	Meridiani	Sofas, sofa beds, armchairs, benches and poufs, chairs and stools, tables, end tables, writing desks and consoles, storage cabinets, beds, nightstands, accessories
	Saba Italia	Sofas, armchairs, poufs, chairs, stools, beds and sofa-beds, tables, and accessories
	Gamma Arredamenti International	Sofas, armchairs, poufs, beds, tables, nightstands, lamps, accessories
	Turri	Sofas, armchairs, sideboards, tables, chairs, end tables, beds, nightstands, benches and poufs, consoles, accessories, lighting, office
Lighting	Davide Groppi	Suspended, ceiling, wall, table, and floor lamps, recessed lamps, outdoor lamps
	Flexalighting	Indoor and hanging lamps, various types of recessed lamps, path markers, projectors, linear systems, ceiling and wall systems, RGB systems, outdoor lamps (ceiling and ground recessed lighting, path markers, ceiling and wall lighting, projectors, and bollards)
	Axo Light	Designer chandeliers, wall lamps, table lamps, pendant lamps, wall and ceiling lamps, floor lamps
Luxury Contract	Cenacchi International	Production and installation of furniture for luxury shops, showrooms, offices, hotels, and homes
	Modar	Production and installation of furniture for luxury shops, residences, hotels, and offices
Kitchen & Systems	Cubo Design	Kitchens, storage cabinets, accessories

[8]No products offered by Dexelance were found to be prohibited in certain markets.

One of Dexelance's objectives is to support the sales structures of its subsidiaries and to promote growth and revenue acceleration also through expansion and increased penetration into new markets. In 2024, the majority of Dexelance revenue was generated from the retail channel, mainly due to the presence of the above-mentioned independent, multi-brand stores located in more than 130 countries that feature the Group's brands. The remaining share of revenue comes from the B2B or "contract" channel, in which Dexelance companies have specific expertise in various target sectors, such as luxury brand retail stores and boutiques, residential, high-end hospitality, and boating. In addition to the domestic market, the Group's main areas of action are the countries of Central Europe, such as France, Germany and the United Kingdom, and North America, namely the United States and Canada.

For information on the number of employees per geographic area of the Dexelance Group, please refer to the section "Characteristics of the Group's people" in the chapter "Social Information".

Group Strategic Sustainability Guidelines and ESG Manifesto

In the course of 2024, Dexelance defined an ESG Manifesto, a policy document that defines and formalises the pillars and strategic lines of Dexelance Group's journey to sustainability, which have been transposed by all the subsidiaries within the action plan planned for the next three-year period and with the aim of tackling the main challenges related to this issue, working on a common ground and taking into account the material ESRS identified within the scope of the double materiality analysis. The company strategy is structured around three macro-impact areas: environment, people, and ethical and sustainable business management.

In the environmental field, the Group is committed to reducing the impact of climate change by controlling climate-changing emissions and adopting energy efficiency initiatives. Furthermore, Dexelance aims to make its own offices and warehouses more sustainable through the adoption of responsible operating practices, and to disseminate and promote the concepts of eco-design and circularity in product development activities, by optimising the use of available resources, reducing waste and generally developing more sustainable products throughout their life cycle.

As regards its people, Dexelance has committed to keeping the protection of human rights and to promoting the creation of a fair and inclusive working environment at the centre of its strategy, educating employees about the principles of equality, diversity and inclusion and setting itself the goal of launching initiatives aimed at cultivating employee satisfaction and motivation to promote their well-being and their professional development. The Group is also committed to strengthening ties with local communities by contributing to the development of craft skills and to economic growth.

Finally, on the corporate management front, Dexelance will work to extend the Group's ESG commitments to further levels of the value chain by involving suppliers and partners in responsible management practices. Finally, with the aim of consolidating its governance structure, the Group aims to integrate more and more ESG criteria into its decision-making and operational processes.

The ESG Manifesto and the strategic lines of Dexelance's sustainability journey are integrated with the Group's strategy also with a view to the different segments to which the subsidiaries belong. Specifically, for the companies belonging to Dexelance's Furniture, Lighting and Kitchen & Systems strategic business areas, the strategy is based on the one hand, in terms of marketing and communication activities, on targeted actions to increase the visibility of the brands in the various channels and markets to support their positioning within the competitive landscape of their respective sectors, and on the other hand, in terms of distribution, on activities and tools dedicated to partners and resellers that are increasingly performing and designed for the needs of different markets, all to increase the degree of loyalty of the distribution network and establish a true long-term partnership with the various Group companies. In terms of products, these companies cultivate relationships with architects and designers to promote the creation of new products and collections that are increasingly innovative in terms of function and quality, long-lasting and with less environmental impact, terms of production and end-of-life and disposal, as well as identity design, with the aim of embracing market trends that are progressively evolving towards an increasingly holistic approach in the evaluation of consumer brands.

As far as the Luxury Contract operating segment is concerned, the growth strategy focuses more on expanding the customer base, while maintaining the very high quality of the products and service offered to customers. This objective entails a continuous effort and investment both in the company structures to make production processes more and more efficient, flexible and sustainable from an economic standpoint, as well as in terms of reducing energy and emission impacts, to attract and train, technically and professionally, new talent, thereby cultivating the internal know-how generated by the many years of experience in the sector. The impetus from major customers, who are active in the world of fashion and luxury jewellery and who are increasingly aware of sustainability issues, acts as a strong driver for ESG engagement and implementation not only for the companies in the Dexelance segment, but also for all upstream actors in the value chain.

Value chain

The Dexelance value chain was developed through a structured consultation process with the point persons at the Group's subsidiaries. These point persons provided a detailed mapping of the stages that make up the respective value chains, as well as the products and processes involved. The information gathered was then consolidated into a unified representation of the Group's value chain that takes into account the diversity of each individual company and enhances the synergies between them. Through this approach, the data presented are not the result of estimates, but derive directly from the in-house know-how of the individual companies, which have made their knowledge and operational experience available, thus ensuring a high degree of accuracy and reliability to the analysis.

The Dexelance Group offers a diverse range of high-quality products and solutions with a strong aesthetic, innovative and sustainable content. For customers and consumers, Dexelance aims to provide distinctive, tailor-made solutions that emphasise craftsmanship and technological innovation to deliver premium experiences in terms of quality, functionality and design. Investors can benefit from a solid and diversified business model, supported by a portfolio of prestigious brands and a strategy geared towards sustainable growth and expansion in international markets. In addition, for other stakeholders, the Group is committed to promoting responsible production practices, favouring the circularity of materials, the adoption of low environmental impact processes and the involvement of local communities, with the aim of creating shared value and strengthening the Group's long-term positioning.

The products made by the Group's companies may vary considerably, but the search for excellence, quality of design, and attention to detail remains a common denominator throughout the value chain. More specifically, the Dexelance Group's value chain is divided into three phases:

Upstream - Manufacturing & Procurement: concerns the primary activities preceding the production and distribution of finished products. This phase comprises operations related to raw material management, procurement and initial processing. The Group companies carefully select suppliers of raw materials and semi-finished products – mainly in Italy – to produce objects of excellence that help maintain the quality reputation of the Made in Italy brand. More specifically, we find the following phases:

- *Procurement and processing of raw materials*: : the phase of obtaining and processing of natural resources, in which the companies' suppliers procure raw resources such as marble, iron, feather, rubber, textile fibres, wood

and chipboard, and then process them to make them suitable for use in subsequent production stages;

- *Transport from suppliers of raw materials to suppliers of semi-finished products*: the transport of raw materials to suppliers of semi-finished products;

- *Creation of semi-finished products:* the creation of semi-finished products from the raw materials. The semi-finished products mainly used by Group companies include painted materials, electrical components, wooden structures covered with upholstery, upholstery fabrics, metals and glass;

- *Packaging production*: the phase in which packaging is produced to enable the product to be properly preserved during transport and sale. This phase involves the use of packaging such as cardboard, bubble wrap, wood, polystyrene, and plastic products (labels, envelopes, adhesive tape, etc.);

- *Inbound logistics*: the transport of all elements to the companies to enable the next stage of production.

The Dexelance Group's Own Operations – Product Development and Production: this covers the internal activities that Group companies carry out to develop new products and manage production. This phase is considered crucial to ensure that the final products meet the needs of the market while reflecting the required standards of quality, image, sustainability and competitiveness. In particular, this comprises the following activities:

- *Product design definition*: this involves the aesthetic, functional and technical design of the product, drawing on the expertise of architects, designers and other creative professionals. In the process of defining the design, industrial designers and architects work to ensure that the product is designed to have an aesthetic that is consistent with the image of the Group's various brands, a design that is functional in use, excellent quality, functional to the durability of the product and, where possible, a lower environmental impact of the product in all its life stages, starting with the selection of materials with a lower environmental impact, such as recycled and recyclable materials, and ending with the search for solutions that allow for easy future restoration and reduce the need for new natural resources. At this stage, attention is also paid to the efficiency of the production process and the reduction of waste. The product design phase can be in-house or outsourced;

- *Research and development*: the phase in which new materials and technologies are tested with the aim of creating cutting-edge products that respond to market needs, anticipating trends and offering solutions that meet high quality, high performance and sustainability criteria. The research and development phase tends to be in-house;

- *Support processes*: quali la prototipazione, i test e la validazione dei prodotti progettati. Una volta definito il concetto del prodotto, si sviluppano i prototipi per testare funzionalità, qualità e prestazioni. La fase di prototipazione consente di effettuare modifiche e ottimizzazioni prima della produzione su larga scala;

- *Production*: the phase that includes production planning (management of human resources, machinery and raw materials) and the actual production processes through the use of specific machinery or, in the case of products with a high craftsmanship content, with the support of experienced, local craftspeople. This phase is accompanied by specific checks to ensure the correctness of all operations. As with design and R&D, some production steps may be in-house and others external, depending on the type of product or the materials needed to make it;

- *Product assembly and finishing*: a process in which the various product components that have been prepared in previous stages (such as production and semi-finished products) are brought together to form the final product. Assembly can be automated with machine or manual support. The aesthetic finishing is essential to make the product attractive and conform to the required visual standards. This may include sanding, painting, chrome plating or the application of surface treatments to improve the product's appearance. To improve the product's durability and protect it from wear, corrosion or environmental conditions, treatments such as galvanising or powder coating (especially for metals) may be applied. Assembly and finishing include the packaging stage, which ensures the integrity of the product during transport and sale;

- *Production waste management*: responsible waste management helps Dexelance reduce its environmental impact, comply with waste regulations and improve the overall efficiency of production processes. The types of waste most commonly produced are material waste (e.g. metals, textiles, glass or wood), process waste (e.g. chips, powders, paint waste), packaging waste (plastic, cardboard, plastics or filling materials), and electronic waste (when production involves electronic components, these can be circuits, wires, defective or obsolete electronic components). The Group works to minimise waste generation through careful production planning and process optimisation.

Downstream - Sales, Use & Waste Management: this refers to the phases following production and covering the distribution, sale, consumer use of the product and, finally, the management of waste and post-consumer materials. In particular:

- *Warehouse management:* a phase that enables the company to optimise inventory, reduce operating costs and improve overall efficiency;

- *Customer care:* a phase that includes the management of orders, pre- and post-sales advice, and the offer of warranties or support for the resolution of any problems related to the products purchased;

- *Outbound logistics:* transport of finished products to points of sale, with a view to optimising costs and lead times;

- *Sales to customers and consumers:* in the retail channel, the Group mainly uses a network of business partners to bring its products to the market. These business partners may include multi-brand retailers, online shops, and distributors. Sometimes, as in the case of Directly Operated Stores (DOS), the Group is directly involved in the sale of products to consumers. Regarding the contract sales channel, Dexelance directly reaches different types of B2B (business-to-business) customers;

- *Use of the product by the end consumer:* the phase of the product's use by the end consumer. For complex or technological products, manuals are offered to facilitate the proper use of the product;

- *Product end-of-life and waste disposal:* the Dexelance Group promotes the circular economy by providing instructions for maintenance and replacement of product components. Some products that reach the end of their useful life can be dismantled, and reusable materials, such as textiles, metals, plastics, can be separated for recycling. As regards Lighting, even though dismantling instructions are not provided, the consumer is provided with disassembly instructions that enable the identification of the light source, in accordance with EU Regulation 1542/2023. This approach ensures compliance with European regulations to facilitate the proper replacement and subsequent recovery of components.

[SMB-2] Interests and views of stakeholders

Stakeholders and dialogue channels

Dexelance identified, through specific activities, the main stakeholders for its Group. They are:

- Customers and consumers;
- Employees;
- Suppliers;
- Architects and designers;
- Health and safety in the workplace;
- Employee value and well-being;
- Trade unions and professional associations;
- Media;
- Partners and retailers;
- Local community.

Subsequently, for each stakeholder category, the main channels and tools in place to ensure a transparent and timely dialogue were identified.

STAKEHOLDER CATEGORY	MAIN CHANNELS OF DIALOGUE
Customers and consumers	• Corporate website and social media • Direct contacts • Events and trade fairs
Employees	• Internal communications (newsletter, intranet) • Company policies • Business meetings • Channels of communication to the Supervisory Board under the 231 Model
Suppliers	• Direct contacts • Qualification and monitoring activities
Designers and architects	• Collaboration on specific projects • Continued cooperation in the research and development of new products
Government bodies and public administration	• Documentary exchange
Shareholders and investors	• Shareholders' Meeting • Annual and half-yearly consolidated and separate financial statements and additional quarterly financial information • One-to-one meetings and conference calls • Participation in conferences dedicated to the financial community
Trade unions and professional associations;	• Dialogue • Documentary exchange
Media	• Corporate website and social media • Press releases • Management interviews
Partners and retailers	• Direct contacts
Local community	• Corporate website and social media • Donations and sponsorships

Dexelance has an ongoing interest in gaining an in-depth understanding of the interests and opinions of key stakeholders as a way to ensure alignment with the company's strategy and business model. This enables it to identify and integrate their expectations into business decisions. The Dexelance stakeholder engagement process is conducted in the manner described in the table above. In particular, for 2024, the stakeholder engagement process for the assessment of relevant IROs excluded the involvement of external stakeholders, focusing instead on the activation and direct involvement of the internal stakeholders. Specifically, a minimum of two employees in strategic positions were involved for each Group company through company meetings, with the aim of gathering qualified input and fostering a shared thought process. This process took the form of a workshop held in the middle of the year that consisted of several stages: a training session dedicated to ESG issues, an overview of the main market trends, and an interactive part aimed at dialogue and discussion. During this last phase, participants had the opportunity to explore hypothetical strategic developments for both individual companies and the Dexelance Group as a whole, offering suggestions and perspectives for the future. For a detailed analysis of the relevant impacts, risks and opportunities that emerged, please refer to the section "Dexelance doublemateriality" in this chapter.

The results of the workshop and the ideas that emerged were carefully evaluated and integrated into the definition of the Group's sustainability strategy and actions. In particular, the opinions gathered helped to further align the company's strategy with the expectations of internal stakeholders, strengthening the focus on issues such as sustainable innovation, responsible end-of-life management of products, and the cultivation of employee satisfaction, motivation, and well-being. This involved refining the business model to ensure greater consistency with sustainability values and a more effective integration of strategic priorities. The commitments identified as priorities during the workshop were summarised as strategic lines in the ESG Manifesto and thus also integrated as sustainability activities in the 2025-2027 Business Plan, for which reason they will be implemented in the medium term. Key measures include initiatives to strengthen sustainability governance, improve transparency towards stakeholders, and develop dedicated projects aimed at reducing environmental impact and enhancing human capital.

These measures are expected to strengthen the relationship with internal stakeholders, increasing their involvement and trust in the Group's strategic path. Incorporating their views into the ESG Manifesto and the Business Plan will contribute not only to improving internal alignment, but also to fostering a more participative corporate culture by creating a continuous and constructive dialogue that can also positively influence the overall perception of external stakeholders.

When the Business Plan was approved, the central management, the Group's management, the Audit and Risk, Related Party Transactions and Sustainability Committee, as well as the Board of Directors of Dexelance were informed and updated in detail on the results of the workshop organised with the internal stakeholders. During these sessions, the opinions, suggestions and ideas that emerged from the participants were presented. In addition, the Group's management, administration, management and supervisory bodies are kept up to date on any needs that emerge from the different channels of dialogue used, as well as on regulatory and market developments in order to have a clear and thorough view of the interests and expectations of the stakeholders involved, integrating them into the decision-making process and the definition of the Group's strategic priorities.

DEXELANCE DOUBLE MATERIALITY

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

List of material impacts, risks and opportunities

The table provides a brief description of the relevant impacts, risks and opportunities that emerged from the materiality assessment, specifying in the "value chain" column whether they are concentrated in the company's own operations or in the value chain, both upstream and downstream. The description includes the current and anticipated effects that these impacts, risks and opportunities have on the business model, value chain, strategy or decision-making process, a description of how the negative and positive impacts affect or may affect people and the environment, and reasonably expected time horizons.

IMPACT	DESCRIPTION	Actual/ Potential	Positive/ Negative	Value chain	Time horizon
Contribution to climate change due to GHG emissions from own activities	The Group's operations generate greenhouse gas emissions related to the use of non-renewable energy sources in production activities and in the operation of its various facilities. Climate-changing emissions contribute to climate change and generate impacts that are global in level.	Actual	Negative	Own operation	Short-term
Contribution to climate change due to GHG emissions of Group suppliers	Negative impact on climate change due to greenhouse gas emissions from the operational activities involving the use of energy and fuels by suppliers from which the Group obtains its supplies.	Actual	Negative	Upstream	Short-term
GHG emissions from logistics and transport activities	The negative impact on climate change due to greenhouse gas emissions produced by the company's logistics (road, ship, aeroplane, and rail) is determined by the use of fossil fuels for the transport of semi-finished products to the Group's facilities and of final products to customers (B2B or B2C).	Actual	Negative	Upstream - Downstream	Short-term
Product use	Negative impact on climate change due to greenhouse gas emissions associated with the use of some of the products (e.g. lighting) and, in particular, with their disposal.	Actual	Negative	Downstream	Short-term

Consumption and depletion of raw materials	The Group contributes to the depletion of raw materials by purchasing materials from its suppliers such as timber, plastics, paper, metals, minerals, textiles, and leather.	Actual	Negative	Upstream	Short-term
Impact on environmental quality due to waste generation	The Group's activities involve the generation of waste (e.g. leather, textiles, paints, and plastics) which, if not disposed of properly, can have a negative impact on the quality of the environment.	Potential	Negative	Own operation	Medium-/ long-term
Impact on environmental quality due to waste generation	The activities of the Group's suppliers result in the generation of waste which, if not disposed of properly, can have a negative impact on the quality of the environment.	Potential	Negative	Upstream	Medium-/ long-term
End-of-life environmental impacts	The Group manufactures and sells products, such as lighting fixtures, sofas and tables, which, by their nature, cannot always be reused or recycled, generating a significant environmental impact related to the end-of-life management of these items by the user-customers.	Potential	Negative	Downstream	Medium-/ long-term
Failure to protect the welfare of employees	Non-responsible management of employees with respect to working hours and failure to ensure adequate wages can increase stress and fatigue, compromise physical and mental health and hinder a proper work-life balance.	Potential	Negative	Own operation	Short-term
Negative impact on employee health and safety	Due to the particularities and diversity of the activities carried out by the Group, employees may be exposed to cases of accidents related to the handling and processing of products, including contact with hazardous chemicals (e.g. paints, substances for the surface treatment of materials such as waterproofing agents, and waxes) and potentially harmful substances, with a consequent negative impact on their health.	Actual	Negative	Own operation	Short-term
Lack of employee skill development	The Group may not ensure an adequate degree of skill development of its employees to perform management (e.g. soft skills, leadership) and operational tasks (e.g. carpentry, cutting and sewing, painting, etc.) through adequate technical training, which may negatively affect the professional growth of employees.	Potential	Negative	Own operation	Short-term
Supporting local communities through charity, cultural and artistic promotion and environmental protection projects.	Through philanthropic initiatives, such as financial donations, support for social projects and charitable work, the Group demonstrates a true commitment to the welfare of the various communities in which it is present. These activities contribute to meeting local needs, promoting social and economic development and strengthening the link between the company and the local area.	Actual	Positive	Downstream	Medium-/ long-term
Non-compliance with ESG criteria along the supply chain	Potential non-compliance with minimum standards of ethical conduct along the value chain with potential need to sever relationships with key suppliers for the Group's activities	Potential	Negative	Upstream	Medium-/ long-term

RISK	DESCRIPTION	Dependencies	Value chain	Time horizon
Physical climate risks for the Group's operations	The risk that acute climatic phenomena (e.g. floods and extreme rainfall, floods, earthquakes, landslides, etc.) may impact, limit or interrupt the Group's activities due to structural damage and/ or limited access to company sites with economic repercussions on operations (higher costs and/or lower sales).	Natural resources	Own Operation	Short-term
Physical climate risks for the value chain	The risk that acute and chronic climatic phenomena (e.g. droughts, floods, variability in weather patterns, and rising temperatures) may cause the temporary unavailability of raw materials and/or semi-finished products with consequent negative effects in terms of lower sales revenue and/or higher operating costs.	Natural Resources Contribution to climate change due to GHG emissions of Group suppliers GHG emissions from logistics and transport activities	Own operation	Medium-term

Dependence on key raw materials	The risk arising from the inability to rationalise production and optimise the use of key raw materials such as timber, plastics, paper, metals, minerals, textiles, and leather. The difficulty in reducing dependence on these resources, which could become scarce or expensive, could lead to increased operating costs and compromise the Group's production capacity.	Natural Resources	Upstream	Medium-term
Incorrect waste management	Failure to comply with waste management regulations, due to the use of improper disposal methods or failure to adhere to regulations and guidelines, could expose the Group to fines, penalties and a loss of credibility with regard to its environmental sustainability commitments. Such breaches could have significant consequences that would affect both the business and the company's reputation.	Human resources	Own Operation	Medium- / long-term
Workplace accidents or occupational illnesses	The risk that workplace accidents or the occurrence of occupational illnesses (e.g. related to employee exposure to hazardous chemicals) may expose the Group to extra costs (e.g. reimbursements, insurance premiums, etc.) that generate economic and reputational damage.	Negative impact on employee health and safety	Own Operation	Medium-term
Dependence on key figures	The risk that the absence or ineffectiveness of succession plans for the Group's key personnel (e.g. top management, managers, designers and creators) could lead to a shortage of critical skills, resulting in higher personnel replacement costs and/ or lower revenues associated with inadequate service levels. Furthermore, the difficulty in ensuring managerial succession could weaken the quality and effectiveness of management, undermine competitiveness and reduce the capacity for strategic development.	Lack of competence development of employees	Own Operation	Short-term

OPPORTUNITIES	DESCRIPTION	Value chain	Time horizon
Production/showroom modernisation and energy supply	Opportunities arising from the modernisation of buildings (e.g. energy efficiency of production facilities and/or showrooms) and self-production of energy from renewable sources, resulting in reduced operating costs and the Group's improved reputation and attractiveness to investors.	Own Operation	Short-term

For more information on how the Company plans to respond to the current and predicted effects of its own significant impacts, risks, and opportunities, please refer to the section "Sustainability strategy" in this chapter.

For the current reporting year, there were no material current financial effects associated with the identified material risks. Nevertheless, the Group has already implemented several prevention measures, including insurance coverage tied to physical climate risks and to workplace accidents and occupational illnesses, and long-term incentive plans to encourage the retention of key figures. To date, no significant impact on the business model or production factors adopted is expected. For more details on the financial impacts of climate risks, please refer to relevant section "Risks tied to climate change" in the "Explanatory Notes to the Consolidated Financial Statements as at 31 December 2024".

For the current financial year, the Group uses the phase-in as set out in Appendix C of ESRS 1, which provides for the omission of information on expected financial effects.

Dexelance has not yet formalised a specific resilience plan to address relevant impacts and risks, nor has it conducted a quantitative analysis of its adaptive capacity. However, as part of its commitment to a structured approach to sustainability, the Group has defined time horizons for assessing impacts, risks and opportunities in the short, medium and long term, in line with ESRS standards. The time horizon considered for current impacts is the short term (i.e., one year), as the nature of these impacts requires constant monitoring and timely management. This methodological choice reflects the Group's need to assess the immediate consequences of business activities, ensuring effective alignment with control tools, operational strategies and the management of the related impacts.

Following the revision of the materiality analysis, carried out by integrating the concept of Double Materiality, the impacts were reconsidered and re-evaluated compared to the previous reporting year. This process made it possible to adapt the identified impacts to the specificities and dynamics of the new year, ensuring a timely update consistent with the evolution of the operating environment and the Group's strategic priorities.

It should be noted that specifically the positive impact "Support to local communities through charity, cultural and artistic promotion and environmental protection projects" identified as significant by the company, was not associated with any ESRS scope, but it was considered as specific to the company. Impact refers to Dexelance's ability to generate positive effects on external stakeholders through its support of local organisations, mainly in the cultural and artistic sphere. For more information, please refer to the chapter "Entity-Specific Information".

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

Double Materiality Process

The process adopted to identify and assess impacts, risks and opportunities (IROs) is based on the double materiality methodological approach, as required by the CSRD regulation and supported by the EFRAG IG 1 Guidelines: *"Materiality Assessment Implementation Guidance"*. This approach combines the analysis of the impacts generated by the company on people and the environment with the assessment of risks and opportunities, which echoes the analysis and assessments of the company's Enterprise Risk Management (ERM) that could affect financial performance.

The Double Materiality methodology followed a structured process that includes:

1. **Understanding the organisation's context:** identification of ESRS topics related to areas of sustainability inherent to the Group's business, taking into account value chain mapping and the internal and external context analysis conducted by considering ESG strategies and best practices for the sectors, regulatory drivers and requests from ratings agencies (Sustainalytics, MSCI, CDP, and S&P Global);

2. **2. Identification of Impacts Risks and Opportunities (IRO):** identification of the impacts, risks and opportunities associated with ESRS Topics, achieved through the formalisation of a long list of potentially relevant IROs. This process took into account both the results of the previous impact materiality analysis, supplemented with the outcomes of stakeholder engagement activities conducted with the Management and the Group's ESG Ambassadors. The evidence from the company's Enterprise Risk Management (ERM), carried out by the Risk Assessment Office, was also analysed, and the objectives, actions and commitments outlined in the 2025-2027 Business Plan were considered;

3. **3. Assessment of IROs:** definition of the methodology and assessment of impacts (impact materiality) and risks and opportunities (financial materiality) with the subsequent definition of the short-list of IROs deemed material. The evaluation of the short-list was carried out through workshops and specific meetings involving the Group's central management.

The monitoring of sustainability-related risks and opportunities, that have or could have financial effects, is integrated within the company's Enterprise Risk Management (ERM) process.

The assumptions adopted in the evaluation of each IRO were based on data available internally within the company, allowing for a relevance analysis contextualised to the nature of the sector in question.

Impact materiality

Considering the Dexelance's entire perimeter, the identification of impacts took into account the specific context (both in terms of geography and business) in which the individual subsidiaries of the Group operate, also considering the diversity of countries, the typology of sites, and the business models.

By mapping the upstream and downstream value chain, with a specific focus on the type of suppliers and type of supply, impacts related to the Group's business were identified. To this end, each impact was classified taking into account the three levels of contribution generated by Dexelance – caused, contributed and directly related[9] – in line with international due diligence principles, to ensure a complete and thorough assessment of the relevance and priority of the identified impacts.

Taking due account of the information gathered during the understanding of the context, the current and potential positive and negative impacts related to environmental, social and governance issues were identified. To this end, an internal stakeholder engagement activity was carried out with the involvement of several management figures from Group companies, in the form of the aforementioned workshop held in mid-2024.

During the assessment, in line with the requirements of ESRS 1, section 3.4, "Impact Significance", specific thresholds were defined for impacts with reference to the assessment dimensions: severity of impact and likelihood of occurrence in the short, medium and long term. In particular, the severity of each negative impact was assessed on a four-level scale for "scale" (negligible, moderate, significant, very significant) and "scope" (limited, medium, extensive, very high), and on a three-level scale for "irremediable character" (remediable impact, partially remediable, irremediable). For positive impacts, the possible benefit was assessed on a four-level scale for "scale" and "scope". The probability scale was defined with values defined on five levels (rare, unlikely, possible, probable, very probable), where the maximum probability of occurrence corresponds to the occurrence of a current impact.

The overall significance of an impact is the sum of the three components of severity multiplied by the probability component.

Financial materiality

The Group has adopted an integrated approach that systematically considers the links between impacts, dependencies, risks and opportunities throughout the value chain. This process is based on an in-depth analysis of the interactions between the company's activities, business relationships and the socio-economic environment in which the Group operates. In particular, Dexelance, following the definition of dependencies in ESRS 1, RA 14, assessed how its impacts – both positive and negative – can generate risks, such as potential operational, reputational and/or financial damage, and/or opportunities, such as innovation, improved operational performance and stronger stakeholder relations. This assessment took into account critical dependencies on the natural and social environment.

[9]For more information, please refer to FAQ 2 of the document "EFRAG IG 1: Materiality Assessment Implementation Guidance".

The Group has assessed the likelihood, magnitude and nature of the effects of the identified risks and opportunities, through a structured approach that considers three main aspects: economic-financial, operational and reputational. The magnitude is divided into five levels (Marginal, Low, Medium, High, and Critical), defined according to quantitative criteria that consider the impact on revenues and EBITDA, and qualitative criteria, meaning how reputational and operational issues might impact the expected change in costs or revenues. At the same time, the probability assessment examines the frequency with which the event has occurred in the past and/or the likelihood that it may occur along the short-, medium- or long-time horizon following the definition of time horizons in ESRS 1, Section 6.4.

From an operational point of view, the effects on business processes were analysed, with particular attention to their critical nature and the need for Management's intervention, also measuring the duration of any potential interruption of key processes. At the reputational level, the Group assessed potential damage to the brand image, both locally and globally, taking into account media resonance and stakeholder expectations.

For more information on how the probability, magnitude, and nature of the IROs identified were kept into account in conducting the impairment test at 31 December 2024, please refer to the section "Intangible assets" in the "Explanatory Notes to the Consolidated Financial Statements as at 31 December 2024".

To assess and monitor these risks proactively, the Group has integrated its own risk assessments, which also considered sustainability-related risks, including ESG (environmental, social and governance) issues into its strategic guidelines, and integrated the impacts, risks, and opportunities identified within the Group's "Risk & Opportunity Universe" consistently with the risk management model adopted by Dexelance according to the practice of Enterprise Risk Management (ERM).

For details on the decision-making process and related internal control procedures, please refer to the section "Sustainability Governance" in this chapter.

In 2024, the process of identifying, assessing and managing impacts and risks was further strengthened with the launch of the creation of an Enterprise Risk Management (ERM) Framework, a comprehensive company risk management system that enables the development of a consistent and systematic approach, under the supervision of the Internal Audit Manager. This integration has and will enable the alignment of the management of impacts and risks, and the related dependencies, with the Group's overall risk profile, fostering a unified and strategic vision. Through the evaluation of scenarios and identification of priorities, the process contributes to the definition of corporate strategies, supporting informed decisions and the optimisation of mitigation processes.

The identification, evaluation and management of opportunities is incorporated, where relevant, into the overall Group management process. This allows potential synergies between dependencies with the IROs to be exploited, ensuring that emerging opportunities are considered within the strategic and operational framework. The integrated structure facilitates a proactive approach, which aims not only to mitigate risks, but also to capitalise on opportunities in line with business objectives and the market environment.

Parameters, Estimates and Changes in the Materiality Analysis

The input parameters used in the process of identifying and assessing the IROs associated with sustainability are based on a multi-level approach. In understanding the context, the Group has used data from public documentary sources and industry standards corroborated by internal analyses. The second phase, dedicated to the identification of IROs, involved the integration of a diversity of parameters to capture the complexity of the Group's business, including the geographical and business diversity of the various subsidiaries. In the assessment phase of IROs, the process focused on minimising the use of estimates, preferring the use of hard data and shared assumptions, consistent with the methodological definitions of the Materiality Assessment Implementation Guidance (EFRAG). As was described earlier, specific methodologies have been defined for assessing the materiality of impacts (impact materiality) and risks and opportunities (financial materiality), the thresholds for which have been described in the preceding paragraphs.

The analysis has been changed from last year, moving from an approach based solely on impact materiality, in accordance with the GRI (Global Reporting Initiative) standard to an assessment integrating the financial dimension, in accordance with the double materiality requirements of the CSRD. This adjustment has entailed a substantial revision of the evaluation process, which was updated in 2024 to ensure alignment with the new regulatory standards. The main changes include the integration of the financial perspective alongside the impact perspective and the adoption of updated analysis criteria and tools. The next review of the process is scheduled for 2025, barring any extraordinary circumstances, such as significant acquisitions or divestments that might require an earlier update.

NON-RELEVANT ESRS TOPICS

ESRS 2 IRO-1 - Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

he approach for determining impacts, risks and opportunities is described in the section "Description of the process for identifying and assessing significant impacts, risks and opportunities". The issue of pollution was evaluated in the context of the Group's activities, considering both its financial significance and the potential negative impact on stakeholders and the environment. Although no detailed analysis was conducted on corporate sites, the analysis of the company's own operations and along the value chain revealed that the topic does not present any risks or opportunities that could materially affect the Group's financial performance or generate significant negative impacts that would make it a relevant ESRS topic for reporting purposes.

ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

The approach for determining impacts, risks and opportunities is described in the section "Description of the process for identifying and assessing significant impacts, risks and opportunities". The ESRS E3 topic with its related subtopics and sub-subtopics was analysed considering both its financial relevance and potential impact of the Group's operations and value chain. The assessment was based on the operational characteristics of the Group's companies, which do not tend to use water in production processes (with the exception of Cubo Design, which uses water for some production processes, but in insignificant quantities) and with respect to the characteristics of the main production processes that use water within the value chain. However, a detailed analysis of the assets was not conducted, nor were specific consultations with the communities concerned. In light of these considerations, it was assessed that the topic does not present risks or opportunities that would significantly affect the Group's financial performance or generate material adverse impacts, and, therefore, it was not identified as a relevant ESRS topic for reporting purposes.

ESRS 2 IRO-1 - Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

The approach for determining impacts, risks and opportunities is described in the section "Description of the process for identifying and assessing significant impacts, risks and opportunities".

The topic of biodiversity was analysed considering the Group's operations and their potential impact, as well as the related dependencies on environmental resources and on current and future generations, with a focus on the availability of natural resources. The analysis showed that, even though wood materials are one of the main materials purchased by the Group, in reality only 5% of the wood materials purchased are virgin wood, meaning wood that comes directly from trees and not from a previous use. In fact, most of the wood materials purchased by Dexelance comprise wood panels, which are materials derived from the secondary processing of virgin wood, which is the result of recycling or the reuse of waste wood (e.g. chipboard).

With respect to impacts on biodiversity along the value chain, these are characterised by a non-specific geographic scope and are mainly attributable to the upstream phase of the Group's value chain, generated by Tier 3 suppliers with whom the Group has indirect relationships. The use of recycled and FSC® (Forest Stewardship Council) certified materials, promoted by some Group companies such as Gervasoni, Cenacchi, Modar and Cubo Design, significantly reduces the direct or indirect link with deforestation activities.

Although no detailed analysis (analysis of scenarios related to biodiversity and ecosystems) and no consultations with affected communities have been conducted, the analysis of the Group's own operations and along its value chain revealed that the topic does not currently present any risks or opportunities that could materially affect the Group's financial performance or generate significant negative impacts that would make it a relevant ESRS topic for reporting purposes.

Description of processes to identify and assess material impacts, risks, dependencies and opportunities related to social aspects

The Group has not identified any relevant IROs with regard to the issue of affected communities; therefore, it has not investigated their interaction with its strategy and business model. An analysis of the company's business activities was nevertheless performed, which showed that, with respect to the topics and subtopics related to the ESRS S3 theme, the topic does not present risks or opportunities that could materially influence the Group's financial performance or generate significant negative impacts that would make it a relevant ESRS topic for reporting purposes.

As a result of the analyses conducted, the Group did not identify any material impacts, risks or opportunities (IROs) in relation to the issue of workers in the value chain that would justify its reporting according to ESRS standards. This analysis took into account that the majority of the Group's procurement budget comes from suppliers within the Italian perimeter. In Italy, occupational health and safety is regulated by the Legislative Decree 81/2008 (Consolidated Workplace Safety Act), which imposes strict requirements to ensure worker protection. Supplier companies are obliged by law to comply with these standards, and failure to do so results in penalties. This makes working conditions that pose a significant risk to health and safety unlikely. Furthermore, it is hereby emphasised that, although the Group does not yet have an ESG monitoring/ranking system for suppliers, the Group's knowledge of working conditions at its suppliers is based on routine site visits to its suppliers. In addition to the Group, Italian inspection agencies, such as the INL (National Labour Inspectorate), carry out regular checks to ensure compliance with regulations. This control mechanism minimises the risk of unsafe working conditions in local suppliers and the possible negative impact along the value chain. Finally, in the Group's supplier base, considering the nature of the work, there are many artisans or small manufacturers and suppliers operate mainly in sectors with low to medium risk levels (e.g. non-intensive production and/or processing of non-hazardous products and substances), which further reduces exposure to serious health and safety hazards. Therefore, the Group considers that the topic does not present materiality elements that would require reporting under the ESRS standards.

As a result of internal assessments, the Group has not identified any significant impacts, risks or opportunities (IROs) in relation to the issue of Customers and Consumers. The absence of significant IROs is attributable to the sector in which Group companies operate and the existence of well-established controls and processes aimed at guaranteeing the quality and safety of products and services and the protection of customer data to ensure compliance with applicable regulations. On the basis of these elements, it is deemed that the issue does not present impacts that would materially affect the Group's financial performance or generate significant negative effects on customers and consumers. Consequently, the topic is not considered material for reporting purposes according to ESRS standards.

ENVIRONMENTAL INFORMATION - ESRS E1 AND ESRS E5

CLIMATE CHANGE

IMPACTS, RISKS AND OPPORTUNITIES		Value chain	Time horizon
Contribution to climate change due to GHG emissions from own activities	Impact	Own operation	Short-term
Contribution to climate change due to GHG emissions of Group suppliers	Impact	Upstream	Short-term
GHG emissions from logistics and transport activities	Impact	Upstream - Downstream	Short-term
Physical Climate Risks on Group Operations	Risk	Own operation	Short-term
Physical climate risks on the value chain	Risk	Upstream - Downstream	Medium-term
Production/showroom modernisation and energy supply	Opportunities	Own operation	Short-term

Dexelance is aware of the urgency of addressing climate change challenges and is committed to contributing to a transition to a low-carbon economy. In this regard, already as of the year 2023, and subsequently with reference to the year 2024, a new "base year" by virtue of the extension of the reporting perimeter to coincide fully with the financial consolidation perimeter, the Group has started a process to quantify the inventory of GHG emissions generated by its operations, which was conducted according to the reference standard ISO 14064 and certified by an independent third party. This quantification allowed Dexelance to fully offset its emissions through the purchase of credits on the voluntary carbon market, which has contributed to the financing of projects for the production of electricity from renewable sources.

INFORMATION ON ENVIRONMENTAL IMPACTS, RISKS AND OPPORTUNITIES

[ESRS 2 IRO-1] Description of the processes to identify and assess material climate-related impacts, risks and opportunities.

The approach for determining impacts, risks and opportunities and the list of IROs on climate change factors considered relevant can be found in the section "Dexelance double materiality" in the "General Information" chapter. To identify current and potential impacts related to climate change, the Group examined the operational activities carried out internally and along its value chain, identifying the main sources of emissions by taking into account both the production and processing, from upstream to downstream, as well as all inbound and outbound logistics activities. Actual and potential impacts on climate change were assessed by taking into account total GHG emissions including Scope 1, 2 and, where possible, Scope 3. The recognition of the Scope 3 categories was carried out in accordance with the GHG Protocol to ensure the accuracy and comparability of the data. This process also considered the requirements of EN ISO 14064, for which the Group has obtained the relevant certification. For more information on the relevant categories, please refer to the section "Energy and Emissions" in this chapter.

Physical climate risks were identified and assessed on the basis of the historical probability of their occurrence and the developments and changes under way, also with regard to new regulations and standards. The company's resources, including its properties, facilities, and equipment, were analysed to assess their exposure to these risks, with reference to extreme weather phenomena that may have already occurred in the Group's subsidiaries, and which could limit their use or require significant investments to repair them for any damage. However, for the current financial year, apart from preliminary analyses of the climate risks to which its resources are and will be subject, Dexelance has not yet conducted a detailed analysis of climate scenarios for the identification and assessment of physical risks, opportunities and transition risks in the short, medium and long term. This is because the company does not yet have a transition plan that integrates a full range of analyses, and which takes climate scenarios into account. The implementation of this plan is planned for the future to ensure a more structured approach that complies with regulatory requirements.

[ESRS 2 SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model.

Currently, the detected climate-related risks are physical risks. Dexelance has not yet conducted a formal analysis of the resilience of its strategy and business model with respect to climate change.

However, the Group is committed to defining a path for adaptation and mitigation of climate change, caused directly and indirectly, which will involve conducting a climate scenario analysis to identify the areas of greatest vulnerability and opportunities for adaptation.

In this context, the Group has already instituted several prevention measures, such as insurance coverage for physical climate risks.

Through targeted energy efficiency strategies, the Group intends to mitigate its own environmental impact by promoting the responsible use of resources. In particular, Dexelance has provided material investments (CapEx) in

its 2025-2027 Business Plan for the installation of independent energy production to increase its capacity to produce energy internally from renewable sources over what it has already installed at three of the group's production sites, namely at Gervasoni, Gamma Arredamenti, and Cubo Design. The Group also plans to implement efficiency measures for its energy requirements, such as (CapEx) investments for the replacement of production machinery, the replacement of lighting systems at production sites not equipped with LEDs, and the promotion of more sustainable company mobility measures. The goal is to construct a sustainability path that combines growth with environmental protection in line with stakeholder expectations and the global challenges tied to climate. These initiatives will involve the reduction of consumption, and thus GHG emissions, as well as the seizing of opportunities to modernise showrooms and render buildings more efficient.

For more details on the financial impacts of climate risks, please refer to the section "Risks related to climate change" in the Explanatory Notes to the Consolidated Financial Statements as at 31 December 2024.

[E1-1] Transition plan for climate change mitigation

[E1-2] Policies related to climate change mitigation and adaptation[E1-3] Actions and resources in relation to climate change policies

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

[E1-4] Targets related to climate change mitigation and adaptation.

Dexelance recognised the importance of integrating climate change issues within its strategic lines, and it has committed to setting clear and measurable objectives in this regard. This commitment is based on an in-depth analysis of the impacts and risks arising from sustainability factors, including climate change, which serves to direct its actions towards a more sustainable future. The Group is aware of the challenges related to climate change and, within its strategic lines, is committed to reducing this impact by controlling climate-changing emissions and increasing energy efficiency. During this reporting year, the Group did not adopt specific policies on climate change management, nor did it adopt a formalised transition plan. However, in relation to the photovoltaic systems already installed at some of the Group's plants (Gervasoni and Cubo Design), maintenance activities were carried out in 2024 to ensure the proper functioning, maintenance of energy efficiency and durability of the system over time. As a result of these efforts, in the financial year, capital expenditures of EUR 140 thousand were made, as reported in the section "European taxonomy" pursuant to Regulation 2021/2178.

Furthermore, in an awareness of the importance of this issue, and in line with its commitment to sustainability, the Group has planned to introduce an environmental policy by 2025, which will include actions and practices related to climate change, as well as the adoption of the various energy efficiency actions described above and the formalisation of a Transition Plan by 2027.

ENERGY AND EMISSIONS

[E1-5] Energy consumption and mix

The Group's main energy carrier is natural gas, with a consumption of 7,344 MWh, which is used for heating and production. Electricity purchased from the grid, used for lighting, the operation of heat pumps and machinery, amounts to 6,301 MWh. Renewable energy, exclusively from photovoltaic systems, amounts to 779.63 MWh, of which the consumed value is 461 MWh. In addition to self-production from photovoltaic systems, it is worth mentioning the use of the natural gas trigenerator by Cubo Design, which is used to cover part of the electricity, heat, and chilled water consumption. The energy production from the trigenerator is approximately 726 MWh, mainly used directly by Cubo Design, with only a small portion being distributed to the national electricity grid. There is no energy consumption from nuclear sources. Petroleum-derived fuels account for a total consumption of 2,098 MWh.

Energy consumption and mix	2024 (MWh)
Coal Fuels and Products	-
Crude Oil Fuels and Petroleum Products	2,097.59
Combustion Petrol (Automobile)	268.57
LPG combustion (Automobile)	0.54
Diesel Combustion (Automobile)	1,180.12
Diesel Combustion (Truck)	598.37
Diesel Stationary Combustion (heating)	49.99
Natural gas fuel	7,344.00
Natural gas for heating and production	7,344.00
Electricity purchased or acquired from fossil sources[10]	6,301.30
Total energy consumption from fossil fuel source	15,742.89
Share of fossil sources of the total energy consumption (%)	97.16%
Total energy consumption from nuclear sources	-
Share of nuclear sources of the total energy consumption (%)	0.00%
Fuels from renewable sources	-
Biomass (including industrial and municipal waste of biological origin)	-
Biofuels (bioethanol)	-
Biogas	-
Renewable hydrogen	-
Electricity purchased or acquired from renewable sources (Guarantee of Origin contracts)	-
Heat purchased or acquired from renewable sources	-
Steam purchased or acquired from renewable sources	-
Cooling purchased or acquired from renewable sources	-
Self-produced and consumed renewable energy (without using combustion fuels)	460.74
from a photovoltaic installation	460.74
of which from facilities other than photovoltaic	-
Total energy consumption from renewable sources	460.74
Share of renewable sources of the total energy consumption (%)	2,84%
Total energy consumption	16,203

[10]The purchased electricity does not come from certified sources. As a precautionary measure, it has been decided to consider it entirely as coming from fossil sources. Additionally, it was decided not to consider the contribution of nuclear energy present within the residual mix.

The data basis and methodology used for the calculation are in line with the GHG report and inventory that was verified by an accredited third party (Bureau Veritas) conducted according to the principles and requirements of ISO 14064, with a confidence level of the GHG Statement Mixed Engagement, i.e. reasonable for direct and indirect emissions of electricity and AUP (Agreed Upon Procedures) for other indirect emissions (Scope 3).

The consumption of electricity, expressed in MWh, drawn from the grid was obtained from bills for the period of analysis using the conversion factors of the Energy Manager Guidelines 2018 - Version 2.1 (FIRE). It is specified that, for Meridiani France and Turri UK, the electricity figure was obtained by re-proportioning the Italian figure to the square-metre surface area of the store. In addition to electricity purchases, heat production in a condominium with a centralised natural gas boiler also falls into this category.

Energy intensity

With respect to the energy intensity of high-impact sectors, Sections C (Manufacturing) and M (Professional, Scientific and Technical Activities) fall under Sections A to H and Section L of the NACE classification, respectively.

Therefore, NACE codes 31.09, 27.49, 31.01, 31.02 and 70.1, which cover the totality of the Group's activities, are considered to have a high climate impact. Information on the energy intensity associated with Dexelance's operations is given below.

Energy intensity (high climate impact sectors)	2024
Total energy consumption of activities in high climate impact sectors (MWh)	16.203,63
Net revenue from activities in high-impact sectors (€)[11]	324.383.894,63
Energy intensity (MWh/€)	0,00005

[11]For more details, please refer to the section "Revenues from sales and services" in the Explanatory Notes to the Consolidated Financial Statements ended 31 December 2024.

[E1-6] Gross Scopes 1, 2, 3 and Total GHG emissions

The Group's greenhouse gas (GHG) emissions inventory was developed in accordance with ISO 14064, adopting a consolidation approach based on a review of its operations. No location was excluded from the scope of the calculation, and the table below provides detailed data for the financial year.

Total emissions [tCO2e] - Analysis by GHG Protocol subcategories

Subcategory	2024 (tCO2e)
Scope 1	2,170.71
Percentage of Scope 1 GHG emissions regulated under emission trading Schemes	0%
Direct emissions from stationary combustion	1,613.27
Direct emissions from mobile combustion	538.31
Direct emissions from process sources	-
Direct emissions from fugitive sources	19.14
Direct emissions from agricultural sources	-
Scope 2	
Market based	3.013,28
Location based	1.468,79
Scope 3	63.058,19
1. Purchased goods and services	51.347.06
Optional subcategory: Cloud computing and data centre services	-
2. Capital goods	-
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	1,667.4
4. Upstream transport and distribution	1,226.21
5. Waste generated in operations	272.02
6. Business travel	-
7. Employee commuting	-
8. Upstream leased assets	--
9. Downstream transport and distribution	6,649.67
10. Processing of sold products	-
11. Use of sold products	-
12. End-of-life treatment of sold products	1,895.84
13. Downstream Leased Assets	-
14. Franchises	-
15. Investments	
Total emissions [tCO2e] (Scope 2 location based)	66,697.69
Total emissions [tCO2e] (Scope 3 market based)	68,242.19

There are no Scope 1 emissions subject to regulated emissions trading systems.

The analysis considered all relevant emissions and removal categories, the significance of which was determined by applying significance criteria based on: Magnitude (volume of emissions), level of influence and control (ability of the organisation to take action) and access to information (availability of data for reporting). Indirect emissions were evaluated on the basis of the organisation's

ability to influence them. The data used comes exclusively from the subsidiary companies, with no direct input from the upstream or downstream value chain. The data basis and methodology used for the calculation are in line with the GHG report and inventory that was verified by an accredited third party (Bureau Veritas) conducted according to the principles and requirements of ISO 14064-3, with a confidence level of the GHG Statement Mixed Engagement, i.e. reasonable for direct and indirect emissions of electricity and AUP (Agreed Upon Procedures) for other indirect emissions (Scope 3).

The methodology used in this study is based on the collection of operations data from the various selected processes (e.g. litres of diesel, etc.), which are multiplied by specific emissions factors, i.e. factors that translate a quantity of matter or energy into an equivalent quantity of greenhouse gases. In the quantification, all major greenhouse gases (i.e. CO2, CH4, N2O, HFCs, PFCs, SF6 and other fluorinated gases) were taken into account and translated into CO2-equivalent units using characterising factors reported by the IPCC (IPCC, 2021), the most authoritative institution on climate change. The emission factors were identified taking into consideration different parameters such as reliability and completeness of data, information and their sources, as well as temporal, geographical and technological correlation. The choice of this methodology responds to the lack of availability of direct GHG measurements of the identified and analysed sources. Characterisation factors consider the complete oxidation of the fuels used.

The emission factors were identified taking into consideration different parameters such as reliability and completeness of data, information and their sources, temporal, geographical and technological correlation. Specifically, the accommodation of the different types of activity data available (in particular, the co-presence of physical and economic data) required the use of different databases. Specifically, the following were employed:

- Dataset of Ecoinvent v3.10[12];
- Dataset of World Food LCA Database (WFLDB)[13];
- Emission factors obtained by combining several Ecoinvent datasets through processing in the Simapro environment;
- Emission factors obtained through information in valid Environmental Product Declarations (EPDs) published on the public registers of the Programme Operator to the International EPD System[14]. It should be noted that the EPDs used do not refer to the specific suppliers of the companies, but were used to represent the impacts related to semi-finished products for which no representative datasets are available;
- Emissions factors from the Exiobase database v3.8.2. These emissions factors enable a correlation between the expenditure made in a specific product sector and the related emissions. The correctness of the factors used was verified by comparing the previous series referring to 2019 (contained in the same source file) with the one reported in the Climatiq portal[15], thereby confirming the correctness of the calculations made.

[12]https://ecoinvent.org/
[13]https://quantis.com/who-we-guide/our-impact/sustainability-initiatives/wfldb-food/
[14]https://www.environdec.com/library
[15]https://www.environdec.com/library

Emissions intensity

Information on the energy intensity associated with Dexelance's operations is given below.

Intensity of emissions versus revenue - location-based	2024
Total emissions - location-based (t CO2 eq)	66,697.69
Net revenue (€)[16]	324,383,894.63
Emission intensity (t CO2eq/€)	0.00021
Emission intensity versus revenue - market-based	**2024**
Total emissions - location-based (t CO_2 eq)	68,242.19
Net revenue (€)	324,383,894.63
Emission intensity (t CO_2eq/€)	0.00021

[16]For more details, please refer to the section "Cost of services and use of third-party assets" in the Explanatory Notes to the Consolidated Financial Statements as at 31 December 2024.

[E1-7] GHG removals and GHG mitigation projects financed through carbon credits

Dexelance is committed to providing transparent and factual information about its greenhouse gas (GHG) emissions management and climate change mitigation initiatives. The Group has no GHG absorption or storage activities; 100% of the initiatives to manage GHG emissions concern projects to reduce the emissions themselves. The carbon credits purchased in compensation of the inventory of emissions generated come from projects outside the value chain and have been verified according to recognised quality standards. The credits purchased by Dexelance belong to certified programme operators, such as the Verified Carbon Standard (VCS) managed by Verra, which guarantee the projects' observance of the eligibility criteria, such as permanence, the lack of double counting, a sound monitoring, reporting, and verification process, and additionality, which ensures that these projects would not have been carried out without the financing deriving from the carbon credits issued.

As far as geographical origin is concerned, there are no projects generated within the European Union.

During 2024, Dexelance purchased a total amount of 206,484 CO2 credits, related to GHG emission mitigation projects of the Group, corresponding to the same quantity of tons of CO2eq, with the following purposes: 72.484 credits to offset the emissions inventory referring to the year 2023, 66,698 credits to offset the emissions inventory referring to the year 2024, the remaining 67,302 credits to offset future emissions. For more information on the amounts allocated for the purchase of credits, please refer to the section "Cost of services and use of third-party assets" in the Explanatory Notes to the Consolidated Financial Statements ended 31 December 2024.

However, Dexelance's activity of purchasing carbon credits does not replace future commitments made or being finalised by the Group for the direct reduction of its emissions.

EUROPEAN TAXONOMY

The European Commission, as part of the EU Action Plan on Sustainable Finance, has published with Regulation 852/2020 the European Taxonomy, a classification system for environmentally sustainable economic activities, which is fundamental for the achievement of the objectives set by the EU Green Deal. In addition to Regulation 852/2020, one must also consider:

- delegated Regulation 2021/2139 (hereinafter also referred to as the "Climate Delegated Regulation") introducing the list of economic activities eligible for the EU Taxonomy for the first two climate objectives and the related technical screening criteria;
- EU Regulation 2021/2178 (hereinafter also the "Delegated Regulation on Art. 8" or the "Disclosure Delegated Regulation");
- EU Delegated Regulation 2022/1214 with regard to economic activities in certain energy sectors, amending the Delegated Climate Regulation and the Delegated Art. 8 Regulation;
- Delegated Regulation 2023/2485 amending EU Delegated Regulation 2021/2139 by setting additional technical screening criteria;
- Regulation 2023/2486 (hereinafter also referred to as the "Regulation on the Remaining Environmental Objectives"), which supplements the EU Regulation 2020/852, and its technical screening criteria, and which amends the Delegated Regulation on Art. 8.

The Taxonomy is intended to represent a classification system to establish which economic activities can be considered environmentally sustainable to protect private investors from greenwashing and to support companies in understanding the types of investments needed to contribute positively to the transition of the economy.

The EU Taxonomy states that economic activities can only be considered environmentally sustainable ("aligned") if they are covered by the "Climate Delegated Regulation" and "Regulation on the Remaining Environmental Objectives" ("eligible") and if they possess specific characteristics that allow them to contribute substantially to at least one of the following environmental objectives:

- Climate change mitigation;
- Adaptation to climate change;
- Sustainable use of water and marine resources;
- Pollution prevention and control;
- Transition to a circular economy;
- Protection and restoration of biodiversity and ecosystems.

Starting with the Non-Financial Statements for the previous reporting period, with the publication in June 2023 by the European Commission of the Regulation Delegated on the remaining environmental targets, non-financial companies were called upon to carry out their own analysis on the six targets, providing disclosure on the eligibility and alignment of their activities with the targets.

To be classified as aligned, eligible assets must:

- Contribute substantially to the achievement of at least one of the six environmental objectives;
- Do No Significant Harm (DNSH) to any of the other environmental targets;
- Respect minimum safeguards on human and labour rights, corruption, taxation and fair competition.

For each economic activity mentioned in the Delegated Regulations, the EU legislation has defined a set of specific technical screening criteria to assess the alignment of eligible activities with reference to the six environmental objectives.

The result of the analysis leads companies to identify for each reporting year eligible and aligned activities, on which they are asked to provide three summary KPIs, by filling in standardised tabular formats, on revenues, investments (CapEx) and expenses (OpEx) related to these activities.

DEXELANCE'S CONTRIBUTION TO THE EUROPEAN COMMISSION'S ENVIRONMENTAL GOALS

The following paragraphs describe how the Group assessed compliance with Regulation (EU) 2020/852 and the prospectus with the required quantitative KPIs. Since this is a recently implemented international standard and is constantly being updated, all criteria and assumptions made and included in this section are based on currently available information and requirements, which may be subject to future revisions.

ELIGIBILITY ANALYSIS

In continuity with the activities carried out for the 2023 Taxonomy disclosure, Dexelance conducted the 2024 eligibility assessment associating the Group's economic activities:

- in the first instance, with the descriptions of eligible activities provided for in the Climate Delegated Regulation (Annexes I and II), and the Regulation on the remaining Environmental Objectives, adopted on 27 June 2023; and
- with the relevant activity codes of the Statistical Classification of Economic Activities of the European Community (NACE codes), reconciled with the relevant ATECO codes registered in the relevant Chambers of Commerce.

As required by the Regulation, the eligibility phase assessed the possibility of including Dexelance's economic activities among those listed in the Delegated Regulations, and thus their ability to potentially contribute to European environmental objectives, regardless of whether these activities were capable of satisfying one of the technical screening criteria set out in the same regulation. This analysis identified Activity 3.5, "Manufacture of energy efficiency devices for buildings", which is tied to the goal of mitigating climate change, and which concerns the activities conducted by Davide Groppi, Flexalighting and Axo Light.

In the course of the admissibility analysis, the presence of the "Capex C" (Annex 1 of Delegated Regulation (EU) 2021/2178, para. 1.1.2.2 item (c)), relating to the purchase of products from eligible economic activities aligned with the

Taxonomy was also examined. In particular, CapEx was identified under Activity 6.5 “Transport by motorbikes, cars and light commercial vehicles” for Meridiani, Cubo Design, and Dexelance, and 7.6 “Installation, maintenance and repair of renewable energy technologies” for Gervasoni and Cubo Design. Regarding to Activity 6.5, please note that “OpEx C” were also identified in association with the requirements set forth in Annex 1 of Delegated Regulation (EU) 2021/2178, para. 1.1.3.2, subpara. (c) for Davide Groppi, Flexalighting, Axo Light, Gervasoni, Gamma Arredamenti, Turri, Modar, Cubo Design, and Dexelance.

Objective	Relevant item in the financial statements	EU Taxonomy economic activities	Group companies involved
Climate change mitigation	Turnover, OpeEx C	3.5. Manufacture of energy efficiency devices for buildings	Davide Groppi, Flexalighting, Axo Light
Climate change mitigation	CapEx C, OpEx C	6.5 Transportation by motorcycles, passenger cars and light commercial vehicles	Davide Groppi, Flexalighting, Axo Light, Gervasoni, Gamma Arr., Turri, Modar, Meridiani, Cubo Design, Dexelance
Climate change mitigation	CapEx C	7.6. Installation, maintenance, and repair of renewable energy technologies	Gervasoni, Cubo Design

The activities listed in the previous table have the same descriptions for both climate change mitigation and climate change adaptation objectives. For this reason, the Group conducted the analysis by considering the contribution of the activities to both objectives.

However, regarding the climate change adaptation objective, since activity 3.5 is not classified as an "enabling" activity, no Turnover items are associated with it. Additionally, for the same objective, considering activities 3.5, 6.5, and 7.6, no CapEx and OpEx items can be associated. This is because, as stated in the European Commission Communication C/2023/305 of October 20, 2023, regarding the eligibility assessment of "non-enabling" activities, the Group has not yet conducted a climate risk assessment nor implemented adaptation solutions that could enhance the resilience of economic activities to climate change.

Therefore, the activities described above are eligible only in relation to the climate change mitigation objective.

ALIGNMENT ANALYSIS

In continuity with the previous year, Dexelance again conducted its alignment analyses this year by investigating its compliance with the technical screening criteria defined by the standard, identifying both areas already in line with requirements and those with room for integration and prospective improvement. By virtue of the gaps identified at present with respect to the provisions of the Technical Criteria, to date, the Group does not present aligned activities, but it is committed to taking the cues from the Criteria themselves to increasingly improve its sustainability performance in general and with particular reference to the eligible activities identified.

Below are some relevant elements in the assessment of the alignment of eligible activities for the Taxonomy.

Activity 3.5 Manufacturing of energy-efficient equipment for buildings

Substantial contribution to climate change mitigation

Delegated Regulation 2021/2139 states that the production of light sources in the most efficient energy classes, as defined by Regulation (EU) 2017/1369, contributes substantially to climate change mitigation. Davide Groppi devices comply with the criteria set out in the regulations.

Do no significant harm (DNSH)

Annex I of the Climate Delegated Act establishes specific criteria to ensure that economic activities do not significantly harm other environmental objectives:

- Climate change adaptation: an analysis is required to identify and assess the vulnerability of the economic activity to chronic and acute physical climate risks. The Group companies have not yet carried out such detailed analyses. For these reasons, the DNSH criterion has not been observed.
- Transition to a circular economy: this includes the adoption of practices favouring the recycling and reuse of materials, environmentally sustainable design and waste management oriented towards the recovery of secondary raw materials. In adopting a prudential approach, as the Group has not yet implemented a similar, detailed analysis, it considers this activity as non-compliant with this criterion.
- Sustainable use and protection of water and marine resources: an environmental risk analysis is required to ensure the maintenance of good water status, accompanied by a plan for the management and use of water resources. As the Group has not yet implemented a similar, detailed analysis, it considers its operations to be non-compliant with this criterion.
- Pollution prevention and control: the regulation bans the use of certain hazardous substances. In the absence of a thorough assessment, the Group deemed it appropriate to adopt a prudential approach and claim non-compliance with the criterion.
- Protection and restoration of biodiversity and ecosystems: compliance with this criterion requires an environmental impact assessment or equivalent analysis. In adopting a prudential approach, as the Group has not yet implemented a similar, detailed analysis, it considers this activity as non-compliant with this criterion.

Activity 6.5 - Transportation by motorcycles, passenger cars and light commercial vehicles

Substantial contribution to climate change mitigation

Expenditures incurred for the purchase and leasing of Euro V and Euro VI vehicles only count towards the climate mitigation contribution criteria if the vehicles comply with the emissions limit of 50 grams of CO_2 per kilometre.

In the Group's vehicle fleet, this parameter is met exclusively by fully electric vehicles, which represent a limited share of the corporate fleet.

Do no significant harm (DNSH)

For this activity, Annex I of the Climate Delegated Act provides DNSH criteria for three environmental objectives:

- Adaptation to climate change: an analysis of vulnerability to chronic and acute physical climate risks that may impact the activity is required. Since this analysis is the responsibility of the vehicle manufacturers and no information is available in this regard, the Group has adopted a conservative approach, considering its activity to be non-compliant with this criterion.
- Transition to a circular economy: vehicles must observe certain reuse and recycling requirements, and there must also be waste management measures for their use and end-of-life phases. Since no specific information was available from the manufacturers, the Group has adopted a conservative approach, considering the criterion not to be met.
- Pollution prevention and reduction: The regulation requires vehicles to comply with certain parameters in terms of emissions, approval and efficiency. In this case, the vehicles in the Group's fleet are compliant, as they meet the European regulations currently in force.

Activity 7.6 - Installation, maintenance, and repair of renewable energy technologies

Substantial contribution to climate change mitigation

The companies Gervasoni and Cubo Design made investments for the installation and maintenance of renewable energy technologies, which comply with the requirements of Article 9 of the Decree of the Ministry of Economy and Finance of 19 February 2007. Compliance was certified through a technical affidavit, allowing the activity to be considered in line with the criteria of substantial contribution to climate mitigation.

Do no significant harm (DNSH)

The only DNSH criterion for activity 7.6 concerns adaptation to climate change, which requires an analysis of the vulnerability to chronic and acute physical climatic hazards. Since these analyses have not yet been carried out by Group companies, the DNSH criterion has not been met.

Minimum safeguards

With regard to the minimum safeguard clauses, compliance with the criteria was assessed on the basis of Art. 18 of Regulation 852/2020 and the "Final Report on Minimum Safeguard Clauses" published in October 2022 by the Platform on Sustainable Finance (PSF), the advisory body set up by the European Commission to coordinate the development and implementation of the EU Taxonomy, as last supplemented on 27 June 2023. The analysis then focused on investigating how the Dexelance Group ensures compliance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight core conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Dexelance is committed to ensuring equal opportunities, respect for human rights, and combating discrimination as further specified in Sections "People management" in chapter "Social Information".

Furthermore, the Group demonstrates compliance with the "do no significant harm" principle, as defined in SFDR, Article 2, point 17, by addressing the issue of the gender pay gap and gender diversity in governance bodies and disclosing the respective indicators within the Sustainability Statement.

However, while acting in full compliance with Italian and European legislation on tax, competition, corruption, and respect for human rights, the Group considered, on a conservative and prudent basis, that compliance with the minimum safeguards has not been fully met. Dexelance is committed to reinforcing its monitoring of these issues over time through the formalisation of ad hoc procedures and policies, including the Code of Ethics, the Whistleblowing Procedure and Channel, a transversal tool with which the Group has equipped itself to monitor possible conflicts with its values and organisation.

INDICATORS

Below are the KPIs required by Article 8 of the EU Taxonomy Regulation and detailed in the dedicated Delegated Regulation on Article 8 (hereinafter also referred to as the "Disclosure Delegated Act").

This paragraph summarises the assumptions and methodologies used to calculate the regulatory required KPIs (Turnover, CapEx, OpEx), based on the Annexes to the Disclosure Delegated Act[17]. by categorising the information according to eligible and possibly aligned activities. For each KPI, there is a discussion of its calculation methodology, its structure in relation to the different activities of the EU Taxonomy, and the process used to quantify the items included in the numerator. In accordance with the Regulation, the analysis excludes intercompany items from the calculation of the indicators. The processing of the indicators involved the Group's administrative and accounting departments, which, on the basis of the information contained in Annex 1 to Delegated Act 2178/2021, identified the accounting items to be associated with the different KPIs, based on items in the consolidated financial statements as of December 31, 2024. Regarding to the requirements specified in Section 1.1.2.2 of Annex 1 to the Disclosure Delegated Act, for a plan to expand Taxonomy-aligned economic activities or to allow eligible economic activities to be aligned with the Taxonomy, it is hereby clarified that the two KPIs of CapEx and OpEx do not include any elements concerning such considerations[18].

[17]Delegated Regulation (EU) 2021/2178
[18]It should be noted that, as the gas and nuclear sector activities covered by the Complementary Delegated Act (Delegated Regulation 2022/1214) were not eligible, the relevant tables are not published.

Turnover

In accordance with the Disclosure Delegated Act, the Turnover KPI has been calculated as the ratio of the part of the net revenue obtained from the sale of products or services, tangible or intangible, associated with Taxonomy-aligned economic activities (the numerator) and Group net revenue (the denominator). In accordance with IAS 1.82(a) quoted in the Regulation, any revenue item generated by the sale of intercompany products was excluded from the KPI's calculation to avoid double counting. As a result, the denominator of the Turnover KPI corresponds to the item "Revenue" in the consolidated income statement and is equal to EUR 324,384 thousand[19]. With reference to the numerator of the Turnover KPI, the Group considered the share of revenue included in the denominator that refers to Taxonomy-eligible and/or aligned economic activities. Specifically, for the quantification of the Group's admissible revenues, precise figures were extracted from the companies in the scope of the consolidation in relation to the following economic activity: 3.5 Manufacture of energy efficiency devices for buildings.

CapEx

Under the Regulation, the calculation of the denominator of the CapEx KPI must include increases to tangible and intangible assets, including those arising from business combinations, considered before depreciations, amortisations, write-downs, and any revaluation, including those arising from restatements and impairments, excluding changes in fair value. In accordance with Annex I to the Delegated Act 2021/4987, the denominator of the CapEx KPI was calculated using the increases recorded during the 2024 financial year and reported in Note 3 – Tangible assets, Note 1 - Intangible Assets, and Note 2 - Right of Use, excluding goodwill. On the basis of these considerations, the denominator of the CapEx KPI was EUR 7,924 thousand, whose composition is itemised below with reference to the asset categories mentioned:

- Intangible assets with a finite useful life: EUR 895 thousand;
- Tangible assets: EUR 7,029 thousand;
- Recording of usage rights: EUR 7,791 thousand.

As defined in Section 1.1.2.2 of Annex I to the Disclosure Delegated Act., the numerator of the CapEx KPI is the proportion of investments considered in the denominator involving: (i) assets or processes associated with Taxonomy-aligned economic activities, and/or (ii) the purchase of products resulting from Taxonomy-aligned economic activities and individual measures that enable target activities to achieve low carbon emissions of greenhouse gas reductions.

To quantify the eligible investments, the Group carried out a detailed analysis of asset movements on the basis of individual company data within the scope of consolidation.

The numbers extracted concern activities that are related to purchases of activities eligible for the Taxonomy: i) 6.5 Transport by motorbikes, cars and light commercial vehicles, and ii) 7.6 Installation, maintenance and repair of renewable energy technologies.

[19]For more details, please refer to the section "Revenues from sales and services" in the Explanatory Notes to the Consolidated Financial Statements ended 31 December 2024.

OpEx

For the calculation of OpEx KPI, the Group's chart of accounts was carefully analysed to identify those cost items that fall within the categories defined in Annex I to the Disclosure Delegated Act, which are the following:

- Uncapitalised research and development,
- Short-term leases,
- Maintenance & repairs,
- Day to Day servicing of assets.

With reference to the European Commission Communication (2022/C 385/01), specifically to FAQ no. 12, the expenses incurred by Group for cleaning assets were included in the calculation of the denominator with reference to the category "any other direct expenditure related to the daily maintenance of property, plant and equipment". Based on these considerations, the denominator of OpEx KPI was EUR 3,648 thousand. In accordance with the methodology used to quantify the numerator of the CapEx KPI, the analysis of the OpEx KPI numerator considered the expenses incurred by the Group as defined in the denominator associated with (i) assets or processes associated with Taxonomy-aligned economic activities, and/or (ii) the purchase of products resulting from Taxonomy-aligned economic activities and individual measures that enable target activities to achieve low carbon emissions of greenhouse gas reductions. Based on the eligible assets, the numerators were extracted and allocated to the numerator from the data of the individual companies within the scope of consolidation. The activities included in the numerator of the OpEx KPI are: i) 3.5) Manufacture of energy efficiency devices for buildings, ii) 6.5) Transport by motorbikes, cars and light commercial vehicles.

Legend

For the purposes of tabular representation, the following legend applies:

climate change mitigation: CCM (Climate Change Mitigation); adaptation to climate change: CCA (Climate Change Adaptation); Sustainable use and protection of water and marine resources; WTR (Sustainable use and protection of water and marine resources); transition to a circular economy: CE (Transition to a circular economy); pollution prevention and reduction: PPC (Pollution Prevention and Control); protection and restoration of biodiversity and ecosystems: BIO (Protection and restoration of biodiversity and ecosystems); Minimum safeguards: MS (Minimum Safeguards).

Yes - the activity is eligible for, and aligned with, the Taxonomy with respect to the relevant environmental objective. No - the activity is eligible for, but not aligned with, the Taxonomy with respect to the relevant environmental objective. N/A - Not applicable; technical screening criteria not listed in the Regulation. The following legend applies when reading the eligibility section: AM - Taxonomy-eligible activity for the relevant objective. N/AM - activity not eligible for the Taxonomy for the relevant objective. N/A - Not applicable.

Financial Year			2024	Criteria for substantial contribution						DNSH (Do no significant harm) criteria									
Economic activities	Code	Revenue	Share of Revenues	CCM	CCA	WTR	CE	PPC	BIO	CCM	CCA	WTR	CE	PPC	BIO	Minimum safeguards	Share of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) turnover, year 2023	Category of enabling activity	Category of transition activities	Category of transition activities
		EUR	%	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover from environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0%	0%	0%	0%	0%	0%	No	No	No	No	No	No	No	0%			
Of which enabling		0	0.0%	0%	0%	0%	0%	0%	0%	No	No	No	No	No	No	No	0%			
Of which transitional		0	0%	0%	0%	0%	0%	0%	0%											
A.2. Taxonomy-eligible but non-environmentally sustainable activities (non-Taxonomy-aligned activities)																				
Manufacture of energy efficiency devices	CCM 3.5	26,305,576	8.1%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								9.88%			
Turnover from taxonomy-eligible but non-environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		26,305,576	8.1%	8.1%	0.0%	0%	0%	0%	0%								10.04%			
A. Turnover from taxonomy-eligible activities (A.1+A.2)		26,305,576	8.1%	8.1%	0%	0%	0%	0%	0%								10.04%			
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																				
Turnover from activities not eligible for taxonomy		298,078,318	91.9%																	
TOTAL		324,383,895	100%																	

Objective	Revenue share/Total revenue	
	Aligned with the Taxonomy by objective	Eligible for the Taxonomy by objective
CCM	0%	8.1%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Financial Year		2024		Criteria for substantial contribution						DNSH (Do no significant harm) criteria								
Economic activities	Code	CapEx	Share of CapEx	CCM	CCA	WTR	CE	PPC	BIO	CCM	CCA	WTR	CE	PPC	BIO	Minimum safeguards	Share of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) turnover, year 2023	Qualifying act	Transition act
		EUR	%	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx from environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0%	0%	0%	0%	0%	No	No	No	No	No	No	No	0%		
Of which enabling		0	0.0%	0.0%	0%	0%	0%	0%	0%	No	No	No	No	No	No	No	0%		
Of which transitional		0	0%	0%	0%	0%	0%	0%	0%										
A.2. Taxonomy-eligible but non-environmentally sustainable activities (non-Taxonomy-aligned activities)																			
Transportation by motorcycles, passenger cars and light commercial vehicles	CCM 6.5	218,142	1.4%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.09%		
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	140,195.00	0.9%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.12%		
CapEx from Taxonomy-eligible but non-environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		358,337	2.3%	2.3%	0%	0%	0%	0%	0%								0.88%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		358,337	2.3%	2.3%	0.0%	0%	0%	0%	0%								0.88%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
CapEx of non-taxonomy-eligible activities		15,357,460	97.7%																
TOTAL		15,715,797	100%																

Financial Year			2024	Criteria for substantial contribution						DNSH (Do no significant harm) criteria								
Economic activities	Code	OpEx	Share of OpEx	CCM	CCA	WTR	CE	PPC	BIO	CCM	CCA	WTR	CE	PPC	BIO	Minimum safeguards	Share of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) OpEx, year 2023	Category of enabling activity	Category of transition activities
		EUR	%	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Operational expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0%	0%	0%	0%	0%	No	No	No	No	No	No	No	0%	-	-
Of which enabling		0	0.0%	0.0%	0%	0%	0%	0%	0%	No	No	No	No	No	No	No	0%	-	-
Of which transitional		0	0%	0%	0%	0%	0%	0%	0%									-	-
A.2. Taxonomy-eligible but non-environmentally sustainable activities (non-Taxonomy-aligned activities)																			
				AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM										
Manufacture of energy efficiency devices for buildings	CCM 3.5	384,603	10.5%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								10.31%		
Transportation by motorcycles, passenger cars and light commercial vehicles	CCM 6.5	154,839	4.2%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								3.79%		
Operational expenditure of activities eligible for taxonomy but not environmentally sustainable (non-taxonomy aligned activities) (A.2)		539,442	14.8%	14.8%	0%	0%	0%	0%	0%								19.12%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		539,442	14.8%	14.8%	0%	0%	0%	0%	0%								19.12%		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
Operational expenditure of non-taxonomy-eligible activities		3,109,156	85.2%																
TOTAL		3,648,598	100%																

Nuclear and fossil gas related activities

The Group does not engage in activities related to nuclear energy and fossil gases.

NUCLEAR ENERGY RELATED ACTIVITIES		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
FOSSIL GAS RELATED ACTIVITIES		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

CIRCULAR ECONOMY

IMPACT AND RISKS		Value chain	Time horizon
Product use	Impact	Downstream	Short-term
Consumption and depletion of raw materials	Impact	Upstream	Short-term
Impact on environmental quality due to waste generation	Impact	Own Operation	Medium-/long-term
Impact on environmental quality due to waste generation	Impact	Upstream	Medium-/long-term
End-of-life environmental impacts	Impact	Downstream	Medium-/long-term
Dependence on key raw materials	Risk	Upstream	Medium-term
Incorrect waste management	Risk	Own Operation	Medium-/long-term

Dexelance recognises the importance of a more sustainable production and consumption model based on the principles of the circular economy. By formalising internal awareness initiatives, Dexelance aims to strengthen a circular corporate culture in the coming years, with the goal of minimising its environmental impact throughout the value chain.

[ESRS 2 IRO-1] Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities.

The approach for determining impacts, risks and opportunities and the list of IROs on climate change factors considered relevant can be found in the section "Dexelance double materiality" in the "General Information – basis for preparation" chapter. The Group recognises that its activities generate environmental impacts related to the use of resources and waste management, with particular reference to waste from leather, textiles, paints, plastics and other raw materials purchased from suppliers, such as timber, plastics, paper, metals, minerals, textiles and leather.

In the identification phase of IROs related to the circular economy, an analysis of company resources (buildings, facilities, plants, machinery, and raw materials) and activities conducted (production processes, resource consumption and utilisation, waste generation and management) was conducted to identify impacts, risks and opportunities related to resource use and the circular economy, including the assessment of natural resource and material utilisation, energy efficiency and waste management. By analysing the life cycle of products and their design, it was also possible to examine the amount of resources used and discarded, identifying their impacts, risks and opportunities, including related dependencies.

For the analysis, an approach was adopted based on direct and in-depth dialogue with the production managers of the individual subsidiaries through ad hoc meetings. This method made it possible to capitalise on their specific know-how and to collect factual data directly from their operations, thereby ensuring a formulation that is consistent with the Group's operations. Based on the information obtained, impacts, risks and opportunities (IROs) were identified, although consultations with affected communities were not conducted.

[E5-1] Policies related to resource use and circular economy

[E5-2] Actions and resources related to resource use and circular economy

[E5-3] Targets related to resource use and circular economy.

Dexelance recognises the relevance of the circular economy as part of its sustainable and responsible growth path. In line with the Group's sustainability principles, a number of actions have been identified for possible implementation to promote the concepts of circularity among subsidiaries, with the aim of optimising the use of resources, reducing waste and encouraging the reuse of materials throughout the entire life cycle of products. During this reporting year, the Group did not adopt any policies or implement any specific actions. However, starting in the second half of 2025, Dexelance plans to launch the dissemination of Environmental Corporate Culture principles in the subsidiaries to improve the sustainability of offices and warehouses and increasingly reduce the environmental impact of operations. These actions are part of a path of awareness-raising and involvement of the various corporate offices to spread a mentality focused on circularity and the conscious use of resources, both within its own operations and when participating in trade fairs, various exhibitions and events. The Group is also committed to supporting and promoting initiatives that will be developed and implemented within its subsidiaries to reduce the impact of the materials used in the design of products, as well as the packaging used for their sale.

MATERIALS AND WASTE

[E5-4] Resource inflows

Dexelance places quality at the heart of its business, using a rigorous selection of raw materials, mostly from Italian suppliers, to guarantee the excellence and reputation of "Made in Italy".

The variety and complexity of the Group's businesses are reflected in the diversification of the materials used and the processing techniques adopted. The production processes vary accordingly: from carpentry to painting with ecological finishes, from handcrafted upholstery to advanced lighting design. The integration of traditional techniques and modern technologies meets market demands with customised, high quality solutions.

Only some of the Group's companies use water in their production processes: in the spray booths, to reduce dust in carpentry and painting activities, and in the cutting processes of some inert materials for the "Kitchen & Systems" strategic business area. The water comes from the municipal aqueduct, with the exception of Cubo Design, which is supplied by the reclamation consortium connected to the Tordino river.

Overall, different materials are used, but no critical raw materials or rare earth materials are used in the various processes. Each company in the Group adopts specific criteria: Gervasoni, Cenacchi, Modar and Cubo Design, for example, combine wood with innovative materials to produce furniture and accessories, and they have obtained FSC® certification; Meridiani and Saba have introduced the use of natural and recycled materials; Gamma Arredamenti stands out for its selection of LWG-certified leather. In the lighting sector, Davide Groppi implements efficient solutions in view of the new European Eco-Design Regulation, while Flexalighting, focusing on LED technology, optimises design and assembly while limiting material consumption. In general, furniture producers such as Gervasoni, Meridiani, Saba, and Gamma Arredamenti predominantly use wood, textiles, plastics, and metals. Cenacchi and Modar, in the "Luxury Contract" operating segment, while being continuously subject to variations in the type of raw materials used in their products due to the nature of their business, consume mainly wood, glass and metals. The 'Lighting' business area uses mainly metals and glass and, finally, Cubo Design, belonging to the 'Kitchen & Systems' strategic business area, uses wood, metals, plastics, glues and paints.

As regards packaging, the Group companies use mainly wood, paper and cardboard, and, to a lesser extent, plastic. In particular, the "Luxury Contract" operating segment uses mostly wood, while the "Furniture", "Lighting" and "Kitchen & Systems" SBAs make greater use of paper and cardboard. Some companies, such as Davide Groppi, have also initiated projects to replace single-use plastic packaging with reusable solutions (e.g. reusable blister packs) to reduce waste and limit the use of non-recyclable materials.

Although wood is the most widely used material, it is divided into two categories: 54% of the total material is in the form of wood panels, a material deriving from a secondary reuse of virgin wood (mainly in the form of MDF or chipboard), while only 3% is virgin wood. It is specified that, although the Group has made a reasonable effort, the percentage of products sourced sustainably and therefore covered by a certification scheme is not available for the reporting year in question.

Below is a representation of the materials used by the Group broken down by technical and biological materials:

Materials used to manufacture products and offer services ton2024

	Technical Materials	Biological materials	Total
Virgin wood		738.75	738.75
Processed wood (panels)		12,878.82	12,878.82
Metals	4,395		4,395
Inert Materials	1,806.93		1,806.93
Glass	1,051.93		1,051.93
Electrical and electronic equipment	708.31		708.31
Plastic	683.34		683.34
Paper and cardboard		610.98	610.98
Textiles		235.91	235.91
Skins		151.39	151.39
Down feather		83.26	83.26
Other	552.94		552.94
Total	9,198.46	14,699.11	23,897.57
Percentage	38%	62%	100%

The company does not currently have a process that allows for the verifiability of the weight, in absolute value or as a percentage, of reused or recycled secondary components and intermediate secondary products and materials used by the company for its products and services.

The materials were classified into macro-categories, as illustrated in the table, according to the following criteria:

- **Inert materials:** include stone, marble, selenite, graphite, lime, gypsum, rock wool, mica, bone, stucco, gress, ceramics, cement and plasterboard.
- **Electrical and electronic equipment:** include LEDs, LED drivers, cables, small electrical parts, lighting accessories, hoods, dishwashers, washing machines, microwaves, electrified lighting rails, connectors, lamps, electrical components, magnets, electronic boards, power supplies, chips, batteries and signs.
- **Other:** includes lamp mounts, acetone, velcro adhesives, wax, thinners, abrasive polish, anti-rust sprays, paints, glues, kitchen accessories, grooves, straps, ropes, various furniture items, adhesives, mattresses and upholstery.

- **Wood:** a distinction is made between processed wood, which mainly includes wood panels, as previously described, and virgin wood.
- **Metals:** include brass, steel and iron.

Supplies for offices or showrooms for foreign subsidiaries were excluded, with the exception of Flexalighting North America, the only foreign production company.

The database and methodology used for the calculation are in line with the GHG report and inventory that was verified by an accredited third party (Bureau Veritas) conducted according to the principles and requirements of ISO 14064, with a GHG statement confidence level of Mixed Engagement, i.e. reasonable for direct and indirect electricity emissions and AUP (Agreed Upon Procedures) for other indirect emissions (Scope 3).

For the quantification of materials, a methodological ranking was adopted, which involved: using weight data communicated directly by the company; calculating weight by sampling certain flows, with conversion factors (from economic to physical data) to be applied to similar materials; converting economic data into physical units using specific conversion factors in €/tonne, derived from the Exiobase database v3.3.18 (version of 23/03/2023).

[E5-5] Resource outflows

Dexelance mainly produces furniture products, such as sofas, chairs, tables, kitchen items and lamps (as stated in the section "Sustainability strategy" in the chapter "General information – basis for preparation"). Although the company has not yet developed a formal assessment of the durability, reparability and recyclable content rate of its products, it plans to carry out more in-depth analyses in the future to optimise the use of resources and promote a more circular life cycle of its products. Dexelance is nevertheless committed to integrating circular principles into its production process. In fact, principles of durability and repairability are already taken into account in product research, development and design. In particular, materials are selected that guarantee a long service life and the product is designed in such a way as to facilitate disassembly, allowing the different components to be easily recovered and only those that do not work to be repaired.

Waste

For the year 2024, Dexelance reports that 3,424,645 kg of total waste was generated from its operations, of which 61,551.11 kg was hazardous waste and 3,363,094.34 kg was non-hazardous waste. Of the total, 3,251,303 kg went to recovery, while 173,343 kg went to disposal. All waste produced was not recycled (0%) and the Group does not produce radioactive waste.

	Waste not destined for disposal		
	Hazardous waste	Non-hazardous waste	Total
Incineration (R1)	–	–	
Preparation for re-use (P)	–	–	
Recycling (R3, R4, R5)	.	.	
Other recovery operations (R12, R13)	7,218.11	3,244,084.64	3,251,302.76
Total	7,218.11	3,244,084.64	3,251,302.76

	Waste for disposal		
	Hazardous waste	Non-hazardous waste	Total
Incineration (D10, D11)	–	–	
Waste for disposal in a landfill (D1, D2, D3, D5)	–	–	
Other disposal operations (D4, D8, D9, D13, D14, D15)	54,333.00	119,009.70	173,342.70
Total	54,333.00	119,009.70	173,342.70

In 2024, the waste produced by Dexelance came mainly from wood waste, mixed packaging (plastic, paper, metal and wood), waste paints and varnishes, used mineral oil for engines and gears, printer toner, chips, glass and mirrors, as well as bulky waste and insulation materials containing hazardous substances. These wastes are the result of industrial, production and maintenance activities at the facilities. Materials in the waste include wood, plastic, metals (aluminium, iron and steel), paper, paints, mineral oils, textiles, and hazardous chemicals, which are separated and managed in accordance with environmental regulations for their proper disposal.

Dexelance uses a methodology based on direct measurements and point calculations to determine data on the waste generated, avoiding estimates whenever possible. Waste is categorised according to EWC codes to distinguish between hazardous and non-hazardous waste. The criteria used for classification follow current regulations.

SOCIAL INFORMATION - ESRS S1

INFORMATION ON SOCIAL IMPACTS, RISKS AND OPPORTUNITIES

IMPACT AND RISKS		Value chain	Time horizon
Failure to protect the welfare of employees	Impact	Own operation	Short-term
Negative impact on employee health and safety	Impact	Own operation	Short-term
Lack of competence development of employees	Impact	Own operation	Short-term
Accidents at work or occupational diseases	Risk	Own operation	Medium-term
Dependence on key figures	Risk	Own operation	Short-term

[ESRS 2 SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

All employees of Dexelance, on whom there could be a material impact, are included within the scope of disclosure under ESRS 2. The impacts identified by the Group, such as those related to the wellbeing of its own workers (hereinafter also referred to as "employees"), occupational safety and skills development, are in fact generalised and transversal in nature and concern the entire workforce, independently of other factors.

The Dexelance workforce subject to significant impacts as a result of its operations is mainly composed of employees with permanent contracts, who are employed in the internal production phases of the subsidiaries, mainly in Italy, in product sales and business support and coordination roles. A small part of the Group's workforce consists of non-employees, such as temporary workers, mainly involved in production, and trainees.

The risk of workplace accidents or occupational illnesses is closely linked to the impact generated by the Group's specific operations. The diversity and peculiarities of operations, which include the handling and processing, in some subsidiaries, of potentially hazardous chemicals (such as paints, waterproofing agents and waxes), create a direct dependency due to employee exposure to these substances. This impact on workers' health is the primary cause of the risk, as working conditions that do not guarantee adequate protection and prevention measures can amplify the risk of accidents, occupational illnesses and related economic and reputational costs for the Group.

However, the Group already has some prevention measures in place, such as insurance coverage for workplace accidents and occupational illnesses. For more information, please refer to the specific section "Cost for services and use of third-party assets" in the Explanatory Notes to the Consolidated Financial Statements ended 31 December 2024.

Furthermore, regarding to the risk of dependence on key figures, please note that the Group has adopted long-term incentive plans for top management, including the CEO and Executive Director, aimed both at incentivising the beneficiaries to pursue the Group's objectives and at increasing loyalty with a view to their retention. For further information, please refer to the section "Significant events during the financial year" regarding the medium- to long-term monetary incentive plan in the Explanatory Notes to the Consolidated Financial Statements ended 31 December 2024.

In addition, within Dexelance's own operations, no cases or situations of serious risk of forced, compulsory or child labour were identified, either in relation to specific types of operations, such as production facilities, or in particular countries or geographical areas.

Regarding to the assessment of the significance of impacts on its own workforce, Dexelance confirms that it has not identified types of workers with particular characteristics, working in specific contexts or engaged in particular activities, who may be more exposed to risks than the rest of the workforce.

Moreover, the relevant risks identified in relation to impacts and dependencies in terms of employees do not concern specific groups of people, such as particular age groups or workers in certain geographical areas, but instead affect the entire workforce of the company, across the board.

PEOPLE MANAGEMENT

[S1-1] Policies related to own workforce

Currently, guidelines on the treatment of employees are outlined in Dexelance's Code of Ethics, which is the official document establishing ethical commitments and responsibilities in the conduct of company business. The Code clearly defines the values and principles that Dexelance recognises as essential elements of its mission, corporate culture and business model. It promotes respect for workers' rights and the creation of a safe and respectful working environment. It also provides a framework to guide the company's ethical behaviour, ensuring that all activities are conducted in accordance with the principles of fairness, dignity and well-being. Dexelance has not adopted a specific policy on workforce management. However, aware of the importance of this issue and in line with its commitment to the protection and well-being of workers, the Group has envisaged, as part of its corporate strategic guidelines set forth in the Group's ESG Manifesto and 2025-2027 Business Plan, the introduction of Group policies on diversity and inclusion and human rights, and corporate welfare and well-being, as well as the introduction of a Group Working Hours Policy.

[S1-2] Processes for engaging with own workers and workers' representatives about impacts

At the moment, the Dexelance Group has not adopted a structured process of engagement with these stakeholders but, as part of future initiatives, it plans to increase opportunities for employee involvement, both through corporate communication channels and Group initiatives, with the aim of establishing an open and constructive dialogue.

[S1-3] Processes to remediate negative impacts and channels for own workers to raise concerns

The Dexelance Group has adopted a process for managing reports, also in anonymous form, to prevent the occurrence of offences, irregularities or conducts that do not comply with the Code of Ethics, the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001, company procedures and applicable regulations. The process enables the reporting of any significant negative impacts affecting the workforce, ensuring the timely assessment of reports and, if necessary, the adoption of corrective measures to remedy identified impacts. The effectiveness of remedial actions is monitored through regular audits and dedicated reports.

For the management of reports, Dexelance uses a dedicated IT platform, accessible via the official website, in full compliance with the General Data Protection Regulation (GDPR). This platform provides a channel through which employees can communicate their concerns, even anonymously. The Group promotes the use of these channels through the dissemination of ad hoc company policies, such as the Code of Ethics and the Whistleblowing Procedure.

Group companies independently adopt reporting management systems that are available on their respective company websites, thus providing simple and direct access in all areas of operations. To ensure the effectiveness of these tools, Dexelance constantly monitors the issues raised and evaluates the results obtained, involving the Group CFO in all communications.

Finally, the Group has implemented specific measures to protect employees who make use of these channels from retaliation, as required by internal policies and regulations. On average, twice a year, as was also the case during this reporting year, training and refresher courses are provided to the senior management of all Group companies to strengthen staff awareness of possible offences, the reporting procedures available and their importance for the protection of the work environment.

[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

During 2024, no specific actions were implemented to mitigate the negative impacts on the workforce. However, the Group manages impacts through the application of procedures and policies that comply with current regulations, ensuring safe and decent working conditions. In particular, measures are taken to avoid situations of stress and fatigue due to unbalanced working hours and to ensure adequate salaries that promote a proper work-life balance.

However, in line with the commitments linked to the strategic guidelines approved this year, the main measures planned for the next few years include, in addition to the introduction of Group policies on diversity and inclusion, human rights, corporate welfare and well-being, the activation of ongoing welfare programmes by all Group subsidiaries.

To facilitate the successful integration of new human resources, Dexelance also plans to define a set of guidelines, to be used by all subsidiaries, for the onboarding of new employees. This tool will support welcoming new hires and professional growth, facilitating a sense of belonging and alignment with the Group's corporate culture.

Finally, Dexelance aims to intensify its employer branding activities by strengthening and launching new initiatives in the region, by increasing opportunities for school-to-work alternation, already occasionally offered by Group companies, and by targeted collaborations with training institutions.

The active involvement of internal stakeholders, including the Central Sustainability Team, central management, and the ESG Ambassadors, as well as interactions with a number of educational institutions were instrumental in shaping these initiatives. Performance is monitored by means of surveys, membership analysis and periodic feedback, with possible revisions of strategies in the event of deviations from the established targets.

[S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Dexelance did not set quantitative targets in 2024. However, within the current Business Plan, a set of strategic initiatives and actions with respective targets have been planned for implementation over the 2025-2027 three-year period to promote a healthy, inclusive and sustainable working environment.

CHARACTERISTICS OF THE GROUP'S PEOPLE

[S1-6] Characteristics of the undertaking's employees

All employees of the Dexelance Group are included in the scope of the reported information. The tables below provide a detailed overview of the Group's workforce (total number of people), broken down by gender, country and contract type, also reported in the section "Staff costs" in the "Explanatory Notes to the Consolidated Financial Statements as at 31 December 2024", albeit with reference to the average number of employees during the reporting period rather than the exact figure as at 31 December as shown here. In addition, the outgoing turnover for the year 2024 is reported.

Total number of employees (headcount) by country

Number of people		as of 31 December 2024		
	Udm	Men	Women	Total
Italy	n.	440	341	781
UK	n.	1	1	2
China	n.	1	7	8
USA	n.	7	9	16
Canada	n.	10	8	18
Total	n.	459	366	825

More than 97% of the workforce (806 employees) are on permanent contracts.

Total number of employees (headcount) by contract type and gender

Number of people		as of 31 December 2024		
	Udm	Men	Women	Total
		459	366	825
Permanent	n.	453	353	806
Temporary	n.	6	13	19
Shifting schedule	n.	-	-	-
Full-time	n.	454	331	785
Part-time	n.	5	35	40

Turnover rate is calculated as the number of employees who have left the Group, either voluntarily or involuntarily, as the ratio between the employees who have left and the total number of employees by gender as at December 31, 2024.

Number (headcount) and rate of employee turnover

Number of persons and rate		as of 31 December 2024		
	Udm	Men	Women	Total
Employees who left the Group	n.	43	32	75
Turnover rate	%	9.4%	8.7%	9.1%

[S1-7] Characteristics of non-employees in the undertaking's own workforce

The table below provides the total number of non-employee workers of the Dexelance Group, broken down by gender as at 31 December 2024.

Total number of non-employees in own workforce (headcount)

Number of people		as of 31 December 2024		
	Udm	Men	Women	Total
Total	n.	134	10	144

DIVERSITY, INCLUSION, AND EQUAL OPPORTUNITIES

[S1-9] Diversity metrics

The tables below present the diversity metrics within the Dexelance Group, highlighting the number of managers by gender and the distribution of total employees by age group.

Total number of top management

Number of people		as of 31 December 2024		
	Udm	Men	Women	Total
Number of senior managers	n.	4	3	7
Percentage	%	57%	43%	100%

Total number of employees by age group

Number of people		as of 31 December 2024			
	Udm	Men	Women	Total	Totale
Number of employees	n.	92	454	279	825
Percentage	%	11%	55%	34%	100%

[S1-10] Adequate wages

All employees of the Dexelance Group receive an adequate salary in line with the applicable benchmarks. Dexelance defines the salaries of its workforce in accordance with the reference parameters applicable in the various countries in which it operates. In Italy, salaries are in line with the sector's National Collective Labour Agreement (CCNL). In non-EU countries, the salary level is determined by local legislation, ensuring that it complies with current regulations and is adequate in relation to local standards.

[S1-16] Compensation metrics (pay gap and total compensation)

The gender pay gap indicates the difference between the average wage levels paid to female and male workers. In this respect, the data in the table "Gender pay gap" shows the average gross pay of all employees of the Dexelance Group. These data provide a clear view of the average total remuneration within the workforce, which reveals a pay gap between female and male genders of 14%[20].

In parallel, the second table shows the total annual pay ratio. This ratio measures the difference between the person receiving the highest pay and the median pay of all employees, excluding the person with the highest pay.

Both indicators are based on the same method of calculating Gross Annual Remuneration (GAR), which includes the annual basic salary, cash bonuses (performance-based bonuses and economic incentives), and fringe benefits (non-monetary benefits such as a company car, meal vouchers, health insurance, and other additional benefits).

Gender pay gap

Euro		As of 31 December 2024		
	Udm	Men	Women	%
Average gross hourly pay of all employees	€	30.07	25.77	14%

[20] The formula used to calculate the gender pay gap is: (average gross hourly earnings of male employees - average gross hourly earnings of female employees) / average gross hourly earnings of male employees) x 100.

Annual total remuneration ratio

Euro	Udm	as of 31 December 2024
Total annual salary of the highest paid person	€	293,413.35
Median annual total remuneration of all employees in the organisation excluding the above-mentioned person	€	34,815.17
Annual total remuneration ratio		8.43

[S1-17] Incidents, complaints and severe human rights impacts

The data reported concern incidents, complaints and serious impacts on discrimination and human rights within the Dexelance Group. In 2024, the Group recorded no incidents, complaints or serious impacts related to discrimination or human rights violations (forced labour, child labour or human trafficking).

HEALTH AND SAFETY

[S1-14] Health and safety metrics

The table below shows the health and safety metrics within the Dexelance Group. This data is provided to offer a transparent view of workplace accidents, reflecting the Group's commitment to ensuring a safe and healthy working environment for all employees.

Workforce covered by management systems according to legal requirements and/or recognised health and safety standards or guidelines

Number of people		as of 31 December 2024		
	Udm	Employees	Contract employees	Total
Number of employees covered by health and safety management systems	n.	814	110	924
% of employees covered by health and safety management systems	%	99%	76%	95%

Work-related incidents and ill health - Employees

				as of 31 December 2024
	Udm	Employees	Contract employees	Total
Number of deaths due to work-related injuries or illnesses	n.	0	0	0
Number of recordable occupational accidents	n.	13	2	15
Number of hours worked	n.	1,184,764.22	90,311	1,275,075
Recordable work accident rate		10.97	22.14	11.76
Number of cases of work-related illnesses that could be registered	n.	0	0	0
Number of days lost due to work-related injuries or illnesses	n.	634	10	644

TRAINING

[S1-13] Training metrics

The Groups has not yet developed and formalised a performance evaluation system.

Average number of training hours per employee and gender

						as of 31 December 2024	
Training hours	Udm	Total hours - Men	Average hours - Men	Total hours - Women	Average hours - Women	Total training hours	Average hours per employee
Totale	no.	3,899	8.5	4,292	11.7	8,190	9.93

The Groups has not yet developed and formalised a performance evaluation system.

ENTITY-SPECIFIC INFORMATION

IMPACT		Value chain	Time horizon
Supporting local communities through charity, cultural and artistic promotion and environmental protection projects	Impact	Downstream	Medium - long term

In the double materiality analysis, Dexelance identified a positive impact in initiatives dedicated to social support, cultural promotion and environmental protection. No specific metrics, policies or targets are currently defined for this issue; however, the Group is constantly engaged in philanthropic and social activities. Through donations and partnerships with non-profit organisations, the Group has contributed to projects for social inclusion, health care, educational development and cultural heritage enhancement. In 2024, the Dexelance Group allocated a total of around EUR 30,000 to social, cultural and environmental initiatives, reinforcing its commitment to local communities and disadvantaged groups.

The Group also contributed to numerous charity auctions and collaborated with non-profit associations such as AVSI, Cooperativa Lavoro and social inclusion, supporting some initiatives of the cooperative 'I Bambini delle Fate S.p.A.', which works on improving the quality of life of children and young people in difficulty. Modar has invested in several solidarity projects, including support for education in disadvantaged contexts, long-distance adoption and participation in charity events aimed at supporting young people and families in vulnerable circumstances. Cenacchi contributed to preventive health and community well-being by supporting a local breast health awareness campaign. Cubo Design has supported the local community with concrete initiatives, including the restoration of historic buildings, the upgrading of rescue equipment and the support of associations dedicated to animal protection. Meridiani has participated in social inclusion projects, contributing to the purchase of means of transport for people with mobility difficulties and supporting educational and care activities for young people and families.

A further sign of being rooted in the territory is the inclusion of members of the local community among the Group's senior managers, favouring a management closer to the needs of the local area and the people who live there. Through these initiatives, Dexelance continues to strengthen its positive impact, integrating the values of social responsibility into its corporate strategy and contributing concretely to the development of the communities in which it operates. These initiatives testify to Dexelance's willingness to integrate social responsibility into its business model, promoting a positive impact on the local area and contributing to building a more inclusive and sustainable community.

GOVERNANCE INFORMATION - ESRS G1

INFORMATION ON ENVIRONMENTAL IMPACTS, RISKS AND OPPORTUNITIES

IMPACT	Current/ Potential	Positive/ Negative	Value chain	Time horizon
Non-compliance with ESG criteria along the supply chain	Potential	Negative	Upstream	Medium-/long-term

[ESRS 2 IRO-1] Description of the process to identify and assess material impacts, risks and opportunities

The approach to determine impacts, risks and opportunities, and the list of IROs related to relevant business conduct and governance, can be found in the section “Dexelance double materiality” in the “General Information” chapter. In the Dexelance Group, an analysis was performed to identify the impacts, risks and opportunities related to the conduct of business, taking into consideration all relevant criteria, including location, activities, sector and structure of the operation. The location of individual subsidiaries was examined to understand the geographical and regulatory specificities that could influence operations. The company’s activities, particularly those related to production, distribution and resource management, were analysed to identify potential operational risks and opportunities for optimisation. The sector in which the Group operates was also assessed, considering market trends, emerging technologies and regulations, in order to anticipate changes and seize competitive opportunities. Finally, the Group’s governance structure, including business processes and interactions between the different units, was examined to ensure that the entire system was geared towards reducing risks and maximising opportunities for continuous improvement, in line with the principles of sustainability and corporate social responsibility.

[ESRS 2 GOV-1] The role of the administration, supervisory and management bodies

The boards of directors and management are responsible for guiding Dexelance’s strategy, integrating the principles of integrity, transparency and accountability into day-to-day decisions. These bodies are responsible for defining company policies and long-term objectives, ensuring sustainability and compliance with regulations, for monitoring compliance with laws and the Code of Ethics, and for preventing risks and unlawful behaviour. To this end, Dexelance has adopted a Code of Ethics that guides the behaviour of all levels of the organisation, promoting a working environment based on shared values. The control bodies ensure that the Group’s operations are in line with legal, ethical and social regulations by continuously monitoring compliance with the Code of Ethics.

The Dexelance’s Control, Risk, Related Party Transactions, and Sustainability Committee supports the Board of Directors in defining the guidelines for sustainability, with the support of the Central Sustainability Team as an internal delegated function, and possibly also in collaboration with external professionals appointed on any given occasion, in line with the company’s strategies and with a view to promoting and disseminating an appropriate culture in this field across all levels of the organisation.

[G1-1] Corporate culture and business conduct policies

Through its Code of Ethics, Dexelance promotes its corporate culture, establishing the principles and rules of conduct that guide the behaviour of all group companies, its employees, contractors, and members of the Board of Directors, as well as influencing relations with business partners and suppliers. It promotes a business model based on integrity, transparency, social responsibility and sustainability, ensuring compliance with national and international regulations and fostering a corporate culture of ethics and legality.

The main contents of the Code cover several areas of business conduct. Integrity and transparency are key principles, with a commitment to fair and honest behaviour in internal and external relations. Social responsibility and respect for human rights are at the heart of the Group’s strategy, which is committed to creating a safe, inclusive working environment that respects people’s dignity, promoting fair conditions for all workers and combating any form of discrimination, exploitation or abuse.

The Code also includes specific provisions on regulatory compliance, requiring compliance with all applicable laws and sectoral regulations, with a particular emphasis on anti-corruption legislation, financial transparency and personal data protection. Guidelines are provided to avoid conflicts of interest, stipulating that all business decisions must be made solely in the interest of the company and without undue personal or external influence. Regarding to relations with stakeholders, the Code governs interactions with customers, suppliers, institutions and the community, promoting relations based on mutual trust and respect for ethical rules.

Dexelance constantly monitors issues raised, including possible violations of the Code, also involving the Group CFO in all communications.

The Code of Ethics makes reference to various international regulations and conventions, which define the principles of business ethics and social responsibility, also incorporating references to Legislative Decree No. 231/2001, which governs the vicarious corporate liability of companies for offences committed in their interest or to their advantage.

The Group has adopted a 231 Model and a whistleblowing system to meet

its obligations to transparency and preventing wrongdoing. In particular, the whistleblowing system allows employees, collaborators and other stakeholders, both internal and external, to report concerns about conduct that is unlawful or in conflict with the Code or internal regulations. Reports can be made anonymously through internal reporting channels, which are managed by specially designated and trained staff. In the event of a report, the Group will initiate an internal investigation conducted independently and objectively, with the aim of ensuring that each situation is dealt with promptly and impartially.

In relation to anti-corruption, the Group has not adopted policies and procedures that comply with Italian law and international guidelines. By 2025, the Group is committed to drawing up a Group anti-corruption policy, to which all subsidiaries will adhere.

Regardign to the protection of whistleblowers, the Group guarantees protection against retaliation in accordance with the applicable legislation, including Directive (EU) 2019/1937. Measures are in place to protect the anonymity and security of whistleblowers, and staff receiving reports are appropriately trained to handle the information in a secure and confidential manner.
Dexelance also provides regular training to its employees with a programme that includes topics on business conduct, corruption prevention and how to use whistleblowing channels.

The roles most at risk of active and passive corruption are, at the central level and for the subsidiaries, the Management and the Administration, Finance and Control area, as well as the central Investor Relations area and, for subsidiaries, the Procurement and Quality area.

In addition to the Code of Ethics and the procedures in place to handle whistleblowers' reports in accordance with the applicable legislation transposing Directive (EU) 2019/1937, the Group has not adopted any further specific procedures to investigate incidents concerning business conduct, including cases of active and passive bribery, other than those provided for in the applicable legislation. No specific actions, metrics and targets were implemented in 2024. However, the Group is committed to defining actions and initiatives in this regard in the coming years.

[G1-2] Management of relationships with suppliers

The Dexelance Group manages relations with its suppliers according to principles of professionalism, collaboration and transparency, in an awareness of the strategic role they play in the value chain. Particular attention is paid to the geographical origin of suppliers, with a clear preference for collaborations with Italian companies. This choice not only preserves the quality associated with the 'Made in Italy' brand, but it also promotes local economic development, creating a virtuous circle for the communities in which the Group operates and contributing to the reduction of the environmental impact linked to transport.

Suppliers are selected and monitored through procedures, which consider the competence, quality and sustainability of their activities. The aim is to ensure high standards for products, in compliance with current regulations and corporate sustainability commitments. For this reason, the contact persons in the procurement area of the subsidiaries periodically carry out checks and visits at the sites of the main suppliers.

For companies in the "Luxury Contract" strategic business area, such as Cenacchi and Modar, the selection of suppliers may vary according to specific customer requirements. However, even in these cases, suppliers are subject to the same evaluation criteria, with the obligation to comply with the quality standards defined by the Group and demanded by clients.

Environmental and social sustainability is an essential criterion when choosing suppliers. Four Group companies have already set up supply chains with partners with recognised certifications, such as the Forest Stewardship Council (FSC®) for responsible forest management. In addition, some companies are actively collaborating with suppliers to increase the use and study of recycled or easily recyclable materials.

The commitment of several Group companies also extends to the choice of eco-friendly materials, such as leather from certified tanneries and upholstered materials with environmental labels.

The company has not currently adopted a formal procedure for the management of payments to suppliers and SMEs involved in the supply chain, as the established practice of all subsidiaries is to comply with the payment deadlines for individual contracts, except in exceptional cases where there is a need to open disputes. It should also be noted that it is common practice in subsidiaries, and in the market in general, to establish supply agreements that provide for advance payments for part of the amount, which further reduces the risk of debt exposure to suppliers and SMEs. These practices are also confirmed by the supplier ageing in the Financial Reporting, which shows that past due amounts are historically very low for the Group.

ANNEX

[IRO-2] Disclosure requirements of the ESRS covered by the Consolidated Sustainability Statement

The Group has considered the phased introduction provisions for disclosure obligations or elements of information for disclosure obligations as outlined in Appendix C of ESRS 1, except for what is provided for S1-7, S1-8, S1-13, and S1-14.

DR	LIST OF DR MATERIALS	REFERENCE PAGE
	ESRS 2 – GENERAL INFORMATION	
BP-1	General basis for preparation of the sustainability statement	15
BP-2	Disclosures in relation to specific circumstances	16
GOV-1	The role of the administrative, management and supervisory bodies	18
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	21
GOV-3	Integration of sustainability-related performance in incentive schemes	22
GOV-4	Statement on due diligence	22
GOV-5	Risk management and internal controls over sustainability reporting	22
SBM-1	Strategy, business model and value chain	24
SBM-2	Interests and views of stakeholders	30
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	33
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	38
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	86
	ESRS E1 - CLIMATE CHANGE	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	45
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	45
GOV-3	Integration of sustainability-related performance in incentive schemes	22
E1-1	Transition Plan for climate change mitigation	46
E1-2	Policies related to climate change mitigation and adaptation	46
E1-3	Actions and resources in relation to climate change policies	46
E1-4	Targets related to climate change mitigation and adaptation	46
E1-5	Energy consumption and mix	47
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	49
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	51
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in
	ESRS E5 - RESOURCE USE AND CIRCULAR ECONOMY	
IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	67
E5-1	Policies related to resource use and circular economy	67
E5-2	Actions and resources related to resource use and circular economy	67
E5-3	Targets related to resource use and circular economy	67
E5-4	Resource inflows	68
E5-5	Resource outflows	70
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Phase-in
	ESRS S1 - OWN WORKFORCE	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	72
S1-1	Policies related to own workforce	73
S1-2	Processes for engaging with own workers and workers' representatives about impacts	74
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	74
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	74
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	75
S1-6	Characteristics of own workforce	76
S1-7	Characteristics of non-employees own workforce	77
S1-9	Diversity metrics	77
S1-10	Adequate wages	78
S1-13	Training metrics and skills development	80
S1-14	Health and safety metrics	79

S1-16	Compensation metrics (pay gap and total compensation)	78
S1-17	Incidents, complaints and severe human rights impacts	79
	ESRS G1 - CONDUCT OF BUSINESS	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	82
GOV-1	The role of the administrative, supervisory and management bodies	82
G1-1	Corporate culture and business conduct policies	83
G1-2	Management of relationships with suppliers	84

[Appendix B] List of information elements under the cross-cutting and thematic principles derived from EU law

The table shows the pages relating exclusively to material ESRS.

DR	Disclosure obligation and corresponding information element	SFDR reference	Third pillar reference	Benchmark regulation reference	EU climate regulation reference	Reference page
ESRS 2 GOV-1	Board's gender diversity paragraph 21 (d)	Annex I, Table 1, Indicator no. 13		Delegated Regulation (EU) 2020/1816, Annex II		19
ESRS 2 GOV-1	Percentage of Board of Directors members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		18
ESRS 2 GOV-4	Statement on due diligence paragraph 30	Annex I, Table 3, Indicator no. 10				22
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 of Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013;	Regolamento delegato (UE) 2020/1816 della Commissione, allegato II		Not Applicable
ESRS 2 SBM-1		Indicator number 9 of Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not Applicable
ESRS 2 SBM-1	Commission Implementing Regulation (EU) 2022/2453(6)Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Delegated Regulation (EU) 2020/1818(7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not Applicable
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818(7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not Applicable
ESRS E1-1	Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	46
ESRS E1-1	Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Not Applicable
ESRS E1-4	GHG emission reduction targets paragraph 34	Indicator number 4 of Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		46
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				47
ESRS E1-5	Energy consumption and mix paragraph 37	Indicator number 5 of Table #1 of Annex 1				47
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 of Table #1 of Annex 1				48

ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		49
ESRS E1-6	Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 of Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		51
ESRS E1-7	GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	51
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phase in
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			Phase in
ESRS E1-9			Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phase in
ESRS E1-9	ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			Phase in
ESRS E5-5	Non-recycled waste paragraph 37 (d)	Indicator number 13 of Table #2 of Annex 1				71
ESRS E5-5	Hazardous waste and radioactive waste paragraph 39	Indicator number 9 of Table #1 of Annex 1				70
ESRS 2 – SBM3 – S1	Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 of Table #3 of Annex 1				73
ESRS 2 – SBM3 – S1	Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 of Table #3 of Annex 1				73
ESRS S1-1	Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				73
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		73
ESRS S1-1	Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 of Table #3 of Annex 1				73
ESRS S1-1	Workplace accident prevention policy or management system paragraph 23	Indicator number 1 of Table #3 of Annex 1				73
ESRS S1-3	Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 of Table #3 of Annex 1				74
ESRS S1-14	Number of fatalities and number and rate of work- related accidents paragraph 88 (b) and (c)	Indicator number 2 of Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		80

ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 of Table #3 of Annex 1		80
ESRS S1-16	Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 of Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II	78
ESRS S1-16	Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 of Table #3 of Annex 1		79
ESRS S1-17	Incidents of discrimination paragraph 103 (a)	Indicator number 7 of Table #3 of Annex 1		79
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	79
ESRS G1-1	United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 of Table #3 of Annex 1		84
ESRS G1-1	Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 of Table #3 of Annex 1		Not Applicable

Main calculation criteria

The methodological indications on how some indicators reported in the Sustainability Statement are calculated are as follows:

Power consumption

The Dexelance Group's energy consumption (natural gas, electricity, diesel, gasoline, GPL) was calculated in terms of Megawatts (Mwh). To standardise the different energy carriers, conversion factors were used from the UK Department for Environment, Food & Rural Affairs (DEFRA) table "UK Government GHG Conversion factors for Company Reporting – Fuel properties".

Climate-altering emissions

The greenhouse gas emissions (Scope 1, Scope 2 location-based, and Scope 3) were calculated in accordance with ISO 14064 for the year 2024. The certification according to ISO 14064 was issued by Bureau Veritas on 26 February 2025. Scope 2 market-based greenhouse gas emissions in the Reporting were not subject to verification according to ISO 14064.

Direct (Scope 1) and indirect (Scope 2) emissions

Greenhouse gas emissions were calculated in line with the standard ISO 14064.

The following sources for emission factors were used to calculate direct emissions (Scope 1):

- Fuels (natural gas, petrol, diesel): Ecoinvent.
- Refrigerant gases (F-gases): IPCC 2021.

To calculate indirect emissions (Scope 2), electricity consumption was converted according to location-based and market-based approaches, using the following sources for emission factors:

- For the location-based approach, calculated on the basis of the percentage composition of the national mix of each country (Italy, France, the United Kingdom, China, and the United States), the Eco invent emission factors were used;
- For the market-based approach: for European sites, the figure used in Ecoinvent, which is based on the document "European Residual Mixes 2023" published in 2024 by the Association of Issuing Bodies (AIB) was used for 2024 data. For sites located outside the EU, at the time of writing, the Residual Mix emission factors are not publicly available from accredited sources; for this reason, the same emission factors applied according to the location-based methodology.
- For the calculation of emissions from district heating (or centralised heating for condominium utilities), it was assumed that natural gas combustion is used to bring water to the desired temperature. The values of the emission factors used are therefore those for natural gas from Ecoinvent.

Indirect greenhouse gas emissions (Scope 3) were calculated in accordance with ISO 14064. The results of the quantification were then expressed according to the categorisation provided for in the GHG Protocol. The main greenhouse gases CO2, CH4, N2O, HFC, PFC, SF6 and other fluorinated gases) were translated into units of CO2 equivalent (CO2eq) due to emissions factors published by the International Panel on Climate Change (IPCC37).

The categories included in the inventory are listed below as defined in the reference standard ISO 14064-1, for each category the sources of the emission factors used are given:

- 3.1 - Emissions relating to the transport of supplying of raw materials, semi-finished products, marketed products and packaging: calculated based on transported materials and driven distances (tons*kilometres), using the Ecoinvent and Exiobase38 databases as the source for emission factors.
- 3.2 - Emissions relating to the transport for the distribution of the finished product: the same calculation method was used for this category as for Category 3.1.
- 3.3 - Internal logistics emissions between facilities or between the company and subcontracted companies: the same calculation method was used for this category as for Category 3.1.
- 4.1 - Emissions related to energy uses and proprietary vehicles: related to climate-altering emissions tied to fuel supply stages (gasoline, diesel, and natural gas) and electricity. The source of the emission factors used is the Ecoinvent database.
- 4.2 - Emissions related to imported energy: the same calculation method was used for this category as for Category 4.1.
- 4.3 - Emissions from the procurement of raw materials, semi-finished products, marketed products and purchased packaging: related to emissions from the production of raw materials, semi-finished products, marketed products and purchased packaging. The activity figure for quantifying impacts is expressed either as a mass or in terms of economic expenditure for the purchase. Each item reported by the Company has been associated with a specific emission factor whose sources are: Exiobase, Ecoinvent, and the Environmental Program Declaration (EPD) library.
- 4.4 - Emissions from outsourced production activities: related to emissions from outsourced production activities. Each item reported by the Company has been associated with an emission factor whose sources are the Ecoinvent and Exiobase databases.
- 4.5 - Emissions related to the treatment of waste generated at its own facilities: Related to emissions generated by the disposal of waste generated at the Group's facilities. In accordance with the end-of-life allocation approach, waste destined for recovery is associated only with the impact of transport to the treatment plant; for the disposal share, Ecoinvent emissions factors were used that take the average distribution between landfill and incineration into account.
- 5.1 - End-of-life emissions of products sold: the same calculation method was used for this category 4.5.

With reference to the content of the paragraph "Methodology note" in the chapter "General Information – basis for preparations", and in particular to the criteria for identifying the significant categories or categories subject to quantification, below is an overview of the categories relevant to the Group according to the ISO 14064 scheme.

Description	Cat. ISO	Magnitude	Influence and control	Figure availability	Significant?	Ref to GHG Protocol
Direct emissions from facilities or owned vehicles						
Energy vectors produced						
Combustion of natural gas	1	High	Direct C.	Available	Yes	1.a
Combustion of biogas	1	n.a.	n.a.	n.a.	NO	
Combustion of biomethane	1	n.a.	n.a.	n.a.	NO	
Combustion of woody biomass	1	n.a.	n.a.	n.a.	NO	
Combustion of diesel	1	Low	Direct C.	Available	Yes	1.a
Other direct emissions by owned facilities					NO	
Emissions from agricultural activities in fields	1	n.a.	n.a.	n.a.	NO	
Emissions and absorptions from forestry	1	n.a.	n.a.	n.a.	NO	
Direct emissions from the livestock sector	1	n.a.	n.a.	n.a.	NO	
Use and change of use of soil	1	n.a.	n.a.	n.a.	NO	
Emissions and removal from chemical reactions	1	n.a.	n.a.	n.a.	NO	
Other monitored emissions into the air	1	Low	Direct C.	Obtainable	Yes	1.d

F-GAS fugitive emissions	1	Low	Direct C.	Available	Yes	1.d
Combustion from mobile owned sources					NO	
Automobiles	1	Low	Direct C.	Available	Yes	1.b
Trucks	1	Media	Direct C.	Available	Yes	1.b
Watercraft	1	n.a.	n.a.	n.a.	NO	
Aircraft	1	n.a.	n.a.	n.a.	NO	
Operating machinery	1	Low	Direct C.	Available	Yes	1.b
Emissions from the purchase of energy					NO	
Energy sources purchased					NO	
Electrical energy	2	High	Direct C.	Available	Yes	2.a
Other energy vectors purchased	2	n.a.	n.a.	n.a.	NO	
Emissions from transports					NO	
Transport of goods					NO	
Procurement of raw materials	3	High	Indirect C.	Existing	Yes	4
Distribution of finished and semi-finished products	3	High	Indirect C.	Existing	Yes	9
Logistics between facilities	3	Low	Direct C.	Existing	Yes	4
Shifting of people					NO	
Personnel commuting	3	Media	Influence	Obtainable	NO	
Work trips (using non-company means)	3	Low	Indirect C.	Obtainable	NO	
Movements of clients and visitors	3	Low	Influence	Obtainable	NO	
Indirect emissions from mobile owned sources					NO	
Indirect emissions from owned automobiles	3	Low	Direct C.	Available	Yes	3
Indirect emissions from owned trucks	3	Low	Direct C.	Available	Yes	3
Indirect emissions from owned watercraft	3	n.a.	n.a.	n.a.	NO	
Indirect emissions from owned aircraft	3	n.a.	n.a.	n.a.	NO	
Indirect emissions from owned operating machinery	3	Low	Direct C.	Available	Yes	3
Emissions from the purchase of sales and services					NO	
Materials purchased					NO	
Raw and semifinished materials	4	High	Indirect C.	Existing	Yes	1
Packaging for products sold	4	Low	Indirect C.	Existing	Yes	1
Packaging for goods purchased	4	Low	Indirect C.	Obtainable	NO	
Other goods not directly connected to production	4	Low	Indirect C.	Obtainable	NO	
Indirect emissions through produced energy vectors					NO	
Indirect emissions from the combustion of natural gas	4	Low	Direct C.	Available	Yes	3
Indirect emissions from the combustion of biogas	4	n.a.	n.a.	n.a.	NO	
Indirect emissions from the combustion of biomethane	4	n.a.	n.a.	n.a.	NO	
Indirect emissions from the combustion of woody biomass	4	n.a.	n.a.	n.a.	NO	
Indirect emissions from the combustion of diesel	4	Low	Direct C.	Available	Yes	3
Indirect emissions from energy vectors purchased					NO	
Indirect emissions from electrical energy	4	Medium	Direct C.	Available	Yes	3
Indirect emissions from other energy vectors purchased	4	n.a.	n.a.	n.a.	NO	
Durable assets and infrastructure					NO	
Machinery and other durable assets	4	Low	Indirect C.	Obtainable	NO	
Infrastructure	4	Medium	Influence	Obtainable	NO	
Electronic devices	4	Low	Indirect C.	Obtainable	NO	
Other assets not directly connected to production	4	Low	Indirect C.	Obtainable	NO	
Services					NO	
Outsourced production processes	4	Medium	Indirect C.	Obtainable	Yes	1
IT services	4	Low	Indirect C.	Obtainable	NO	

Other auxiliary services	4	Low	Indirect C.	Obtainable	NO	
Facility waste treatment (special waste)	4	Low	Direct C.	Existing	Yes	5
Waste treatment involving collection by city services	4	Low	Indirect C.	Obtainable	NO	
Emissions associated with the use of the organisation's products					NO	
Downstream of the products sold					NO	
Phase of the product's use	5	Media	Influence	Obtainable	NO	
Disposal of the product	5	High	Influence	Obtainable	Yes	12
Disposal of the product packaging	5	Low	Influence	Obtainable	Yes	12
Financial investments					NO	
Consumer loan	5	Low	Influence	Obtainable	NO	
Project finance	5	Low	Influence	Obtainable	NO	
Corporate loan	5	Low	Influence	Obtainable	NO	
Listed and equity bonds	5	Low	Influence	Obtainable	NO	
Private equity and debts include venture capital	5	Low	Influence	Obtainable	NO	
Advisory services, if relevant	5	Low	Influence	Obtainable	NO	
Other emissions					NO	
Employee activities	6				NO	
Employee food (not at the cafeteria)	6	Low	Influence	Obtainable	NO	
Remote working	6	Low	Indirect C.	Obtainable	NO	

Health and safety

The injury frequency rate is calculated as the ratio between the total number of recordable incidents (incidents resulting in at least one lost workday and/or medical treatment and/or restricted work cases) and the number of hours worked during the same period, multiplied by 1,000,000, as prescribed by the EFRAG Application Requirement (AR 89). The major accident frequency index is calculated as the ratio of the total number of accidents to the number of hours worked in the same period, multiplied by 1,000,000.

Employees

Employee data are represented as personnel at 31 December of the reference periods, and not as FTE (Full-time equivalent) data.

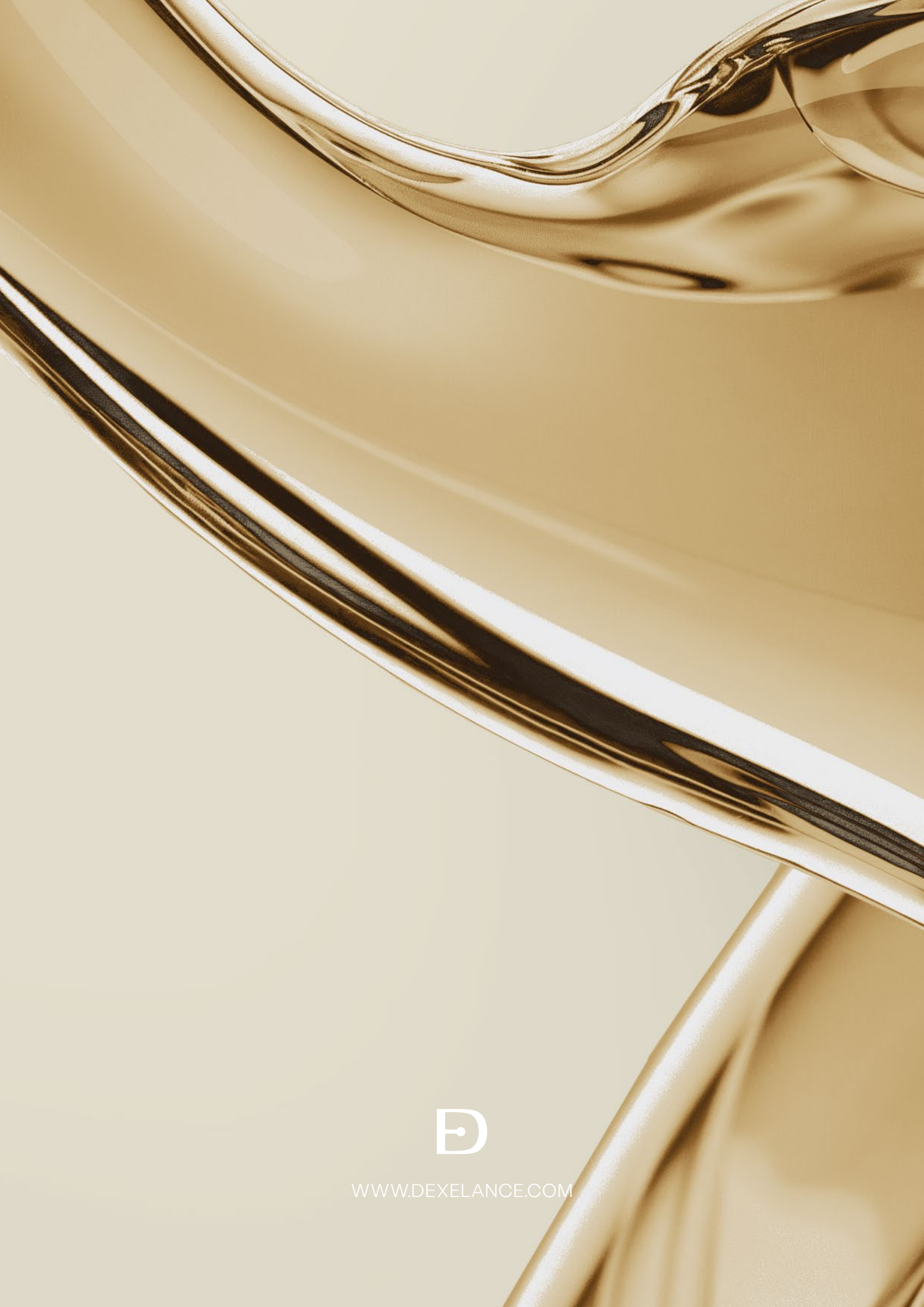
Contacts and document review

This document was approved on 11 March 2025 and is subject to a limited assurance engagement according to the International Standard on Assurance Engagements principle ISAE 3000 (revised) by EY S.p.A. For further information on the Dexelance Group's sustainability strategy and the contents of this reporting, please write to the following address:

investors@dexelance.com

DEXELANCE S.p.A.

Registered Office in Milan (MI) – Corso Venezia, 29
Share Capital EUR 26.926.298
Milan Economic and Administrative Index No. 2062252
Tax code and registration no. in the Milan Business and Trade Registry: 09008930969



WWW.DEXELANCE.COM